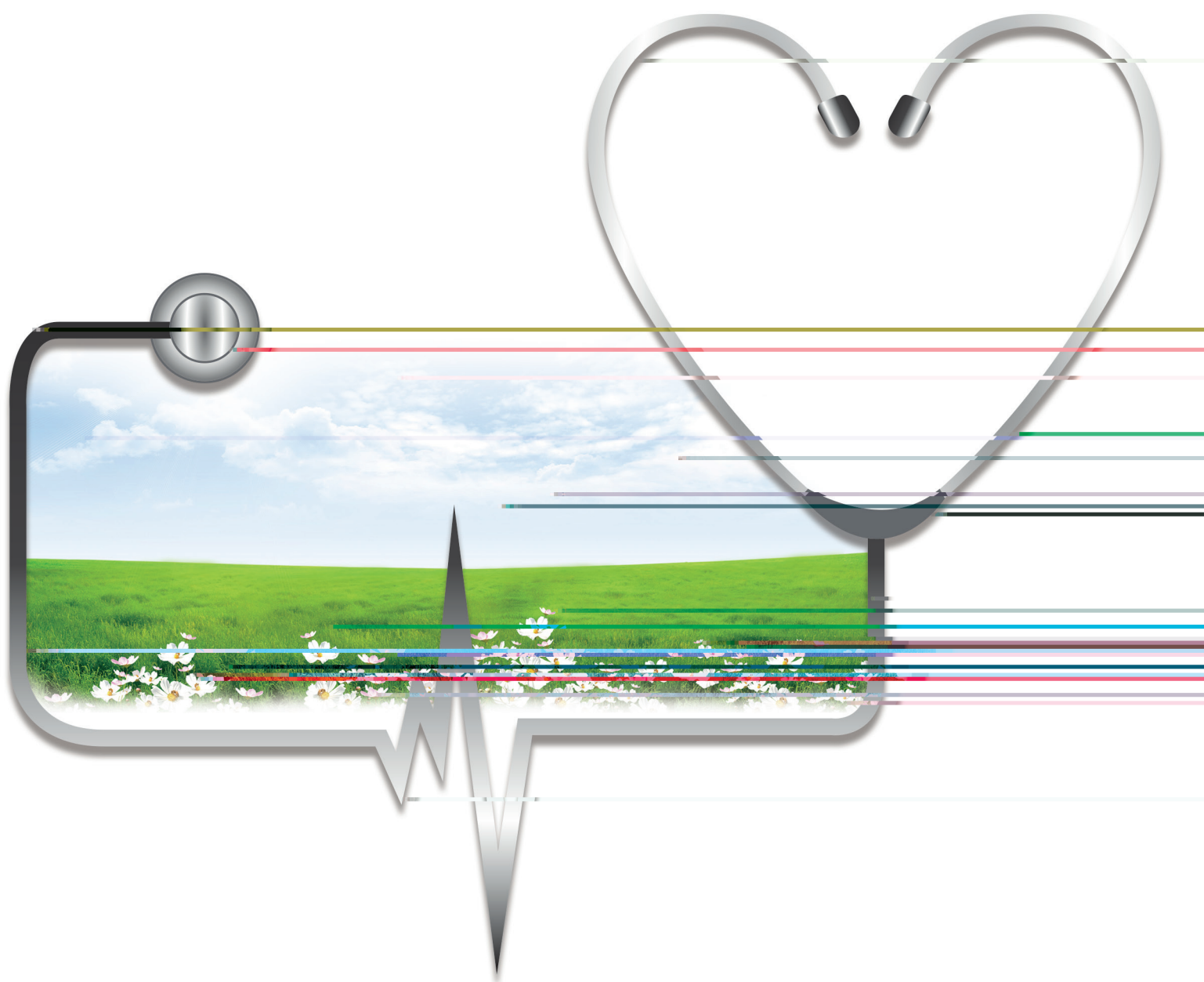




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Corporate Information

Board of Directors

Executive Directors

Mr. GUAN W. (Chairman)

Mr. WANG L.

Mr. WANG H.

Non-Executive Directors

Mr. YANG Y.

Mr. LIN L.

Independent Non-Executive Directors

Mr. CHONG Y. K.

Mr. HUANG

Mr. GOT C. K. G.

Administrative and Finance

Mr. HUANG (Chief Executive Officer)

Mr. GOT C. K. G.

Mr. LIN L.

Non-Executive Chairman

Mr. GOT C. K. G. (Chairman)

Mr. CHONG Y. K.

Mr. GUAN W.

Research and Development

Mr. CHONG Y. K. (Chairman)

Mr. HUANG

Mr. YANG Y.

Supervisory Board

Mr. GUAN W. (Chairman)

Mr. HUANG

Mr. YANG Y.

Supervisory Board

Mr. SUN F. (Chairman)

Mr. HUANG J.

Mr. XIE T.

Mr. QIAN C.

Mr. MA J.

Joint Venture Company

Mr. WANG J.

Mr. NG W. S.

Administrative and Finance

Mr. WANG H.

Mr. NG W. S.

Assets

Beijing Kangning Hospital Co., Ltd. T. LLP



Corporate Information

Board of Directors

18/F, Tower 1, Citicorp
28 Queen's Road East,
Wanchai,
Hong Kong

HSBC Research

Citigroup Hong Kong Securities Limited
Suites 1712-1716, 17/F, Citicorp
Hong Kong
183 Queen's Road East,
Wanchai,
Hong Kong

Securities

2120

Citigroup Web

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Investor Relations

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Fax: (86) 577 8878 9117
Email: ir@citigroup.com



Financial Highlights

	For the six months ended June 30,	
	2017 (RMB'000) (Unaudited)	2016 (RMB'000) (Unaudited)
Revenue	283,136	189,680
Profit before income taxes	42,319	36,818
Income taxes	(12,014)	(10,531)
Net income	30,305	26,287
Net income attributable to common shareholders	31,710	28,208
Net loss attributable to common shareholders	(1,405)	(1,921)

	As of June 30, 2017 (RMB'000) (Unaudited)	As of December 31, 2016 (RMB'000) (Audited)
Total assets	1,757,386	1,603,382
Total liabilities	689,664	562,012
Total equity	1,067,722	1,041,370
Equity attributable to common shareholders	1,022,149	1,008,384
Net assets attributable to common shareholders	45,573	32,986



I have been thinking about you since 2017, and I hope you are well.

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 ... B ... L ... T ... G ... H ... Y ... H ... C ... ()T ()T0T (C)T ()T2H.



Management Discussion and Analysis

Located in the PRC, the Company's operations are primarily in the PRC. The Company's principal executive offices are located at No. 100, Qianyan Highway, Pingliang County, Shaanxi Province, PRC. The Company's registered office is located at No. 100, Qianyan Highway, Pingliang County, Shaanxi Province, PRC. The Company's principal executive offices are located at No. 100, Qianyan Highway, Pingliang County, Shaanxi Province, PRC.

Financial Review

The Company's total assets were RMB283.1 million at the end of 2016, compared with RMB44.0 million at the end of 2015, an increase of 540.5%. The Company's total liabilities were RMB239.1 million at the end of 2016, compared with RMB44.0 million at the end of 2015, an increase of 441.1%. The Company's net assets were RMB44.0 million at the end of 2016, compared with RMB44.0 million at the end of 2015, an increase of 0.0%. The Company's operating income was RMB26.1 million in 2016, compared with RMB4.0 million in 2015, an increase of 552.5%. The Company's net profit was RMB3.1 million in 2016, compared with RMB0.4 million in 2015, an increase of 675.0%. The Company's cash and cash equivalents were RMB31.7 million at the end of 2016, compared with RMB5.8 million at the end of 2015, an increase of 446.7%. The Company's cash and cash equivalents were RMB7.2 million at the end of 2015, compared with RMB0.4 million at the end of 2014, an increase of 1700.0%.

Research and Development

The Company's research and development expenses were RMB1.2 million in 2016, compared with RMB0.4 million in 2015, an increase of 200.0%. The Company's research and development expenses were RMB0.4 million in 2015, compared with RMB0.1 million in 2014, an increase of 300.0%.

Management Discussion and Analysis

Table 1: Revenue and Profit Performance Comparison

	For the six months ended June 30,	
	2017	2016
	(RMB'000) (Unaudited)	(RMB'000) (Unaudited)
Revenue from sales of products	226,529	178,979
Revenue from sales of services	11,579	8,838
Revenue from other sources	987	1,863
Total revenue	239,095	189,680
Revenue from sales of products	44,041	-
Total revenue	283,136	189,680

During the six months ended June 30, 2017, the Company's revenue was RMB283.1 million, an increase of 49.3% compared with the revenue of RMB189.7 million for the same period in 2016, mainly due to the increase in revenue from sales of products, which increased by RMB26.6 million, or 26.6%, compared with the same period in 2016. The revenue from sales of services increased by RMB2.7 million, or 31.0%, compared with the same period in 2016. The revenue from other sources decreased by RMB0.9 million, or 41.4%, compared with the same period in 2016. The revenue from sales of products accounted for 49.3% of the total revenue, compared with 41.4% in 2016. The revenue from sales of services accounted for 4.8% of the total revenue, compared with 4.7% in 2016. The revenue from other sources accounted for 0.2% of the total revenue, compared with 0.9% in 2016. The revenue from sales of products was the main source of revenue for the Company, and the revenue from sales of services and other sources was relatively small.



Management Discussion and Analysis

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

Revenue and cost of revenue from operating the Group's owned hospitals are as follows:

	For the six months ended June 30,	
	2017	2016
	(RMB'000) (Unaudited)	(RMB'000) (Unaudited)
Treatment and general healthcare services		
Revenue	166,226	129,416
Cost of revenue	102,118	73,792
Gross profit	64,108	55,624
Pharmaceutical sales		
Revenue	60,303	49,563
Cost of revenue	49,515	40,834
Gross profit	10,788	8,729
Owned hospitals		
Revenue	226,529	178,979
Cost of revenue	151,633	114,626
Gross profit	74,896	64,353

During the Reporting Period, the Group's owned hospitals generated RMB226.5 million, of which RMB47.6 million were generated from the six months ended June 30, 2016, and RMB178.979 million were generated from the six months ended June 30, 2017. The Group's owned hospitals generated RMB22.8 million (cost of revenue) during the six months ended June 30, 2016: RMB0.5 million (cost of revenue).



Management Discussion and Analysis

The following table provides a summary of the Company's financial performance for the six months ended June 30, 2017 and 2016.

	For the six months ended June 30,	
	2017	2016
Income		
Income before income taxes	3,050	2,300
Income tax expense	552,050	418,600
Income after income taxes (%)	85.9%	88.6%
Net income		



Management Discussion and Analysis

During the Reporting Period, the Company's stock price fluctuated between RMB187.00 and RMB190.00, with a high of RMB190.00 and a low of RMB187.00. The Company's stock price increased by 30.1% from the end of the previous reporting period to the end of the reporting period.



Management Discussion and Analysis

Management Discussion and Analysis

Revenue decreased by 1.2% to RMB44.0 million (June 30, 2016: RMB44.0 million), net income decreased by 1.2% to RMB41.4 million (June 30, 2016: RMB42.6 million), and operating income decreased by 1.2% to RMB37.6 million (June 30, 2016: RMB38.8 million). The decrease in revenue was primarily due to the decrease in the number of inpatients and the decrease in the average length of stay. The decrease in net income was primarily due to the decrease in revenue and the increase in the provision for doubtful accounts. The decrease in operating income was primarily due to the decrease in revenue and the increase in the provision for doubtful accounts.

Gross Profit and Gross Profit Margin

During the period, the gross profit was RMB92.0 million (June 30, 2016: RMB92.0 million), and the gross profit margin was 31.2% (June 30, 2016: 31.2%). The gross profit margin was primarily determined by the gross profit and the revenue. The gross profit margin was 31.2% (June 30, 2016: 31.2%) and the gross profit was RMB81.6 million (June 30, 2016: RMB81.6 million).

	For the six months ended June 30,	
	2017 (Unaudited)	2016 (Unaudited)
Total gross profit margin	38.6%	43.0%
Operating gross profit margin	17.9%	17.6%
Net gross profit margin	54.6%	51.1%
Revenue	23.9%	66.0%
Consolidated gross profit margin	32.5%	37.0%

During the period, the gross profit margin was 32.5% (June 30, 2016: 37.0%), and the gross profit was RMB81.6 million (June 30, 2016: RMB81.6 million). The gross profit margin was primarily determined by the gross profit and the revenue. The gross profit margin was 32.5% (June 30, 2016: 37.0%) and the gross profit was RMB81.6 million (June 30, 2016: RMB81.6 million). The gross profit margin was 32.5% (June 30, 2016: 37.0%) and the gross profit was RMB81.6 million (June 30, 2016: RMB81.6 million).

Management Discussion and Analysis

Tax and Surcharge

During the Reporting Period, the Company's Tax and Surcharge was RMB3.9 million (including income tax, stamp duty, etc.). For the six months ended June 30, 2016: RMB34.1 million (including income tax, stamp duty, etc.). The Company's Tax and Surcharge was RMB3.9 million for the Reporting Period.

Selling Expenses

During the Reporting Period, the Company's Selling Expenses were RMB0.4 million (including advertising, business travel, etc.). For the six months ended June 30, 2016: RMB1.0 million (including advertising, business travel, etc.). The Company's Selling Expenses were RMB0.4 million for the Reporting Period, which was 56.3% of the Selling Expenses for the six months ended June 30, 2016. The Company's Selling Expenses were RMB0.4 million for the Reporting Period, which was 0.2% of the Company's Total Revenue for the Reporting Period. For the six months ended June 30, 2016: 0.5% of the Company's Total Revenue for the six months ended June 30, 2016.

Administrative Expenses

During the Reporting Period, the Company's Administrative Expenses were RMB39.8 million (including salaries, depreciation, etc.). For the six months ended June 30, 2016: RMB36.4 million (including salaries, depreciation, etc.). The Company's Administrative Expenses were RMB39.8 million for the Reporting Period, which was 56.3% of the Administrative Expenses for the six months ended June 30, 2016. The Company's Administrative Expenses were RMB39.8 million for the Reporting Period, which was 0.2% of the Company's Total Revenue for the Reporting Period. For the six months ended June 30, 2016: 0.5% of the Company's Total Revenue for the six months ended June 30, 2016.

	For the six months ended June 30,	
	2017	2016
	(RMB'000) (Unaudited)	(RMB'000) (Unaudited)
Employee salaries and wages	17,968	15,247
Lease fees	7,956	8,477
Depreciation	3,980	3,708
Office expenses	2,667	1,791
Transportation	1,615	1,492
Others	5,628	5,644
Total administrative expenses	39,814	36,359



Management Discussion and Analysis

During the Reporting Period, the Company's operating income was RMB39.8 million (compared with RMB36.4 million for the same period in 2016), an increase of 9.5%. The Company's operating profit was RMB2.7 million (compared with RMB2.7 million for the same period in 2016), an increase of 16.3% (compared with RMB2.7 million for the same period in 2016: 19.2%), an increase of 16.3% (compared with RMB2.7 million for the same period in 2016: 19.2%). The Company's net profit was RMB1.7 million (compared with RMB1.7 million for the same period in 2016: 19.2%). The Company's net profit was RMB1.7 million (compared with RMB1.7 million for the same period in 2016: 19.2%).

Finance (Expense)/Income - Net

During the Reporting Period, the Company's net finance expense was RMB10.4 million (compared with RMB20.2 million for the same period in 2016), a decrease of 48.5%. The Company's net finance expense was RMB10.4 million (compared with RMB20.2 million for the same period in 2016), a decrease of 48.5%.

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Interest income	1,907	3,102
Finance expense (net of interest income)	(7,730)	9,592
Net finance expense	(1,691)	-
Net finance expense	(2,725)	(2,777)
Net finance expense	(198)	(131)
Finance (expenses)/income – Net	(10,437)	9,786

During the Reporting Period, the Company's net finance expense was RMB10.4 million (compared with RMB20.2 million for the same period in 2016), a decrease of 48.5%. The Company's net finance expense was RMB10.4 million (compared with RMB20.2 million for the same period in 2016), a decrease of 48.5%. The Company's net finance expense was RMB10.4 million (compared with RMB20.2 million for the same period in 2016), a decrease of 48.5%.

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Management Discussion and Analysis

Non-Operating Income (Expenses) and Other Income

Q. 2017年6月30日止六个月的非经常性损益及非经常性损益明细表如下:

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Gain from disposal of long-term equity investments	5,246	143
Gain from disposal of subsidiaries	131	42
Non-operating income	5,377	185
Depreciation	(2,247)	(1,935)
Loss from disposal of long-term equity investments	(96)	(84)
Q. 2017年6月30日止六个月的非经常性损益及非经常性损益明细表如下:	(326)	(435)
Non-operating expenses	(2,669)	(2,454)
Other gain	2,693	-

D. 2017年6月30日止六个月的非经常性损益及非经常性损益明细表如下: RMB5.4
 RMB4.8
 G. 2017年6月30日止六个月的非经常性损益及非经常性损益明细表如下: T
 RMB2.7
 RMB2.7



Management Discussion and Analysis

Income Tax Expense

During the Reporting Period, the Company's income tax expense was RMB12.0 million (compared with RMB10.5 million for the same period in 2016, an increase of 14.1%). The Company's effective income tax rate was 14.9% for the Reporting Period, compared with 28.4% for the same period in 2016. For the Reporting Period ended June 30, 2017, compared with 28.6% for the same period in 2016, the Company's income tax expense was RMB12.0 million (compared with RMB10.5 million for the same period in 2016, an increase of 14.1%).

Total Comprehensive Income

During the Reporting Period, the Company's total comprehensive income was RMB31.7 million (compared with RMB29.5 million for the same period in 2016, an increase of 7.5%).

The Company's total comprehensive income was RMB3.4 million (compared with RMB3.4 million for the same period in 2016, an increase of 0%). The Company's total comprehensive income was RMB7.7 million (compared with RMB7.7 million for the same period in 2016, an increase of 0%).

During the Reporting Period, the Company's total comprehensive income was RMB3.9 million (compared with RMB3.9 million for the same period in 2016, an increase of 0%). The Company's total comprehensive income was RMB35.6 million (compared with RMB35.6 million for the same period in 2016, an increase of 26.2%). The Company's total comprehensive income was RMB35.6 million (compared with RMB35.6 million for the same period in 2016, an increase of 26.2%).



Inventory

C - Case No. J-06789-I Date Filed July 30, 2017 Page 1 of 1

Trade Receivables

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



Management Discussion and Analysis



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

A 10, J 30, 2017, RMB60.7 (D 31, 2016: RMB71.1), P II W B C W H E M C RMB14.9

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

L. ... C. ... R. ...

There is a large number of people who are not interested in the Government of the United States.

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Net operating income	3,472	37,984
Net financial income	(134,699)	(159,031)
Net income	61,809	22,062
Net (loss)/income attributable to equity holders of the Company	(76,732)	(96,088)

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



Net Cash Used in Investing Activities

Net Cash Generated from Financing Activities

Significant Investment, Acquisition and Disposal

Introduction

Contingent Liabilities

Asset Pledge

2017 INTERIM REPORT



Management Discussion and Analysis

Contractual Obligations

At December 31, 2017, the Company has contractual obligations of RMB332.0 million.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable, and other financial instruments. The Company's financial instruments are classified as financial assets and financial liabilities.

Exposure to Fluctuation in Exchange Rates

The Company's financial statements are presented in Renminbi Yuan (RMB). The Company's functional currency is RMB. The Company's exposure to fluctuation in exchange rates is as follows:



Corporate Governance and Other Information

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

The Audit Committee (the "A/C") was established on March 21, 2017, pursuant to the Company's Charter and the CG Code. The A/C is composed of three independent non-executive directors, Mr. HUANG JIAN (Chairman of the A/C), Mr. GOTCHONG KONGGEE, and Mr. LIN LING. The A/C has reviewed the Interim Report and the Interim Results of the Company for the period ended June 30, 2017, and has approved the Interim Report and the Interim Results for publication.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Company did not purchase, sell or redeem any of its listed securities.

CHANGE IN DIRECTORS

On June 14, 2017, Mr. LIN LING was appointed as an independent non-executive director of the A/C, replacing Mr. BAI DONG. On June 14, 2017, the AGM decided to appoint Mr. HE XIAO as an independent non-executive director of the A/C, replacing Mr. JIN JIANG.

On June 14, 2017, Mr. GUAN WEN, Mr. WANG LING, Mr. WANG HUI, Mr. YANG YI, Mr. CHONG YI, Mr. HUANG JIAN, Mr. GOTCHONG KONGGEE, and Mr. LIN LING were appointed as directors of the Company at the AGM.

CHANGE IN SUPERVISORS

On June 14, 2017, Mr. QIAN CHANG and Mr. MA JIAN were appointed as supervisors of the Company, replacing Mr. SONG YU and Mr. CHEN YU. On June 14, 2017, the AGM decided to appoint Mr. SONG YU and Mr. CHEN YU as supervisors of the Company.

On June 14, 2017, Mr. HUANG JIAN was appointed as the Chairman of the A/C, replacing Mr. SONG YU. On June 14, 2017, the AGM decided to appoint Mr. SUN FENG and Mr. XIE TAO as members of the A/C, replacing Mr. SONG YU and Mr. CHEN YU. On June 12, 2017, the AGM decided to appoint Mr. SONG YU and Mr. CHEN YU as supervisors of the Company.



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

Position held with other members of the Group and term of office

Name	Position held in the Company	Change in biographical details
Mr. WANG H. 王 昊	Executive Director	Mr. WANG H. 王 昊, born on September 1, 1978, is a Chinese citizen, holds a Bachelor's degree, and is a senior economist. He graduated from Shanghai University of Finance and Economics (上海財經大學) in 2001, and has been working for the company since January 2017.
Mr. YANG Y. 楊 宇	Non-executive Director	Mr. YANG Y. 楊 宇, born on November 1, 1970, is a Chinese citizen, holds a Bachelor's degree, and is a senior economist. He graduated from Guangdong University of Finance and Economics (廣東省金融學院) in 1993, and has been working for the company since January 2017.

S $\frac{1}{2}$ C $\frac{1}{2}$ D $\frac{1}{2}$ S $\frac{1}{2}$ R 13.51B H K L R

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



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

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

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

A, J 30, 2017, D, S, C, S, C, S, 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, :

26

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. 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.



Corporate Governance and Other Information

Interests of Substantial Shareholders

As at June 30, 2017, the following persons or entities held 1% or more of the issued share capital of the Company. The names of the substantial shareholders are listed in the table below. The names of the substantial shareholders are listed in the table below. The names of the substantial shareholders are listed in the table below.

Corporate Governance and Other Information

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⁾
J. I. C. L. ⁽⁸⁾	D. S.	I. C. L. S.	2,780,000 (L)	5.27%	3.81%
C. I.	HS	I. C. L. S. / P. S.	2,822,966 (L) 58,266 (S)	13.95% 0.29%	3.86% 0.08%
B. A. M. L.	HS	I. C. L. S.	3,052,400 (L)	15.08%	4.18%
B. LLC (C. I. S. B. C. M. LLC)	HS	I. C. L. S.	3,034,200 (L)	14.99%	4.15%
N. T. F. S. (L)	HS	T. S.	2,093,700 (L)	10.34%	2.87%
O. M. A. LLC	HS	I. C. L. S.	1,454,000 (L)	7.18%	2.00%
O. M. C. LLC	HS	I. C. L. S.	2,150,900 (L)	10.63%	2.94%
O. M. P. M. F. L.	HS	B. C. L.	1,279,900 (L)	6.32%	1.75%
R. C. M. C. L.	HS	I. C. L. S.	2,803,800 (L)	13.85%	3.84%
O. M. P. II, LP	HS	B. C. L.	1,052,000 (L)	5.20%	1.44%
M. S.	HS	I. C. L. S.	1,208,534 (L) 1,143,634 (S)	5.97% 5.65%	1.65% 1.57%
UBS G. AG	HS	I. C. L. S.	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. HAO Y. 99.90% S. Q. I. M. L.P. T. P. VX. SFO, M. 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. S. 336 SFO.

B. B.

Wenzhou Kangning Hospital Co., Ltd.

Guan Weili

C.

PRC

A. 18, 2017

Consolidated Balance Sheet

As at 30 June 2017

(Amounts in RMB Yuan, unless otherwise specified)

		30 June 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents	4(1)	360,431,821	496,614,542
Accounts receivable	4(2)	195,213,586	142,938,440
Other receivables	4(3)	56,099,625	54,672,733
Prepaid expenses	4(4)	19,717,584	22,283,987
Inventory	4(5)	176,567,409	162,827,694
Other current assets		12,688,704	12,688,704
Total current assets		820,718,729	892,026,100
Non-current assets			
Long-term equity investments	4(6)	50,000,000	50,000,000
Long-term receivables	4(7)	60,198,228	22,429,070
Intangible assets	4(8)	72,191,872	72,191,872
Fixed assets	4(9)	188,059,052	97,666,540
Deferred tax assets	4(10)	257,092,404	198,066,153
Long-term prepayments	4(11)	153,162,424	125,865,371
Goodwill	4(12)	8,533,389	8,533,389
Long-term prepayments	4(13)	109,388,448	88,855,792
Deferred tax liabilities	4(14)	20,707,981	20,300,383
Other non-current assets	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

As at 30 June 2017

(Amounts in RMB Yuan)

		30 June 2017 (Unaudited)	31 December 2016 (Audited)
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LIABILITIES AND OWNERS' EQUITY

Current liabilities

Short-term borrowings	4(17)	120,000,000	30,000,000
Accounts payable	4(18)	80,476,871	43,271,014
Accounts receivable	4(19)	60,895,262.63	15,316,090.00
Other current liabilities	4(20)	15,316,090.00	15,316,090.00

Consolidated Balance Sheet

As at 30 June 2017

(Amounts in thousands of RMB Yuan)

		30 June 2017 (Unaudited)	31 December 2016 (Audited)
	Notes		
Owners' equity			
Share capital	4(27)	73,040,000	73,040,000
Capital reserves	4(28)	795,919,512	795,604,861
Surplus reserves	4(29)	18,548,942	18,548,942
Retained earnings	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

The consolidated balance sheet is approved by the Board of Directors on 2017.07.05.

Liabilities:

Reserves:

Other:

Company Balance Sheet

As at 30 June 2017

(Amount in RMB Yuan, rounded to the nearest million)

		30 June 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		310,987,232	445,980,786
Accounts receivable	15(1)	94,014,286	82,359,131
Accounts payable		6,425,929	4,941,566
Prepaid expenses	15(2)	411,296,181	263,651,111
Inventory		7,662,978	6,115,311
Due from related parties		—	10,000,000
Other current assets		12,688,704	12,688,704
Total current assets		843,075,310	825,736,609
Non-current assets			
Long-term equity investments	4(6)	50,000,000	50,000,000
Long-term receivables	15(3)	115,241,073	115,854,920
Long-term prepayments		—	—
Fixed assets		61,421,643	59,318,225
Deferred tax assets		245,122,053	165,085,994
Intangible assets		103,775,836	106,549,041
Long-term payables		22,802,514	25,035,472
Due to related parties		5,398,840	4,833,044
Other non-current assets		98,840,988	—

Company Balance Sheet

As at 30 June 2017

(Amounts in RMB Yuan)

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
LIABILITIES AND OWNERS' EQUITY		
Current liabilities		
Short-term borrowings	80,000,000	30,000,000
Accounts payable	25,349,824	21,549,595
Accounts receivable	5,467,815	2,997,368
Other receivables	11,546,147	15,533,171
Trade payables	5,381,943	18,302,075
Other payables	54,381,886	22,931,803
Dividends payable	18,260,000	-
Other current liabilities	17,480,304	17,480,304
Total current liabilities	217,867,919	128,794,316
Non-current liabilities		
Long-term borrowings	129,000,000	130,000,000
Long-term payables	89,463,200	86,738,600
Deferred income	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

As at 30 June 2017

(Amounts in RMB Yuan)

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Non-current assets		
Land and buildings	73,040,000	73,040,000
Construction in progress	800,028,177	799,821,777
Subsidiaries	18,548,942	18,548,942
Receivables	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

Total assets

Liabilities: Borrowings: Other liabilities:



Consolidated Income Statement

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

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

Company Income Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

Item	Note	Six months ended 30 June	
		2017	2016
1. Revenue	15(4)	148,646,233	131,103,331
Less: Cost of sales	15(4)	(94,337,473)	(87,595,906)
Transportation		(576,431)	-
Selling expenses		(150,812)	(546,136)
General administrative expenses		(19,463,125)	(19,166,368)
Finance (income)/loss		(9,850,566)	9,756,565
Assets impairment loss		(1,441,742)	(420,780)
Assets impairment gain	15(5)	(613,847)	(2,199,509)
Other income		2,692,900	-
2. Operating profit		24,905,137	30,931,197
Assets impairment loss		5,342,360	169,893
Less: Non-operating expenses		(1,094,127)	(1,183,356)
Interest income: Government subsidies		(88,205)	(78,240)
3. Total profit		29,153,370	29,917,734
Less: Income tax		(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

Total non-current assets impairment loss: 1,441,742

Less: Government subsidies: 88,205 Research and development expenses: 1,094,127 Other income: 2,692,900

Consolidated Statements of Cash Flows

For the period ended 30 June 2017

(Amounts in RMB Yuan, unless otherwise specified)

Item	Note	Six months ended 30 June	
		2017	2016
1. Cash flows from operating activities			
Cash inflows from sales of goods and services		218,044,330	185,216,096
Cash inflows from other operating activities	4(44) ()	16,104,834	13,577,071
Sub-total of cash inflows		234,149,164	198,793,167
Cash outflows for purchase of property, plant and equipment		(84,493,508)	(57,860,296)
Cash outflows for purchase of intangible assets		(74,861,390)	(60,575,485)
Payment of interest		(33,608,262)	(14,053,392)
Cash outflows for other operating activities	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			
Cash inflows from disposal of property, plant and equipment		3,225,000	-
Net cash inflows from disposal of subsidiaries	4(44) ()	—	2,039,728
Cash outflows for acquisition of subsidiaries	4(44) ()	91,007,687	898,631
Sub-total of cash inflows		94,232,687	2,938,359
Cash outflows for purchase of property, plant and equipment		(158,053,650)	(71,372,976)
Cash outflows for purchase of intangible assets		(37,878,286)	(88,096,114)
Cash outflows for other investing activities	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

For the period ended 30 June 2017

(Amounts in RMB Yuan, unless otherwise specified)

Item	Note	Six months ended 30 June	
		2017	2016



Company Statements of Cash Flows

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

Item	Note	Six months ended 30 June	
		2017	2016
1. Cash flows from operating activities			
Cash received from customers		138,290,861	133,520,211
Cash received from other parties		12,987,817	15,641,017
Sub-total of cash inflows		151,278,678	149,161,228
Cash paid for purchases of raw materials		(51,345,969)	(42,855,139)
Cash paid for salaries and other employee benefits		(48,111,926)	(44,515,564)
Paid for other operating activities		(20,784,880)	(7,441,244)
Cash paid for interest and dividends		(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			
Cash received from disposal of fixed assets		3,225,000	10,400,000
Cash received from disposal of intangible assets		10,000,000	21,700,000
Cash received from disposal of other long-term assets		91,533,764	852,986
Sub-total of cash inflows		104,758,764	32,952,986
Cash paid for acquisition of fixed assets		(54,850,765)	(32,914,353)
Cash paid for acquisition of intangible assets		—	(131,118,614)
Cash paid for acquisition of other long-term assets		(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

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

Item	Note	Six months ended 30 June	
		2017	2016
3. Cash flows from financing activities			
Cash received from issuing shares		50,000,000	50,000,000
Sub-total of cash inflows		50,000,000	50,000,000
Cash paid for acquisition of subsidiaries		(1,000,000)	(30,000,000)
Cash paid for acquisition of intangible assets		(1,348,500)	-
Cash paid for acquisition of property and equipment		(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)
At the beginning of the period		356,529,786	339,907,374
6. Cash and cash equivalents at end of the period		280,987,232	234,707,222

The accompanying notes are an integral part of these financial statements.

Liabilities:

Receivables:

Healthcare services:



Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

(Amounts in thousands of RMB Yuan, unless otherwise stated)

	Equity attributable to owners of the parent company				Non-controlling interests	Total owners' equity
	Share capital	Capital surplus	Surplus reserve	Retained earnings		
Number of shares						
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						
Total						
Number of shares						

Consolidated Statement of Changes in Equity

For the period ended 30 June 2017

(Amounts in RMB Yuan, unless otherwise specified)

	Equity attributable to owners of the Company					Non-controlling interests
	Share capital	Reserves	Other comprehensive income	Retained earnings		Total
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						
Transfer from retained earnings to share capital				28,208,189	(1,920,926)	26,287,263
Change in share capital						
Change in share capital					2,400,000	2,400,000
Share-based payment	9	1,155,567				1,155,567
Quoted share					11,729,151	11,729,151
Reserve for contingencies						
Reserve for contingencies	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

Total equity attributable to owners of the Company

Liabilities

Reserves

Equity

Company Statement of Changes in Equity

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise indicated)

	Number of shares	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						
Transfer from retained earnings to surplus reserve		—	—	—	21,231,390	21,231,390
Capital increase by issuing shares						
Share issue premium	9	—	206,400	—	—	206,400
Reserve transfer to capital surplus	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						
Transfer from retained earnings to surplus reserve		—	—	—	21,633,902	21,633,902
Capital increase by issuing shares						
Share issue premium	9	—	1,155,567	—	—	1,155,567
Reserve transfer to capital surplus	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

Total number of shares issued: 73,040,000 shares

Liabilities:

Reserves:

Equity:

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

1. General information

The Company is a limited liability company incorporated in the People's Republic of China (PRC) on 7 February 1996. The Company is a public company listed on the Shanghai Stock Exchange, PRC.

On 15 October 2014, the Company completed the initial public offering of 150,000,000 shares of the Company, listed on the Shanghai Stock Exchange, PRC.

The Company is a public company listed on the Shanghai Stock Exchange, PRC.

The Company is a public company listed on the Shanghai Stock Exchange, PRC.

The Company is a public company listed on the Shanghai Stock Exchange, PRC.

2. Significant accounting policies

The Group has adopted the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the PRC (N. 2(10)), the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the PRC (N. 2(11)), and the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the PRC (N. 2(23)).

The Group has adopted the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the PRC (N. 2(28)).

(1) Basis of preparation

The Group has adopted the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the PRC (N. 2(10)), the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the PRC (N. 2(11)), and the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the PRC (N. 2(23)).

The Group has adopted the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the PRC (N. 2(28)).

The Group has adopted the Accounting Standards for Business Enterprises (ASBE) issued by the Ministry of Finance of the PRC (N. 2(28)).

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

2. Significant accounting policies and accounting estimates

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

The Company has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC effective from 1 January 2017. The Company has also adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC effective from 1 January 2017.

(3) Accounting year

The Company's accounting year is from 1 January to 31 December.

(4) Recording currency

The Company's recording currency is RMB.

(5) Business combination

Business combination is the combination of two or more businesses under common control. The Company has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC effective from 1 January 2017. The Company has also adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC effective from 1 January 2017.



(A, RMB Y,)

[illegible]

(6) Preparation of consolidated financial statements



Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

2. Significant accounting policies and accounting estimates

(7) Cash and cash equivalents

Cash and cash equivalents are defined as the cash on hand and deposits with banks and other financial institutions that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

(8) Foreign currency translation

For the purpose of financial statements, foreign currency transactions are recorded in RMB at the exchange rate prevailing at the date of the transaction.

At the end of each reporting period, foreign currency monetary items are translated into RMB at the closing exchange rate.



(A, ... RMB Y, ...)

2. S ☒ $\frac{1}{2} \times 100 = 50$ (50%)

(9) Financial instruments (continued)

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Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting policies (continued)

(9) Financial instruments (continued)

(i) Financial assets (continued)

(a) Investment in equity instruments

The Group classifies its equity investments as either financial assets at cost or financial assets at fair value through other comprehensive income, depending on its business model and the characteristics of the equity instrument.

The Group classifies equity investments as financial assets at cost when the investments are not held for sale, and the Group's business model is to hold the investments for the long term to receive dividends or other long-term benefits. The Group classifies equity investments as financial assets at fair value through other comprehensive income when the investments are held for sale, and the Group's business model is to hold the investments for the long term to receive dividends or other long-term benefits.

When the Group classifies equity investments as financial assets at cost, the investments are measured at cost less impairment. When the Group classifies equity investments as financial assets at fair value through other comprehensive income, the investments are measured at fair value, with changes in fair value recognized in other comprehensive income. Dividends and other long-term benefits are recognized in profit or loss when received. The Group classifies equity investments as financial assets at fair value through profit or loss when the investments are held for sale, and the Group's business model is to hold the investments for the long term to receive dividends or other long-term benefits.

When the Group classifies equity investments as financial assets at fair value through profit or loss, the investments are measured at fair value, with changes in fair value recognized in profit or loss. Dividends and other long-term benefits are recognized in profit or loss when received.



Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

2. Significant accounting policies and accounting estimates (continued)

(9) Financial instruments (continued)

(i) Financial assets

Financial assets are classified into three categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the business purpose for which the financial assets are acquired. Management determines the classification of its financial assets at the time of initial recognition and re-evaluates such classification at each reporting date.

Financial assets at fair value through profit or loss include financial assets that are either held for trading or designated at fair value through profit or loss. The fair value of financial assets at fair value through profit or loss is determined using a valuation technique that uses significant unobservable inputs.

Financial assets at fair value through profit or loss are measured at fair value at each reporting date, with any changes in fair value recognized in profit or loss.

Financial assets at fair value through profit or loss are measured at fair value at each reporting date, with any changes in fair value recognized in profit or loss.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise indicated)

2. Significant accounting policies (continued)

(10) Receivables

Receivables are recognised initially at fair value and are subsequently measured at amortised cost less impairment. Trade receivables are recognised when the related goods have been transferred to the customer and the company has no significant continuing involvement in the goods.

Management estimates the impairment of receivables based on the following:

(1) Receivables are classified into three categories: (a) receivables from customers with a good credit record; (b) receivables from customers with a fair credit record; and (c) receivables from customers with a poor credit record.

Trade receivables are classified into three categories: (a) receivables from customers with a good credit record; (b) receivables from customers with a fair credit record; and (c) receivables from customers with a poor credit record.

Trade receivables are classified into three categories: (a) receivables from customers with a good credit record; (b) receivables from customers with a fair credit record; and (c) receivables from customers with a poor credit record.

(2) Receivables are classified into three categories:

For receivables from customers with a good credit record, the impairment loss is calculated as follows: (a) receivables from customers with a good credit record; (b) receivables from customers with a fair credit record; and (c) receivables from customers with a poor credit record.

Management estimates the impairment of receivables based on the following: (a) receivables from customers with a good credit record; (b) receivables from customers with a fair credit record; and (c) receivables from customers with a poor credit record.

(3) Receivables are classified into three categories:

Trade receivables are classified into three categories: (a) receivables from customers with a good credit record; (b) receivables from customers with a fair credit record; and (c) receivables from customers with a poor credit record.

Management estimates the impairment of receivables based on the following: (a) receivables from customers with a good credit record; (b) receivables from customers with a fair credit record; and (c) receivables from customers with a poor credit record.



Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting policies and accounting estimates (continued)

(10) Receivables (continued)

(i) Recognition and measurement

Financial assets are classified into three categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Receivables are classified as loans and receivables. Receivables are initially recognized at fair value, and subsequently measured at amortized cost using the effective interest method. Receivables are derecognized when the contractual rights to the cash flows have expired.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

2. Significant accounting policies (continued)

(12) Long-term equity investments

Long-term equity investments are measured at cost. If the investee is a company, the cost includes the purchase price and any directly attributable transaction costs. If the investee is an entity other than a company, the cost includes the purchase price and any directly attributable transaction costs, and the fair value of the consideration given for the investment.

Share-based payments are measured at the fair value of the equity instrument issued, less any directly attributable transaction costs. The fair value is determined by reference to the market price of the equity instrument at the date of the transaction.

Long-term equity investments are measured at cost, less any impairment losses. If the investee is a company, the cost includes the purchase price and any directly attributable transaction costs. If the investee is an entity other than a company, the cost includes the purchase price and any directly attributable transaction costs, and the fair value of the consideration given for the investment.

(13) Derivatives and hedging

Derivatives are measured at fair value. The fair value is determined by reference to the market price of the derivative at the date of the transaction. If the derivative is not traded in an active market, the fair value is determined by reference to the market price of the underlying asset or liability, or by using a valuation model.

(14) Share-based payments

Share-based payments are measured at the fair value of the equity instrument issued, less any directly attributable transaction costs. The fair value is determined by reference to the market price of the equity instrument at the date of the transaction.

Share-based payments are measured at the fair value of the equity instrument issued, less any directly attributable transaction costs. The fair value is determined by reference to the market price of the equity instrument at the date of the transaction. If the equity instrument is not traded in an active market, the fair value is determined by reference to the market price of the underlying asset or liability, or by using a valuation model. The fair value of the equity instrument is determined by reference to the market price of the equity instrument at the date of the transaction. If the equity instrument is not traded in an active market, the fair value is determined by reference to the market price of the underlying asset or liability, or by using a valuation model.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

2. Significant accounting policies (continued)

(13) Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the property. Significant changes in the fair value of investment properties are recognized in profit or loss. Significant changes in the fair value of investment properties are recognized in profit or loss.

The Group's investment properties are located in the People's Republic of China. The Group's investment properties are located in the People's Republic of China. The Group's investment properties are located in the People's Republic of China.

The Group's investment properties are located in the People's Republic of China. The Group's investment properties are located in the People's Republic of China. The Group's investment properties are located in the People's Republic of China.

The Group's investment properties are located in the People's Republic of China. The Group's investment properties are located in the People's Republic of China. The Group's investment properties are located in the People's Republic of China.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting policies and accounting estimates (continued)

(14) Fixed assets

(a) Recognition and measurement

Fixed assets are recognized at cost. The cost of a fixed asset includes its purchase price, related taxes and other directly attributable costs.

For fixed assets purchased in cash, the cost is the purchase price paid in cash. For fixed assets acquired by exchange, the cost is the fair value of the assets given up. For fixed assets acquired by construction, the cost is the actual cost incurred.

Subsequent expenditure on fixed assets is capitalized only when it is probable that the expenditure will result in an increase in the future economic benefits embodied in the asset. If the expenditure is not capitalized, it is recognized as an expense when incurred. The carrying amount of a fixed asset is its cost less accumulated depreciation and accumulated impairment losses.

(b) Depreciation and impairment

Depreciation is calculated on the cost of the fixed asset less its estimated residual value, divided by its estimated useful life. The depreciation method used is the straight-line method. For fixed assets that are not available for use, depreciation is not recognized.

The carrying amount of a fixed asset is reviewed at the end of each reporting period. If there is an indication that the carrying amount may not be recoverable, an impairment test is performed.

	Assessment of impairment		
	Expected cash inflows	Expected cash outflows	Residual value
Balances	35,000,000	5%	2.7%
Medical equipment	3-10,000,000	0%-5%	9.5%-33.3%
Medical facilities	4-10,000,000	5%	9.5%-23.8%
Equipment	3-10,000,000	0%-5%	9.5%-33.3%

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting policies (continued)

(14) Fixed assets (continued)

(a) Depreciation (continued)

The Company depreciates its fixed assets on a straight-line basis over their estimated useful lives. The depreciation rates are as follows:

The Company's depreciation policy is consistent with the accounting policy of the Company's subsidiaries. (Note 2(19)).

(b) Disposal

Assets are derecognized when they are disposed of or when they are classified as held for sale. The gain or loss on disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the asset. The gain or loss on disposal is recognized in the profit or loss.

(15) Construction in progress

Construction in progress is measured at cost. The cost includes the purchase price of the construction materials, the cost of labor, the cost of other resources consumed in the construction process, and the cost of other resources consumed in the construction process. The cost of construction in progress is recognized as an asset when the construction is completed and the asset is available for use. The cost of construction in progress is recognized as an expense when the construction is completed and the asset is available for use. The cost of construction in progress is recognized as an expense when the construction is completed and the asset is available for use. (Note 2(19)).



Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

2. Significant accounting policies and accounting estimates (continued)

(16) Borrowings costs

The Company's policy is to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs begins when the entity first incurs expenditure for the asset and the borrowing costs are incurred. Capitalisation of borrowing costs ceases when the asset is substantially ready for its intended use or sale. Capitalisation of borrowing costs also ceases when the borrowing is suspended for a substantial period of time. Capitalisation of borrowing costs resumes when the borrowing is resumed and the asset is substantially ready for its intended use or sale.

For the period ended 30 June 2017, the Company's policy is to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs begins when the entity first incurs expenditure for the asset and the borrowing costs are incurred. Capitalisation of borrowing costs ceases when the asset is substantially ready for its intended use or sale. Capitalisation of borrowing costs also ceases when the borrowing is suspended for a substantial period of time. Capitalisation of borrowing costs resumes when the borrowing is resumed and the asset is substantially ready for its intended use or sale.

For the period ended 30 June 2016, the Company's policy is to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs begins when the entity first incurs expenditure for the asset and the borrowing costs are incurred. Capitalisation of borrowing costs ceases when the asset is substantially ready for its intended use or sale. Capitalisation of borrowing costs also ceases when the borrowing is suspended for a substantial period of time. Capitalisation of borrowing costs resumes when the borrowing is resumed and the asset is substantially ready for its intended use or sale.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting policies (continued)

(17) Intangible assets (continued)

(i) Software

Software is amortized on a straight-line basis over its useful life of 5 years.

(ii) Customer relationships

Customer relationships are amortized on a straight-line basis over their useful life of 10 years.

Amortization expense is recognized in the profit and loss account.

Contractual
terms

Yanjiao Furen Intellectual Property Center (Wuxi)

Meijiao Hospital (Yanjiao Furen Hospital)

19.75 years

Pujiang Hospital (Pujiang Hospital)

30 years

Chunan Hospital (Chunan Hospital)

30 years

Yiwu Medical Health Center (Yiwu Health Center)

20 years

(iii) Patented technology

Patented technology is amortized on a straight-line basis over its useful life of 10 years.

(iv) Intangible assets

The Company has no intangible assets (Note 2(19)).

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting policies and accounting estimates (continued)

(18) Long-term prepaid expenses

Long-term prepaid expenses are incurred by the Company for the purchase of long-term assets, such as land use rights, which are not yet available for use. Long-term prepaid expenses are amortized on a straight-line basis over the expected useful life of the related asset.

(19) Impairment of long-term assets

For long-term assets, the Company compares the carrying amount with the recoverable amount. If the carrying amount is greater than the recoverable amount, the Company recognizes an impairment loss. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. The fair value less costs of disposal is the amount obtainable from the disposal of the asset, less the costs of disposal. The value in use is the present value of the future cash flows expected to be derived from the asset. The Company uses the discounted cash flow method to estimate the value in use. The discount rate is the weighted average cost of capital. The Company reviews the carrying amount of long-term assets for impairment at the end of each reporting period. If there is any indication that the carrying amount may not be recoverable, the Company performs an impairment test. If an impairment loss is identified, the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognized in the profit or loss account.

Goodwill is the excess of the purchase price over the fair value of the identifiable intangible assets. Goodwill is tested for impairment annually, or more frequently if there is any indication that the goodwill may be impaired. The impairment test is performed by comparing the carrying amount of the cash-generating unit, which includes the goodwill, with its recoverable amount. If the carrying amount is greater than the recoverable amount, an impairment loss is recognized. The impairment loss is allocated first to the goodwill, and then to the other assets of the cash-generating unit on a pro-rata basis. Goodwill is not amortized. The Company monitors the goodwill for impairment at the end of each reporting period. If there is any indication that the goodwill may be impaired, the Company performs an impairment test. If an impairment loss is identified, the carrying amount of the goodwill is reduced to its recoverable amount. The impairment loss is recognized in the profit or loss account.

On 30 June 2017, the Company's goodwill was RMB 1,000,000,000, which was fully impaired.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

2. Significant accounting policies and estimates (continued)

(20) Employee benefits

Employee benefits include short-term employee benefits, long-term employee benefits and termination benefits. Short-term employee benefits are those benefits that are expected to be settled wholly or partly by cash payments within 12 months after the reporting period. Long-term employee benefits are those benefits that are not classified as short-term employee benefits. Termination benefits are those benefits that are payable to employees as a result of termination of their employment.

(a) Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid to employees. The expected amount is determined by the company's best estimate of the amount of benefits payable to employees. The expected amount is determined by the company's best estimate of the amount of benefits payable to employees. The expected amount is determined by the company's best estimate of the amount of benefits payable to employees.

(b) Long-term employee benefits

Long-term employee benefits are measured at the present value of the benefits expected to be paid to employees. The present value is determined by the company's best estimate of the amount of benefits payable to employees. The present value is determined by the company's best estimate of the amount of benefits payable to employees. The present value is determined by the company's best estimate of the amount of benefits payable to employees.

(c) Termination benefits

Termination benefits are measured at the undiscounted amount of the benefits expected to be paid to employees. The expected amount is determined by the company's best estimate of the amount of benefits payable to employees. The expected amount is determined by the company's best estimate of the amount of benefits payable to employees. The expected amount is determined by the company's best estimate of the amount of benefits payable to employees.



Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting policies and accounting estimates (continued)

(21) Dividend distribution

Dividend distribution is recognized as a liability when the dividend is approved by the shareholders' meeting.

(22) Share-based payments

(a) *Equity-settled share-based payments*

Services rendered by employees and directors are measured at the fair value of the equity instruments granted, which is determined by reference to the market price of the company's equity instruments at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period.

The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period.

(b) *Cash-settled share-based payments*

The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period.

(c) *Share-based payments with a cash alternative*

The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period. The fair value of the equity instruments granted is measured at the end of the reporting period.

February 30, 2017

(A, RMB Y)

(23) Revenue recognition

Taken together, we have shown that the $\mathcal{G}$ and $\mathcal{R}$ are

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G. ☒ T. ☒ ☒ ☒ ☒

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M. ... G. ...

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R

D



Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting policies and accounting estimates (continued)

(24) Government grants

Government grants are recognized when the entity has reasonable assurance that it will receive the grants and that it will comply with the conditions attached to the grants.

Amounts received by the Company are recorded as income in the profit or loss account.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting policies and accounting estimates (continued)

(25) Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases. Deferred tax assets and liabilities are measured using enacted tax rates and laws applicable to the periods in which the temporary differences are expected to be resolved. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable income will be available to utilize the future tax benefits.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting policies and accounting estimates (continued)

(26) Leases

Assets and liabilities arising from leases are classified as financial leases or operating leases.

(i) Operating leases

Leases are classified as operating leases when all the following conditions are met:

Lease term does not exceed the major part of the economic life of the leased asset.

(ii) Financial leases

The following conditions are met, the lease is classified as a financial lease:

① The lease term covers the major part of the economic life of the leased asset.

② The lessee has the option to purchase the leased asset at a price significantly below the fair value at the end of the lease term.

③ The present value of the minimum lease payments amounts to substantially all of the fair value of the leased asset at the inception of the lease.

(27) Segment information

The Group has identified the following reportable segments:

Assets and liabilities are classified into the following segments:

① Assets and liabilities arising from the business of the Group's subsidiaries; (2) Assets and liabilities arising from the business of the Group's branches; (3) Assets and liabilities arising from the business of the Group's regional offices.



Fri, 30 Jun 2017

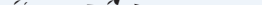
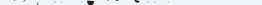
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A		419
A		240
A		152,894
G		40.1%
D		14.0%

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Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

2. Significant accounting estimates and judgements (continued)

(28) Critical accounting estimates and judgements (continued)

(i) Goodwill impairment (continued)

(a) Recognition of impairment loss

In the process of determining the impairment loss of goodwill, the Group has to make judgements and estimates on the recoverability of the cash generating units ("CGUs") carrying goodwill. The Group has to make judgements and estimates on the future cash flows expected to be generated by the CGUs. The Group has to make judgements and estimates on the discount rate to be used to calculate the present value of the future cash flows. The Group has to make judgements and estimates on the useful life of the CGUs. The Group has to make judgements and estimates on the residual value of the CGUs.

The Group has to make judgements and estimates on the impairment loss of goodwill. The Group has to make judgements and estimates on the amount of the impairment loss. The Group has to make judgements and estimates on the timing of the impairment loss. The Group has to make judgements and estimates on the reversal of the impairment loss.

For the period ended 30 June 2017, the Group has made judgements and estimates on the impairment loss of goodwill. The Group has made judgements and estimates on the amount of the impairment loss. The Group has made judgements and estimates on the timing of the impairment loss. The Group has made judgements and estimates on the reversal of the impairment loss. RMB10,382,663 (31 December 2016: RMB8,104,505).

As at 30 June 2017, the Group has made judgements and estimates on the impairment loss of goodwill. The Group has made judgements and estimates on the amount of the impairment loss. The Group has made judgements and estimates on the timing of the impairment loss. The Group has made judgements and estimates on the reversal of the impairment loss. RMB1,477,073 (30 June 2017 (31 December 2016: RMB1,210,030).

(ii) Unrecognised intangible assets

The Group has to make judgements and estimates on the recognition of intangible assets. The Group has to make judgements and estimates on the amount of the intangible assets. The Group has to make judgements and estimates on the timing of the intangible assets. The Group has to make judgements and estimates on the reversal of the intangible assets. The Group has to make judgements and estimates on the impairment loss of the intangible assets. The Group has to make judgements and estimates on the amount of the impairment loss. The Group has to make judgements and estimates on the timing of the impairment loss. The Group has to make judgements and estimates on the reversal of the impairment loss.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

2. Significant accounting estimates and judgements (continued)

(28) Critical accounting estimates and judgements (continued)

(a) Goodwill impairment (continued)

(i) Recognition of goodwill impairment (continued)

As at the end of the reporting period, the Group's goodwill of RMB51,000,000 (Note 5(1)), is attributable to the acquisition of Wenzhou Guoda Investment Co., Ltd. (Wenzhou Guoda Investment). The Group's goodwill is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the goodwill may be impaired. The Group's goodwill is tested for impairment by comparing the carrying amount of the cash-generating unit (CGU) to its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use of the CGU.

The Group's Wenzhou Guoda Investment Co., Ltd. is a subsidiary of the Group. The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU to its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use of the CGU.

The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU to its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use of the CGU.

	30 June 2017 Fair value	Technical of valuation	Item	Unobservable material inputs		
				Scope/ Weighted Average	Relationship with the fair value	Observable/ Unobservable
Intangible assets						
Software	72,191,872	Income approach	Revenue/	4.65%	() Unobservable	
			margin			
			Market value	32-40.84		
			(RMB/			
			unit)			
			Value	2.74%		

The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU to its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use of the CGU.

- The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU to its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use of the CGU.
- The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU to its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use of the CGU.
- The Group's goodwill is tested for impairment by comparing the carrying amount of the CGU to its recoverable amount. The recoverable amount is the maximum of the fair value less costs of disposal and the value in use of the CGU.



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(28) Critical accounting estimates and judgements (continued)

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() C.

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Figure 1 is a schematic representation of the experimental design. It shows a sequence of events: I (Instruction) leads to G (Goal), which leads to A (Action), which leads to G (Goal), which leads to I (Instruction). The sequence is represented by a series of connected circles and arrows, with the labels I, G, A, G, I placed above the circles.

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"G"

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— *Journal of the American Medical Association*, 1997

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Fri, 30 Jun 2017

3. Theorem

Category	Tax rate	Tax base
C	25%	T
V	3%, 5% , 6%	T
B	5%	T
C	7%	T
E	3%	T
L	2%	T
R	1.2% , 12%	T 70%
L	5%	T
L	30%-60%	T

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



(A, RMB Y)

3. Theorem (L. Carleson)

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D. *N.* 540), *C.* *Q.* *K.* *H.*,
C. *K.* *H.*, *Y.* *K.* *H.* *Y.* *K.* *H.*
 1 J. 2013. 30 A. 2016.

S. 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. ... 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.



Notes to the Financial Statements

For the period ended 30 June 2017
(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets

(1) Cash at bank and on hand

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Cash at bank		
Cash on hand		

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets (continued)

(2) Accounts receivable (continued)

() The following table shows the breakdown of accounts receivable:

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Within 1 year	183,388,513	137,552,824
1 - 2 years	17,675,862	10,835,771
2 - 3 years	3,227,627	2,211,065
Over 3 years	1,304,247	443,285
	205,596,249	151,042,945

Accounts receivable are measured at fair value less expected credit losses.

At 30 June 2017, the carrying amount of accounts receivable was RMB143,950,330 (31 December 2016: RMB128,826,301). The following table shows the breakdown of accounts receivable by geographical area:

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Within 1 year	127,696,129	119,860,159
1 - 2 years	16,004,781	6,900,829
2 - 3 years	249,420	2,065,313
	143,950,330	128,826,301

Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets

(2) Accounts receivable (continued)

() Accounts receivable by nature of debtor

	Unaudited 30 June 2017				Audited 31 December 2016			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance	Amount	% of total balance
Bank deposits	44,276,416	22%	—	—	13,109,257	9%	—	—
Receivables from related parties	62,032,955	30%	—	—	64,937,971	43%	—	—
Receivables from other parties	11,540,890	6%	10,382,663	90%	9,052,068	6%	8,104,505	90%
Receivables from government	62,167,652	29%	—	—	49,472,011	32%	—	—
Receivables from other government	19,749,723	10%	—	—	14,471,638	10%	—	—
Receivables from other government	5,828,613	3%	—	—	—	—	—	—
	205,596,249	100%	10,382,663	/	151,042,945	100%	8,104,505	/

() Interest receivable 30 June 2017, RMB2,556,107 (30 June 2016: RMB1,056,981). Net interest receivable 30 June 2017 (30 June 2016: Net interest receivable).

Tax receivable 30 June 2017, RMB277,949 (30 June 2016: RMB311,391). Net tax receivable 30 June 2017 (30 June 2016: Net tax receivable).

() Interest receivable 30 June 2017, RMB277,949 (30 June 2016: RMB311,391). Net interest receivable 30 June 2017 (30 June 2016: Net interest receivable).



Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets (continued)

(2) Accounts receivable (continued)

(a) The following table shows the ageing analysis of accounts receivable:

	30 June 2017 (Unaudited)		
	Balance	Provision for bad debts	% of total balance
Trade receivables			
BDC B- 9 124.7244Q/\$ 0.15 (-)T.XEMC /SD4235 BDC BT/T1 1 T,9 0 0			

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets and non-current liabilities (continued)

(3) Other receivables (continued)

() The following table shows the breakdown of other receivables:

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Warranty receivables	39,563,140	39,382,666
1-2 years	5,027,989	14,816,163
2-3 years	11,322,944	884,508
Over 3 years	1,662,625	799,426
	57,576,698	55,882,763

As at 30 June 2017 and 31 December 2016, the Group has no impairment losses on other receivables. The carrying amount of other receivables is RMB3,225,000. The Group has no impairment losses on other receivables.

() The following table shows the breakdown of other receivables:

30 June 2017 (Unaudited)	Balance	Provision for bad debt	% of provision	Reason
Receivables from Guangxi Xinghe Holding Company Limited	2,156,116	1,210,030	56%	(i)
Receivables from Wenzhou Mingou Co., Ltd. Economic Development Zone, Ltd. (Wenzhou Mingou Co., Ltd.)	267,043	267,043	100%	e(iii)
	2,423,159	1,477,073		

() As at 30 June 2017 and 31 December 2016, the Group has no impairment losses on other receivables.

() In the period ended 30 June 2017, the Group has no impairment losses on other receivables. RMB267,043 (30 June 2016: RMB131,972). The Group has no impairment losses on other receivables. 30 June 2017 (30 June 2016: Nil).

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets (continued)

(3) Other receivables (continued)

(a) The following table shows the ageing analysis of other receivables as at 30 June 2017 (compared to 30 June 2016: Nil).

(b) As at 30 June 2017, the ageing analysis of other receivables is as follows:

30 June 2017					
Nature	Balance	Ageing	% of total balance	Provision for bad debts	
Contract Receivable from Hubei Province (Hubei Province) Bidding	10,983,642	Within 3 years	19%	—	
Prepaid Hospital (Sichuan Hongji) Bidding	8,832,388	Within 2 years	15%	—	
Yunnan Fei Hubei Province Daxue Bidding	6,652,219	Within 2 years	12%	—	
Hubei Qianjiang Gaoji Bidding	5,000,000	Within 1 years	9%	—	
Contract Hubei Province Bidding	3,628,323	Within 2 years	6%	—	
	35,096,572		61%	—	

(c) The Company's subsidiary, Sichuan Hongji Pharmaceutical Co., Ltd. (Sichuan Hongji), was established in March 2015.

(American RMB Yuan)

(3) Other receivables (continued)

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

() T ☒ :

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

(A, RMB Y,)

T	12,991,804	66%
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Paid-in capital in excess of par value	10,262,343	7,564,623
Minority interest	4,253,603	1,740,424
Retained earnings	—	153,522,647
Retained earnings, beginning of period ()	162,051,463	.
	176,567,409	162,827,694

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets

(6) Available-for-sale financial assets

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Available-for-sale financial assets		
Quoted (RMB)	50,000,000	50,000,000

() On 22 February 2016, the Company acquired 3.61% of the equity of Jinpu Jianfu (Jinpu Jianfu) Investment Management (LLP) (金普建富投资管理有限公司), a limited liability partnership established in the PRC. The total investment amount was RMB1,386,000,000. The Company's investment in Jinpu Jianfu Investment Management (LLP) is classified as available-for-sale financial assets. The investment is measured at fair value, which is determined by the Company's investment in Jinpu Jianfu Investment Management (LLP) as a percentage of the total equity of Jinpu Jianfu Investment Management (LLP). The investment is classified as available-for-sale financial assets because the Company does not have control or significant influence over Jinpu Jianfu Investment Management (LLP). The investment is classified as available-for-sale financial assets because the Company does not have control or significant influence over Jinpu Jianfu Investment Management (LLP).

(7) Long-term equity investment

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Long-term equity investment	60,198,228	22,429,070
Long-term equity investment	—	—
	60,198,228	22,429,070

The long-term equity investment is classified as long-term equity investment because the Company does not have control or significant influence over the investee.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets (continued)

(7) Long-term equity investment (continued)

() Amount

	31 December 2016 (Amount)	Initial investment (Amount)	Share of profit (Amount)	30 June 2017 (Unaudited)
S. Y. H. Co., Ltd. (Shandong Yining) ()	14,565,336	535,193		15,100,529
B. Y. H. Co., Ltd. (Hangzhou Honglan) ()	3,890,715	(1,289,536)	5,243,377	7,844,556
C. H. K. H. Co., Ltd. (Hechuan Kangning) ()	1,876,321	7,804,000	(1,031,752)	8,648,569
S. S. H. M. Co., Ltd. (Shanxi Shanda) ()		25,714,286	192,555	25,906,841
H. Y. H. Co., Ltd. (Heze Yining Hospital) ()		1,860,000	(109,925)	1,750,075
	22,429,070	35,378,286	(2,852,505)	60,198,228

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

() B. Y. H. Co., Ltd. A 2015 G. T. RMB14,700,000 49% I J 2017, C. H. K. H. Co., Ltd. B. Y. H. Co., Ltd. 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. H. Co., Ltd. C. J. M. & H. S. I. B.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets held for sale (continued)

(7) Long-term equity investment (continued)

() Assets held for sale

- () On 14 September 2016, the Company acquired 30% equity interest in Ningbo Meishan Boreal P. A. H. Co., Ltd. (Meishan Boreal P. A. H. Co., Ltd.) (Ningbo Meishan) for RMB1,500,000. On 20 September 2016, Ningbo Meishan Boreal P. A. H. Co., Ltd. increased its registered capital to RMB5,000,000. As at 30 June 2017, the Company's share of the net assets of Ningbo Meishan Boreal P. A. H. Co., Ltd. is 35% of the registered capital of RMB5,000,000.
- () In October 2016, the Company acquired 40% equity interest in H. K. A. Co., Ltd. for RMB9,812,000.
- () The Company acquired 30% equity interest in S. S. H. M. Co., Ltd. for RMB25,714,286 on 27 May 2017.
- () H. Y. H. Co., Ltd. acquired 31% equity interest in A. Co., Ltd. for RMB1,860,000.

(8) Investment properties

	Properties and land use right
On 31 December 2016 and 30 June 2017	72,191,872
As at 30 June 2017, the Company's investment properties are as follows: 1. K. H. M. Co., Ltd. (K. H. M. Co., Ltd.) (B. M. Co., Ltd.) (N. 4(18)) for RMB106,520,000. The Company's share of the net assets of K. H. M. Co., Ltd. is 30% of the registered capital of RMB40,000,000.	RMB40,000,000
As at 31 December 2016, the Company's investment properties are as follows: 1. K. H. M. Co., Ltd. (K. H. M. Co., Ltd.) (B. M. Co., Ltd.) (N. 4(25)) for RMB220,490,000. The Company's share of the net assets of K. H. M. Co., Ltd. is 30% of the registered capital of RMB36,700,000.	RMB40,000,000

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

(9) Fixed assets

	Bulidings	Medical equitment	Motor vehicles	electronic and other equitment	Total
Cost					
31 December 2016	81,833,617	41,309,353	3,577,462	23,613,424	150,333,856
At 1 January 2017					
Purchase	56,571,429	12,394,886	554,920	4,537,462	74,058,697
Transfer from construction in progress	24,034,569	.	.	.	24,034,569
Disposal					
Depreciation		(320,922)		(571,984)	(892,906)
30 June 2017	162,439,615	53,383,317	4,132,382	27,578,902	247,534,216
Accumulated depreciation					
31 December 2016	17,281,554	20,011,884	1,583,698	13,790,180	52,667,316
At 1 January 2017					
Charge for the period	1,689,888	3,669,726	251,663	1,993,786	7,605,063
Disposal					
Depreciation		(301,569)		(495,646)	(797,215)
30 June 2017	18,971,442	23,380,041	1,835,361	15,288,320	59,475,164
Net book value					
30 June 2017 (Unaudited)	143,468,173	30,003,276	2,297,021	12,290,582	188,059,052
31 December 2016 (Audited)	64,552,063	21,297,469	1,993,764	9,823,244	97,666,540

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise stated)

4. Non-current assets and liabilities (continued)

(9) Fixed assets (continued)

The carrying amount of fixed assets as at 30 June 2017 was RMB7,605,063 (compared with 30 June 2016: RMB4,775,340). The carrying amount of fixed assets as at 30 June 2017 was RMB4,123,194 (compared with 30 June 2016: RMB3,481,869). The carrying amount of fixed assets as at 30 June 2017 was RMB2,741,206 (compared with 30 June 2016: RMB2,034,134).

The carrying amount of fixed assets as at 30 June 2017, was RMB24,034,569 (compared with 30 June 2016: Nil).

As at 30 June 2017, 31 December 2016, the Group's fixed assets were:

For the period ended 30 June 2017:

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

(i) The carrying amount of 24,034,569 was transferred to the Non-current Assets and Liabilities. The carrying amount of 24,034,569 was transferred to the Non-current Assets and Liabilities.

(ii) The carrying amount of 58,291,056 was transferred to the Non-current Assets and Liabilities. The carrying amount of 58,291,056 was transferred to the Non-current Assets and Liabilities. The carrying amount of 58,291,056 was transferred to the Non-current Assets and Liabilities. The carrying amount of 58,291,056 was transferred to the Non-current Assets and Liabilities.

Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets (continued)

(10) Construction in progress

	30 June 2017 (Unaudited)		
	Balance	Provision	Net book value
Taiwan Kangning Hospital	244,254,548	—	244,254,548
Taiwan Yining Hospital Co., Ltd. (Hangzhou Yining Hospital)	10,240,028	—	10,240,028
Taiwan Cangnan Kangning Hospital Co., Ltd. (Cangnan Kangning Hospital)	290,572	—	290,572
Taiwan Sihui Kangning Hospital Co., Ltd. (Sihui Kangning Hospital)	400,922	—	400,922
Taiwan Shenzhen Yining Hospital Co., Ltd. (Shenzhen Yining Hospital)	144,000	—	144,000
Taiwan Langfang Yining Hospital Management Co., Ltd. (Langfang Yining Hospital Management)	894,829	—	894,829
Qatar	867,505	—	867,505
	257,092,404	—	257,092,404

	31 December 2016 (Audited)		
	Balance	Provision	Net book value
Taiwan Kangning Hospital	164,228,489	—	164,228,489
Taiwan Peking Kangning Hospital	16,285,626	—	16,285,626
Taiwan Shenzhen Yining Hospital	10,248,479	—	10,248,479
Taiwan Yining Guangming Hospital	668,020	—	668,020
Taiwan Qiyang Yining Hospital	4,878,405	—	4,878,405
Qatar	1,757,134	—	1,757,134
	198,066,153	—	198,066,153

As at 30 June 2017 and 31 December 2016, the Group has no construction in progress.

During the period ended 30 June 2017, the Group has no construction in progress. The Group's construction in progress at 31 December 2016 was RMB3,115,208 (31 December 2016: RMB4,169,562).

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise stated)

4. Non-current assets (continued)

(10) Construction in progress (continued)

() Transfer to fixed assets

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
Tianjin Binhai International Airport Wangjiakou Highway	289,640,000	164,228,489	80,026,059	-	244,254,548	71%	84%	8,349,520	3,115,208	-	0.00%
Tianjin Binhai International Airport Wangjiakou Expressway	45,000,000	668,020	580,365	(1,248,385)	-	83%	100%	-	-	-	0.00%
Tianjin Binhai International Airport Pukou Expressway	27,000,000	16,285,626	7,748,943	(24,034,569)	-	84%	100%	-	-	-	0.00%
Tianjin Binhai International Airport Sangli Expressway	20,000,000	10,248,479	9,267,485	(19,371,964)	144,000	74%	98%	-	-	-	0.00%
Tianjin Binhai International Airport Qinhuangdao Expressway	10,000,000	4,878,405	3,611,838	(8,490,243)	-	84%	100%	-	-	-	0.00%
Tianjin Binhai International Airport Huangli Expressway	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	-	

As at 30 June 2017, 31 December 2016, the construction in progress is included in the non-current assets of the Company.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets (continued)

(11) Intangible assets

	Land use rights	Software	Contractual right to provide the management service	Total
Cost				
31 December 2016	23,602,729	3,312,145	112,863,219	139,778,093
Accumulated amortization		959,851	30,000,000	30,959,851
30 June 2017	23,602,729	4,271,996	142,863,219	170,737,944
Amortization expense				
31 December 2016	3,336,274	1,830,033	8,746,415	13,912,722
Accumulated amortization	236,027	365,161	3,061,610	3,662,798
30 June 2017	3,572,301	2,195,194	11,808,025	17,575,520
Net book value				
30 June 2017 (Unaudited)	20,030,428	2,076,802	131,055,194	153,162,424
31 December 2016 (Audited)	20,266,455	1,482,112	104,116,804	125,865,371

The carrying amount of the contractual right to provide the management service at 30 June 2017 is RMB3,662,798 (31 December 2016: RMB3,005,935). The carrying amount of the contractual right to provide the management service at 30 June 2017 is RMB3,224,603 (31 December 2016: RMB438,195). The carrying amount of the contractual right to provide the management service at 30 June 2016 is RMB2,669,255 (31 December 2016: RMB336,680).

At 30 June 2017, 31 December 2016, the Group has no intangible assets that are subject to impairment.

At 30 June 2017, 31 December 2016, the Group has no intangible assets that are subject to impairment.

The carrying amount of the contractual right to provide the management service at 30 June 2017 is RMB684,207 (31 December 2016: RMB1,934,005), the carrying amount of the contractual right to provide the management service at 30 June 2016 is RMB684,207 (31 December 2016: RMB1,934,005).

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

4. Non-current assets and liabilities

(11) Intangible assets (continued)

() The Group has acquired certain intangible assets from Yuhua Chemical Co., Ltd. ("Yuhua Chemical") for the purchase of 100% equity interest in Yuhua Chemical. The intangible assets acquired include the right to use the Yuhua Chemical's technology and the right to use the Yuhua Chemical's trademarks. The intangible assets are recorded at cost of RMB30,000,000. The intangible assets are amortized over the estimated useful life of 10 years. The intangible assets are recorded at cost of RMB30,000,000, and the accumulated amortization is RMB30,000,000, resulting in a net book value of RMB0.

(12) Goodwill

	31 December 2016 (Audited)	Amount	Decrease	30 June 2017 (Unaudited)
Goodwill				
Workshop Goodwill	8,533,389			8,533,389

The Group's Goodwill as at 30 June 2017 is RMB8,533,389, which is the same as the amount as at 31 December 2016.

(13) Long-term prepaid expense

	31 December 2016 (Audited)	Amount	Amount	30 June 2017 (Unaudited)
Long-term prepaid expense	88,125,992	30,131,530	(9,484,274)	108,773,248
Quota	729,800		(114,600)	615,200
	88,855,792	30,131,530	(9,598,874)	109,388,448

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets and non-current liabilities

(14) Deferred tax assets and deferred tax liabilities

() Deferred tax assets

	30 June 2017 (Unaudited)		31 December 2016 (Audited)	
	Deductible temporary differences	Deferred tax assets	Deferred tax assets	Deferred tax liabilities
As at 1 January 2017	1,428,782	357,195	-	-
Reversal of deferred tax assets	11,859,736	2,964,934	10,190,840	2,547,710
Deferred tax assets	55,767,731	13,941,932	58,113,688	14,528,423
Provision for income tax	5,115,896	1,278,974	5,115,896	1,278,974
Share of income tax	5,797,360	1,449,340	5,590,960	1,397,740
As at 30 June 2017	2,862,420	715,605	2,190,144	547,536
	82,831,925	20,707,981	81,201,528	20,300,383
Income tax:				
Expense		3,871,374		8,423,811
Expense		16,836,607		11,876,572
		20,707,981		20,300,383

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

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

(a) Deferred tax assets

	30 June 2017 (Unaudited)		31 December 2016 (Audited)	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Assets arising from:				
Assets arising from:	53,123,352	13,444,342	65,681,732	16,420,433
Intangible assets:				
Excess of book value over tax value of intangible assets		2,920,416		2,351,146
Excess of book value over tax value of other intangible assets		10,523,926		14,069,287
		13,444,342		16,420,433

(b) Deferred tax liabilities arising from income tax losses and other deductible temporary differences

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Deferred tax liabilities	7,532,393	5,914,753

(c) Deferred tax assets and liabilities arising from income tax losses and other deductible temporary differences

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
2021	4,982,645	5,914,753
2022	2,549,748	-
	7,532,393	5,914,753

Notes to the Financial Statements

Received 30 July 2017

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4. Non-terminating sequences (continued)

(15) Provision for assets impairment

	31 December 2016 (Audited)	31 December 2015 (Audited)	30 June 2017 (Unaudited)
Property, plant and equipment	9,314,535	2,823,150	(277,949)11,859,736
Intangible assets	8,104,505	2,556,107	(277,949)10,382,663
Goodwill	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 December 2016 (Audited)
Property, plant and equipment	1,214,124	3,864,010
Right-of-use assets	12,526,610	14,913,078
Prepaid expenses and deposits	536,694	8,670,165
Prepaid expenses	555,750	-
Intangible assets	2,500,000	-
	17,333,178	27,447,253

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Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

(17) Short-term borrowings

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Guaranteed bank borrowings (Note 8(4) (i))	80,000,000	30,000,000
Unsecured bank borrowings (i)	40,000,000	—
	120,000,000	30,000,000

(i) The total of RMB40,000,000 unsecured bank borrowings (Note 4(9)) are with the following details: Guaranteed bank borrowings of RMB72,192,000, unsecured bank borrowings of RMB72,192,000, and bank borrowings of RMB40,000,000. The bank borrowings are secured by the company's assets.

As at 30 June 2017, the weighted average interest rate of the bank borrowings is 4.35%-6.003% (31 December 2016: 4.35%).

(18) Accounts payable

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Payable to related parties	27,427,167	19,318,370
Payable to other parties	10,223,558	10,227,427
Payable to employees	42,826,146	13,451,955
Other payables	—	273,262
	80,476,871	43,271,014

Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities (continued)

(18) Accounts payable (continued)

The following table shows the breakdown of accounts payable:

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Within 1 year	79,907,931	42,823,093
1-2 years	568,940	447,921
	80,476,871	43,271,014

The following table shows the breakdown of accounts payable by nature of the liability:

(19) Advances from customers

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Advances from customers	52,473,265	67,375,827
Advances from customers	8,182,097	3,772,073
	60,655,362	71,147,900

() The following table shows the breakdown of advances from customers by nature of the liability:

As at 30 June 2017, the advances from customers are as follows: RMB38,340,370 (31 December 2016: RMB29,299,970) are due within 1 year, and RMB22,314,992 are due after 1 year.

Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current liabilities

(20) Employee benefits payable

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

() Short-term employee benefits payable

	31 December 2016 (Audited)	Income	Defined contribution	30 June 2017 (Unaudited)
Wages, salaries and bonuses	13,286,552	60,486,900	(64,846,518)	8,926,934
Short-term employee benefits payable	-	1,368,435	(1,366,251)	2,184
Short-term employee benefits payable	251,426	2,348,073	(2,159,656)	439,843
Long-term employee benefits payable: Medical insurance	210,780	2,077,400	(1,894,395)	393,785
Long-term employee benefits payable: Housing fund	25,325	105,176	(116,356)	14,145
Long-term employee benefits payable: Pension	15,321	165,497	(148,905)	31,913
Long-term employee benefits payable: Other	-	3,052,749	(3,052,749)	-
Long-term employee benefits payable: Other	-	400,000	(400,000)	-
	13,537,978	67,656,157	(71,825,174)	9,368,961

Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current liabilities (continued)

(20) Employee benefits payable (continued)

(a) Defined contribution plans

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

(b) Termination benefits

Defined contribution plans for 30 June 2017 and 30 June 2016, Termination benefits payable are as follows:

(21) Taxes payable

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Corporate income tax	11,245,354	27,734,872
Business tax	753,397	605,565
VAT	424,085	48,208
Land use tax	14,343,585	12,436,229
Other taxes	402,139	370,781
	27,168,560	41,195,655

Notes to the Financial Statements

Financial statements as at 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

(22) Other payables

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Bank deposits	52,152,951	14,573,424
Accounts receivable	—	1,039,887
Contract deposits	15,000,000	—
Accounts payable	3,410,000	3,110,000
Revenue	3,128,507	2,112,614
Interest payable	7,000,000	7,000,000
Government grants	1,153,870	1,008,870
Deferred income	2,200,234	4,467,433
Interest receivable	347,069	789,686
Prepaid expenses	60,221	—
Others	3,363,261	4,820,780
	87,816,113	38,922,694

As at 30 June 2017 and 31 December 2016, Total Government grants receivable are as follows:

- (i) Interest receivable from Yuhua Chemical Company
- (ii) Interest receivable from Guangxi
- (iii) Interest receivable from Wuzhou Guangxi Investment Group, which is 6.16% of the
- (iv) Interest receivable from Wuzhou Guangxi Investment Group
- (v) Interest receivable from Wuzhou Guangxi Investment Group

Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current liabilities

(23) Current portion of non-current liabilities

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Current portion of long-term borrowings (Note 4(24))	—	36,700,000
Current portion of long-term payables (Note 4(25))	17,480,304	17,480,304
	17,480,304	54,180,304

(24) Long-term borrowings

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Preferential long-term borrowings ()	19,950,190	56,650,190
General long-term borrowings ()	129,000,000	130,000,000
	148,950,190	186,650,190
Less: Current portion of long-term borrowings (Note 4(23))	—	(36,700,000)
Long-term borrowings ()	148,950,190	149,950,190

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

4. Non-current assets and liabilities

(24) Long-term borrowings (continued)

- (i) In April 2016, the Group issued a 5-year fixed-rate bond with a principal amount of RMB80,000,000 at an interest rate of 5.7%. The bond was issued on 29 December 2015 and will mature on 29 December 2018. As at 30 June 2017, the carrying amount of the bond was RMB19,950,190. The Group also has a 5-year fixed-rate bond with a principal amount of RMB74,000,000 issued in November 2016 (Note 4 (5)). The bond was issued on 29 December 2015 and will mature on 29 December 2018. As at 30 June 2017, the carrying amount of the bond was RMB20,000,000.
- (ii) In July 2016, the Group issued a 5-year fixed-rate bond with a principal amount of RMB130,000,000 at an interest rate of 4.75%. The bond was issued on 5 July 2016 and will mature on 5 July 2021. As at 30 June 2017, the carrying amount of the bond was RMB129,000,000 (31 December 2016: RMB130,000,000). The Group also has a 5-year fixed-rate bond with a principal amount of RMB104,218,904 issued in November 2016 (Note 4 (11)). The bond was issued on 29 December 2015 and will mature on 29 December 2018. As at 30 June 2017, the carrying amount of the bond was RMB86,738,600 (31 December 2016: 5.61%).

(25) Long-term payable

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Guaranteed loan (i)	12,688,704	12,688,704
Long-term payable (ii) (Note 4(11))	94,254,800	91,530,200
	106,943,504	104,218,904
Less: Current portion of long-term payable (iii)	(17,480,304)	(17,480,304)
	89,463,200	86,738,600

- (i) The Group has a 5-year fixed-rate bond with a principal amount of RMB12,688,704 issued in July 2016 and will mature on 5 July 2021. The bond was issued on 5 July 2016 and will mature on 5 July 2021. As at 30 June 2017, the carrying amount of the bond was RMB12,688,704 (31 December 2016: RMB12,688,704).

(A) ... RMB Y. ...)

(26) Deferred income

	A			
		I		R
G	31 Dec 2016 (Audited)		30 June 2017 (Unaudited)	R
T	10,632,800		10,632,800	R

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	31 December 2016 (Audited)	Interim 30 June 2017 (Unaudited)
Share capital	73,040,000	73,040,000
	31 December 2015 (Audited)	Interim 31 December 2016 (Unaudited)
Share capital	73,040,000	73,040,000



Fri, 30 Jun 2017

(A, 1998, RMB Y, 1998, 1999, 2000)

(28) Capital surplus

	31 December 2015 (Amount in '000)	Income tax expense	Deferred tax expense	30 June 2016 (Amount in '000)
Share of profit of associates	760,289,830	-	-	760,289,830
Quoted shares of subsidiaries				
Share of profit of subsidiaries (Note 9)	3,279,825	1,155,567	-	4,435,392
Quoted shares of subsidiaries	33,940,987	-	-	33,940,987
	797,510,642	1,155,567	-	798,666,209

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Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets held for sale (continued)

(29) Surplus reserve

	31 December 2016 (Audited)	Amount	30 June 2017 (Unaudited)
Surplus reserve	18,548,942		18,548,942

	31 December 2015 (Audited)	Amount	31 December 2016 (Unaudited)
Surplus reserve	11,343,566	7,205,376	18,548,942

For the period ended 30 June 2017, the Company's surplus reserve is calculated based on the profit after tax for the period, less the amount of dividend distributed to the shareholders of the Company. The Company's surplus reserve is calculated based on the profit after tax for the period, less the amount of dividend distributed to the shareholders of the Company. The Company's surplus reserve is calculated based on the profit after tax for the period, less the amount of dividend distributed to the shareholders of the Company.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

(30) Retained earning

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Retained earnings at the beginning of the period	121,190,550	77,824,436
Adjusted for: Net profit for the period	31,710,313	28,208,189
Other comprehensive income (loss)	(18,260,000)	(18,260,000)
Retained earnings at the end of the period	134,640,863	87,772,625

() A, 14 June 2017, C. 2016, RMB18,260,000 RMB0.25, 73,040,000. T.

A, 14 June 2016, C. 2015, RMB18,260,000 RMB0.25, 73,040,000. T. June 2016.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Notes to the consolidated financial statements

(31) Revenue and cost of sales

	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Revenue	Cost	Revenue	Cost
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from operations	238,108,930	156,885,868	187,817,343	118,945,305
Revenue from other sources	45,027,377	34,267,178	1,862,962	633,295
	283,136,307	191,153,046	189,680,305	119,578,600

() Revenue and cost of sales by business segment

	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Revenue	Cost	Revenue	Cost
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Private hospital	60,303,304	49,515,173	49,563,165	40,834,453
Traditional Chinese medicine	166,226,213	102,118,496	129,416,332	73,791,802
Medical equipment	11,579,413	5,252,199	8,837,846	4,319,050
	238,108,930	156,885,868	187,817,343	118,945,305

() Revenue and cost of sales by geographical area

	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Revenue	Cost	Revenue	Cost
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from operations	41,353,888	33,683,175	-	-
Revenue from other sources	2,686,536	-	-	-
Q	986,953	584,003	1,862,962	633,295
	45,027,377	34,267,178	1,862,962	633,295

(A, 1998, RMB Y, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 267

(32) Taxes and surcharges

() A. R V T (C K 2016 N 22) M F
D. 2016, C. F.
F.
2016.

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Revenue	445,240	1,017,758

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

(34) General and administrative expenses

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Employee benefits	17,968,176	14,822,551
Quota	7,955,709	8,477,054
Depreciation	3,481,869	2,034,134
Cost of services	2,667,140	1,790,618
Administrative expenses	79,456	1,337,465
Transportation	1,614,509	1,491,713
Cost of services	1,118,455	1,147,411
Office	898,289	969,139
Share of profit/loss (Net 9)	82,152	424,555
Administrative expenses	418,194	336,680
Quota	3,530,394	3,527,921
	39,814,343	36,359,241

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

(35) Expenses by nature

The following table shows the breakdown of expenses by nature for the period ended 30 June 2017 and 2016:

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Employee benefits	70,625,136	55,243,032
Transportation	59,291,198	49,233,787
Commission	33,683,175	-
Depreciation	7,605,063	4,775,340
Advertising	3,662,798	3,005,935
Administrative expenses	9,598,874	5,712,058
Quasi-restructuring	17,812,635	13,261,976
Consulting	8,120,070	6,543,945
Utilities	3,911,618	3,076,390
Office	665,154	-
Travel	4,181,975	2,180,389
Construction	2,758,580	1,911,718
Research	516,940	1,017,758
Telephone	2,065,846	1,749,510
Others	1,301,775	1,342,556
Share-based payment (Note 9)	206,400	1,155,567
Others	5,405,392	6,745,638
	231,412,629	156,955,599

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

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

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Net financial (expenses)/income	(7,730,248)	9,592,376
Interest income	1,907,398	3,101,872
Interest expense	(5,689,153)	(2,257,917)
Loss on disposal of financial assets	3,998,564	2,257,917
Transaction costs of financial assets and liabilities	(2,724,600)	(2,776,747)
Others	(198,512)	(131,710)
	(10,436,551)	9,785,791

() Transaction costs of financial assets and liabilities are calculated based on the actual interest rate (N/A(25)).

(37) Investment losses

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Share of losses of equity investees (N/A(7))	2,852,505	2,199,509
Net impairment losses of equity investments ()	(5,243,377)	-
	(2,390,872)	2,199,509

() Transaction costs of equity investments RMB5,423,377, which is 16.33% of the total transaction costs of equity investments. For the period ended 30 June 2017.

Notes to the Financial Statements

For the six months ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

(38) Assets impairment losses

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Bad debts	2,823,150	1,188,953

(39) Non-operating income

	Six months ended 30 June 2017 (Unaudited)	The amount charged to non-recurring profit or loss (Unaudited)
Government grants	5,245,868	5,245,868
Others	131,583	131,583
	5,377,451	5,377,451
	Six months ended 30 June 2016 (Unaudited)	The amount charged to non-recurring profit or loss (Unaudited)
Government grants	142,968	142,968
Others	41,847	41,847
	184,815	184,815

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities (continued)

(39) Non-operating income (continued)

() Income from non-current assets

	Six months ended 30 June 2017 (Unaudited)	2016 (Unaudited)	Related to assets/income
Net income from non-current assets	—	127,968	Related to non-current assets
Gain from disposal of non-current assets	4,835,868	—	Related to non-current assets
Gain from disposal of non-current assets	400,000	—	Related to non-current assets
Quasi-equity income	10,000	15,000	Related to non-current assets
	5,245,868	142,968	

() Total RMB490,000 RMB4,345,868. The Company's non-current assets are mainly land use rights, patents, trademarks, and other intangible assets. The Company's non-current liabilities are mainly bank borrowings and other financial liabilities. The Company's non-current assets and liabilities are measured at fair value.

() Total RMB400,000. The Company's non-current assets are mainly land use rights, patents, trademarks, and other intangible assets. The Company's non-current liabilities are mainly bank borrowings and other financial liabilities. The Company's non-current assets and liabilities are measured at fair value.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Non-current assets and non-current liabilities

(40) Non-operating expenses

	Six months ended 30 June 2017 (Unaudited)	The amount charged to non-recurring profit or loss (Unaudited)
Depreciation expense	2,247,255	2,247,255
Management fees	260,000	260,000
Lease expenses	95,691	95,691
Interest expense on long-term borrowings	95,691	95,691
Others	65,965	65,965
	2,668,911	2,668,911
	Six months ended 30 June 2016 (Unaudited)	The amount charged to non-recurring profit or loss (Unaudited)
Depreciation expense	1,935,018	1,935,018
Lease expenses	84,100	84,100
Interest expense on long-term borrowings	84,100	84,100
Others	435,152	435,152
	2,454,270	2,454,270

() Assets and liabilities are measured at fair value. Fair value is the price that would be received to sell an asset or settle a liability in an orderly transaction in the principal market (or most advantageous market) for the asset or liability at the measurement date. Fair value is determined based on the following hierarchy:

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

(41) Other gains

	Six months ended 30 June 2017 (Unaudited)	Relevant to assets/income
Share of net profit of equity investees (Note 5)	1,020,000	Relevant to income
Recovery of bad debts (Note 5)	1,672,900	Relevant to income
	2,692,900	

(i) The Company's share of net profit of equity investees of RMB1,020,000 for the six months ended 30 June 2017, is derived from the net profit of equity investees of RMB1,020,000 for the six months ended 30 June 2017. The Company's share of net profit of equity investees of RMB1,020,000 for the six months ended 30 June 2017 is derived from the net profit of equity investees of RMB1,020,000 for the six months ended 30 June 2017.

(ii) The Company's recovery of bad debts of RMB1,672,900 for the six months ended 30 June 2017, is derived from the recovery of bad debts of RMB1,672,900 for the six months ended 30 June 2017. The Company's recovery of bad debts of RMB1,672,900 for the six months ended 30 June 2017 is derived from the recovery of bad debts of RMB1,672,900 for the six months ended 30 June 2017.

(42) Income tax expenses

	Six months ended 30 June 2017 (Unaudited)	2016 (Unaudited)
Current income tax	14,743,399	13,915,240
Deferred income tax	(2,729,673)	(3,384,030)
	12,013,726	10,531,210

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

4. Notes to the financial statements (continued)

(43) Earning per share (continued)

() Details of the calculation

Details of the calculation of the weighted average number of shares outstanding during the period are as follows:

Calculation of the weighted average number of shares outstanding during the period ended 30 June 2017. Amount in RMB Yuan

(44) Notes to the statement of cash flows

() Cash flows from operating activities

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Cash generated from operations	7,086,718	12,960,272
Gain on disposal of property, plant and equipment	7,938,768	15,000
Other income	1,079,348	601,799
	16,104,834	13,577,071

() Cash flows from investing activities

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Purchase of property, plant and equipment	9,766,354	9,372,828
Acquisition of subsidiaries	3,507,204	1,999,307
Purchase of intangible assets	4,379,623	2,754,145
Acquisition of investment in subsidiaries	1,798,565	2,020,542
Purchase of financial assets	531,720	-
Purchase of investment in subsidiaries	2,758,580	3,290,618
Gain on disposal of property, plant and equipment	2,275,200	-
Purchase of investment in subsidiaries	2,065,846	1,491,713
Purchase of investment in subsidiaries	962,180	1,017,758
Other income	9,669,084	6,372,679
	37,714,356	28,319,590

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise stated)

4. Notes to the statement of cash flows (continued)

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

(i) Cash flows from operating activities

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Income from operations	1,556,687	898,631
Transfer from other cash flows (Note 4(1))	89,451,000	-
	91,007,687	898,631

(ii) Cash flows from investing activities

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Long-term investments (Note 4(1))	3,000,000	2,500,000
Transfer from other cash flows (Note 4(1))	30,000,000	-
	33,000,000	2,500,000

(i) For the period ended 30 June, 2017, RMB3,000,000 long-term investments in PRC H-share companies, RMB1,000,000 in China H-share companies, RMB2,000,000 in Hong Kong H-share companies, 7.2% H-share companies.

(ii) Cash flows from financing activities

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Transfer from other cash flows (Note 4(23))	300,000	-

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Notes to the statement of cash flows (continued)

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

(i) Cash flows from operating activities

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Cash flows from operating activities	1,718,279	338,363
Cash flows from investing activities	1,039,887	-
	2,758,166	338,363

(ii) Cash flows from financing activities

As at 30 June 2017, the Company's cash and cash equivalents were RMB24,773,012, which included RMB10,306,594 of cash and cash equivalents held in the Company's bank accounts. As at 30 June 2016, the Company's cash and cash equivalents were RMB8,266,866, which included RMB2,039,728 of cash and cash equivalents held in the Company's bank accounts. The Company's cash and cash equivalents were RMB2,039,728 as at 30 June 2015.

(45) Supplementary information to the statement of cash flows

(i) Supplementary information to the statement of cash flows

Reconciliation of cash and cash equivalents

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Net cash and cash equivalents at the beginning of the period	30,305,485	26,287,263
Change in cash and cash equivalents during the period	2,823,150	1,188,953
Net cash and cash equivalents at the end of the period	7,605,063	4,775,340
Change in cash and cash equivalents during the period	3,662,798	3,005,935
Change in cash and cash equivalents during the period	9,598,874	5,712,058
Net cash and cash equivalents at the end of the period	95,691	84,100
Change in cash and cash equivalents during the period	9,820,539	(8,289,294)
Change in cash and cash equivalents during the period	(2,390,872)	2,199,509
Change in cash and cash equivalents during the period	-	(127,968)
Change in cash and cash equivalents during the period	(407,598)	(3,384,030)
Change in cash and cash equivalents during the period	(2,976,091)	-
Change in cash and cash equivalents during the period	(13,739,715)	(1,805,595)
Change in cash and cash equivalents during the period	206,401	1,155,567
Change in cash and cash equivalents during the period	(47,078,441)	9,130,173
Change in cash and cash equivalents during the period	5,946,364	(1,947,607)
Net cash and cash equivalents at the end of the period	3,471,648	37,984,404



Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Notes to the Financial Statements (continued)

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

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

Supplementary information to the statement of cash flows

For the period ended 30 June 2017 and 2016, the Group's cash flows are as follows:

For the period ended 30 June 2017, the Group's cash flows are as follows: RMB98,610,800 (For the period ended

30 June 2016: RMB93,187,500). For the period ended 30 June 2016, the Group's cash flows are as follows: RMB93,187,500 (For the period ended

Notes to the Financial Statements

Financial statements for the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

4. Non-current assets and liabilities

(46) Monetary items dominated in foreign currency

	30 June 2017 (Unaudited)		
	Amount in the original currency	Exchange rate	Equivalent to RMB
Cash and cash equivalents			
USD	2,396,175	6.7744	16,232,648
HKD	255,752,199	0.8679	221,972,449
	31 December 2016 (Audited)		
	Amount in the original currency	Exchange rate	Equivalent to RMB
Cash and cash equivalents			
USD	2,482,702	6.937	17,222,504
HKD	307,691,469	0.8945	275,233,096

5. Current assets and liabilities

The Lianyungang Yiwu Kangning Hospital Co., Ltd. (Lianyungang Yiwu Kangning Hospital) was established on 12 December 2016 with a registered capital of RMB10,000,000.

The Lianyungang Yiwu Kangning Hospital Management Co., Ltd. (Lianyungang Yiwu Kangning Hospital Management) is a wholly-owned subsidiary of Yiwu Kangning Hospital Management Co., Ltd. (Yiwu Kangning Hospital Management).



Notes to the Financial Statements

For the period ended 30 June 2017
 (Amounts in RMB Yuan unless otherwise specified)

6. Interests in subsidiaries

(1) Interests in subsidiaries

(i) *Top Group*

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

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

6. Interests in subsidiaries (continued)

(1) Interests in subsidiaries (continued)

() Total Group interests in subsidiaries

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

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

6. Interests in subsidiaries (continued)

(1) Interests in subsidiaries (continued)

(i) Significant subsidiaries (continued)

Subsidiaries	Shareholding percentage	Net profit or	Dividends paid	Non-controlling
		loss attributable to non-controlling shareholders for six month ended 30 June 2017	to non-controlling shareholders for six month ended 30 June 2017	
				interests as at 30 June 2017
Shanghai Huijin	48.78%	406,787	—	13,406,214
Wuxi Guoqing Investment	25%	978,974	—	13,349,254
		1,385,761	—	26,755,468

Total interests in subsidiaries (continued)

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

6. Interests in associates

(2) Interests in associates

(a) Significant associates

	Principal Place of Business	Registry Place	Business Nature	Is it Strategic to Group Business	Shareholding ratio Direct Indirect
Sichuan Shengshi Xinyi Xinyi Huasheng	Xinyi	Xinyi	Healthcare	N	30%

(b) Financial information

	Six months ended 30 June 2017 (Unaudited)
Current assets	27,571,709
Non-current assets	59,561,064
Total assets	87,132,773
Current liabilities	776,636
Non-current liabilities	—
Total liabilities	776,636
Net assets	14,980,954
Equity attributable to equity holders of the Company	71,375,183
Non-current assets attributable to equity holders of the Company	21,412,555
Attributable to equity holders of the Company	4,494,286
Current assets attributable to equity holders of the Company	25,906,841
	Six months ended 30 June 2017
Revenue	5,051,287
Net profit	711,811

(c) The Company's financial statements are prepared in accordance with the accounting standards of the People's Republic of China (PRC).

Notes to the Financial Statements

For the six months ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

6. Interests in associates (continued)

(2) Interests in associates (continued)

(i) Significant associates (continued)

The following table shows the details of the Company's interests in associates under the consolidated financial statements prepared under the Hong Kong Accounting Standards ("HKAS") and the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"):

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Assets	34,291,387	6,223,428
Liabilities	(2,659,950)	(2,199,509)
Net assets	—	—
Total	(2,659,950)	(2,199,509)

(ii) The Company's interests in associates are accounted for using the equity method. The Company's share of the results of the operations of its associates is included in the consolidated income statement. The Company's share of the movements in the net assets of its associates is included in the consolidated statement of financial position.

7. Share-based payments

The Company has established a share-based payment arrangement in the form of a share option scheme ("Scheme") to provide incentives to the Company's employees and directors. The Scheme was approved by the shareholders of the Company at the general meeting held on 28 November 2012. The details of the Scheme are set out in the Company's annual general meeting minutes.

The Company's share-based payment arrangement is as follows:

HK\$1.00 per share, exercisable for a period of 10 years from the date of grant.

Reconciliation of the number of shares outstanding at the beginning and end of the period:

The number of shares outstanding at the beginning of the period was 1,000,000.

The number of shares outstanding at the end of the period was 1,000,000. The Company has not issued any new shares during the period. The Company has not repurchased any shares during the period. The Company has not cancelled any shares during the period.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

7. Significant non-current assets (continued)

() The following table shows the carrying amounts of significant non-current assets as at 30 June 2017:

Unaudited	Healthcare and related service	Property investment and development	Total
Receivables	239,095,883	44,040,424	283,136,307
Contract assets	(156,885,868)	(33,683,175)	(190,569,043)
Intangible assets	1,893,739	13,659	1,907,398
Investment properties	(1,690,589)	—	(1,690,589)
Investment in subsidiaries	2,390,872	—	2,390,872
Investment in associates	(2,823,150)	—	(2,823,150)
Deferred tax assets	(20,815,778)	(50,957)	(20,866,735)
Bank balances	36,315,270	6,003,941	42,319,211
Income tax receivable	(9,925,681)	(2,088,045)	(12,013,726)
Net assets	26,389,589	3,915,896	30,305,485
Total	1,497,291,800	260,093,905	1,757,385,705
Total	(483,620,965)	(206,042,872)	(689,663,837)
Quoted investments in debt securities	(2,311,135)	—	(2,311,135)
Investment in subsidiaries	60,198,228	—	60,198,228
Assets under management ()	184,433,554	(2,700,843)	187,134,397

() Non-current assets are measured at fair value less costs to sell, except for investment properties which are measured at fair value.

For the period ended 30 June 2016, the Group did not have any significant non-current assets.

() The Group has no significant non-current assets as at 30 June 2015.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

8. Related parties

(1) General information of the Company

The Company is a limited liability company incorporated in the People's Republic of China. Its registered capital is RMB 100,000,000.00. The Company is a subsidiary of the Group. The Company is a subsidiary of the Group. The Company is a subsidiary of the Group.

(2) The information of the subsidiaries

The Company has the following subsidiaries:

(3) The information of other related party

The Company has the following related parties:

	Relationship
Wang Sheng, Chairman	Chairman of the Board
Pan Sheng, Vice Chairman	Vice Chairman of the Board
Chen Sheng, Director	Director
Yan Sheng, Director	Director
Qin Sheng, Director	Director
Wang Kaiming, Manager of the Company	Manager of the Company
Huang Yanyan, Director of the Company	Director of the Company
Qin Kaiming	Director of the Company
Qin Kaiming	Director of the Company

(4) Related party transactions

(1) Related party transactions

The Company has the following related party transactions:

F. 100.000.000 30 J. 2017

8. Relying on the fact that the $\mathbb{Q}$ -rank of G is 1, we have

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() K₀ 0.5Q/5 1. ()T()T(-)ETEMC、1 0 0 167T.ETEMC/S3 (-US)/MCID 8179 J

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

8. Related party transactions (continued)

(4) Related party transactions (continued)

(i) Purchases of goods and services

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Net purchases of goods and services from Group	1,405,303	366,619
Balance Year-end	328,964	1,653,923
	1,734,267	2,020,542

(ii) Rental of land and buildings

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Net purchases of land and buildings from Group	777,482	1,353,493
Balance Year-end	6,309,236	15,064,006
	7,086,718	16,417,499

(iii) Purchases of land and buildings from Group

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Balance Year-end	60,221	-

Notes to the Financial Statements

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise stated)

8. Related party transactions (continued)

(4) Related party transactions (continued)

(i) Board of directors' remuneration

	Six months ended 30 June	
	2017	2016
Qian Kang	45,087	50,219

(i) Advances from related parties

During the period, the Company's Board of Directors, Mr. Gao Wenzhong, Mr. Wang Lijun, Mr. Wang Hui, Mr. Chen Yuxin, Mr. Chen Baocun, Mr. Liang, etc., received advances from the Company for a total of 6 June 2016. Advances from Mr. Gao Wenzhong, Mr. Wang Lijun, Mr. Wang Hui, Mr. Chen Yuxin, Mr. Chen Baocun, Mr. Liang, etc., for a total of RMB252,000,000.

During the period, the Company's Board of Directors, Mr. Gao Wenzhong, Mr. Wang Lijun, Mr. Wang Hui, Mr. Chen Yuxin, Mr. Chen Baocun, Mr. Liang, etc., received advances from the Company for a total of 19 April 2017. Advances from Mr. Gao Wenzhong, Mr. Wang Lijun, Mr. Wang Hui, Mr. Chen Yuxin, Mr. Chen Baocun, Mr. Liang, etc., for a total of RMB44,000,000.

(i) Equity investments in related parties

During the period, the Company's Board of Directors, Mr. Gao Wenzhong, Mr. Wang Lijun, Mr. Wang Hui, Mr. Chen Yuxin, Mr. Chen Baocun, Mr. Liang, etc., received equity investments from the Company for a total of 30 June 2016. During the period, the Company's Board of Directors, Mr. Gao Wenzhong, Mr. Wang Lijun, Mr. Wang Hui, Mr. Chen Yuxin, Mr. Chen Baocun, Mr. Liang, etc., received equity investments from the Company for a total of 28 June 2016. During the period, the Company's Board of Directors, Mr. Gao Wenzhong, Mr. Wang Lijun, Mr. Wang Hui, Mr. Chen Yuxin, Mr. Chen Baocun, Mr. Liang, etc., received equity investments from the Company for a total of 51% of the Company's equity.

Notes to the Financial Statements

For the period ended 30 June 2017

(Amounts in RMB Yuan unless otherwise specified)

8. Related party transactions (continued)

(4) Related party transactions (continued)

() Amounts in RMB Yuan

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Q K	300,000	.

(5) Balances with related parties

() Q

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
B Y H	326,620	6,306,892
N G	2,163,787	1,535,966
	2,490,407	7,842,858

() Q

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Q K	3,410,000	3,110,000
H H	60,221	.
	3,470,221	3,110,000

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9. **Submit your work** ☒

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- (1) I have reviewed the following documents:
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Notes to the Financial Statements

10. Commitments

(1) Capital commitments

Capital commitments at the reporting date:		
	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Balance at the beginning of the period	145,259,995	153,326,228

(2) Operating lease commitments

Operating lease commitments at the reporting date:		
	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Within 1 year	19,040,349	27,197,148
1 to 2 years	25,619,691	23,537,604
2 to 3 years	24,518,699	21,793,250
Over 3 years	262,837,022	116,902,176
	332,015,761	189,430,178

11. Employee benefits

A. Defined contribution plans

12. Final Remarks

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(1) Market risk

() $F_{\alpha, \beta, \gamma, \delta}$

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RMB. T G

A₁, 30 J., 2017; 31 D., 2016, [X] G. [X]
[X] (RMB):

	30 June 2017 (Unaudited)		
	HKD	USD	Total
Financial assets at fair value through profit or loss			
Current	221,972,449	16,232,648	238,205,097
	31 December 2016 (Audited)		
	HKD	USD	Total
Financial assets at fair value through profit or loss			
Current	275,233,096	17,222,504	292,455,600

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



12. Find $\lim_{x \rightarrow 0} \left(\frac{1}{x} - \frac{1}{x^2} \right)$.

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



Notes to the Financial Statements

13. Financial Instruments

The following table provides information about the financial instruments measured at fair value on a recurring basis:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1, which are directly or indirectly observable, such as interest rate swaps, and other derivative financial instruments.

Level 3: Unobservable inputs for the asset or liability.

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

At 30 June 2017 and 31 December 2016, the following financial instruments were measured at fair value:

	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale investments			50,000,000	50,000,000
Financial liabilities				
Interest rate swaps			72,191,872	72,191,872
Total			122,191,872	122,191,872

The Group's Wholesale Banking Assets Valuation Committee, which is composed of senior management, reviews the fair value measurements of the Group's financial instruments. The Group's fair value measurements are based on the fair value hierarchy set forth in IFRS 13, Fair Value Measurement.

The Group's fair value measurements are based on the fair value hierarchy set forth in IFRS 13, Fair Value Measurement. The Group's fair value measurements are based on the fair value hierarchy set forth in IFRS 13, Fair Value Measurement.

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

The Group's financial instruments not measured at fair value but disclosed are the Group's cash and cash equivalents, and the Group's loans and receivables.

The Group's financial instruments not measured at fair value but disclosed are the Group's cash and cash equivalents, and the Group's loans and receivables.



14. 公司基本情况

1. 公司注册地址：浙江省宁波市鄞州区中河街道中河社区中河路1111号
2. 公司办公地址：浙江省宁波市鄞州区中河街道中河社区中河路1111号

3. 公司法定代表人：郭卫
4. 公司注册资本：人民币10000000.00元

5. 公司统一社会信用代码：913302011000499079
6. 公司联系电话：0574-8631385
7. 公司电子邮箱：10499130635005@qq.com



Notes to the Financial Statements

15. Notes to the Financial Statements (continued)

(1) Accounts receivable (continued)

() The following table shows the aging of accounts receivable:

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Working capital	92,691,944	



Receivables 1,77,25 2% — — 0534.2943 34943 380.28(5)T. (,)T. 130

15. Non-current Assets (continued)

(1) Accounts receivable (continued)

() Accounts receivable (continued)

Receivables	Unaudited 30 June 2017				Audited 31 December 2016			
	Ending balance		Provision for bad debts		Ending balance		Provision for bad debts	
	% of total		% of total		% of total		% of total	
	Amount	balance	Amount	balance	Amount	balance	Amount	balance
Receivables								
Receivables	25,848,193	26%	—	—	10,567,765	12%		
Receivables								
Receivables	31,081,359	31%	—	—	39,872,555	46%		
Receivables								
Receivables	7,896,283	8%	6,342,610	80%	06,380,943	30%	380.23(10)	
87% ,225,4								
			—	—				

% 2,7

%

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15. Nucleon number conservation ($\square$)

(c) A₁, 30 Jan. 2017, "....."
.....

(2) Other receivables

* T, E, H, R, H, C, R, H, C, L, (C, R, H, G, X, H, M, (N, ()).

15. 其他应收款 (续)

(2) 其他应收款 (续)

() 截至 2017 年 6 月 30 日

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
往来款	355,754,644	217,412,037
1-2 年	36,459,748	33,513,442
2-3 年	20,113,661	13,935,662
3 年以上	445,200	-
	412,773,253	264,861,141

截至 2017 年 6 月 30 日与 2016 年 12 月 31 日相比, 其他应收款余额增加, 主要系往来款增加所致。

() 截至 2017 年 6 月 30 日, 其他应收款坏账准备计提情况如下:

30 June 2017	Balance	Provision for bad debt	% of provision	Reason
关联方往来款: 冯国兴、何明	2,156,116	1,210,030	56%	(i)
关联方往来款: 王明、吴恩、董国、陈立 (温州明沟有限公司)	267,043	267,043	100%	e(iii)
	2,423,159	1,477,073		

() 截至 2017 年 6 月 30 日与 2016 年 12 月 31 日相比, 其他应收款坏账准备余额增加, 主要系关联方往来款坏账准备增加所致。

Notes to the Financial Statements

15. Non-current Assets (continued)

(2) Other receivables (continued)

(i) Interest receivable 30 June 2017, RMB267,043 (30 June 2016: RMB131,972). Non-current receivables 30 June 2017 (30 June 2016: Nil).

(ii) Trade receivables 30 June 2017 (30 June 2016: Nil)

(iii) Accounts receivable 30 June 2017, RMB295,785,936 (30 June 2016: RMB295,785,936).

30 June 2017 (Unaudited)					
	Nature	Balance	aging	% of total amount of other receivable	provision for bad debts
Bank deposits	Receivable	95,999,004	Within one year	23%	—
Warranty	Receivable	65,865,097	Within one year	16%	—
Guarantee	Receivable	65,367,853	Within one year	16%	—
Contract	Receivable	36,700,000	Within one year	9%	—
Prepaid	Receivable	31,853,982	Within two years	8%	—
		295,785,936		72%	—

(3) Long-term equity investment

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Subsidiary ()	100,782,135	100,782,135
Associate ()	14,458,938	15,072,785
	115,241,073	115,854,920

Total long-term equity investment 30 June 2017, RMB115,241,073 (31 December 2016: RMB115,854,920).

15. Non-current Assets (continued)

(3) Long-term equity investment (continued)

() \$ million

The change in the six months ended 30 June

	31 December 2016	Increase	Decrease	Accrual for provision for impairment	Others	30 June 2017	Provision for impairment	Cash dividends declared in the current period
Qinghai Kangning Hospital	1,000,000	.	.	.	.	1,000,000	.	.
Yunnan Kangning Hospital	1,000,000	.	.	.	.	1,000,000	.	.
Chongqing Kangning Hospital	1,000,000	.	.	.	.	1,000,000	.	.
Yunnan Kangning Hospital	1,000,000	.	.	.	.	1,000,000	.	.
Jiangxi Fuyuan County	500,000	.	.	.	.	500,000	.	.
Sichuan Yunnan Medical								
Ili County, China	10,000,000	.	.	.	.	10,000,000	.	.
Liuzhou Kangning Hospital	1,600,000	.	.	.	.	1,600,000	.	.
Liuzhou Yunnan Hospital								
Mianyang County, China	10,000,000	.	.	.	.	10,000,000	.	.
Zhenyuan Hospital, China	24,682,135	.	.	.	.	24,682,135	.	.
Kangning	50,000,000	.	.	.	.	50,000,000	.	.
	100,782,135	.	.	.	.	100,782,135	.	.

Notes to the Financial Statements

15. Non-current Assets Held for Sale (continued)

(3) Long-term equity investment (continued)

() Assets

	31 December 2016	Initial investment	Decrease	The change in the six months ended 30 June					Others	30 June 2017	The closing amount of provision for impairment
				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			
Held for sale H shares ()	507,450			(1,149,040)						(641,590)	
S427 held for sale H shares ()	14,490										

15. Notes to the Consolidated Financial Statements

(4) Revenue and cost of sales (continued)

() Revenue and cost of sales

	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Revenue (Unaudited)	Cost (Unaudited)	Revenue (Unaudited)	Cost (Unaudited)
Product sales	42,430,403	35,779,303	39,051,448	30,281,560
Technology services	97,002,193	54,009,581	84,015,433	53,200,980
Medical services	9,165,461	4,548,589	8,012,930	4,113,366
	148,598,057	94,337,473	131,079,811	87,595,906

() Revenue and cost of sales

	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Revenue (Unaudited)	Cost (Unaudited)	Revenue (Unaudited)	Cost (Unaudited)
Others	48,176	—	23,520	—

(5) Investment income

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Share of profits of equity-accounted investees	(613,847)	(2,199,509)
	(613,847)	(2,199,509)

Technology services and medical services

Supplementary Information of Financial Statement

For the period ended 30 June 2017

(Amount in RMB Yuan unless otherwise specified)

1. The non-recurring profit and loss statement

	Six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)
Net income from continuing operations	95,691	84,100
Transfer of assets and liabilities	(7,938,768)	(142,968)
Loss from disposal of subsidiaries	(350,711)	-
Disposal of subsidiaries	2,247,255	1,935,018
Net income from discontinued operations	194,382	393,305
Share of net income from associates and joint ventures	(5,752,151)	2,269,455
Loss from disposal of subsidiaries	1,573,716	(333,609)
Loss from disposal of subsidiaries	-	-
Net income from discontinued operations	(4,178,435)	1,935,846

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

As at 30 June 2017, the Company's net income from continuing operations is RMB 95,691, net income from discontinued operations is RMB 194,382, and net income from associates and joint ventures is RMB (5,752,151). The net income from continuing operations is calculated based on the Company's accounting policy and the net income from discontinued operations is calculated based on the Company's accounting policy.

Whereas the Company's net income from continuing operations is calculated based on the Company's accounting policy, the net income from discontinued operations is calculated based on the Company's accounting policy. The net income from continuing operations is calculated based on the Company's accounting policy and the net income from discontinued operations is calculated based on the Company's accounting policy.

Supplementary Information of Financial Statement

For the period ended 30 June 2017
(Amount in RMB Yuan)

2. Return on equity

Weighted average return on equity (%) for the period ended 30 June 2017 is calculated as follows:
Return on equity = Net profit attributable to equity holders of the company / Weighted average equity × 100%
Weighted average equity = Equity at the beginning of the period + (New equity issued during the period - Repurchased equity during the period) × Weighted average time period / Total time period

	Weighted average return on equity(%)	
	2017	2016
Return on equity for the period ended 30 June 2017	3.12	6.99
Return on equity for the period ended 30 June 2016	2.71	6.72

	Earning per share			
	six months ended 30 June 2017		2016	
	Basic earning per share	Diluted earning per share	Basic earning per share	Diluted earning per share
Return on equity for the period ended 30 June 2017	0.43	0.43	0.94	0.94
Return on equity for the period ended 30 June 2016	0.38	0.38	0.91	0.91



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)
CGC	C . G T . ()T.00.599 0 T . ()T.0.412 06T.9 0 0 9 198.4252 248.0957 T . (1)T . ()T.1.26



Definitions

G	C
HS	()
H	H I T, C., L. (杭州宏瀾信息科技有限公司),
I	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 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

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