



廣東康華醫療股份有限公司 Guangdong Kanghua Healthcare Co., Ltd.*

(於中華人民共和國註冊成立的股份有限公司)

(A joint stock company incorporated in the People's Republic of China with limited liability)

股份代號 Stock Code : 3689

* 僅供識別 For identification purposes only

蒼生為念
厚德載醫

2016 年報
Annual Report



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Junyang (*Chairman*)
Mr. Chen Wangzhi (*Chief Executive Officer*)
Mr. Wong Wai Hung Simon (*Vice Chairman*)
Ms. Wang Aiqin

Non-executive Director

Mr. Lv Yubo

Independent Non-executive Directors

Mr. Yeung Ming Lai
Dr. Chen Keji
Mr. Chan Sing Nun

Audit Committee

Mr. Chan Sing Nun (*Chairman*)
Dr. Chen Keji
Mr. Yeung Ming Lai

Remuneration Committee

Mr. Chan Sing Nun (*Chairman*)
Ms. Wang Aiqin
Mr. Yeung Ming Lai

Nomination Committee

Mr. Wang Junyang (*Chairman*)
Dr. Chen Keji
Mr. Yeung Ming Lai

SUPERVISORY COMMITTEE

Mr. Chen Shaoming (*Chairman*)
Mr. Wang Shaofeng
Mr. Wang Bingzhi

JOINT COMPANY SECRETARIES

Mr. Wong Wai Hang Ricky
Ms. Chau Hing Ling

SECRETARY TO THE BOARD

Ms. Wang Yingda

董事會

執行董事

王君揚先生(*主席*)
陳旺枝先生(*行政總裁*)
王偉雄先生(*副主席*)
王愛勤女士

非執行董事

呂玉波先生

獨立非執行董事

楊銘灋先生
陳可冀醫生
陳星能先生

審核委員會

陳星能先生(*主席*)
陳可冀醫生
楊銘灋先生

薪酬委員會

陳星能先生(*主席*)
王愛勤女士
楊銘灋先生

提名委員會

王君揚先生(*主席*)
陳可冀醫生
楊銘灋先生

監事會

陳少明先生(*主席*)
王少鋒先生
王炳枝先生

聯席公司秘書

黃偉恒先生
周慶齡女士

董事會秘書

王櫻達女士

AUTHORISED REPRESENTATIVES

Mr. Wong Wai Hung Simon
Mr. Wong Wai Hang Ricky

授權代表

王偉雄先生
黃偉恒先生

AUDITOR

Deloitte Touche Tohmatsu

核數師

德勤 • 關黃陳方會計師行

LEGAL ADVISERS AS TO HONG KONG LAWS

Skadden, Arps, Slate, Meagher & Flom

香港法律顧問

世達國際律師事務所

COMPLIANCE ADVISER

TC Capital International Limited

合規顧問

天財資本國際有限公司

REGISTERED OFFICE

3/F, Outpatient Zone One
Dongguan Kanghua Hospital
Nancheng Street Road
Dongguan
Guangdong Province
PRC

註冊辦事處

中國
廣東省
東莞市
南城街道
東莞康華醫院
門診一區3樓

HEAD OFFICE IN THE PRC

1000 Dongguan Avenue
Dongguan
Guangdong Province
PRC

中國總部

中國
廣東省
東莞市
東莞大道1000號

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3207, Metroplaza Tower 2
223 Hing Fong Road
Kwai Fong, New Territories
Hong Kong

香港主要營業地點

香港
新界葵芳
興芳路223號
新都會廣場第二座3207室

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712 – 1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

H股證券登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716室

STOCK CODE

3689

股份代號

3689

COMPANY'S WEBSITE

<http://www.kanghuagp.com>

公司網站

<http://www.kanghuagp.com>

Financial Highlights

財務概覽

KEY FINANCIAL PERFORMANCE 主要財務表現

		For the year ended 31 December 截至十二月三十一日止年度			
		2016 二零一六年 YoY Change 按年變動	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元
Revenue	收益	+16.6%	1,240,390	1,063,702	985,108
Gross profit	毛利	+24%	296,911	239,412	223,684
Gross profit margin	毛利率	+1.4b.p.	23.9%	22.5%	22.7%
Profit before taxation	除稅前溢利	+33.4%	198,473	148,818	135,212
Profit for the year attributable to owners of the Company:	本公司擁有人應佔年內溢利				
– Reported	— 呈報	+18.9%	141,260	118,847	102,237
– Adjusted*	— 經調整*	+26.5%	152,015	120,126	102,237
Earnings per share – basic	每股盈利 – 基本	+13.3%	53.8	47.5	40.9
Final dividend (RMB cents)	末期股息 (人民幣分)	N/A 不適用	14.0	N/A 不適用	N/A 不適用
Total assets	總資產	+44.3%	1,595,978	1,105,920	1,885,024
Total liabilities	總負債	-51.0%	420,935	859,172	1,746,656
Equity attributable to owners of the Company	本公司擁有人應佔權益	+399.0%	1,155,415	231,547	123,284
Net gearing ratio	淨資產負債率	-100%	—	138.5%	663.8%

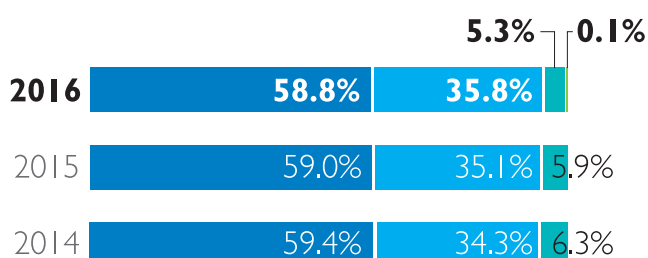
* With exclusion of one-off listing expenses

* 扣除一次性上市開支

REVENUE 收益

Segment revenue 分部收益

RMB million 人民幣百萬元



Inpatient healthcare services 住院醫療服務	↑16.1%
585.3 2014 628.0 2015 729.2 2016	
Outpatient healthcare services 門診醫療服務	↑18.9%
338.3 2014 373.3 2015 443.8 2016	
Physical examination services 體檢服務	↑6.3%
61.5 2014 62.4 2015 66.3 2016	
Hospital management services 醫院管理服務	
- 2014 - 2015 1.1 2016	
985.1 2014 1,063.7 2015 1,240.4 2016	Total 總額

Financial Highlights

財務概覽

PATIENT VISITS 病人人次

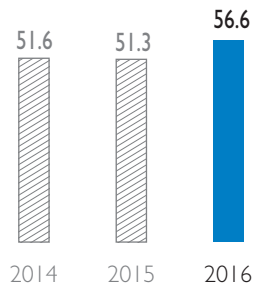
Inpatient Visits 住院人次

56,590

10.3% ↑

CAGR@4.7%
複合年增長率

Thousands 千人次



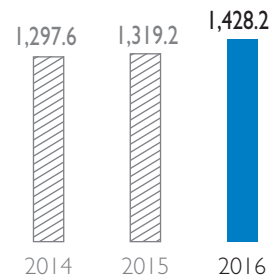
Outpatient Visits 門診人次

Thousand 千人次

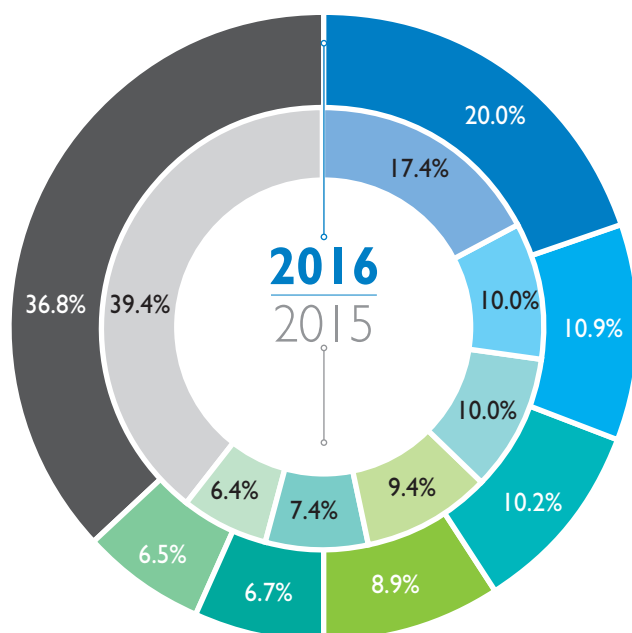
1,428,185

8.3% ↑

CAGR@4.9%
複合年增長率



REVENUE BY MAJOR MEDICAL DISCIPLINES* 主要醫學專科收益*



O&G related disciplines 婦產科有關科室	↑33.9%
Cardiovascular related disciplines 心血管有關科室	↑26.5%
Internal medicine related disciplines 內科有關科室	↑18.1%
General surgery related disciplines 普通外科有關科室	↑10.7%
Orthopaedics related disciplines 骨科有關科室	↑4.9%
Neurology related disciplines 神經醫學有關科室	↑18.6%

*總收入不包括醫院管理服務
*Total revenue does not include hospital management services

2016 Milestones

2016年度里程

康華十年 KANGHUA – TEN YEARS

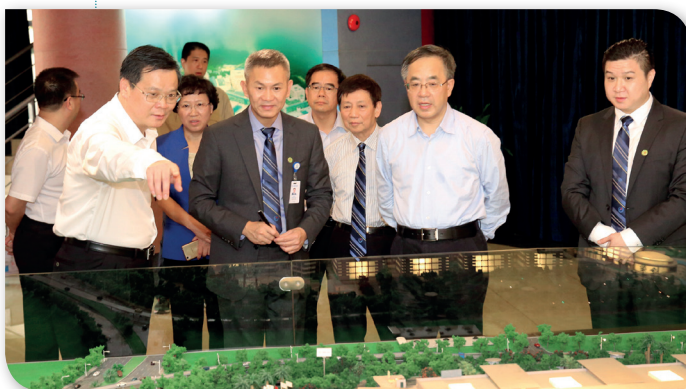


2016年11月1日，集團迎來了十周年慶典，當天舉行了一系列的慶祝活動，包括「十年種樹百年同心」同心菩提樹種植活動及「同行十載共築百年」院慶晚會，進行了「康華·感動力量」人物頒獎，並給200餘名在集團堅守十年的員工以及為集團發展做出巨大貢獻的專家贈送了紀念獎牌。

On 1 November 2016, the Group welcomed its 10th anniversary of operations with a series of celebrations, including "Planting a tree in the tenth year and centennial union", a collaborative and united effort in planting a Bodhi tree and "A decade of working together and united we shall build for a century" celebration party; the Group organized "Kanghua and the power of appreciation" staff award ceremony and presented commemorative awards to over 200 staff who have dedicated themselves to the Group for 10 years and experts who have made significant contributions to the development of the Group.



廣東省委書記調研 VISIT BY THE COMMITTEE SECRETARY OF GUANGDONG PROVINCE



2016年11月15日，中共中央政治局委員、廣東省委書記胡春華蒞臨集團調研。他表示：「康華作為廣東省首家在港上市的民營醫療機構，投資方向和管理方式都很正確，我們贊同康華繼續投資，希望康華堅持高水平發展民營醫院，樹立社會辦醫的典範。」

On 15 November 2016, Mr. Hu Chunhua, a member of the Political Bureau of the CPC Central Committee and Committee Secretary of Guangdong Province, surveyed the Group's operations. He remarked that "as the first private hospital group in Guangdong Province to be listed on the Hong Kong Stock Exchange, the Kanghua's investment direction and management methodology are correct; we approve of the Kanghua's continuing investments and wish that Kanghua would maintain developing private hospitals at a high standard and set an example for private healthcare practice."

2016 Milestones

2016年度里程

公司上市 LISTING

2016年11月8日，中國領先的私立綜合醫院運營商－廣東康華醫療股份有限公司（股份代號：3689.HK）的H股成功於香港聯合交易所主板掛牌上市。中國領先的「康華」品牌由此晉身醫療股新貴，強勢開啟發展新篇章。

On 8 November 2016, a leading private hospital operator in the PRC, Guangdong Kanghua Healthcare Co., Ltd. (stock code: 3689.HK) successfully listed its H Shares on the Main Board of the Hong Kong Stock Exchange. Since then, the leading brand "Kanghua" in the PRC has emerged as a new entrant in the healthcare stocks, signifying a powerful opening to a new chapter of development.



眾聯心血管醫院開業典禮 OPENING CEREMONY OF ZHONGLIAN CARDIOVASCULAR HOSPITAL



於二零一六年六月二十四日，本集團就眾聯心血管病醫院訂立管理協議；眾聯心血管病醫院代表著本集團管理的第一家醫院，及本集團首次擴充到廣東省以外的業務。眾聯心血管病醫院於二零一七年三月一日正式投入運作。

On 24 June 2016, the Group entered into a management agreement with respect to Zhonglian Cardiovascular Hospital, representing the Group's first managed hospital and its first presence outside of Guangdong Province. Zhonglian Cardiovascular Hospital commenced operations on 1 March 2017.

The Chief Executive Officer's Statement

行政總裁報告



Dear Shareholders,

On behalf of the Board of Directors of Guangdong Kanghua Healthcare Co., Ltd., I would like to express my sincere gratitude to all of the Shareholders as well as the community for their support to the Group. The year 2016 marked a significant milestone of the Group, in particular, the 10th anniversary of operation of our flagship hospital, Kanghua Hospital and the successful listing of the H-Shares of the Company on the Main Board of the Hong Kong Stock Exchange.

The Group has continued to strive for the highest level of healthcare services by providing seamless patient-centric care, optimizing clinical processes and improving medical capability in advanced diagnosis and treatment. During the year, the Group had established more specialized disciplines and advanced medical facilities to address the increasing need for comprehensive care, including a prenatal diagnosis center, a blood disease diagnosis and treatment center laboratory and a comprehensive surgery and pediatric department specifically for VIP patients at Huaxin Building. With a view to improving patient

致股東：

本人謹代表廣東康華醫療股份有限公司董事會，衷心感謝所有股東及社會各界人士對本集團的支持。二零一六年是本集團的重要里程碑，特別是我們的旗艦醫院康華醫院投入運作十週年，以及本公司H股成功於香港聯交所主板上市。

通過提供一體化病人為本護理、優化臨床過程及提高先進診斷和治療的醫療能力，本集團繼續爭取提供最高水平的醫療服務。年內，本集團設立更多專科和先進的醫療設施，以滿足日益增長的綜合護理需求，包括產前診斷中心、血液病診治中心實驗室及於華心樓專為貴賓病人提供的綜合外科和兒

The Chief Executive Officer's Statement

行政總裁報告



experience and satisfaction, the Group has also streamlined patient visits, accessibility and payment by making use of emerging internet technologies and mobile platforms. The Group's service excellence under the "Kanghua" brand is widely recognised by the community, in particular Guangdong Province. In November 2016, a new chapter began for the Group when the Company's H Shares were successfully listed on the Main Board of the Hong Kong Stock Exchange, further solidifying the brand image and expansion platform of the Group. In June 2016, the Group entered into a management agreement with respect to Zhonglian Cardiovascular Hospital, representing the Group's first managed hospital and its first presence outside of Guangdong Province. Zhonglian Cardiovascular Hospital commenced operations in March 2017. The Board is confident about the prospects of Zhonglian Cardiovascular Hospital which will in turn benefit the Group through the management arrangement.

科。為了改善病人的體驗和滿意度，本集團還通過利用新興的互聯網技術和手機平台，簡化病人掛號、診症及付款。本集團在「康華」品牌下的卓越服務得到社會各界的廣泛認可，特別是廣東省。於二零一六年十一月，本公司H股成功在香港聯交所主板上市後，本集團邁向新紀元，進一步鞏固本集團品牌形象和擴充平台。於二零一六年六月，本集團就眾聯心血管病醫院訂立管理協議，代表本集團管理的第一家醫院，並首次擴充業務到廣東省以外。眾聯心血管病醫院於二零一七年三月投入運作。董事會對眾聯心血管病醫院的前景充滿信心，通過管理安排將使本集團獲益。

The Chief Executive Officer's Statement

行政總裁報告

In the year 2016, the Group's owned hospitals, namely Kanghua Hospital and Renkang Hospital, continued to deliver remarkable results: total outpatient visits reached 1,428,185, representing a year-on-year increase of 8.3%; total inpatient visits reached 56,590, representing a year-on-year increase of 10.3%; and total surgeries reached 33,630, representing a year-on-year increase of 20.8%. Each of the Group's hospitals has a clearly defined and integrated clinical structure, including clinical management, clinical processes, and clinical risk reporting and responsibility system to improve the standard of clinical governance and achieve service excellence. The achievements of the Group are also widely recognized in the community, as exemplified by the positive reports by influential media and numerous awards achieved.

The Group was highly appraised by Mr. Hu Chunhua, a member of the Political Bureau of the CPC Central Committee and Committee Secretary of Guangdong Province, who surveyed the Group's operations on 15 November 2016 and remarked that "as the first private hospital group in Guangdong Province to be listed on the Hong Kong Stock Exchange, the Kanghua's investment direction and management methodology are correct; we approve of the Kanghua's continuing investments and wish that Kanghua would maintain developing private hospitals at a high standard and set an example for private healthcare practice."

For the year ended 31 December 2016, the Group recorded revenue of RMB1,240.4 million, representing a year-on-year increase of 16.6%. Profit attributable to Shareholders amounted to RMB141.3 million, representing a year-on-year increase of 18.9%. With the exclusion of the one-off listing expenses, the profit attributable to Shareholders amounted to RMB152.0 million, representing a year-on-year increase of 26.5%. Moreover, a number of measures on careful cost control, increasing bed utilisation and increase in the number of complicated surgeries, the gross profit margin of the Group has increased from 22.5% in year 2015 to 23.9% in year 2016. With the view of bringing continual and stable returns to the Shareholders, the Board recommended to distribute a final dividend of RMB14 cents per share (inclusive of applicable tax) for the year ended 31 December 2016.

The Group is well positioned to capture the growth opportunities presented by the continuous deepening of the healthcare reform in the PRC, which aims at, among other things, eliminating inequalities between public and private hospitals and creating a more conducive policy environment for private hospitals. Looking forward, the Group intends to leverage these opportunities and continue to expand its operations and footprint across

於二零一六年，本集團擁有的醫院康華醫院及仁康醫院繼續取得顯著成效：門診人次總數達1,428,185人，按年計同比增長8.3%，住院人次總數達56,590人，按年計同比增長10.3%；手術總數達33,630宗，按年計同比增長20.8%。本集團各醫院具有清晰界定及一體化的臨床結構，包括臨床管理、臨床流程、臨床風險報告和問責制，從而提高臨床治理水平，實現卓越服務。誠如具影響力媒體作出的正面報導及獲得的多個獎項所彰顯，本集團的成就亦得到社會的廣泛認可。

本集團獲中央政治局委員兼廣東省委書記胡春華先生高度評價，於二零一六年十一月十五日巡視本集團的營運時表示，「作為廣東省首家在香港聯交所上市的民營醫療集團，投資方向和管理方式都很正確；我們贊同康華繼續投資，並希望康華堅持高水平發展民營醫院，樹立社會辦醫的典範」。

截至二零一六年十二月三十一日止年度，本集團錄得收益人民幣1,240.4百萬元，按年計同比增長16.6%。股東應佔溢利人民幣141.3百萬元，按年計同比增長18.9%。撇除一次性上市費用後，股東應佔溢利為人民幣152.0億元，按年計同比增長26.5%。此外，本集團已採取若干措施，審慎控制成本、提高床位使用率、增加複雜手術次數，所以本集團毛利率由二零一五年的22.5%上升至二零一六年的23.9%。董事會旨在持續向股東提供穩定回報，建議派發截至二零一六年十二月三十一日止年度的末期股息每股人民幣14分(含適用稅項)。

本集團處於有利陣地，掌握中國醫療改革不斷深化帶來的增長機遇，務求(其中包括)消除公營醫院和私營醫院之間的不平等，為私營醫院創造更有利的政策環境。展望未來，本集團擬利用這些機會，繼續擴大其在中國

The Chief Executive Officer's Statement

行政總裁報告

the PRC. Competition for employing high quality healthcare professionals remains keen. The Group will continue to optimize and benchmark its staff remuneration and retention policy against competitors with a view to effectively retaining and attracting top talent in the industry.

In 2017, Kanghua Hospital's Grade A Class III rating (the highest attainable rating for hospitals in the PRC under the NHFPC classification) will be subject to review by the Guangdong HFPC. Kanghua Hospital is well prepared for the review and the Board is confident that Kanghua Hospital will be able to maintain its rating. Furthermore, the Group has comprehensively assessed Renkang Hospital, and is satisfied that it has been operating at a standard commensurate to a Grade A Class II hospital. Renkang Hospital has begun preparation for its application to be rated as a Grade A Class II hospital. Such rating will further testify the medical quality of the Group.

"Kanghua People" have collectively played a phenomenal role in establishing a strong foothold of the Group in Dongguan. The management arrangement with Zhonglian Cardiovascular Hospital demonstrates the Group's initiative in expanding its operations and footprint outside of Dongguan. The Group is continuously exploring other opportunities and identifying suitable locations with an unmet demand of healthcare resources. The Board is confident that the Group will be able to leverage its capability in delivering and managing multi-disciplinary healthcare services to tap into the specific demand of the local population of the target location. The Group intends to initially focus on opportunities with small and medium sized hospitals with 300 to 500 beds.

The Board believes that the Group has a solid foundation to transform into a leading healthcare group in the PRC, with a long term goal of becoming a centennial corporation with more than 30 hospitals and 15,000 beds and an influential presence through the PRC and South East Asia.

Chen Wangzhi
Chief Executive Officer

22 March 2017

的營運及覆蓋範圍。聘用高素質醫療專業人士的競爭仍然很激烈。本集團將繼續優化和以競爭對手為基準衡量其對員工的薪酬和挽留政策，以期有效挽留和吸引行業頂尖人才。

於二零一七年，廣東省衛計委將對康華醫院三級甲等評級(國家衛計委分級制度下中國醫院取得的最高評級)進行覆評。康華醫院已為該項覆評作好充分準備，而董事會相信康華醫院將能維持其評級。此外，本集團已全面評估仁康醫院，並確信其運作標準符合二級甲等醫院的標準。仁康醫院已開始準備申請將其評定為二級甲等醫院。該評級將進一步證明本集團的醫療質量。

「康華人」為本集團在東莞建立的雄厚根基扮演舉足輕重的角色。眾聯心血管病醫院的管理安排表明，本集團在東莞以外拓展業務和覆蓋範圍的倡議。本集團不斷探索其他機會，並物色醫療資源需求未滿足的合適地點。董事會有信心，本集團借助其在提供和管理跨專科醫療服務方面的能力，可以進軍目標地點滿足當地居民的具體需求。本集團擬將重點初步聚焦於擁有300至500張病床的中小型醫院。

董事會相信，本集團已奠下穩固根基，轉型為中國領先的醫療集團，長期目標是成為百年企業，擁有30多家醫院和15,000張床位，並在中國及東南亞對醫療行業造成深遠影響。

陳旺枝
行政總裁

二零一七年三月二十二日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

Business overview for 2016

The year 2016 marked the 10th anniversary of the Group's operations. At the same time, it opened up a new chapter for the Group following the successful listing of the Company's H-Shares on the Hong Kong Stock Exchange in November 2016.

The Group's hospitals delivered promising operating results in 2016, in particular: (i) the total number of inpatient visits reached 56,590 (2015: 51,299), representing a year-on-year increase of 10.3%; (ii) the overall average spending per inpatient visit amounted to RMB12,885.1 (2015: RMB12,242.8), representing a year-on-year increase of 5.2%; (iii) the overall bed utilisation rate increased to 83.2% (2015: 78.3%); (iv) the average length of stay was lowered to 7.8 days (2015: 8.3 days) as a result of efficient clinical processes; (v) the total number of outpatient visits reached 1,428,185 (2015: 1,319,184), representing a year-on-year increase of 8.3%; (vi) the overall average spending per outpatient visit amounted to RMB310.7 (2015: RMB283.0), representing a year-on-year increase of 9.8%; and (vii) the total number of surgical operations reached 33,630 (2015: 27,838), representing a year-on-year increase of 20.8%.

業務回顧和展望

二零一六年業務概覽

二零一六年是本集團投入運作的第十個年頭。與此同時，本公司H股於二零一六年十一月在香港聯交所成功上市後，為本集團打開一個新紀元。

本集團的醫院於二零一六年實現良好的經營業績，特別是：(i) 住院人次總數達56,590名(二零一五年：51,299名)，按年計同比增加10.3%；(ii) 每名住院病人的整體平均開支為人民幣12,885.1元(二零一五年：人民幣12,242.8元)，按年計同比增長5.2%；(iii) 病床的整體佔用率提高到83.2%(二零一五年：78.3%)；(iv) 由於臨床過程的效益，平均住院時間降至7.8天(二零一五年：8.3天)；(v) 門診人次總數達到1,428,185名(二零一五年：1,319,184名)，按年計同比增長8.3%；(vi) 每個門診病人的整體平均支出為人民幣310.7元(二零一五年：人民幣283.0元)，按年計同比增長9.8%；及(vii) 外科手術總數達到33,630宗(二零一五年：27,838宗)，按年計同比增長20.8%。

Management Discussion and Analysis

管理層討論及分析

The table below sets forth certain key operational data of the Group's owned hospitals for the years indicated:

下表載列本集團擁有的醫院於所示期間的若干主要營運數據：

		For the year ended 31 December 截至十二月三十一日止年度		
		Change 變動	2016 二零一六年	2015 二零一五年
Inpatient healthcare services	住院醫療服務			
Number of registered bed	登記病床數目	+26	2,486	2,460
Number of beds in operation	運營病床數目	+87	1,580	1,493
Inpatient visits	住院人次	+10.3%	56,590	51,299
Average length of stay (days)	平均住院日數(日)	-0.5	7.8	8.3
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+5.2%	12,885.1	12,242.8
Outpatient healthcare services	門診醫療服務			
Outpatient visits	門診人次	+8.3%	1,428,185	1,319,184
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+9.8%	310.7	283.0

In addition to maintaining business momentum, the Group strengthened its clinical governance and processes in response to the increased number of patients with critical and acute conditions to ensure adequate risk management and clinical quality control are in place. The Group enhanced and facilitated collaboration among various disciplines to deliver multi-disciplinary care to patients requiring complex and holistic care. In particular, in 2016, Kanghua Hospital performed: (i) 1,625 cardiovascular interventional surgeries (2015: 1,309), representing a year-on-year increase of 24.1%; and (ii) 1,560 gynaecological endoscopic surgeries with level 3 or level 4 complexities (2015: 1,261), representing a year-on-year increase of 23.7%. O&G disciplines, cardiovascular disciplines, internal medicine disciplines, general surgery disciplines and orthopaedics disciplines remained to be the top revenue generating disciplines of the Group for 2016.

除了保持業務發展勢頭，本集團加強了臨床治理和流程，以應對緊急和急性疾病病人的增加，確保充分的風險管理和臨床質量控制到位。本集團加強和促進不同專科之間的合作，為需要複雜和全面護理的病人提供跨專科護理。尤其是，康華醫院於2016年已施行：(i) 1,625次心血管導管介入手術（二零一五年：1,309次），按年計同比增長24.1%；及(ii) 1,560次具3級或4級複雜性的婦科內窺鏡手術（二零一五年：1,261次），按年計同比增長23.7%。婦產科、心血管科、內科、普通外科和骨科仍然是二零一六年本集團產生最高收益的專科。

Management Discussion and Analysis

管理層討論及分析

The table below sets forth the revenue contribution by healthcare disciplines for the years indicated:

下表載列於所示期間按醫學專科劃分的收益貢獻：

		For the year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年		2015 二零一五年		
		% of revenue of the Group's owned hospitals 分佔本集團 擁有醫院的		% of revenue of the Group's owned hospitals 分佔本集團 擁有醫院的		
Healthcare disciplines	醫學專科	Change 變動	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
O&G related disciplines	婦產科有關科室	+33.9%	247,755	20.0	185,008	17.4
Cardiovascular related disciplines	心血管有關科室	+26.5%	134,838	10.9	106,558	10.0
Internal medicine related disciplines	內科有關科室	+18.1%	126,047	10.2	106,745	10.0
General surgery related disciplines	普通外科有關科室	+10.7%	110,711	8.9	100,023	9.4
Orthopaedics related disciplines	骨科有關科室	+4.9%	83,074	6.7	79,231	7.4
Neurology related disciplines	神經醫學有關科室	+18.6%	80,117	6.5	67,556	6.4
Emergency medicine related disciplines	急診有關科室	+17.8%	70,449	5.7	59,827	5.6
Paediatrics related disciplines	兒童醫學有關科室	+13.5%	43,487	3.5	38,314	3.6
Oncology related disciplines	腫瘤有關科室	-27.4%	28,818	2.3	39,708	3.7
Nephrology related disciplines	腎臟科有關科室	+11.3%	27,437	2.2	24,657	2.3
Medical aesthetic related disciplines	醫學美容有關科室	+1.6%	25,501	2.1	25,089	2.4
Physical examination	體檢科	+6.3%	66,298	5.3	62,392	5.9
Other disciplines	其他臨床科室	+15.5%	194,697	15.7	168,594	15.9
Total	總計		1,239,229	100.0	1,063,702	100.0

Note: The Group's healthcare disciplines can generally be classified into clinical disciplines and medical technology disciplines. Medical technology disciplines provide diagnostic and treatment support according to the requirements of clinical disciplines from time to time. Revenue derived from services delivered through medical technology disciplines is generally recognised in the relevant clinical disciplines that utilised such services.

附註：本集團的醫療專科一般可分為臨床專科和醫療技術專科。醫療技術專科根據臨床專科的要求不時提供診斷和治療支援。通過醫療技術專科提供服務產生的收益通常在使用這些服務的相關臨床專科中確認。

Management Discussion and Analysis

管理層討論及分析

In 2016, the Group's medical capability and service offerings expanded considerably. In particular, (i) Kanghua Hospital expanded the service reach of its chest pain center by launching remote cardiac monitoring services to penetrate inaccessible areas; (ii) Kanghua Hospital enhanced its reproductive medicine offerings and launched a comprehensive pre-natal screening services to meet the growing demand driven by the two-child policy in the PRC; (iii) Kanghua Hospital enhanced its capability in O&G disciplines and became a designated hospital for pregnant and newborn patients with acute and critical conditions; (iv) Kanghua Hospital's success rate in severed finger replantation surgeries reached 99%; and (vi) Kanghua Hospital deployed advanced 3.0T MRI equipment to provide radiology services with higher digital clarity and speed.

The Group's special services are high-end healthcare services that extend beyond basic medical services and are specifically catered for the more affluent patients who are willing to pay a premium for higher quality and customised services not generally available in public hospitals. The Group's special services consist of VIP healthcare services, reproductive medicine, plastic and aesthetic surgery and laser treatment. In 2016, the total revenue derived from special services amounted to RMB117.1 million (2015: RMB81.8 million), representing a year-on-year increase of 43.1%. In 2016, the average spending per inpatient visit of VIP healthcare services amounted to RMB20,776.8 (2015: RMB10,359.7), representing a year-on-year increase of 100.6%, primarily attributable to the more premium and comprehensive services available at Huaxin Building, including comprehensive general surgery and paediatrics services dedicated to VIP patients.

於二零一六年，本集團之醫療能力及服務大幅擴張。尤其是，(i) 康華醫院通過發射遠程心臟監測服務，擴大其胸痛中心的服務範圍，滲透不可及的地區；(ii) 康華醫院加強其生殖醫學服務，並推出全面的產前檢查服務，以滿足中國在兩孩政策推動下日益增長的需求；(iii) 康華醫院加強婦產科的能力，並成為急性和重症條件下懷孕和新生病人的指定醫院；(iv) 康華醫院斷指重建手術的成功率達到99%；和(vi) 康華醫院部署先進的3.0T MRI設備，以提供具有更高數字清晰度和速度的放射學服務。

本集團的特殊服務是高端醫療服務，超越基本醫療服務，專為那些願意為普通公立醫院未能提供的更高質量和定制服務付費的富裕病人提供服務。本集團的特殊服務包括貴賓醫療服務、生殖醫學、整形及美容手術及激光治療。於二零一六年，來自特殊服務的總收益為人民幣117.1百萬元(二零一五年：人民幣81.8百萬元)，按年計同比增長43.1%。於二零一六年，貴賓醫療醫療服務的每人每次平均開支為人民幣20,776.8元(二零一五年：人民幣10,359.7元)，按年計同比增長100.6%，主要是由於在華心樓提供的優質和綜合服務，包括專門為貴賓病人提供全面的普通外科和兒科服務。

Management Discussion and Analysis

管理層討論及分析

The table below sets forth some key operating data for the Group's special services:

下表列出本集團特殊服務的若干關鍵營運數據：

Special Services	特殊服務	Change 變動	2016 二零一六年	2015 二零一五年
VIP healthcare services	貴賓醫療服務			
Number of beds in operation	運營病床數目	+5	120	115
Inpatient visits	住院人次	-4.2%	1,308	1,365
Average spending per inpatient visit (RMB)	每人每次平均住院開支 (人民幣元)	+100.6%	20,776.8	10,359.7
Outpatient visits	門診人次	+30.0%	55,056	42,350
Average spending per outpatient visit (RMB)	每人每次平均門診開支 (人民幣元)	-3.0%	498.4	513.8
Revenue (RMB'000)	收益(人民幣千元)	+52.1%	54,617	35,899
Reproductive medicine	生殖醫學			
Number of outpatient visits	門診人次	+25.8%	51,981	41,334
Revenue (RMB'000)	收益(人民幣千元)	+45.0%	51,301	35,374
Plastic and aesthetic surgery	整形美容外科			
Revenue (RMB'000)	收益(人民幣千元)	-4.1%	4,520	4,711
Laser treatment	激光治療			
Revenue (RMB'000)	收益(人民幣千元)	+14.3%	6,702	5,865
Total revenue from special services (RMB'000)	特殊服務的總收益 (人民幣千元)	+43.1%	117,140	81,849

In June 2016, the Group entered into a management agreement with Zhonglian Cardiovascular Hospital, a specialty hospital in cardiovascular diseases in Chongqing. It represents the Group's first managed hospital and its first presence outside of Guangdong Province. Zhonglian Cardiovascular Hospital will bear the "Kanghua" brand and is intended to be positioned as a regional integrated institution providing high level of cardiovascular healthcare services to patients from Chongqing and neighbouring provinces and regions. Zhonglian Cardiovascular Hospital commenced operations in March 2017.

於二零一六年六月，本集團與眾聯心血管病醫院(重慶市心血管疾病專科醫院)簽訂管理協議。該院成為本集團管理的第一家醫院，並為在廣東省以外的第一家醫院。眾聯心血管病醫院將採用「康華」品牌，旨在成為一家地區性一體化機構，為重慶及鄰近省份和地區的病人提供高水平的心血管醫療服務。眾聯心血管病醫院於二零一七年三月開始投入運作。

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In 2016, Kanghua Hospital has been making preparation in anticipation of the review of its Grade A Class III rating by the Guangdong HFPC in 2017. Kanghua Hospital is sufficiently prepared for the review and the Board is confident that Kanghua Hospital will be able to maintain its rating. Furthermore, the Group has comprehensively assessed Renkang Hospital, and is satisfied that it has been operating at a standard commensurate to a Grade A Class II hospital. Renkang Hospital has begun preparation for its application to be rated as a Grade A Class II hospital under the NHFPC hospital classification system.

Consistent delivery of quality healthcare services, active engagement in community activities and the successful listing of the Company's H-Shares on the Hong Kong Stock Exchange have further reinforced the reputation of the Group. In 2016, the Group was reported approximately 170 times by influential media (2015: 151 times), representing a year-on-year increase of 12.6%. In 2016, Kanghua Hospital was awarded the 8th Integrity Service Model Unit in Dongguan by the Dongguan Daily, the 2016 Favourite Brand of Dongguan People by the Dongguan Daily Media Group, the 2016 Outstanding Unit of Traditional Chinese Medical and Health Management by Dongguan Consumer Council and the 2016 Chinese Science and Advanced Technology Innovation Unit by the Chinese Scientists Forum Committee; and Renkang Hospital was awarded the Outstanding Hospital General Management Unit by the Dongguan Health and Family Planning Bureau.

Industry outlook and strategy

The healthcare services industry in the PRC is expected to maintain a rapid growth. With the accelerating aging population and rising prevalence of chronic, common and life-style related diseases, public hospitals are unable to catch up with the rapid growth in demand for healthcare services and private hospitals playing an increasingly important role to fill the gap of unmet demand. It is expected that private hospitals will remain one of the fastest growing sectors in the healthcare services industry in the PRC in the foreseeable future. The Group is well positioned to benefit from the opportunities within. In particular, favourable government policies under the healthcare reform, multi-site doctor practice and rising demand for high-end patient-centric healthcare services mean that private hospitals are able to compete on a more level playing field with public hospitals, which is conducive to the continued expansion of the Group as a private healthcare services provider.

於二零一六年，康華醫院一直籌備廣東省衛計委於二零一七年對其三級甲等評級的覆評。康華醫院已為該項覆評作好充分準備，而董事會相信康華醫院將能維持其評級。此外，本集團已全面評估仁康醫院，並確信其運作標準符合二級甲等醫院的標準。仁康醫院已開始準備申請將其評定為國家衛計委分級制度下的二級甲等醫院。

持續提供優質的醫療服務，積極參與社區活動，以及本公司H股在香港聯交所成功上市，進一步鞏固本集團的聲譽。於二零一六年，本集團於有影響力的媒體被報導約170次(二零一五年：151次)，按年計同比上升12.6%。於二零一六年，康華醫院榮獲東莞日報頒發「第八屆東莞誠信服務示範單位」、東莞報業傳媒集團頒發「二零一六年度東莞市市民喜愛品牌」、東莞市消費者委員會頒發「二零一六年度中國中醫健康管理突出貢獻單位」、中國科學家論壇組委會頒發「二零一六年度中國科技創新先進單位」；而仁康醫院則獲東莞市衛生和計劃生育局頒發「醫院綜合管理工作良好單位」。

行業前景和戰略

中國醫療服務行業預計將保持快速增長。隨著人口加速老齡化，以及慢性、常見和與生活習慣相關的疾病日益流行，公立醫院無法趕上醫療服務需求的快速增長，私立醫院在填補未滿足的需求方面，發揮越來越重要的作用。在可預見的未來，私營醫院將會繼續成為中國醫療服務行業增長最快的行業之一。本集團有充分條件從中受益。尤其是，在醫療改革的優惠政策下，醫生可於不同地點執業，而以病人為本的高端醫療服務需求不斷增長，意味私立醫院可以在更公平的環境與公立醫院競爭，這有利於本集團作為私立醫療服務提供者的持續擴張。

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One of the Group's key strengths lies in its ability to provide multi-disciplinary healthcare services. In 2017, the Group intends to enhance its overall competitiveness by strengthening its medical capability in treating critical and acute medical conditions. It will particularly focus on ramping up the cardiovascular disciplines, the O&G disciplines, the orthopedics disciplines, the neurology disciplines and the oncology disciplines. The Group will also enhance the capability and capacity of its prenatal screening center and develop 3rd generation in-vitro fertilisation techniques to capture the demand driven by the nation-wide two-child policy. The Group is closely monitoring the medical capability of each discipline and will apply for accreditation as a key clinical discipline when appropriate, which will further strengthen its market position as a provider of quality and sophisticated healthcare services. With a view to increasing industry influence, the Group will also put considerable focus on its research capability, including initiating the project of developing a pharmaceutical clinical trial center and further incentivizing its clinical staff to engage in research and publish literature. In order to cope with the Group's expansion, the Group will revamp its human resources system and planning, including recruitment, staff collegiality, remuneration management, performance-tied incentives, training programmes and long-term career progression. Competition for quality healthcare professionals in the PRC is fierce and remains a key challenge faced by the Group.

Having a solid foothold in Dongguan, the Group will continue to seek for opportunities to expand its operations and footprint. The Group will initially focus on exploring opportunities in neighboring cities in Guangdong Province such as Guangzhou and Shenzhen, and will also expand its scope to Southern China including Hangzhou and Kunming and further to other regions in the PRC with low healthcare services penetration. The Group intends to target on small and medium sized hospitals with 300 to 500 beds with a view to developing them into general hospitals with deep specialisations in specific disciplines and adaptations that serve the needs of the local population. Business feasibility studies, in-depth demographics analysis and due diligence will be conducted for the purposes of evaluating potential opportunities.

本集團的主要優勢之一，在於其提供跨專科醫療服務的能力。於二零一七年，本集團計劃通過加強其在治療關鍵和急性病症的醫療能力，提高其整體競爭力，將特別側重於擴大心血管科、婦產科、骨科、神經科和腫瘤科。本集團亦將提高其產前篩查中心的能力和服務力，並開發第三代體外受精技術，以把握全國推動兩孩政策下的需求。本集團正密切監測每個專科的醫療能力，並在適當時申請認證作為關鍵臨床專科，這將進一步鞏固其作為提供優質精細醫療服務機構的市場定位。為了增加於業內的影響力，本集團亦將相當關注其研究能力，包括啟動一個開發藥物臨床試驗中心的項目，並進一步激勵其臨床工作人員從事研究和出版文獻。為應付本集團之擴充，本集團將重整其人力資源系統，並策劃(其中包括)招聘、員工合作、薪酬管理、與表現掛鈎的獎勵、培訓計劃及長期職業發展。中國優質醫療專業人士的競爭激烈，仍然是本集團面臨的重大挑戰。

憑藉在東莞已建立的穩固根基，本集團將繼續尋求機會擴大其業務和覆蓋。本集團將首先專注於探索廣東省內，如廣州及深圳等鄰近城市的商機，並將擴展其覆蓋範圍至華南，包括杭州及昆明，而進一步擴展至中國其他醫療服務普及率低的地區。本集團計劃以300至500張床位的中小型醫院為目標，以發展成為大專科小綜合醫院，適應當地人口需要。本集團將進行業務可行性研究、深入的人口統計分析和盡職調查，以評估潛在的商機。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Segment Revenue

The Group generates revenue primarily from: (i) providing healthcare services through its owned hospitals, namely Kanghua Hospital and Renkang Hospital, comprising inpatient healthcare services, outpatient healthcare services and physical examination services; and (ii) providing hospital management services to a third-party hospital, namely Zhonglian Cardiovascular Hospital.

The following tables below set forth the revenue, costs of revenue, gross profit and gross profit margin of the Group by segment for the years indicated:

For the year ended 31 December 2016

財務回顧

分部收益

本集團主要從以下各項賺取收益：(i) 通過其擁有的醫院（即康華醫院及仁康醫院）提供醫療服務，包括住院醫療服務、門診醫療服務及體檢服務；及(ii) 向第三方醫院即眾聯心血管病醫院提供醫院管理服務。

下表載列所示年度本集團的收益、收益成本、毛利及毛利率：

截至二零一六年十二月三十一日止年度

		Inpatient healthcare services 住院 醫療服務 RMB'000 人民幣千元	Outpatient healthcare services 門診 醫療服務 RMB'000 人民幣千元	Physical examination services 體檢服務 RMB'000 人民幣千元	Hospital management services 管理服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收益	729,168	443,763	66,298	1,161	1,240,390
Cost of revenue	收益成本	(605,688)	(307,669)	(29,329)	(793)	(943,479)
Gross profit	毛利	123,480	136,094	36,969	368	296,911
Gross profit margin	毛利率	16.9%	30.7%	55.8%	31.7%	23.9%

For the year ended 31 December 2015

截至二零一五年十二月三十一日止年度

		Inpatient healthcare services 住院 醫療服務 RMB'000 人民幣千元	Outpatient healthcare services 門診 醫療服務 RMB'000 人民幣千元	Physical examination services 體檢服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收益	628,045	373,265	62,392	1,063,702
Cost of revenue	收益成本	(534,967)	(262,466)	(26,857)	(824,290)
Gross profit	毛利	93,078	110,799	35,535	239,412
Gross profit margin	毛利率	14.8%	29.7%	57.0%	22.5%

Management Discussion and Analysis

管理層討論及分析

Revenue from the Group's inpatient healthcare services amounted to RMB729.2 million (2015: RMB628.0 million), representing a year-on-year increase of 16.1%, accounting for 58.8% (2015: 59.0%) of the total revenue of the Group, mainly due to (i) an increase in the number of inpatient visits during the year; (ii) increase in average inpatient spending mainly driven by an increase in the number of surgeries with level 3 or level 4 complexities and full year operational impact of VIP inpatient services offered at Huaxin Building; and (iii) a considerable growth in revenue of O&G related disciplines as a result of the two-child policy in the PRC.

Revenue from the Group's outpatient healthcare services amounted to RMB443.8 million (2015: RMB373.3 million), representing a year-on-year increase of 18.9%, accounting for 35.8% (2015: 35.1%) of the total revenue of the Group, mainly due to (i) an increase in the number of outpatient visits during the year; and (ii) an increase in average outpatient spending partly due to higher prices of certain medical services charged by Kanghua Hospital.

Revenue from physical examination services amounted to RMB66.3 million (2015: RMB62.4 million), representing a year-on-year increase of 6.3%, accounting for 5.3% (2015: 5.9%) of the total revenue of the Group, mainly due to an increase in the number of physical examination visits during the year, in particular with respect to the personalised and high-end individual physical examination services of Kanghua Hospital.

本集團住院醫療服務的收益為人民幣729.2百萬元(二零一五年：人民幣628.0百萬元)，相當於按年計同比增加16.1%，佔本集團總收益58.8%(二零一五年：59.0%)，主要由於：(i)本年度住院人次數目增加；(ii)平均住院開支增加，主要由於3級或4級複雜性的手術數量增加，以及於華心樓提供的貴賓住院服務全年運營的影響；以及(iii)由於中國的兩孩政策，我們的婦產相關專科的收益錄得頗大增長。

本集團門診醫療服務的收益為人民幣443.8百萬元(二零一五年：人民幣373.3百萬元)，相當於按年計同比增加18.9%，佔本集團總收益35.8%(二零一五年：35.1%)，主要由於：(i)年內門診人次數目增加；及(ii)平均門診開支增加，部份是由康華醫院收取的某些醫療服務的價格上升。

體檢服務的收益為人民幣66.3百萬元(二零一五年：人民幣62.4百萬元)，相當於按年計同比增加6.3%，佔本集團總收益5.3%(二零一五年：5.9%)，主要由於年內體檢次數增加，特別是康華醫院的個人化及高端體格檢查服務。

Management Discussion and Analysis

管理層討論及分析

In terms of healthcare disciplines, most of the Group's healthcare disciplines delivered through its owned hospitals experienced growth in revenue in 2016. In particular, (i) revenue from O&G disciplines reached RMB247.8 million (2015: RMB185.0 million) representing a year-on-year increase of 33.9% primarily due to increasing intake of pregnant patients prompted by the two-child policy, increased capacity in O&G disciplines, in particular VIP O&G services and enhanced capability in delivering acute and critical care to pregnant and newborn patients; (ii) revenue from cardiovascular disciplines reached 134.8 million (2015: RMB106.6 million), representing a year-on-year increase of 26.5% primarily due to increasing intake of patients requiring complex and acute care and patients with cardiac conditions prompted by the increasingly aging population; (iii) revenue from internal medicine disciplines reached RMB126.0 million (2015: RMB106.7 million), representing a year-on-year increase of 18.1% primarily due to higher incidence of common and life-style related or chronic diseases; (iv) revenue from neurology disciplines reached RMB80.1 million (2015: RMB67.6 million), representing a year-on-year increase of 18.6% primarily due to improving medical capability in neurology and enhanced multi-disciplinary collaboration involving neurology disciplines; and (v) revenue from emergency medicine disciplines reached RMB70.4 million (2015: RMB59.8 million), representing a year-on-year increase of 17.8%, primarily due to increased intake of patients requiring acute care. Revenue from oncology disciplines declined to RMB28.8 million (2015: RMB39.7 million), representing a year-to-year decrease of 27.4% primarily due to departure of prominent doctors resulting in decreased number of patients. General shortage of quality healthcare professionals in the industry remains to be a key challenge faced by the Group.

在醫療專科方面，本集團通過其所擁有的醫院提供的大部份醫療專科服務在二零一六年都實現收入增長。特別是：(i) 婦產科收入達人民幣247.8百萬元(二零一五年：人民幣185.0百萬元)，按年計同比增長33.9%，主要是由於兩孩政策引起的懷孕病人入院數目增加、婦產科服務能力有所提高，特別是貴賓婦產科服務，並提高對懷孕和新生兒急性和重症監護的能力有所提升；(ii) 心血管科收入達到134.8百萬元(二零一五年：人民幣106.6百萬元)，按年計同比增長26.5%，主要原因是需要複雜和急性護理入院的病人數目增加，及人口日益老化以至患有心血管病的病人增加；(iii) 內科學科收入達到人民幣126.0百萬元(二零一五年：人民幣106.7百萬元)，按年計同比增長18.1%，主要是由於常見及生活方式相關或慢性病的發病率較高；(iv) 神經醫學收入達到人民幣80.1百萬元(二零一五年：人民幣67.6百萬元)，按年計同比增長18.6%，主要由於神經醫學能力提高和涉及神經醫學的跨專科合作增加；及(v) 急症室收入達到人民幣70.4百萬元(二零一五年：人民幣59.8百萬元)，按年計同比增長17.8%，主要是因為需要緊急護理的病人入院數目增加。腫瘤科收入下降至人民幣28.8百萬元(二零一五年：人民幣39.7百萬元)，按年計同比下降27.4%，主要是由於主治醫生離職，導致病人數目減少。業內優質醫療專業人員短缺，仍然是本集團面臨的重大挑戰之一。

Management Discussion and Analysis

管理層討論及分析

In June 2016, the Group entered into a management agreement with Zhonglian Cardiovascular Hospital, a specialty hospital in cardiovascular diseases in Chongqing and generated a new revenue segment of the Group. Revenue from hospital management services amounted to RMB1.2 million (2015: nil), accounting for 0.1% of the total revenue of the Group. The management agreement has a term from 1 July 2016 to 30 June 2026, during which the Group has exclusive management rights over Zhonglian Cardiovascular Hospital and is entitled to a monthly management fee of RMB200,000 plus 5% of Zhonglian Cardiovascular Hospital's monthly revenue. During the reporting period, as Zhonglian Cardiovascular Hospital had not commenced any operation, the Group had received a fixed management fee of RMB200,000 per month. Zhonglian Cardiovascular Hospital commenced operations in March 2017 and going forward, the Group is expected to receive monthly management fee equal to 5% of Zhonglian Cardiovascular Hospital's monthly revenue in addition to the fixed monthly management fee of RMB200,000.

Cost of Revenue

Cost of revenue of the Group's owned hospitals (consisting of inpatient healthcare services, outpatient healthcare services and physical examination services) primarily consisted of pharmaceuticals, medical consumables, staff cost, depreciation, service expenses, utilities expenses, rental expenses and other costs. Cost of revenue of the Group's owned hospitals increased to RMB942.7 million (2015: RMB824.3 million), representing a year-on-year increase of 14.4%, which was in line with the increase in revenue. For the year ended 31 December 2016, pharmaceuticals, medical consumables and staff cost accounted for approximately 38.9% (2015: 39.2%), 25.4% (2015: 24.3%) and 24.4% (2015: 24.6%), respectively, of the total cost of revenue of the Group's owned hospitals. Cost of revenue of the Group's hospital management services mainly represented staff costs in relation to management personnel assigned to Zhonglian Cardiovascular Hospital.

於二零一六年六月，本集團與眾聯心血管病醫院(重慶市一家心血管疾病專科醫院)簽訂管理協議，並產生本集團新的收益分部。醫院管理服務的收益為人民幣1.2百萬元(二零一五年：無)及佔本集團總收益0.1%。管理協議為期自二零一六年七月一日起至二零二六年六月三十日，期間內本集團對眾聯心血管病醫院擁有獨家管理權，並有權收取每月管理費人民幣200,000元及另加眾聯心血管病醫院每月收益的5%。於報告期內，由於眾聯心血管病醫院尚未開始營運，本集團每月收取固定管理費人民幣200,000元。眾聯心血管病醫院於二零一七年三月開始運作，預計除了每月人民幣200,000元的固定管理費外，本集團預期每月將收取等於眾聯心血管病醫院的每月收益5%的管理費。

收益成本

本集團擁有的醫院的收益成本(包括住院醫療服務、門診醫療服務和體檢服務)主要包括藥品、醫療消耗品、員工成本、折舊、服務開支、水電費、租金開支和其他成本。本集團擁有的醫院的收益成本增加至人民幣942.7百萬元(二零一五年：人民幣824.3百萬元)，按年計同比增長14.4%，與收益增長相符。截至二零一六年十二月三十一日止年度，藥品、醫療消耗品及員工成本分別佔本集團擁有的醫院的總收益成本38.9%(二零一五年：39.2%)、25.4%(二零一五年：24.3%)及24.4%(二零一五年：24.6%)。本集團醫院管理服務的收益成本主要代表分配至眾聯心血管病醫院的管理人員的員工成本。

Management Discussion and Analysis

管理層討論及分析

Gross Profit and Gross Profit Margin

Total gross profit of the Group amounted to RMB296.9 million (2015: RMB239.4 million), representing a year-on-year increase of 24.0%. The overall gross profit margin increased to 23.9% (2015: 22.5%), primarily due to:

- (i) a strong growth in special services that are targeted toward high-end patients and typically command higher margin than basic healthcare services; in 2016, the revenue from special services accounted for 9.4% of the total revenue derived from the Group's owned hospitals, compared to 7.7% in 2015;
- (ii) a lower proportion of revenue derived from pharmaceutical sales; as a result of various pharmaceutical policies in the PRC, margin in pharmaceutical sales has been under pressure and is generally lower than that of the provision of clinical services. In 2016, revenue derived from pharmaceutical sales for inpatient healthcare services accounts for 32.0% of the total revenue for inpatient healthcare services (2015: 33.0%) and revenue derived from pharmaceuticals sales for outpatient services accounts for 44.0% (2015: 44.8%) of the total revenue for outpatient healthcare services. This was in part attributable to the enhanced clinical governance of the Group, one of the key objectives of which is to minimise pharmaceuticals prescription where possible; and
- (iii) an increased intake of patients requiring acute and complex treatments. Such treatments typically involve more delicate, precise and advanced surgeries and diagnostics support and command a higher margin than basic medical services.

The Group commenced its hospital management with Zhonglian Cardiovascular Hospital in June 2016 and had only received a fixed monthly management fee of RMB200,000 from June 2016 to December 2016. In 2016, the Group's hospital management business had a gross profit of RMB0.4 million and a gross profit margin of 31.7%. Zhonglian Cardiovascular Hospital commenced operation in March 2017 and going forward, it is expected that the revenue-pegged component of the management fee (5% of monthly revenue of Zhonglian Cardiovascular Hospital) will have an impact on the gross profit margin of the Group's hospital management business.

毛利及毛利率

本集團總毛利為人民幣296.9百萬元(二零一五年：人民幣239.4百萬元)，按年計同比增長24.0%。整體毛利率提高至23.9%(二零一五年：22.5%)，主要原因是：

- (i) 針對高端病人的特殊服務強勁增長，而通常比基本醫療服務的利潤率更高；於二零一六年，來自特殊服務的收益佔本集團擁有的醫院產生的總收益9.4%，而二零一五年為7.7%；
- (ii) 藥品銷售產生的收益比例較低；由於中國的各種藥物政策，藥品銷售的利潤率受到壓力，一般低於提供臨床服務。於二零一六年，住院醫療服務的藥品銷售收益佔住院醫療服務總收益的32.0%(二零一五年：33.0%)，而門診服務的藥品銷售收益佔門診服務總收益的44.0%(二零一五年：44.8%)。部分的原因是出自於本集團的臨床治理有所改進，其中一項主要目標是盡可能降低藥品處方；及
- (iii) 需要緊急和複雜治療的病人入院的比例增加。這些治療通常涉及更精細、精確和高級的手術和診斷支援，並且比基本醫療服務具有更高的利潤率。

本集團於二零一六年六月開始與眾聯心血管病醫院進行醫院管理，於二零一六年六月至二零一六年十二月每月僅收取定額管理費人民幣200,000元。於二零一六年，本集團醫院管理業務的毛利為人民幣0.4百萬，毛利率為31.7%。眾聯心血管病醫院於二零一七年三月開始投入運作，預計管理費的收益掛鉤部份(眾聯心血管病醫院每月收益的5%)將對本集團醫院管理業務的毛利率造成影響。

Management Discussion and Analysis

管理層討論及分析

Key Operational Information of the Group's Owned Hospitals

The follow table sets forth certain key operational information of each of the hospitals owned by the Group for the years indicated:

Kanghua Hospital

		Change 變動	2016 二零一六年	2015 二零一五年
Inpatient healthcare services	住院醫療服務			
Inpatient visits	住院人次	+15.3%	43,119	37,393
Average length of stay (days)	平均住院日數(日)	-0.7	7.9	8.6
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+2.9%	14,257.1	13,856.7
Outpatient healthcare services	門診醫療服務			
Outpatient visits	門診人次	+11.6%	1,062,728	952,125
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+9.1%	342.7	314.1
Staff	員工			
Doctors	醫生	+48	511	463
Other medical, administrative and support staff	其他醫療、行政和 後勤員工	-82	1,290	1,372
Total	總計	-34	1,801	1,835

In 2016, Kanghua Hospital achieved encouraging growth across all key operating parameters primarily as a result of its enhanced medical capability, in particular comprehensive multi-disciplinary service delivery to patients with acute and critical conditions and special services. Enhanced standard of clinical governance and more efficient clinical processes enabled Kanghua Hospital to achieve a considerable reduction in the average length of stay for inpatients to 7.9 days (2015: 8.6 days). Kanghua Hospital had a reduction in the number of administrative and support staff primarily due to outsourcing of ancillary non-clinical management services to a contractor.

本集團擁有的醫院的主要營運資料

下表列出於所示年度本集團擁有的每間醫院的若干主要營運資料：

康華醫院

		Change 變動	2016 二零一六年	2015 二零一五年
Inpatient healthcare services	住院醫療服務			
Inpatient visits	住院人次	+15.3%	43,119	37,393
Average length of stay (days)	平均住院日數(日)	-0.7	7.9	8.6
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+2.9%	14,257.1	13,856.7
Outpatient healthcare services	門診醫療服務			
Outpatient visits	門診人次	+11.6%	1,062,728	952,125
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+9.1%	342.7	314.1
Staff	員工			
Doctors	醫生	+48	511	463
Other medical, administrative and support staff	其他醫療、行政和 後勤員工	-82	1,290	1,372
Total	總計	-34	1,801	1,835

於二零一六年，康華醫院在所有關鍵營運參數方面取得了令人鼓舞的增長，主要是由於其醫療能力有所提高，特別是向患有緊急和嚴重狀況的病人提供全面的跨專科服務和特殊服務。臨床治理有所改善和更高效的臨床過程，使康華醫院能夠顯著減少住院病人的平均住院時間至7.9天(二零一五年：8.6天)。康華醫院減少了行政和後勤人員，主要是由於將非臨床配套管理服務外包給一名服務承包商。

Management Discussion and Analysis

管理層討論及分析

Renkang Hospital

仁康醫院

		Change 變動	2016 二零一六年	2015 二零一五年
Inpatient healthcare services	住院醫療服務			
Inpatient visits	住院人次	-3.1%	13,471	13,906
Average length of stay (days)	平均住院日數(日)	-0.2	7.4	7.6
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+7.5%	8,493.6	7,903.3
Outpatient healthcare services	門診醫療服務			
Outpatient visits	門診人次	-0.4%	365,457	367,059
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+7.7%	217.8	202.2
Staff	員工			
Doctors	醫生	+49	183	134
Other medical, administrative and support staff	其他醫療、行政和 後勤員工	-108	451	559
Total	總計	-59	634	693

In 2016, Renkang Hospital had a reduction in the number of inpatient and outpatient visits primarily as a result of economic downturn in its vicinity during the first quarter of 2016. Patient flow noticeably increased during the second half of 2016 as business activities in the vicinity continued to pick up, including construction and infrastructure projects driving demand for Renkang Hospital's healthcare services. Renkang Hospital was able to achieve an increase in average spending per visit for both inpatients and outpatients primarily due to increased and diversified offerings of more high-end services that are generally more expensive than the basic medical services it used to prioritize on. In particular, Renkang Hospital performed considerably more complex surgeries in 2016. Similar to Kanghua Hospital, Renkang Hospital had a reduction in the number of administrative and support staff primarily due to outsourcing of ancillary non-clinical management services to a contractor.

於二零一六年，仁康醫院的住院和門診就診人次減少，主要是由於二零一六年第一季度附近環境經濟衰退所致。在二零一六年下半年，由於附近環境商業活動繼續復甦，包括建設和基礎設施項目，病人流量顯著增加，推動仁康醫院的醫療服務需求。仁康醫院的住院及門診醫療服務的每人每次平均開支有所上升，原因是增加提供了更多元化的高端服務，比其基本醫療服務優先提供的通常更昂貴。特別是仁康醫院在二零一六年進行相對更多複雜的手術。類似康華醫院，仁康醫院減少了行政和後勤人員，主要是由於將非臨床配套管理服務外包給一名服務承包商。

Management Discussion and Analysis

管理層討論及分析

Other Income

The other income of the Group primarily consisted of imputed interest income arising from amount due from a shareholder, bank and other interest income, government subsidies, rental income and others. In 2016, other income amounted to RMB23.0 million (2015: RMB64.3 million), representing a year-on-year decrease of approximately 64.3%, primarily due to (i) a decrease in imputed interest income arising from amount due from a shareholder to RMB10.6 million (2015: RMB52.8 million) as the amount had been settled in July 2016; and (ii) partly offset by an increase in bank and other interest income to RMB4.5 million (2015: RMB1.5 million) as the Group's bank balances increased during the year. In addition, during the year, the Group had invested in certain financial product issued by a PRC commercial bank to achieve better return on excess cash balance without interfering with business operations or capital expenditures.

Other Expenses, Gains and Losses

The other expenses, gains and losses of the Group primarily consisted of loss on disposal of property, plant and equipment, impairment loss on accounts receivables, net exchange gain and listing expenses recognised in profit or loss. In 2016, other expenses, gains and losses amounted to a net loss of RMB4.9 million (2015: net loss of RMB4.1 million), representing a year-on-year increase of approximately 20.0%, primarily due to (i) a recorded net exchange gain of RMB6.4 million (2015: nil) arising from Hong Kong dollar denominated proceeds from the Company's initial public offering of its H Shares; (ii) an increase in one-off listing expenses to RMB10.8 million (2015: RMB1.3 million) recognised in profit or loss; and (iii) a decrease in impairment loss on accounts receivables and loss on disposal of property, plant and equipment.

其他收入

本集團的其他收入主要包括應收股東款項估算的利息收入、銀行及其他投資利息收入、政府補貼、租金收入及其他。於二零一六年，其他收入為人民幣23.0百萬元(二零一五年：人民幣64.3百萬元)，按年計同比下降約64.3%，主要是由於：(i)應收股東款項估算的利息收入減少至人民幣10.6百萬元(二零一五年：人民幣52.8百萬元)，原因是該款項已於二零一六年七月償還；及(ii)銀行和其他利息收入增加至人民幣4.5百萬元(二零一五年：人民幣1.5百萬元)而部份抵銷，原因是年內本集團的銀行結餘有所增加。此外，於年內，本集團已投資於一家中國商業銀行發行的若干金融產品，從剩餘現金結餘賺取高的回報率，而不會干擾業務營運或資本開支。

其他開支、收益及虧損

本集團的其他開支、收益及虧損主要包括出售物業、廠房及設備的虧損、應收賬款減值虧損、匯兌收益淨額及於損益確認的上市開支。於二零一六年，其他開支、收益及虧損為淨虧損人民幣4.9百萬元(二零一五年：淨虧損人民幣4.1百萬元)，相當於按年計同比增長約20.0%，主要由於：(i)本公司首次公開發售H股所得款項的港元計值錄得匯兌收益淨額人民幣6.4百萬元(二零一五年：無)；(ii)一次性上市開支增加至人民幣10.8百萬元(二零一五年：人民幣1.3百萬元)於損益確認及；(iii)應收賬款減值虧損及出售物業、廠房及設備的虧損減少。

Management Discussion and Analysis

管理層討論及分析

Administrative Expenses

The administrative expenses of the Group primarily consisted of staff costs, repairs and maintenance expenses, office expenses, depreciation and amortisation, rental expenses, utilities expenses, entertainment and travelling expenses and other expenses. In 2016, administrative expenses amounted to RMB109.0 million (2015: RMB83.7 million), representing a year-on-year increase of approximately 30.3%, primarily due to (i) an increase in administrative staff related costs to RMB42.8 million (2015: RMB33.4 million) as a result of performance-based bonuses distributed to employees; (ii) an increase in building rentals and management fee to RMB12.9 million (2015: RMB5.5 million) as a result of sub-contracted service fees to cope with business growth; and (iii) an increase in depreciation and administrative related expenses as a result of operation expansion.

Finance Costs

The finance costs of the Group primarily consisted of interest on bank borrowings and interest on an amount due to a related party in 2015. In 2016, finance costs amounted to RMB7.4 million (2015: RMB67.2 million), representing a year-on-year decrease of approximately 88.9%, primarily due to (i) a decrease in average bank borrowings during the year; and (ii) full repayment of all our bank and other borrowings in July 2016.

行政開支

本集團的行政開支主要包括員工成本、維修及保養開支、辦公室開支、折舊和攤銷、租金開支、水電開支、交際和交通開支以及其他開支。於二零一六年，行政開支為人民幣109.0百萬元(二零一五年：人民幣83.7百萬元)，相當於按年計同比增長約30.3%，主要由於：(i) 行政員工相關成本增加至人民幣42.8百萬元(二零一五年：人民幣33.4百萬元)，原因是向員工派發基於績效的獎金；(ii) 建築物租金和管理費增加至人民幣12.9百萬元(二零一五年：人民幣5.5百萬元)，原因是分包商的服務費用以應付業務增長；及(iii) 擴充運營後以至折舊和管理相關開支增加。

融資成本

本集團的融資成本主要包括銀行借款的利息，以及於二零一五年應付一名關聯方款項的利息。於二零一六年，融資成本為人民幣7.4百萬元(二零一五年：人民幣67.2百萬元)，相當於按年計同比減少約88.9%，主要由於：(i) 年內平均銀行借款減少；及(ii) 於二零一六年七月償還全部我們的銀行和其他借款。

Management Discussion and Analysis

管理層討論及分析

Income Tax Expenses

The income tax expenses of the Group primarily consisted of PRC enterprise income tax. In 2016, income tax expenses amounted to RMB52.8 million (2015: RMB29.9 million), representing a year-on-year increase of approximately 76.8%, primarily due to higher profit before tax of RMB198.5 million (2015: RMB148.8 million). The subsidiaries of the Group are generally subject to income tax rate of 25% on their respective taxable income. The Group's effective tax rate in 2016 was 26.6% (2015: 20.1%). The increase was primarily due to certain expenses recorded in certain entities of the Group that were not deductible against the Group's profit; these expenses included one-off listing expenses and certain administrative expenses recorded in a holding company.

Profit for the Year

In 2016, profit attributable to the Shareholders amounted to RMB141.3 million (2015: RMB118.8 million), representing a year-on-year increase of approximately 18.9%.

所得稅開支

本集團的所得稅開支主要包括中國企業所得稅。於二零一六年，所得稅開支為人民幣52.8百萬元(二零一五年：人民幣29.9百萬元)，相當於按年計同比增長約76.8%，主要由於除稅前溢利增加人民幣198.5百萬元(二零一五年：人民幣148.8百萬元)。本集團之附屬公司一般須就其應課稅所得收入按25%之所得稅稅率繳納稅項。於二零一六年的實際稅率為26.6%(二零一五年：20.1%)，增加主要是由於本集團若干實體所記錄的某些開支不可從本集團的利潤中扣除；這些開支包括在我們一間控股公司記錄的一次性上市開支和若干行政開支。

年內溢利

於二零一六年，股東應佔溢利為人民幣141.3百萬元(二零一五年：人民幣118.8百萬元)，相當於按年計同比增長約18.9%。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL POSITION

Inventories

The inventories of the Group primarily consisted of pharmaceutical products, medical consumables and others. As at 31 December 2016, inventories increased to RMB43.2 million (2015: RMB38.2 million) primarily due to business growth and increased estimated consumption of inventories in the following months.

Accounts and Other Receivables

The account receivables of the Group primarily consisted of balances due from social insurance funds, certain corporate customers and individual patients. As at 31 December 2016, accounts receivables increased to RMB87.0 million (2015: RMB70.2 million) primarily due to an increase in the operation level of the Group, of which 93.0% were aged within 90 days. Average accounts receivables turnover days for 2016 was 23.2 days (2015: 21.4 days) which remained relatively healthy as compared with industry average.

The other receivables of the Group primarily consisted of prepayments to suppliers, loan receivables and deferred listing expenses in 2015 and others. As at 31 December 2016, other receivables increased to RMB103.5 million (2015: RMB18.0 million) primarily due to (i) an increase in prepayment to suppliers to secure supplies to cope with the growth in operations; and (ii) during the year, the Group granted unsecured loans in the aggregate amount of RMB80 million to Zhonglian Cardiovascular Hospital that is managed by the Group, such loans are interest-bearing at a fixed rate of 0.42% per month and repayable within twelve months from the end of the reporting period.

資產負債

存貨

本集團的存貨主要為藥品、醫療消耗品及其他。於二零一六年十二月三十一日，存貨增加至人民幣43.2百萬元(二零一五年：人民幣38.2百萬元)，主要是由於業務增長和就着接下來幾個月的存貨消耗估計而增加。

應收賬款及其他應收款項

本集團的應收賬款主要包括應收社保基金、若干公司客戶和個人病人的結餘。於二零一六年十二月三十一日，應收賬款增加至人民幣87.0百萬元(二零一五年：人民幣70.2百萬元)，主要由於本集團之營運水平擴大，其中93.0%的賬齡為90天內。二零一六年平均應收賬款周轉天數為23.2天(二零一五年：21.4天)，與行業平均水平相比仍然相對健康。

本集團的其他應收款項主要包括於二零一五年對供應商的預付款、應收貸款和遞延上市費用及其他。於二零一六年十二月三十一日，其他應收款項增至人民幣103.5百萬元(二零一五年：人民幣18.0百萬元)，主要由於：(i) 增加對供應商的預付款以確保供應，應付業務增長；及(ii) 於本年度，本集團總共向眾聯心血管病醫院授出無抵押貸款人民幣80百萬元；這些貸款按固定利率每月0.42%計息，並於報告期間結束後十二個月內償還。

Management Discussion and Analysis

管理層討論及分析

Accounts and Other Payables

The accounts and other payables of the Group primarily consisted of accounts payables, accrued expenses, construction payables, receipt in advance and others. As at 31 December 2016, accounts and other payables increased to RMB386.4 million (2015: RMB393.0 million) primarily due to (i) a decrease in accounts payable to RMB274.1 million (2015: RMB296.9 million) as the Group had accelerated the settlement of trade balances; (ii) an increase in accrued expenses to RMB51.0 million (2015: RMB42.3 million) primarily attributable to staff salary and other operational and administrative charges incurred but not yet settled at the end of the reporting period; (iii) an increase in construction payable to RMB18.2 million (2015: RMB11.9 million) in relation to renovation of a new administrative center; and (iv) a decrease in provision for medical dispute claims to RMB0.5 million (2015: RMB2.4 million) due to settlement of various claims during the year.

Amounts Due From (To) a Shareholder(s)/a Related Party

All of the amounts due from (to) a shareholder(s)/a related party that were brought forward from year 2015 had been settled in July 2016. The amount due to a shareholder as at 31 December 2016 primarily represented certain one-off listing related expenses that were paid by the shareholder on behalf of the Group but remained unsettled at the end of the reporting period.

Net Current Assets

As at 31 December 2016, the Group recorded a net current assets of RMB784.1 million (2015: net current liabilities of RMB84.1 million) primarily due to (i) proceeds from the Company's initial public offering of its H Shares, which increased the current assets of the Group; and (ii) repayment of all bank borrowings during the year.

應付賬款及其他應付款項

本集團的應付賬款及其他應付款項主要包括應付賬款、應計開支、應付建設費、預收賬款及其他。於二零一六年十二月三十一日，應付賬款及其他應付款項增加至人民幣386.4百萬元(二零一五年：人民幣393.0百萬元)，主要由於：(i) 應付賬款減少至人民幣274.1百萬元(二零一五年：人民幣296.9百萬元)，原因是本集團加快了應付賬款的結算；(ii) 應計開支增加至人民幣51.0百萬元(二零一五年：人民幣42.3百萬元)，主要因為員工薪金及其他已產生但尚未在報告期結束時結算的營運和行政費用；(iii) 關於新行政中心的翻新應付建設費增加至人民幣18.2百萬元(二零一五年：人民幣11.9百萬元)；及(iv) 醫療爭議索賠準備金減少至人民幣0.5百萬元(二零一五年：人民幣2.4百萬元)，原因是於年內償付多項索賠。

應收(付)股東／一名關聯方款項

從二零一五年度結轉的應收(付)股東／一名關聯方的所有款項已於二零一六年七月償付。於二零一六年十二月三十一日，應付一名股東的款項主要由股東代表本集團支付的某些一次性上市相關費用，但在報告期結束時仍未結算。

流動資產淨值

於二零一六年十二月三十一日，本集團錄得流動資產淨值人民幣784.1百萬元(二零一五年：流動負債淨值人民幣84.1百萬元)，主要是(i) 本公司首次公開發售H股所得款項，增加本集團的流動資產；並(ii) 於年內償還全部銀行借款。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources

The Group continued to maintain a strong financial position with cash and cash equivalents of RMB936.4 million as at 31 December 2016. During the year, the Group received net proceeds from the initial public offering of the Company's H Shares of approximately RMB782.6 million. Taking into account of the steady cash inflow from operations and sufficient cash and bank balances, the directors of the Company are of the view that the Group will have adequate and sufficient liquidity and financial resources to meet the working capital requirements of the Group in the next financial year. As at 31 December 2016, the majority of the Group's cash and bank balances were denominated in Hong Kong dollars as a result the cash proceeds from the initial public offering of the Company's H Shares.

Cash Flow Analysis

The table below sets forth the information as extracted from the consolidated statement of cash flow of the Group for the years indicated:

			Change	2016	2015
			變動	二零一六年	二零一五年
				RMB'000	RMB'000
				人民幣千元	人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	-21.9%	155,423	198,902	
Net cash generated from investing activities	投資活動所得現金淨額	-59.5%	353,297	872,760	
Net cash generated from (used in) financing activities	融資活動所得(所用)現金淨額	+132.2%	326,498	(1,013,488)	
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	+1,335.7%	835,218	58,174	

流動資金及資本資源

財務資源

本集團於二零一六年十二月三十一日繼續維持強勁的財務狀況，現金及現金等價物達人民幣936.4百萬元。於年內，本集團從首次公開發售本公司H股取得所得款項淨額約人民幣782.6百萬元。因從經營活動產生穩定的現金流入及足夠的現金及銀行結餘，本公司董事認為，本集團將有足夠和充足的流動資金及財務資源，以滿足本集團於下一個財政年度之營運資金需求。於二零一六年十二月三十一日，本集團的大部分現金及銀行結餘均以港元計值，原因是這些是從首次公開發售本公司H股所得的現金款項。

現金流量分析

下表載列所示期間從本集團的綜合現金流量表摘錄的資料：

Management Discussion and Analysis

管理層討論及分析

Net cash generated from operating activities

In 2016, the net cash generated from operating activities amounted to RMB155.4 million, which was primarily attributable to (a) profit before taxation of RMB198.5 million, as mainly adjusted by (i) depreciation of property, plant and equipment of RMB41.5 million; (ii) finance costs of RMB7.4 million related to bank borrowings; (iii) imputed interest income arising from the amount due from a shareholder of RMB10.6 million (such amount has been fully repaid); and (b) changes in working capital primarily consisting of an increase in accounts and other receivables of RMB22.5 million and a decrease in accounts and other payables of RMB7.4 million as a result of business growth. The Group had further cash outflow of RMB36.9 million attributable to income tax paid. The decrease in net cash generated from operating activities was primarily caused by the accelerated payments to suppliers towards the end of the reporting period as the Group was in a strong cash position and intends to maintain good relationships with the suppliers.

Net cash generated from investing activities

In 2016, the net cash generated from investing activities amounted to RMB353.3 million, which was primarily attributable to (i) repayment of RMB618.1 million received from a shareholder (Kanghua Group); (ii) repayment of amount due to a shareholder (Xinye Group) of RMB117.4 million; (iii) loans granted to a hospital of RMB80.0 million; and (iv) purchase of property, plant and equipment in the amount of RMB70.1 million. The decrease in net cash generated from investing activities was primarily caused by a decrease in repayment of amounts due from a shareholder from RMB1,023.7 million in year 2015 to RMB618.1 million in year 2016; such balances had been fully settled during the year.

Net cash generated from financing activities

In 2016, the net cash generated from financing activities amounted to RMB326.5 million, which was primarily attributable to (i) proceeds of RMB865.2 million from the initial public offering of the Company's H Shares; (ii) repayment of bank borrowings of RMB431.8 million; and (iii) repayment to shareholders of RMB104.5 million.

經營活動所得現金淨額

於二零一六年，經營活動所得現金淨額為人民幣155.4百萬元，歸屬(a)除稅前溢利人民幣198.5百萬元，經作出調整如下：(i)物業、廠房及設備折舊人民幣41.5百萬元；(ii)有關銀行借款的融資成本人民幣7.4百萬元；(iii)應收股東款項估算的利息收入人民幣10.6百萬元(該筆款項已全數償還)；及(b)因應業務增長而致使營運資金變動，主要包括應收賬款及其他應收款項增加人民幣22.5百萬元；及應付賬款及其他應付款項減少人民幣7.4百萬元。歸屬於已付所得稅，本集團進一步現金流出人民幣36.9百萬元。經營活動所得現金淨額減少，主要是由於本集團現金狀況實力雄厚，並有意與供應商保持良好關係，所以於報告期結束時加快向供應商付款。

投資活動所得現金淨額

於二零一六年，投資活動所得現金淨額為人民幣353.3百萬元，主要歸因於：(i)一名股東(康華集團)償還人民幣618.1百萬元；(ii)償還應付一名股東款項(興業集團)人民幣117.4百萬元；(iii)給予一家醫院的貸款人民幣80.0百萬元；及(iv)購買物業、廠房及設備為人民幣70.1百萬元。投資活動所得現金淨額減少，主要是由於二零一五年度應收股東款項的人民幣1,023.7百萬元於二零一六年度減少至人民幣618.1百萬元；年內已全數償還該等結餘。

融資活動所得現金淨額

於二零一六年，融資活動所得現金淨額為人民幣326.5百萬元，主要歸因於：(i) H股本公司首次公開發售所得款項人民幣865.2百萬元；(ii)償還銀行借款人民幣431.8百萬元及；及(iii)償還股東人民幣104.5百萬元。

Management Discussion and Analysis

管理層討論及分析

Significant Investment, Acquisition and Disposal

Zhonglian Cardiovascular Hospital

In June 2016, the Group entered into a management agreement with respect to Zhonglian Cardiovascular Hospital, a specialty hospital in cardiovascular diseases in Chongqing and the Group's first managed hospital and its first presence outside of Guangdong Province. Zhonglian Cardiovascular Hospital will bear the "Kanghua" brand and is intended to be positioned as a regional integrated institution providing high level of cardiovascular healthcare services to patients from Chongqing and neighbouring provinces and regions. The management agreement has a term from 1 July 2016 to 30 June 2026, during which the Group has exclusive management rights over Zhonglian Cardiovascular Hospital and is entitled to a monthly management fee of RMB200,000 plus 5% of Zhonglian Cardiovascular Hospital's monthly revenue.

In June 2016, following arm's length negotiations with Zhonglian Cardiovascular Hospital, the Group provided an unsecured loan in the amount of RMB50.0 million to Zhonglian Cardiovascular Hospital with a view to supporting its launch preparations and operating cash flow during its ramp-up period. The principal amount of the loan is repayable at the expiry of one year and carries a monthly interest rate of 0.42% to be settled monthly in arrears.

For further details of the management agreement and the above loan arrangement, please refer to the Prospectus.

重大投資、收購及出售

眾聯心血管病醫院

於二零一六年六月，本集團就眾聯心血管病醫院訂立管理協議，該醫院為重慶市一家心血管疾病專科醫院，也是本集團管理的首家醫院，及本集團首次踏足廣東省以外經營業務。眾聯心血管病醫院將採用「康華」品牌，並旨在成為一所地區性綜合機構，為重慶市及鄰近省份和地區的病人提供高水平的心血管醫療服務。管理協議為期由二零一六年七月一日起至二零二六年六月三十日，期間本集團對眾聯心血管病醫院擁有獨家管理權，並有權每月獲得管理費人民幣200,000元及另加眾聯心血管病醫院的每月收益5%。

於二零一六年六月，經與眾聯心血管病醫院以公平原則進行磋商後，本集團向眾聯心血管病醫院提供人民幣50.0百萬元的無抵押貸款，旨在支持其投入運作的籌備和其擴大營運期間的經營現金流量。貸款的本金額在一年到期時償還，按月利率0.42%計息，每月於期後償付。

請參閱招股章程了解管理協議及上述貸款安排的進一步詳情。

Management Discussion and Analysis

管理層討論及分析

It was originally envisaged that Zhonglian Cardiovascular Hospital would commence operation towards the end of 2016. Due to implementation of additional clinical configurations with a view to achieving higher efficiency and wider service scope, involving, among other things, additional purchase of medical equipment and system testing, the commencement date of Zhonglian Cardiovascular Hospital was slightly delayed to March 2017. In December 2016, following arm's length negotiations with Zhonglian Cardiovascular Hospital, the Group provided an unsecured loan facility in the amount of RMB50 million to Zhonglian Cardiovascular Hospital, which may be drawdown in one or more tranches within two months. A monthly interest rate of 0.42% is payable by Zhonglian Cardiovascular Hospital monthly in arrears and the principal amount of each loan tranche is repayable by Zhonglian Cardiovascular Hospital at the expiry of 12 months from the relevant drawdown date. For further details of the loan facility, please refer to the announcement of the Company dated 12 December 2016. RMB30.0 million and RMB20.0 million were drawn down by Zhonglian Cardiovascular Hospital in December 2016 and January 2017, respectively. For the purpose of ascertaining the Company's continuing disclosure obligations under Rule 13.20 of the Hong Kong Listing Rules, the aggregate amount of outstanding loans advanced to Zhonglian Cardiovascular Hospital up to the date of this annual report represented less than 8% of the assets ratio as defined under Rule 14.07(1) of the Hong Kong Listing Rules, taking in account of the Group's total assets position as at 31 December 2016.

Cash Management Activities

As part of the Group's cash management, the Group has from time to time invested a principal amount of RMB100.0 million into an investment product issued by a reputable PRC commercial bank with a term of approximately 90 days. The investment product is not rated by any credit agency but is classified as low-risk by the issuing bank. For further details of the above investment product, please refer to the Prospectus.

Save as disclosed in this annual report, the Group had no significant investment, acquisition or disposal during the reporting period and there had not been any significant event since the end of the reporting period up to the date of this annual report.

本集團最初設想，眾聯心血管病醫院將於二零一六年年底開始運作。由於實施額外的臨床治療配置，以實現更高的效率和更廣泛的服務範圍，涉及(其中包括)額外購買醫療設備和系統測試，眾聯心血管病醫院的開業日期稍微延遲到二零一七年三月。於二零一六年十二月，經與眾聯心血管病醫院以公平原則進行磋商後，本集團向眾聯心血管病醫院提供人民幣50.0百萬元之無抵押貸款，可在兩個月內一次或多次提取。眾聯心血管病醫院每月於期後應付按月利率0.42%計算的利息，而每筆貸款的本金額，在有關提取日期起計12個月到期由眾聯心血管病醫院償還。有關貸款的詳情，請參閱本公司日期為二零一六年十二月十二日的公告。眾聯心血管病醫院分別於二零一六年十二月及二零一七年一月提取人民幣30.0百萬元和人民幣20.0百萬元。為確定本公司於香港上市規則第13.20條項下的持續披露責任，直至本年報日期向眾聯心血管病醫院墊付的未償還貸款總金額佔資產比率(定義見香港上市規則第14.07(1)條)少於8%，經計及本集團於二零一六年十二月三十一日總資產狀況。

現金管理活動

作為本集團現金管理的一部份，本集團不時投資於一家聲譽良好的中國商業銀行發行的投資產品，投資本金為人民幣100.0百萬元，期限約為90天。投資產品未獲任何信貸評級機構評級，但由發行銀行分類為低風險。請參閱招股章程了解上述投資產品的進一步詳情。

除本年報所披露者外，本集團於報告期內並無重大投資、收購或出售，而自報告期結束後直至本年報刊發日期，亦概無發生該等重大事件。

Management Discussion and Analysis

管理層討論及分析

Capital Expenditure

The Group regularly makes capital expenditures to expand its operations, maintain its medical facilities and improve its operating efficiency. Capital expenditure primarily consisted of purchases of property, plant and equipment. The capital expenditure of the Group in 2016 was RMB81.0 million (2015: RMB96.2 million), representing a decrease of 15.8% from 2015, primarily due to the completion of substantial renovation work in respect of Huaxin Building that became operational in September 2015. The Group has financed its capital expenditure through cash flows generated from operating activities.

Use of Proceeds from the Initial Public Offering

The Company's H Shares were listed on the Hong Kong Stock Exchange on 8 November 2016 (the "Listing Date"). The Company's net proceeds from the initial public offering of its H Shares amounted to approximately RMB782.6 million (equivalent to approximately HK\$874.9 million) after deducting underwriting commissions and all related expenses. As at 31 December 2016, the net proceeds had not been utilised. As at the date of this annual report, the Company does not anticipate any material change to its plan on the use of proceeds as stated in the Prospectus.

INDEBTEDNESS

Bank Loans

As at 31 December 2016, the Group had no bank borrowings (2015: RMB341.8 million). As at 31 December 2016, the Group had no banking facilities.

資本開支

本集團定期作出資本開支以擴大其營運、維持其醫療設施並提高其經營效率。資本開支主要包括購買物業、廠房及設備。本集團於二零一六年之資本開支為人民幣81.0百萬元（二零一五年：人民幣96.2百萬元），較二零一五年下降15.8%，主要是由於完成華心樓的大量翻新工作，華心樓已於二零一五年九月營運。本集團以通過經營活動所得現金流量為資本開支提供資金。

首次公開發售所得款項用途

本公司H股於二零一六年十一月八日於香港聯交所上市「上市日期」。本公司於扣除包銷佣金及所有相關費用後，首次公開發售H股所得款項淨額約為人民幣782.6百萬元（相等於約874.9百萬港元）。載於二零一六年十二月三十一日，所得款項淨額尚未動用。於本年報日期，本公司預期，於招股章程所述所得款項用途的計劃並無任何重大變動。

債項

銀行貸款

於二零一六年十二月三十一日，本集團並無銀行借款（二零一五年：人民幣341.8百萬元）。於二零一六年十二月三十一日，本集團並無銀行融資額度。

Management Discussion and Analysis

管理層討論及分析

Contingent Liabilities

The Group is subject to legal proceedings and claims in the ordinary of business primarily arising from medical disputes brought on by patients. Provision for medical disputes is made based on the status of potential and active claims outstanding as at the end of the relevant year, and primarily taking into account any judicial appraisal or court determination against the Group. As at 31 December 2016, the total stated claim amount of the Group's on-going medical disputes was approximately RMB11.3 million and there were certain medical disputes without claim amount stated. Based on the Group's assessment, as at 31 December 2016, approximately RMB0.48 million (2015: RMB2.37 million) had been provided and included in accounts and other payables of the Group.

As at 31 December 2016, the Group had no contingent liabilities or guarantees that would have a material impact on the financial position or operation of the Group.

Pledge of Assets

As at 31 December 2016, none of the Group's assets had been pledged.

Contractual Obligations

The contractual obligations of the Group primarily consisted of operating lease commitments and capital commitments.

The operating lease commitments of the Group were primarily attributable to the lease of the land and buildings underlying the Group's hospital operations. As at 31 December 2016, the future aggregate minimum lease payments under non-cancellable lease agreements were RMB295.4 million (2015: nil).

The capital commitments of the Group were primarily attributable to construction costs relating to the expansion and renovation of the Group's medical facilities. As at 31 December, the capital commitments in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements were RMB49.0 million (2015: RMB60.0 million).

或然負債

本集團受制於法律訴訟及於日常業務過程中由病人提出的醫療糾紛索賠。醫療糾紛的撥備是根據有關年度結束時可能和尚未了結的進行中索賠個案狀況而作出，主要考慮本集團將面臨的任何司法判決或法院裁決。於二零一六年十二月三十一日，本集團尚未了結的醫療糾紛索賠總額約為人民幣11.3百萬元，而有部份醫療糾紛未有列明索賠金額。根據本集團作出的評估，於二零一六年十二月三十一日，本集團已作出約人民幣0.48百萬元(二零一五年：人民幣2.37百萬元)的撥備，並計入本集團的應付賬款及其他應付款項中。

於二零一六年十二月三十一日，本集團概無或然負債或擔保，可能對本集團的財務狀況或經營產生重大影響。

資產質押

於二零一六年十二月三十一日，本集團概無資產已被質押。

合同義務

本集團的合同義務主要包括經營租賃承諾和資本承諾。

本集團經營租賃承擔主要歸因於租賃本集團醫院營運相關的土地及建築物。於二零一六年十二月三十一日，根據不可撤銷租賃協議計算之未來最低租賃付款總額為人民幣295.4百萬元(二零一五年：無)。

本集團的資本承擔主要歸因於與本集團醫療設施擴建及翻新有關的建築成本。於十二月三十一日，本集團的綜合財務報表內已訂約但未撥備之物業、廠房及設備的資本承擔為人民幣49.0百萬元(二零一五年：人民幣60.0百萬元)。

Management Discussion and Analysis

管理層討論及分析

Financial Instruments

The Group's financial instruments primarily consisted of accounts and other receivables, amount(s) due from a shareholder/a related party, bank balances and cash, restricted bank balances, pledged bank deposits, accounts and other payables, amounts due to shareholders and bank borrowings. The management of the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Exposure to fluctuation in Exchange rates

The proceeds of raised by the Company in its initial public offering of its H Shares is denominated in Hong Kong dollars. The Group deposits certain of its financial assets in Hong Kong dollars, and is mainly exposed to fluctuation in exchange rates of Hong Kong dollars against RMB. The Group is therefore exposed to foreign exchange risk.

The Group has not used any derivatives financial instruments to hedge against its exposure to currency risk. The management manages the currency risk by closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should such need arise.

Gearing Ratio

As at 31 December 2016, the Group's gearing ratio (total interest-bearing bank loans divided by total equity and multiplied by 100%) was zero (2015: 138.5%).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business, financial condition, results of operations and prospects may be affected by a number of risks and uncertainties.

The following section sets out certain principal risks and uncertainties identified by the Group. It is a non-exhaustive list and there may be other risks and uncertainties further to the principal risk areas outlined below that are not presently known to the Group, or that the Group currently deems to be immaterial but could turn out to be material in the future.

金融工具

本集團的金融工具主要包括應收賬款及其他應收款項、應收一名股東／一名關聯方款項、銀行結餘及現金、受限制銀行結餘、已質押銀行存款、應付賬款及其他應付款項、應付股東款項及銀行借款。本公司管理層管理和監控這些風險承擔，以確保及時有效地採取適當措施。

匯率波動的承擔

本公司H股首次公開發售所募集的所得款項以港元計值。本集團以港元存放部分其金融資產，主要受港元兌人民幣匯率波動的影響。因此，本集團面臨外匯風險。

本集團並未應用任何衍生金融工具對沖其貨幣風險承擔。管理層通過密切監測外幣匯率的變動來管理貨幣風險，並將考慮在有需要時就重大外幣承擔進行對沖。

資產負債比率

於二零一六年十二月三十一日，本集團之資產負債比率（計息銀行貸款總額除以總權益並乘以100%）為零（二零一五年：138.5%）。

主要風險和不確定因素

本集團的業務、財務狀況、經營業績及前景可能受到多項風險及不確定因素所影響。

以下部份列出本集團識別出的若干主要風險和不確定因素。這並非一份詳盡的清單，下面列出的主要風險範疇可能還有其他風險和不確定因素，而不為本集團目前所知曉，或者本集團目前認為是不重大，但日後可能成為重大。

Management Discussion and Analysis

管理層討論及分析

Risks relating to industry regulations and healthcare policies

The Group's business is subject to a high level of regulation and supervision in the PRC. New regulations may be introduced in the future, or otherwise be amended or replaced requiring the Group to conduct its business with additional oversight and regulatory compliance. Healthcare policies in the PRC may change significantly in the future or become unfavourable to the Group as a private hospital operator. The Group derives a significant portion of revenue from social insurance programmes and any change in regulatory pricing control and reimbursement policies under social insurance programmes may adversely affect the Group's business operations.

Risks relating to Guangdong Province

The Group's revenue is primarily dependent on its operations in Guangdong Province. As such, it is especially sensitive to the local conditions and changes in Guangdong Province, such as with respect to its economy, laws and regulations, and any force majeure events, natural disasters or outbreaks of contagious diseases in this region. In particular, there has been a shift in the economic landscape of Guangdong Provinces in recent years. Any significant reduction in the aggregate workforce employed in Guangdong Province in general and Dongguan in particular, may reduce the demand for the Group's healthcare services.

Risks relating to healthcare professionals

The Group's success is linked to its ability to recruit, retain and properly manage quality doctors and other healthcare professionals, such as nurses and medical technicians. In general, the competition for employing quality healthcare professionals in the PRC is intense. The Group may need to pay higher salaries to attract and retain quality healthcare professionals. The inability to attract or retain quality healthcare professionals could limit the Group's ability in providing quality healthcare services and attracting patients.

與行業法規和醫療政策有關的風險

本集團業務受中國高規格監管。未來可能會引入新的規定，或以其他方式進行修改或更改，要求本集團於經營業務時須額外監管和合規。中國的醫療政策未來可能發生重大變化，或對作為私營醫院經營者的本集團不利。本集團從社會保障計劃中獲得相當大部份的收益，而社會保障計劃下的監管定價控制和報銷政策出現任何變更，均可能會對本集團的業務運作產生不利影響。

與廣東省有關的風險

本集團的收益主要依賴其在廣東省的業務。因此，對廣東省的狀況及變化特別敏感，如經濟，法律法規，及其他不可抗力事件、天災、傳染病爆發等。特別是近年來廣東省經濟格局發生轉變。廣東省整體及特別是東莞地區就業人數如果大幅度下降，可能會降低對本集團醫療服務的需求。

與醫療專業人員有關的風險

本集團的成功在於招聘、挽留及妥善管理優質醫生及其他醫療專業人員（如護士及醫護技師）的能力息息相關。一般來說，聘用中國優質醫療專業人員的競爭激烈，本集團可能需要支付更高的薪酬來吸引和挽留優質的醫療專業人員。無法吸引或挽留優質醫療專業人員可能會限制本集團提供優質醫療服務和吸引病人的能力。

Management Discussion and Analysis

管理層討論及分析

Risks relating to clinical activities and medical disputes

The Group's clinical activities are subject to inherent clinical risks that cannot be completely eliminated even in areas for which the Group has adopted a high standard of clinical risk management. The Group is particularly exposed to these risks from the treatment of complex medical conditions that do not have guaranteed positive outcomes. Clinical judgment can inherently be very subjective, particularly when viewed in hindsight. Unfavourable clinical outcomes, even though not attributable to negligence of the Group, may result in medical disputes and protracted litigation. The Group may also be required to pay significant compensation to settle medical disputes. The occurrence of medical disputes from time to time may also adversely affect the reputation of the Group.

Key Relationships

Staff

The Group's success depends critically on its ability to attract, develop and retain its staff. The Group is committed to retaining quality healthcare professionals to consistently maintain the high quality of hospital services. The Group's comprehensive staff remuneration and retention policy is designed with a view to rewarding staff performance and long term staff retention. It primarily includes (i) economic components comprising basic salary earmarked to the individual's position, seniority and length of service, performance bonus determined with reference to the metrics specific to the individual's job function and other benefits; and (ii) non-economic components comprising personal development, job challenge and satisfaction, recognition, work environment, work safely and career progression. The Group regularly makes reference to available market data and adjusts its staff remuneration level with a view to remaining competitive.

與臨床活動和醫療糾紛相關的風險

本集團的臨床活動受到固有的臨床風險影響，即使本集團採用高規格的臨床風險管理，也不能完全消除這些風險。本集團特別對治理複雜的病症面臨這些風險，沒有保證利好的結果。臨床判斷本質上是非常主觀的，特別是在事後才發現。即使不是由於本集團疏忽造成的臨床不利結果，也可能導致醫療糾紛和長時間的訴訟。本集團也可能需要支付重大賠償來解決醫療糾紛。不時發生的醫療糾紛也可能對本集團的聲譽產生不利影響。

重要關係

員工

本集團的成功在很大程度上取決於其吸引、發展和挽留員工的能力。本集團致力於挽留優質的醫療專業人員，貫徹保持醫院的高質素服務。本集團全面的員工薪酬與挽留政策旨在獎勵員工績效和長期員工挽留，主要包括：(i) 經濟組成部份包括按個人職位、資歷及服務年期計算基本工資、參考個人工作職能特有指標的績效花紅和其他福利；及(ii) 非經濟組成部份包括個人發展、工作挑戰和滿意度、嘉許、工作環境、安全工作和職業發展。本集團定期參考現有市場數據，調整其員工薪酬水平，保持競爭力。

Management Discussion and Analysis

管理層討論及分析

Collegiality is a key retention factor. The Group prides itself on maintaining harmonious staff relationship in the spirit of “Kanghua People”. Each of the Group’s owned hospitals has adopted a labour union for its staff to protect their rights and to encourage them to participate in the management of the hospital’s business. As at 31 December 2016, the Group employed a total of 2,445 (2015: 2,528) staff. In 2016, the Group had not experienced any strikers or other labor disputes that materially affected its business operations.

The Group contributes to various defined contribution retirement benefit plans organised by the relevant governmental authorities.

Customers

The Group’s customers are typically individual patients as well as business corporations and government administrations who purchase healthcare services for their employees. The Group places a high priority on providing patients with consistently high quality service and support, which is crucial to its long term success. Patient-centric care is provided in an ethical manner, and at the best possible quality, taking into consideration patient safety, patient satisfaction and treatment efficacy. The Group continuously reviews its services and practices to ensure both quality and integrity are up to standard. In particular, the Medical Ethics Committee is responsible for ensuring patients are treated fairly and ethically and no excessive or unnecessary medical treatments are being pressured to the patients. As embodied in the motto “Empathic • Virtuous Medical Practice” (蒼生為念 • 厚德載醫), the Group adopts a humanitarian approach in treating all patients, the well-being of whom form the core of its values.

The Group conducts patient satisfaction surveys as a means for measuring and monitoring patients’ experience and satisfaction. Such surveys also serve to establish a baseline to monitor changes in patient experience and satisfaction in specific area of service delivery at the Group’s hospitals. The subjective nature of the healthcare industry means that the Group occasionally receives complaints from patients. The Group takes patient complaints seriously and has implemented a standardized complaint management system with a view to promptly, accurately and comprehensively collecting feedback from patients, addressing patients’ concerns, continuously improving clinical processes and ultimately delivering service of the highest standard to the patients. For complaints that may escalate into medical disputes, a dedicated task force, headed by the hospital director and senior management, will initiate the medical dispute process involving highly coordinated efforts of multiple hospital units.

融和是關鍵的挽留因素。本集團的員工本著「康華人」的精神，維護和諧的員工關係而感到自豪。本集團每家醫院均為其職工採用工會來保護其權利，鼓勵他們參與醫院業務的管理。於二零一六年十二月三十一日，本集團合共僱用2,445名(二零一五年：2,528名)員工。於二零一六年，本集團未發生任何罷工或其他勞資糾紛，嚴重影響其業務經營。

本集團向相關政府組織之各類定額退休福利計劃作出供款。

客戶

本集團的客戶一般是個人病人和為員工購買醫療服務的企業和政府機構。本集團高度重視為病人提供貫徹優質的服務和支援，這是其長期成功的關鍵。考慮到病人的安全、病人滿意度和治療效果，透過富道德的態度，提供極高質素的以病人為本的護理。本集團不斷檢討其服務和做法，以確保質量和誠信達到標準。尤其是，醫學倫理委員會負責確保病人得到公平和道德的對待，不會對病人施加過度或不必要的治療。本集團以「蒼生為念 • 厚德載醫」為座右銘，採取人道主義方式，對待所有病人，以病人福祉作為其價值觀的核心。

本集團對病人進行滿意度調查，作為衡量和監測病人體驗和滿意度的手段。此類調查還有助於建立一條基線，監測本集團的醫院在特定服務範圍內病人體驗和滿意度的變化。醫療行業的主觀性質，意味著本集團偶爾會收到病人的投訴。本集團認真對待病人的投訴，實施了標準化投訴管理制度，及時、準確及全面地收集病人的反饋意見、解決病人的疑慮、不斷改善臨床過程，而最終為病人提供最高標準的服務。對於可能升級為醫療糾紛的投訴，則由醫院院長及高級管理層領導的專責小組，聯同多個醫院單位高度合作處理醫療糾紛。

Management Discussion and Analysis

管理層討論及分析

Suppliers

The Group's suppliers primarily consist of agents and distributors of pharmaceuticals, medical consumables and medical equipment. The suppliers are cautiously selected for quality, reputation, price, product and service offerings and delivery capability. The Group routinely assesses suppliers' performance, credit-worthiness, re-confirm their qualifications (such as GMP and/or GSP Certificates, where appropriate) and ensure the compliance status and quality of the supplies. The Group has adopted a stringent policy that prohibits suppliers from contacting and offering rebates to doctors to solicit business. If any supplier is found to be in violation, the Group will immediately terminate the business relationship. The Group believes that such practice minimizes the risk of corrupt practices by individual hospital staff who may exert influence on procurement, thereby safeguarding the quality of the Group's supplies. The Group seeks to manage risks by maintaining adequate inventories and building strong relationships directly with suppliers. The Group generally agrees pricing terms with its suppliers on the basis that the Group will not pay higher than (i) the market price; and (ii) the selling price to other third parties.

In addition to the purchase of pharmaceuticals, medical consumables and medical equipment, the Group also relies on various vendors for engineering and renovation services, electricity supply and non-healthcare related ancillary management services for its operations.

Prospects

In 2017, the Group has commenced its third five-year of operations since its flagship hospital, Kanghua Hospital, became operational in 2006. The management of the Group believes that it has gained valuable experience in operating Kanghua Hospital, the first private for-profit general hospital in the PRC to have attained the Grade A Class III rating under the NHFPC hospital classification system. Leveraging the Group's track record, the management continuously evaluates opportunities with a view to expanding its influence and network of healthcare facilities across the PRC, including through mergers and acquisitions of, and management arrangements with, other healthcare facilities. The management believes that it will be able to replicate its success in operating Kanghua Hospital and the reputation of the "Kanghua" brand to these healthcare facilities.

供應商

本集團的供應商主要由藥品、醫療耗材和醫療設備的代理商和分銷商組成。本集團從質量、信譽、價格、產品和服務的提供和交付能力審慎挑選供應商。本集團定期評估供應商的表現、信譽、重新確認其資格(如適用的GMP和/或GSP證書)，並確保供應商的合規狀況和質量。本集團採取嚴格的政策，禁止供應商聯絡並向醫生提供回佣以招攬業務。如果發現任何供應商違規，本集團將立即終止與其的業務關係。本集團認為，這種做法會減少個別醫院員工可能出現貪腐行為對採購行使影響力的風險，從而保護本集團供給品的質量。本集團力求通過維持適當的存貨水平和直接與供應商建立牢固的關係來控制風險。本集團通常與供應商協定定價條款，以本集團不會支付高於(i)市場價格；及(ii)向其他第三方銷售的價格為基礎。

除了採購藥品、醫療耗材和醫療設備外，本集團還依托各方供應商為其營運進行工程改造服務、電力供應和非醫療相關輔助管理服務。

前景

於二零一七年，本集團開展了自其旗艦醫院康華醫院於二零零六年開始運營以來的第三個五年運營期。本集團管理層相信，其於經營康華醫院上取得寶貴經驗，康華醫院為首間獲國家衛計委醫院分級系統評為三級甲等評級的私立營利性綜合醫院。利用本集團的往績記錄，管理層持續評估機會，旨在擴大其於中國醫療機構的影響力及網絡，包括透過合併與收購其他醫療機構及與其他醫療機構的管理安排。管理層相信，其將能夠將經營康華醫院上的成功及「康華」品牌的聲譽複製至該等醫療機構。

Management Discussion and Analysis

管理層討論及分析

The management believes that the Group, as a private healthcare services provider, is well positioned to benefit from the demographics and healthcare policies in the PRC. These opportunities are primarily driven by: (i) the two-child policy, rapidly ageing population, alarming prevalence of chronic diseases due to unhealthy lifestyle and pollution and diversifying healthcare needs beyond basic healthcare services; (ii) increasing spending power in the population, general community awareness of the importance of healthcare and the demand for quality and individualized healthcare services not traditionally prioritized on by public hospitals in the PRC; (iii) the expectation that the PRC government will increase resources in the healthcare system nationwide with a view to expanding the scope of coverage and degree of reimbursements under social insurance programmes; and (iv) the expectations that the PRC government will allocate more resources specifically to promote the development of private healthcare providers, including equalizing favourable land and tax treatments between private healthcare facilities and public healthcare facilities. Public hospitals are no longer able to cope with the changing and increasing market demand for healthcare services in the PRC. The management expects that the Group will be able to compete on a more level playing field with public hospitals going forward.

The Group's capability and flexibility in providing high-end and special services will remain a key strength differentiating itself among competitors. The management is committed to continuously enhance the Group's service delivery with a view to providing patient-centric care of the highest standard under the "Kanghua" brand through self-evaluations, benchmarking, innovation, clinical research and collaboration.

管理層相信，本集團（作為私立醫療服務供應商）處於有利地位受惠於中國的人口狀況及醫療政策。該等機會主要受以下因素所推動：(i) 二孩政策、急速人口老齡化、生活習慣不健康及污染導致慢性病患率上升以及基本醫療服務以外的多元化醫療需要；(ii) 人口消費力、對醫療重要性的普遍社區認知以及對優質、個人化及不被中國公立醫院傳統重視的醫療服務需求均日益增加；(iii) 預期中國政府將增加全國醫療系統的資源，旨在擴大涵蓋範圍及社會保險計劃下補償程度；及(iv) 預期中國政府將特定分配更多資源以推廣私立醫療供應商的發展，包括私立醫療機構及公立醫療機構之間平均有利土地及稅務對待。公立醫院不再能夠應付市場對中國醫療服務不斷轉變及增加的需求。管理層預期，日後本集團將能夠與公立醫院更公平競爭。

本集團在提供高端及特殊服務上的能力及彈性將維持其從競爭對手脫穎而出的主要優勢。管理層致力持續提升本集團帶來的服務，旨在透過自我評估、基準評價、創新、臨床研究及合作，按「康華」品牌提供最高水準以病人為中心的醫療服務。

Report of the Board

董事會報告

The Board is pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the operation of private hospitals and provision of hospital management services in the PRC.

Details of the principal activities of the principal subsidiaries of the Company are set out in note 32 to the consolidated financial statements.

GROUP REORGANISATION

The Company was established as a limited liability company under the name of 東莞市康華實業有限公司 (Dongguan Kanghua Enterprise Co., Ltd.) in the PRC on 30 January 2002. On 30 December 2015, the Company was converted into a joint stock limited company under the Company Law of the PRC. Pursuant to a group reorganisation to rationalise the structure of the Group in the preparation for the public listing of the Company's H Shares on the Hong Kong Stock Exchange, the Company became the holding company of the Group since 30 September 2015.

Details of the group reorganisation are set out in note 2 to the consolidated financial statements.

The H Shares of the Company were listed on the Hong Kong Stock Exchange with effect from 8 November 2016.

BUSINESS REVIEW

The description of principal risks and uncertainties that the Group may be facing, a fair review of the Group's business during the year, and the probable future business development of the Group are provided in the Management Discussion and Analysis section on pages 12 to 42 of this annual report. Also, the financial risk management objectives and policies of the Group can be found in note 31(b) to the consolidated financial statements. There are no important events affecting the Group after the reporting period and up to the date of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on pages 4 to 5 and Financial Summary on page 198 of this annual report respectively. In addition, discussions on the relationships with its staff, customers and suppliers is also contained in the Management Discussion and Analysis section on pages 12 to 42 of this annual report. Discussions on the Group's environmental policies and compliance with relevant laws and regulations which have a significant impact on the Group are contained in this annual report on page 44.

董事會欣然提呈本年報以及本集團截至二零一六年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本集團主要在中國從事經營私營醫院及醫院管理服務。

本公司主要附屬公司的主要業務詳情載於綜合財務報表附註32。

集團重組

本公司於二零零二年一月三十日於中國以東莞康華實業有限公司的名義作為有限責任公司成立。於二零一五年十二月三十日，本公司根據中國《公司法》轉制為股份有限公司。根據為籌備本公司H股在香港聯交所上市而整頓本集團的結構進行的集團重組，本公司自二零一五年九月三十日起成為本集團的控股公司。

本集團重組詳情載於綜合財務報表附註2。

本公司H股於二零一六年十一月八日起在香港聯交所上市。

業務回顧

有關本集團可能面對之主要風險及不確定因素之描述、本集團年內業務之中肯審視及本集團之可能日後業務發展載於本年報第12至42頁之管理層討論及分析一節。此外，本集團金融風險管理目標及政策可於綜合財務報表附註31(b)閱覽。從報告期後截至本年報日期期間並沒有發生重要事項。應用財務關鍵表現指標之本集團年內表現分析分別載於本年報第4至5頁之財務概覽及本年報第198頁之財務概要。此外，有關本公司與其員工、客戶及供應商之關係之討論亦載於本年報第12至42頁之管理層討論及分析一節。有關本集團環境政策以及遵守對本集團有重要影響之相關法例及規例之討論則載於本報告第44頁。

Report of the Board

董事會報告

ENVIRONMENTAL PROTECTION

The Group is subject to national and local environmental laws and regulations in the PRC, including with respect to hospital sanitation, diseases control, medical wastes management, and discharge of wastewater, pollutants and radioactive substances. The Group is conscious of its environmental protection obligations and is committed to the sustainable development of the environment and society. The Group has established internal rules regarding environmental protection and actively seeks to implement eco-friendly technologies and clinical environment where feasible. The Group believes that it has maintained good relationship with the communities. With respect to medical wastes management, the Group has engaged qualified third parties to arrange proper disposal for all of its hospitals in accordance with applicable laws and regulations.

To the best of the Group's knowledge, during the year ended 31 December 2016, the Group had complied with the applicable environment laws and regulations in the PRC in all material respects.

In accordance with Rule 13.91 of the Hong Kong Listing Rules, the Company will publish an Environmental, Social and Governance ("ESG") Report within three months after publication of this annual report in compliance with the provisions set out in the ESG Reporting Guide in Appendix 27 to the Hong Kong Listing Rules.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

There was no incident of non-compliance with relevant laws and regulations that had a significant impact on the Group during the reporting period.

FINANCIAL RESULTS

The Group's financial results for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 114 of this annual report.

環境保護

本集團遵守中國國家和地方環境法律及法規，包括醫院衛生、疾病控制、醫療廢物管理、污水、污染物和放射性物質的排放。本集團意識到其環境保護的義務，致力於環境與社會的可持續發展。本集團已制定環境保護的內部規定，並積極要求在可行的情況下實施環保技術和臨床環境。本集團認為，其與社區維持良好關係。在醫療廢物管理方面，本集團已聘請合資格第三方按照適用的法律及法規為其所有醫院進行妥善處置。

據本集團所知，截至二零一六年十二月三十一日止年度，本集團在所有重大方面均符合中國適用環境法律及法規。

根據香港上市規則第13.91條，本公司將於刊發本年報後三個月內按香港上市規則附錄二十七環境、社會及管治報告指引所載條文刊發環境、社會及管治（「環境、社會及管治」）報告。

遵守相關法律和法規

報告期內，本集團無發生不遵守法律和法規的事項，對其造成重大影響。

財務業績

本集團截至二零一六年十二月三十一日止年度的財務業績載於本年報第114頁的綜合損益及其他全面收益表。

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 8 November 2016. As of 31 December 2016, the Company's net proceeds from the initial public offering amounted to approximately RMB782.6 million (equivalent to HK\$874.9 million) after deducting underwriting commissions and all related expenses. As of the date of this annual report, the Company did not anticipate any material change to its plan on the use of proceeds as stated in the Prospectus.

As of 31 December 2016, the net proceeds from the initial public offering remained unutilised.

DIVIDEND

The Board recommends the payment of the Proposed Final Dividend of RMB14 cents per share (inclusive of applicable tax). Subject to the approval of the Proposed Final Dividend by the Shareholders at the AGM to be held on 8 June 2017, the Proposed Final Dividend will be distributed on or about 19 July 2017 to the Shareholders whose names appear on the register of members of the Company on 19 June 2017 (the "Record Date").

The final dividend distribution shall be calculated based on the total number of Shares in issue as of the Record Date and the final cash dividend distribution shall be based on RMB14 cents per share (inclusive of applicable tax). In order to qualify for the final dividend, the holders of H Shares must lodge all share certificates accompanied by the transfer documents with Computershare Hong Kong Investor Services Limited (address: Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) before 4:30 p.m. on 13 June 2017. For the purpose of ascertaining the holders of H Shares who qualify for the final dividend, the register of members for H Shares will be closed from 14 June 2017 to 19 June 2017, both days inclusive, during which period no transfer of H Shares will be effected.

The final dividend will be denominated and declared in RMB. The holders of Domestic Shares will be paid in RMB and the holders of H Shares will be paid in Hong Kong dollars. The exchange rate for the final dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Hong Kong dollars to RMB as announced by the People's Bank of China during the five business days prior to the date of declaration of the final dividend.

首次公開發售所得款項用途

本公司H股於二零一六年十一月八日在香港聯交所主板上市。截至二零一六年十二月三十一日，本公司首次公開發售所得款項淨額扣除包銷佣金及所有相關費用後約為人民幣782.6百萬元(相等於874.9百萬港元)。截至本年報日期，本公司並無預期對招股章程所指所得款項淨額的使用計劃發生任何重大變更。

截至二零一六年十二月三十一日，首次公開發售所得款項淨額仍然尚未動用。

股息

董事會建議派發建議末期股息每股人民幣14分(含適用稅項)。待股東於二零一七年六月八日將舉行的股東週年大會上批准建議末期股息後，建議末期股息將於二零一七年七月十九日或前後分派給於二零一七年六月十九日(「記錄日期」)名列本公司股東名冊的股東。

末期股息分派應根據於記錄日期已發行的股份總數計算，而最終現金股息分派將以每股人民幣14分(含適用稅項)為基礎。為符合資格領取末期股息，H股持有人必須將股票連同過戶文件於二零一七年六月十三日下午四時三十分前交回香港中央證券登記有限公司(地址：香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)。為確定符合資格領取末期股息的H股股東，H股股東名冊將於二零一七年六月十四日至二零一七年六月十九日(包括首尾兩天)暫停辦理H股過戶登記，期間不會辦理H股股份過戶登記手續。

末期股息將以人民幣計價及宣派。內資股持有人將獲以人民幣支付，而H股持有人將獲以港元支付。以港元支付的末期股息的匯率，將為中國人民銀行於宣派末期股息的日期前五個營業日所公佈的港元兌人民幣匯率的平均值。

Report of the Board

董事會報告

In accordance with the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) and its implementation regulations which came into effect on 1 January, 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise Shareholders whose names appear on the register of members for H Shares when distributing the cash dividends. Any H Shares not registered under the name of an individual Shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organizations or groups, shall be deemed as Shares held by non-resident enterprise Shareholders. Therefore, on this basis, enterprise income tax shall be withheld from dividends payable to such Shareholders. If holders of H Shares intend to change its Shareholder status, please enquire about the relevant procedures with your agents or trustees. The Company will strictly comply with the law or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant Shareholders based on the register of members for H Shares as of the Record Date.

If the individual holders of H Shares are Hong Kong or Macau residents or residents of the countries which had an agreed tax rate of 10% for the cash dividends to them with the PRC under the relevant tax agreement, the Company should withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. Should the individual holders of H Shares be residents of the countries which had an agreed tax rate of less than 10% with the PRC under the relevant tax agreement, the Company shall withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. In that case, if the relevant individual holders of H Shares wish to reclaim the extra amount withheld due to the application of 10% tax rate, the Company can apply for the relevant agreed preferential tax treatment provided that the relevant Shareholders submit the evidence required by the notice of the tax agreement to Computershare Hong Kong Investor Services Limited. The Company will assist with the tax refund after the approval of the competent tax authority. Should the individual holders of H Shares be residents of the countries which had an agreed tax rate of over 10% but less than 20% with the PRC under the tax agreement, the Company shall withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax agreement. In the case that the individual holders of H Shares are residents of the countries which had an agreed tax rate of 20% with the PRC, or which has not entered into any tax agreement with the PRC, or otherwise, the Company shall withhold and pay the individual income tax at a rate of 20%.

根據《中華人民共和國企業所得稅法》及其於二零零八年一月一日生效的實施規例，本公司須代表分派現金股息時名列H股股東名冊的非居民企業股東預扣及按10%的稅率支付企業所得稅。任何未以個人股東名義(包括香港中央結算(代理人)有限公司、其他代名人、代理人或受託人，或其他組織或集團)登記的H股，須當作為非居民企業股東持有的股份。因此，在此基礎上，應向支付給這些股東的股息預扣企業所得稅。如H股持有人擬變更其股東身份，請向您的代理人或受託人查詢有關程序。本公司將嚴格遵守相關政府當局的法律或要求，並根據截至記錄日期H股股東名冊，代表相關股東代扣代繳企業所得稅。

如果H股個人持有人是香港或澳門居民，或根據與中國簽訂相關稅務協議現金股息的協定稅率為10%的國家的居民，本公司應代表相關股東按10%的稅率預扣並支付個人所得稅。如果H股個人持有人是根據相關稅務協議與中國達成協議稅率低於10%的國家的居民，本公司將代表相關股東以10%代扣代繳個人所得稅。在這種情況下，如果H股相關個人持有人希望收回因應用10%稅率而扣繳的額外金額，則本公司可應用相關協定的優惠稅務待遇，條件是相關股東向香港中央證券登記有限公司提交稅務協議通知的所需證據。經主管稅務機關批准後，本公司將協助退稅。如果H股個人持有人是根據稅務協議與中國達成協議稅率超過10%但低於20%的國家的居民，則本公司將按照相關稅務協議約定的實際利率扣繳並支付個人所得稅。在H股個人持有人是根據稅務協議與中國達成協議稅率超過20%或與中國沒有訂立任何稅務協議的國家的居民的情況下，本公司將扣留並支付個人所得稅率為20%。

SHARE CAPITAL

Details of the movements in the share capital of the Company during the reporting period are set out in note 24 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the reporting period are set out in the consolidated statement of changes in equity and note 33 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES

As of 31 December 2016, the Company did not have any distributable reserves.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the reporting period are set out in note 16 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The Group has a highly diversified customer portfolio, including individual patients as well as business corporations and government administrations who purchase healthcare services for their employees. For the year ended 31 December 2016, the Group's largest customer or the five largest customers in aggregate contributed to less than 1% of the Group's total revenue.

股本

本公司於報告期內的股本變動詳情載於綜合財務報表附註24。

儲備

本集團與本公司於報告期內的儲備變動詳情分別載於綜合權益變動表及綜合財務報表附註33。

可分派儲備

截至二零一六年十二月三十一日，本公司並無任何可分派儲備。

物業、廠房及設備

於報告期內本集團物業、廠房及設備的變動詳情載於綜合財務報表附註16。

主要客戶及供應商

本集團的客戶組合高度多元化，包括個人病人以及為僱員購買醫療服務的商業公司和政府部門。截至二零一六年十二月三十一日止年度，本集團最大客戶或五大客戶合計對本集團總收益的貢獻少於1%。

Report of the Board

董事會報告

For the year ended 31 December 2016, the Group's largest supplier and the five largest suppliers in aggregate contributed to approximately 31.4% and 59.3%, respectively, of the Group's total purchases, including pharmaceuticals, medical consumables, medical equipment, construction and renovation services, electricity supply and non-healthcare related ancillary management services ("Total Purchases"). The Group's largest supplier, Dongguan Yuheng Pharmaceuticals Co., Ltd. (東莞市裕恒醫藥有限公司) ("Yuheng"), accounted for approximately 31.4% of the Group's Total Purchases. Yuheng has been an Independent Third Party during the reporting period. Yuheng is a wholesaler of pharmaceuticals and medical equipment primarily to hospitals in the PRC. The Group's relationship with Yuheng began in 2010. The Group has a long term agreement that does not impose any minimum purchasing commitment on the Group and the Group may place orders with Yuheng at its own discretion. The pricing of the relevant products is determined at the time the relevant order is placed with reference to market price. The agreement sets out the framework of delivery, settlement, inspection and quality control, product defects, compensation arrangements for delivery failure, medical equipment training, packaging and warranty. The agreement is for an indefinite period but the Group may terminate it if Yuheng commits a material breach or fails to deliver the relevant products within a prescribed period. The Group has a 90-days credit period with Yuheng.

None of the Directors, the Supervisors or any of their respective close associates (as defined under the Hong Kong Listing Rules), or any Shareholders, which to the knowledge of the Directors, own more than 5% of the Company's issued share capital has any interests in the Group's five largest customers or suppliers for the year ended 31 December 2016.

DONATIONS

For the year ended 31 December 2016, the charitable contributions and other donations made by the Group amounted to approximately RMB0.9 million in aggregate.

SUBSIDIARIES

Details of the Company's principal subsidiaries as of 31 December 2016 are set out in note 32 to the consolidated financial statements.

截至二零一六年十二月三十一日止年度，本集團最大的供應商和五大供應商合計分別佔本集團採購總額約31.4%和59.3%，其中包括藥品、醫療耗材、醫療設備、建築及裝修服務、電力供應和非醫療相關輔助管理服務（「總採購」）。本集團最大的供應商東莞市裕恒醫藥有限公司（「裕恒」）佔本集團總採購額約31.4%。於報告期內，裕恒一直為獨立第三方。裕恒是中國醫院的主要藥品和醫療設備批發商。本集團與裕恒的關係始於二零一零年。本集團有長期協議，不對本集團施加任何最低採購承諾，本集團可自行決定向裕恒下達訂單。相關產品的定價在相關訂單發出時參照市場價格釐定。協議載列交貨、結算、檢驗和質量控制、產品缺陷、交貨失敗賠償安排、醫療設備培訓、包裝和保修的框架。協議無限期，倘裕恒發生重大違規或未能在規定期限內交付相關產品，本集團可以終止協議。裕恒給予本集團90天的信貸期。

概無董事、監事或彼等之任何緊密聯繫人（定義見香港上市規則）或就董事所知擁有本公司已發行股本5%以上的任何股東直接或間接擁有本集團截至二零一六年十二月三十一日止年度的五大客戶或供應商的任何權益。

捐款

截至二零一六年十二月三十一日止年度，本集團作出的慈善捐款和其他捐款合計約人民幣0.9百萬元。

附屬公司

本公司截至二零一六年十二月三十一日的主要附屬公司詳情載於綜合財務報表附註32。

Report of the Board

董事會報告

DIRECTORS

The Directors during the reporting period up to the date of this annual report are:

Executive Directors

Mr. Wang Junyang (*Chairman*)

Mr. Chen Wangzhi (*Chief Executive Officer*)

Mr. Wong Wai Hung Simon (*Vice Chairman*)

Ms. Wang Aiqin

Non-executive Director

Mr. Lv Yubo ⁽¹⁾

Independent Non-executive Directors

Mr. Yeung Ming Lai ⁽¹⁾

Dr. Chen Keji ⁽¹⁾

Mr. Chan Sing Nun ⁽²⁾

Notes:

(1) Appointed on 22 June 2016.

(2) Mr. Chan Sing Nun was appointed as a Director on 28 December 2015; his appointment as independent non-executive Director was officially confirmed on 22 June 2016.

SUPERVISORS

The Supervisors during the reporting period and up to the date of this annual report are:

Mr. Chen Shaoming (*Chairman of the Supervisory Committee*)

Mr. Wang Shaofeng

Mr. Wang Bingzhi

董事

於報告期內直至本年報日期的董事如下：

執行董事

王君揚先生(主席)

陳旺枝先生(行政總裁)

王偉雄先生(副主席)

王愛勤女士

非執行董事

呂玉波先生 ⁽¹⁾

獨立非執行董事

楊銘灃先生 ⁽¹⁾

陳可冀醫生 ⁽¹⁾

陳星能先生 ⁽²⁾

附註：

(1) 於二零一六年六月二十二日獲委任。

(2) 陳星能先生於二零一五年十二月二十八日獲委任為董事；彼獲任命為獨立非執行董事於二零一六年六月二十二日得到正式確認。

監事

於報告期內直至本年報日期的監事如下：

陳少明先生(監事會主席)

王少鋒先生

王炳枝先生

Report of the Board

董事會報告

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 27 to the consolidated financial statements, no transaction, arrangement or contracts of significance to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries, was a party and in which a Director or a Supervisor, or any entity connected with any Director or Supervisor, had a material interest, whether directly or indirectly, subsisted as of 31 December 2016 or at any time during the reporting period.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 27 to the consolidated financial statements, none of the Controlling Shareholders has or had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the business of the Group to which the Company or any of its subsidiaries was a party during the reporting period.

NON-COMPETITION AGREEMENT

Pursuant to the Non-Competition Agreement, the Controlling Shareholders have undertaken that they will not, and will also procure their respective close associate(s) (as appropriate) (other than the Group) not to, either directly or indirectly, compete with the Group's principal business (which is primarily to provide hospital services) and granted to the Group the option for new business opportunities, option for acquisitions and pre-emptive rights. During the period from the date of the Non-Competition Agreement to 31 December 2016, the Company did not receive any Offer Notice (as defined under the section headed "Relationship with our Controlling Shareholders" in the Prospectus) from the Controlling Shareholders.

The Company has received confirmations from the Controlling Shareholders confirming their compliance with the Non-Competition Agreement for the year ended 31 December 2016 for disclosure in this annual report. The independent non-executive Directors have also reviewed the Controlling Shareholders' compliance with the Non-Competition Agreement for the year ended 31 December 2016.

董事及監事於重大交易、安排或合約中的權益

除綜合財務報表附註27所披露者外，概無董事或監事、或任何董事或監事的任何關連實體就本公司或其任何控股公司、附屬公司或同系附屬公司截至二零一六年十二月三十一日或報告期內任何時間存在的任何重大交易、安排或合約直接或間接擁有重大權益。

控股股東於重大合約中的權益

除綜合財務報表附註27所披露者外，無控股股東於對本集團業務屬重大(不論提供服務或其他)由本公司或其任何附屬公司於報告期內作為一方訂立的任何重大合約直接或間接擁有重大權益。

不競爭協議

根據不競爭協議，控股股東已承諾彼等將不會並將會促使其緊密聯繫人(如適用)(本集團除外)不會直接或間接與本集團的主要業務(主要是提供醫院服務)競爭，並授予本集團新業務機會的選擇權，收購選擇權及優先購買權。於不競爭協議日期至二零一六年十二月三十一日止期間，本公司並無從控股股東接獲任何要約通知(定義見招股章程「與我們的控股股東的關係」一節)。

本公司已收到控股股東確認，其於截至二零一六年十二月三十一日止年度遵守不競爭協議的確認書，以供於本年報披露。獨立非執行董事亦已審閱控股股東截至二零一六年十二月三十一日止年度遵守不競爭協議。

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' emoluments and the five highest paid individuals are set out in notes 11 and 12 to the consolidated financial statements.

Mr. Lv Yubo has waived emoluments in acting as a non-executive Director. No other Director has waived or agreed to waive any emoluments during the reporting period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the reporting period, none of the Directors or their respective associates (as defined under the Hong Kong Listing Rules) had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group.

PERMITTED INDEMNITY PROVISIONS

The Company has purchased appropriate liability insurance for its Directors and senior management. The permitted indemnity provisions are set out in such liability insurance.

Saved as disclosed above, no permitted indemnity provision was made by the Company during the reporting period and no permitted indemnity provision was in force as at the date of this annual report.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As of 31 December 2016, the interests and short positions of the Directors, the Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under section 352 of the SFO, or as notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

董事酬金及五位最高薪人士

董事酬金以及五位最高薪人士的詳情載於綜合財務報表附註11及12。

呂玉波先生已放棄擔任非執行董事的酬金。於報告期內，概無其他董事已放棄或同意放棄任何酬金。

董事於競爭業務中之權益

於報告期內，概無董事或彼等各自之聯繫人（定義見香港上市規則）從事任何與本集團業務直接或間接構成競爭或可能構成競爭的業務，或於其中擁有任何權益。

獲准許之彌償條文

本公司已為董事及高級管理人員購買適當的責任保險。獲准許的彌償條文的規定載於該等責任保險內。

除上述披露外，本公司於本報告期內並無作出任何獲准許的彌償條文，且於本年報日期，概無任何獲准許的彌償條文生效。

董事、監事及最高行政人員於證券之權益

截至二零一六年十二月三十一日，本公司董事、監事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所的權益及淡倉（包括彼等根據證券及期貨條例之該等條文被視為或被當作擁有的權益及淡倉），或須列入由本公司按證券及期貨條例第352條存置之登記冊內，或根據標準守則須知會本公司及香港聯交所的權益及淡倉如下：

Report of the Board

董事會報告

(a) The Company

(a) 本公司

Name of Director 董事姓名	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage of the Company's total issued share capital ⁽⁵⁾	
				Approximate percentage in Shares of the same class ⁽⁵⁾ 相同類別 股份所佔 概約百分比 ⁽⁵⁾	Approximate percentage of the Company's total issued share capital ⁽⁵⁾ 佔本公司 已發行股本 概約百分比 ⁽⁵⁾
Mr. Wang Junyang 王君揚先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company ⁽¹⁾ ; interest in a controlled corporation ⁽²⁾ 有關於本公司權益的協議作為權益的一方 ⁽¹⁾ ；於受控制法團的權益 ⁽²⁾	250,000,000 (Long position) (好倉)	100%	74.76%
Mr. Chen Wangzhi 陳旺枝先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company ⁽¹⁾ ; interest in a controlled corporation ⁽³⁾ ; family interest of spouse ⁽⁴⁾ 有關於本公司權益的協議作為權益的一方 ⁽¹⁾ ；於受控制法團的權益 ⁽³⁾ ；配偶的家族權益 ⁽⁴⁾	250,000,000 (Long position) (好倉)	100%	74.76%
Ms. Wang Aiqin 王愛勤女士	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company ⁽¹⁾ ; interest in a controlled corporation ⁽³⁾ ; family interest of spouse ⁽⁴⁾ 有關於本公司權益的協議作為權益的一方 ⁽¹⁾ ；於受控制法團的權益 ⁽³⁾ ；配偶的家族權益 ⁽⁴⁾	250,000,000 (Long position) (好倉)	100%	74.76%

Report of the Board

董事會報告

Notes:

- (1) Pursuant to a concert party agreement, each of Mr. Wang Junyang, Ms. Wang Aici, Mr. Chen Wangzhi and Ms. Wang Aiqin has agreed to jointly control their respective interests in the Company and the decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Therefore, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (2) As of 31 December 2016, Kanghua Group (held as to 97.46% by Mr. Wang Junyang) held 197,500,000 Domestic Shares and Xingye Group (held as to 80% by Mr. Wang Junyang) held 25,000,000 Domestic Shares. As Mr. Wang Junyang controls more than one third of the voting power at the general meeting of each of Kanghua Group and Xingye Group, Mr. Wang Junyang is deemed to be interested in the same number of Shares in which each of Kanghua Group and Xingye Group is interested by virtue of the SFO.
- (3) As of 31 December 2016, Xingda Property (held as to 50% each by Mr. Chen Wangzhi and Ms. Wang Aiqin) held 27,500,000 Domestic Shares. As each of Mr. Chen Wangzhi and Ms. Wang Aiqin controls more than one third of the voting power at the general meeting of Xingda Property, each of Mr. Chen Wangzhi and Ms. Wang Aiqin is deemed to be interested in the same number of Shares in which Xingda Property is interested by virtue of the SFO.
- (4) As Mr. Chen Wangzhi and Ms. Wang Aiqin are husband and wife, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (5) The shareholding percentages are calculated on the basis of 250,000,000 Domestic Shares and 84,394,000 H Shares issued by the Company as of 31 December 2016.

附註：

- (1) 根據一項一致行動協議，王君揚先生、王愛慈女士、陳旺枝先生及王愛勤女士均同意共同控制其各自於本公司的權益，而就本集團業務及營運的決定應當作上述人士一致同意。因此，基於證券及期貨條例，上述各方視為於其持有的所有股份擁有權益。
- (2) 截至二零一六年十二月三十一日，康華集團(王君揚先生持有97.46%)持有197,500,000股內資股，而興業集團(王君揚先生持有80%)持有25,000,000股內資股。由於王君揚先生於康華集團及興業集團各自的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，王君揚先生被視為於康華集團及興業集團各自擁有的相同數目股份擁有權益。
- (3) 截至二零一六年十二月三十一日，興達物業(陳旺枝先生及王愛勤女士分別各自持有50%)持有27,500,000股內資股。由於陳旺枝先生及王愛勤女士在興達物業的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，陳旺枝先生及王愛勤女士被視為於興達物業擁有的相同數目股份擁有權益。
- (4) 由於陳旺枝先生及王愛勤女士均為丈夫及妻子，故基於證券及期貨條例，其均被視為於其所持有的所有股份中擁有權益。
- (5) 持股比例以本公司截至二零一六年十二月三十一日發行的250,000,000股內資股及84,394,000股H股計算。

Report of the Board

董事會報告

(b) Associated corporations of the Company

(b) 本公司相聯法團

Name of Director 董事姓名	Associated corporation 相聯法團	Nature of interest 權益性質	Approximate percentage interest in the associated corporation 佔相聯法團 權益概約百分比
Mr. Wang Junyang 王君揚先生	Kanghua Group 康華集團	Beneficial owner 實益擁有人	97.46%
Mr. Wang Junyang 王君揚先生	Xingye Group 興業集團	Beneficial owner 實益擁有人	80%
Mr. Chen Wangzhi 陳旺枝先生	Xingda Property 興達物業	Beneficial owner; family interest of spouse 實益擁有人；配偶的家族權益	100%
Ms. Wang Aiqin 王愛勤女士	Xingda Property 興達物業	Beneficial owner; family interest of spouse 實益擁有人；配偶的家族權益	100%

Save as disclosed above, as of 31 December 2016, to the knowledge of the Board, none of the Directors, the Supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, the Supervisors and chief executives of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，截至二零一六年十二月三十一日，據董事會所知，概無本公司董事、監事及行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所的權益及淡倉(包括彼等根據證券及期貨條例之該等條文被視為或被當作擁有的權益及淡倉)；(ii)須列入由本公司按證券及期貨條例第352條存置之登記冊內；或(iii)根據標準守則須知會本公司及香港聯交所。

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As of 31 December 2016, according to the register kept by the Company pursuant to Section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following person/entity had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or be directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of the Company:

(a) Interests in the Shares of the Company

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 概約百分比
Mr. Wang Junyang 王君揚先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company ⁽¹⁾ ; interest in a controlled corporation ⁽²⁾ 有關於本公司權益的協議作為權益的一方 ⁽¹⁾ ；於受控制法團的權益 ⁽²⁾	250,000,000 (Long position) (好倉)	100%	74.76%
Ms. Wang Aici 王愛慈女士	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company ⁽¹⁾ 有關於本公司權益的協議作為權益的一方 ⁽¹⁾	250,000,000 (Long position) (好倉)	100%	74.76%
Kanghua Group 康華集團	Domestic Shares 內資股	Beneficial owner 實益擁有人	197,500,000 (Long position) (好倉)	79%	59.06%
Xingye Group 興業集團	Domestic Shares 內資股	Beneficial owner 實益擁有人	25,000,000 (Long position) (好倉)	10%	7.48%

主要股東的權益

截至二零一六年十二月三十一日，按照本公司根據證券及期貨條例第336條存置的登記冊，及據目前為止已知或可經向董事作出合理查詢後確定，以下人士／實體於股份或相關股份中擁有權益或淡倉根據證券及期貨條例第XV部第2及3分部之條文須向本公司及香港聯交所披露，或直接或間接擁有於本公司股東大會上在任何情況下有權投票的任何類別股本中面值5%或以上的權益：

(a) 於本公司股份的權益

Report of the Board

董事會報告

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 概約百分比
Mr. Chen Wangzhi 陳旺枝先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company ⁽¹⁾ ; interest in a controlled corporation ⁽³⁾ ; family interest of spouse ⁽⁴⁾ 有關於本公司權益的協議作為權益的一方 ⁽¹⁾ ；於受控制法團的權益 ⁽³⁾ ；配偶的家族權益 ⁽⁴⁾	250,000,000 (Long position) (好倉)	100%	74.76%
Ms. Wang Aiqin 王愛勤女士	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company ⁽¹⁾ ; interest in a controlled corporation ⁽³⁾ ; family interest of spouse ⁽⁴⁾ 有關於本公司權益的協議作為權益的一方 ⁽¹⁾ ；於受控制法團的權益 ⁽³⁾ ；配偶的家族權益 ⁽⁴⁾	250,000,000 (Long position) (好倉)	100%	74.76%
Xingda Property 興達物業	Domestic Shares 內資股	Beneficial owner 實益擁有人	27,500,000 (Long position) (好倉)	11%	8.22%
Mr. Xie Zhikun ("Mr. Xie") 解直錕先生(「解先生」)	H Shares H股	Interest in a controlled corporation ⁽⁵⁾ 於受控制法團的權益 ⁽⁵⁾	20,055,800 (Long position) (好倉)	23.76%	6.00%
Zhonghai Chengfeng (Beijing) Asset Management Co., Ltd. (“Zhonghai Chengfeng”) 中海晟豐(北京)資本管理有限公司 (「中海晟豐」)	H Shares H股	Interest in a controlled corporation ⁽⁵⁾ 於受控制法團的權益 ⁽⁵⁾	20,055,800 (Long position) (好倉)	23.76%	6.00%

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Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 概約百分比
Zhonghai Chengrong (Beijing) Asset Management Co., Ltd. ("Zhonghai Chengrong") 中海晟融(北京)資本管理有限公司 (「中海晟融」)	H Shares H 股	Interest in a controlled corporation ⁽⁵⁾ 於受控制法團的權益 ⁽⁵⁾	20,055,800 (Long position) (好倉)	23.76%	6.00%
Zhongzhi Investment Management Co., Ltd. ("Zhongzhi Investment") 中植投資管理有限公司(「中植投資」)	H Shares H 股	Interest in a controlled corporation ⁽⁵⁾ 於受控制法團的權益 ⁽⁵⁾	20,055,800 (Long position) (好倉)	23.76%	6.00%
Huzhou Zhongze Taifu Investment Co., Ltd. ("Huzhou Zhongze") 湖州中澤泰富投資有限公司 (「湖州中澤」)	H Shares H 股	Interest in a controlled corporation ⁽⁵⁾ 於受控制法團的權益 ⁽⁵⁾	20,055,800 (Long position) (好倉)	23.76%	6.00%
Huzhou Feipeng Capital Management Co., Ltd. ("Huzhou Feipeng") 湖州飛鵬資本管理有限公司 (「湖州飛鵬」)	H Shares H 股	Beneficial owner 實益擁有人	20,055,800 (Long position) (好倉)	23.76%	6.00%

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Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class	Approximate percentage of the Company's total issued share capital
				相同類別 股份所佔 概約百分比	佔本公司 已發行股本 概約百分比
Mr. Wang Mingsong ("Mr. Wang Mingsong") 王明松先生(「王明松先生」)	H Shares H 股	Interest in a controlled corporation ⁽⁶⁾ 於受控制法團的權益 ⁽⁶⁾	11,574,400 (Long position) (好倉)	13.71%	3.46%
Bo An Investments Pte. Ltd. ("Bo An Investments") 博安投資私人有限公司(「博安投資」)	H Shares H 股	Interest in a controlled corporation ⁽⁶⁾ 於受控制法團的權益 ⁽⁶⁾	11,574,400 (Long position) (好倉)	13.71%	3.46%
Huaxia International Company Limited ("Huaxia International") 華夏國際有限公司(「華夏國際」)	H Shares H 股	Beneficial owner 實益擁有人	11,574,400 (Long position) (好倉)	13.71%	3.46%
Zhan Yongxiang 詹永祥	H Shares H 股	Beneficial owner 實益擁有人	6,400,000 (Long position) (好倉)	7.58%	1.91%
Haitian (HK) Financial Development Limited	H Shares H 股	Beneficial owner 實益擁有人	6,600,000 (Long position) (好倉)	7.82%	1.97%
New China Asset Management (Hong Kong) Limited 新華資產管理(香港)有限公司	H Shares H 股	Investment manager 投資經理	8,689,000 (Long position) (好倉)	10.30%	2.60%

Notes:

- (1) Pursuant to a concert party agreement, each of Mr. Wang Junyang, Ms. Wang Aici, Mr. Chen Wangzhi and Ms. Wang Aiqin has agreed to jointly control their respective interests in the Company and the decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Therefore, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (2) Mr. Wang Junyang holds 97.46% and 80% in Kanghua Group and Xingye Group, respectively. As Mr. Wang Junyang controls more than one third of the voting power at the general meeting of each of Kanghua Group and Xingye Group, Mr. Wang Junyang is deemed to be interested in the same number of Shares in which each of Kanghua Group and Xingye Group is interested by virtue of the SFO.
- (3) Each of Mr. Chen Wangzhi and Ms. Wang Aiqin holds 50% in Xingda Property. As each of Mr. Chen Wangzhi and Ms. Wang Aiqin controls more than one third of the voting power at the general meeting of Xingda Property, each of Mr. Chen Wangzhi and Ms. Wang Aiqin is deemed to be interested in the same number of Shares in which Xingda Property is interested by virtue of the SFO.
- (4) As Mr. Chen Wangzhi and Ms. Wang Aiqin are husband and wife, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (5) Mr. Xie holds 99.80% in Zhonghai Chengfeng, which in turn holds 100% in Zhonghai Chengrong, which in turn holds 100% in Zhongzhi Investment, which in turn holds 100% in Huzhou Zhongze, which in turn holds 100% in Huzhou Feipeng. Each of Mr. Xie, Zhonghai Chengfeng, Zhonghai Chengrong, Zhongzhi Investment and Huzhou Zhongze is deemed to be interested in the same number of Shares in which Huzhou Feipeng is interested by virtue of the SFO.
- (6) Mr. Wang Mingsong holds 100% in Bo An Investments, which in turn holds 100% in Huaxia International. Each of Mr. Wang Mingsong and Bo An Investments is deemed to be interested in the same number of Shares in which Huaxia International is interested by virtue of the SFO.

附註：

- (1) 根據一項一致行動協議，王君揚先生、王愛慈女士、陳旺枝先生及王愛勤女士均同意共同控制其各自於本公司的權益，而就本集團業務及營運的決定應當作上述人士一致同意。因此，基於證券及期貨條例，上述各方視為於其持有的所有股份擁有權益。
- (2) 王君揚先生分別持有康華集團及興業集團97.46%及80%。由於王君揚先生於康華集團及興業集團各自的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，王君揚先生被視為於康華集團及興業集團各自擁有的相同數目股份擁有權益。
- (3) 陳旺枝先生及王愛勤女士各自持有興達物業50%的股份。由於陳旺枝先生及王愛勤女士在興達物業的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，陳旺枝先生及王愛勤女士被視為於興達物業擁有的相同數目股份擁有權益。
- (4) 由於陳旺枝先生及王愛勤女士均為丈夫及妻子，故基於證券及期貨條例，其均被視為於其所持有的所有股份擁有權益。
- (5) 解先生持有中海晟豐99.80%，而中海晟豐持有中海晟融100%，而中海晟融持有中植投資100%，而中植投資持有湖州中澤100%，而湖州中澤持有湖州飛鵬100%。基於證券及期貨條例，解先生、中海晟豐、中海晟融、中植投資、湖州中澤視為於湖州飛鵬擁有的相同數目股份擁有權益。
- (6) 王明松先生持有博安投資100%，而博安投資持有華夏國際100%。基於證券及期貨條例，王明松先生及博安投資各自於華夏國際擁有的相同數目股份擁有權益。

Report of the Board

董事會報告

(b) Substantial shareholders of other members of the Group

Name of shareholder	Name of member of the Group	Nature of interest	Approximate percentage interest held by the substantial shareholder
股東姓名／名稱	本集團成員公司名稱	權益性質	主要股東持有權益概約百分比
Kangdi Enterprise ^{(1) (2)} 康帝實業 ^{(1) (2)}	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	15%
Ms. Zhang Dandan ^{(1) (3)} 張丹丹女士 ^{(1) (3)}	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	15%
Ms. Wang Aier ^{(1) (4)} 王愛兒女士 ^{(1) (4)}	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	13%

Notes:

- (1) Pursuant to an entrusted management agreement, each of Kangdi Enterprise, Ms. Zhang Dandan and Ms. Wang Aier irrevocably vested their entire voting power at any general meeting of Renkang Hospital to the Company.
- (2) Kangdi Enterprise is held as to 50% by Mr. Wang Zhengren and as to 50% by Ms. Wang Keying, all of whom are members of the Wang Family and cousins of Mr. Wang Junyang.
- (3) Ms. Zhang Dandan is a member of the Wang Family and aunt-in-law of Mr. Wang Junyang.
- (4) Ms. Wang Aier is a member of the Wang Family and aunt of Mr. Wang Junyang.

(b) 本集團其他成員公司的主要股東

附註：

- (1) 根據委託管理協議，康帝實業、張丹丹女士及王愛兒女士各自均不可撤回地將其於仁康醫院任何股東大會的全部投票權歸屬於本公司。
- (2) 王正仁先生及王可瑩女士各自於康帝實業持有 50% 股權，其全部為王氏家族的成員及王君揚先生的表親。
- (3) 張丹丹女士是王氏家族成員及王君揚先生的姨母。
- (4) 王愛兒女士是王氏家族成員及王君揚先生的姑母。

Save as disclosed above, as of 31 December 2016, to the knowledge of the Directors, no other person had, or were deemed or taken to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the registry kept by the Company pursuant to Section 336 of the SFO.

除上文所披露者外，截至二零一六年十二月三十一日，據董事所知，概無其他人士於股份或相關股份中擁有權益或淡倉根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或記錄在本公司根據證券及期貨條例第336條存置的登記冊內。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the reporting period.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

At no time during the reporting period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, the Supervisors or chief executives of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

CONNECTED TRANSACTIONS

During the period from the Listing Date to 31 December 2016, the Company had complied with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules with respect to connected transactions and continuing connected transactions. Details of the Group's non-exempt connected transactions are set out below:

Continuing Connected Transactions

Continuing connected transaction under 以下各方進行的 持續關連交易	Connected person 關連方	Nature of the connected person's interest in the transaction 在交易中的關連方權益的性質	Annual cap for the year ended 31 December 2016 (RMB million)	Actual transaction value for the year ended 31 December 2016 (RMB million)
			截至二零一六年十二月三十一日止年度的年度上限 (人民幣百萬元)	截至二零一六年十二月三十一日止年度的實際交易價值 (人民幣百萬元)
The Kanhua Hospital Lease Agreement 康華醫院租賃協議	Kanhua Group 康華集團	The land and buildings under the lease are owned by Kanhua Group and leased to Kanhua Hospital 由康華集團以租賃形式擁有及租予康華醫院的土地和建築物	20.0	19.7
The Renkang Hospital Lease Agreement 仁康醫院租賃協議	Tongli Enterprise 同力實業	The land and buildings under the lease are owned by Tongli Enterprise and leased to Renkang Hospital 由同力實業以租賃形式擁有及租予仁康醫院的土地和建築物	3.2	3.2

管理層合約

本公司並無訂立有關管理及執行本公司業務的全部或任何重大部份的合約或於報告期間存在該等合約。

董事及監事收購股份或債務證券的權利

於報告期內任何時間本公司或其任何附屬公司概無作為一方，與董事、監事或本公司最高行政人員(包括彼等各自之配偶或未滿18歲之子女)訂立任何安排，可藉收購本公司或任何其他法人團體的股份或債券而獲益。

關連交易

於上市日期直至二零一六年十二月三十一日期間，本公司已符合香港上市規則第14A章就關連方交易及持續關連方交易之適用要求。本集團的非豁免關連方交易詳情如下：

持續關連交易

Report of the Board

董事會報告

The Kanghua Hospital Lease Agreement

On 10 April 2016, Kanghua Hospital (a wholly-owned subsidiary of the Company), entered into the Kanghua Hospital Lease Agreement with Kanghua Group in relation to the lease of land and buildings underlying Kanghua Hospital from Kanghua Group for a term of 10 years commencing from 1 January 2016 to 31 December 2025.

Rent

The rent payable under the Kanghua Hospital Lease Agreement is determined with reference to (i) the actual GFA used by Kanghua Hospital during the year (which shall not be less than 254,896.14 sq.m.); and (ii) the monthly rental per sq.m. For the year ended 31 December 2016, the actual GFA used by Kanghua Hospital was 254,896.14 sq.m. and the monthly rental per sq.m. was RMB6.5. The monthly rental per sq.m. is subject to an increment of 7% every year which was determined with reference to historical GDP growth rate in the PRC. An independent property valuer was engaged to review the terms of the Kanghua Hospital Lease Agreement and confirmed that the premises under the Kanghua Hospital Lease Agreement are leased on normal commercial terms and the rent payable under the Kanghua Hospital Lease Agreement is at market level and is fair and reasonable. For more details, please refer to the section headed "Connected Transactions" in the Prospectus.

The Renkang Hospital Lease Agreement

On 10 April 2016, Renkang Hospital (a 57%-owned subsidiary of the Company), entered into the Renkang Hospital Lease Agreement with Tongli Enterprise in relation to the lease of land and buildings underlying Renkang Hospital from Tongli Enterprise for a term of 10 years commencing from 1 January 2016 to 31 December 2025.

康華醫院租賃協議

於二零一六年四月十日，康華醫院(本公司的全資附屬公司)與康華集團就有關向康華集團租賃康華醫院相關的土地及建築物訂立康華醫院租賃協議，由二零一六年一月一日至二零二五年十二月三十一日，為期十年。

租金

根據康華醫院租賃協議應付的租金是參照(i)康華醫院於年內實際使用的建築面積(不得少於254,896.14平方米)；及(ii)每平方米每月租金釐定。截至二零一六年十二月三十一日止年度，康華醫院實際使用的建築面積為254,896.14平方米，而每平方米租金為人民幣6.5元。每平方米每月租金按照中國的歷史國內生產總值增長率釐定，每年增長7%。獨立物業估值師獲委聘審閱康華醫院租賃協議的條款，並確認康華醫院租賃協議項下的場地按一般商業條款租賃，而根據康華醫院租賃協議應付的租金為市場水平，及屬公平和合理。詳情請參閱招股章程「關連交易」一節。

仁康醫院租賃協議

於二零一六年四月十日，仁康醫院(本公司擁有57%股權的附屬公司)與同力實業就有關向同力實業租賃仁康醫院相關的土地及建築物訂立仁康醫院租賃協議，由二零一六年一月一日至二零二五年十二月三十一日，為期十年。

Rent

The rent payable under the Renkang Hospital Lease Agreement is determined with reference to (i) the actual GFA used by Renkang Hospital during the year (which shall not be less than 73,265.62 sq.m.); and (ii) the monthly rental per sq.m. For the year ended 31 December 2016, the actual GFA used by Renkang Hospital was 73,265.62 sq.m. and the monthly rental per sq.m. was RMB3.6. The monthly rental per sq.m. is subject to an increment of 7% every year which was determined with reference to historical GDP growth rate in the PRC. An independent property valuer was engaged to review the terms of the Renkang Hospital Lease Agreement and confirmed that the premises under the Renkang Hospital Lease Agreement are leased on normal commercial terms and the rent payable under the Renkang Hospital Lease Agreement is at market level and is fair and reasonable. For more details, please refer to the section headed “Connected Transactions” in the Prospectus.

Review by and confirmation of independent non-executive Directors of the Company

The independent non-executive Directors have reviewed the above continuing connected transactions, and after due and careful enquiry with the management of the Group, confirmed that such transactions were:

- (i) carried out in the ordinary and usual course of business of the Group;
- (ii) made on normal commercial terms or better; and
- (iii) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable, and in the interests of the Shareholders as a whole.

The independent non-executive Directors are satisfied that they have received and reviewed sufficient information to give the confirmations above.

租金

根據仁康醫院租賃協議應付的租金是參照(i) 仁康醫院於年內實際使用的建築面積(不得少於73,265.62平方米); 及(ii) 每平方米每月租金釐定。截至二零一六年十二月三十一日止年度, 仁康醫院實際使用的建築面積為73,265.62平方米, 而每平方米租金為人民幣3.6元。每平方米每月租金按照中國的歷史國內生產總值增長率釐定, 每年增長7%。獨立物業估值師獲委聘審閱仁康醫院租賃協議的條款, 並確認仁康醫院租賃協議項下的場地按一般商業條款租賃, 而根據仁康醫院租賃協議應付的租金為市場水平, 及屬公平和合理。詳情請參閱招股章程「關連交易」一節。

本公司獨立非執行董事的審閱和確認

獨立非執行董事已審閱上述持續關連交易, 並經本集團管理層審慎仔細查詢後, 確認該等交易為:

- (i) 在本集團之日常業務過程中進行;
- (ii) 按正常商業條款或更佳條款訂立; 及
- (iii) 按照相關交易協議的條款進行, 屬公平合理, 並符合股東的整體利益。

獨立非執行董事信納已獲得及審閱足夠資料作出上述確認。

Report of the Board

董事會報告

Confirmation of the auditor

As to the requirement set forth in Rule 14A.56 of the Hong Kong Listing Rules, the auditor of the Company has written to the Board to confirm that it has not been aware of any matter which leads it to believe the aforesaid continued connected transactions:

- (i) have not been approved by the Board;
- (ii) are not carried out in accordance with the related transaction agreement in any material respects; and
- (iii) exceed the annual cap.

Details of the related party transactions of the Group are set out in note 27 to the consolidated financial statements.

Apart from disclosed in this annual report, none of the related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules, which are subject to announcement or independent shareholders' approval requirements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period from the Listing Date to 31 December 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EQUITY-LINKED AGREEMENT

The Company had not entered into any equity-linked agreement during the reporting period, nor did any equity-linked agreement subsist at the end of the reporting period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the PRC Company Law which oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

BANK BORROWINGS

Details of the bank borrowings of the Group as of 31 December 2016 are set out in note 22 to the consolidated financial statements.

核數師的確認

誠如香港上市規則第14A.56條所載的規定求，本公司核數師已向董事會書面確認，其並未知悉導致其相信上述持續關連交易出現以下情況的事項：

- (i) 尚未獲得董事會批准；
- (ii) 在任何重大方面不按照相關交易協議進行；及
- (iii) 超過年度上限。

本集團關聯方交易的詳情載於綜合財務報表附註27。

除本年報所披露者外，根據香港上市規則第14A章，概無關連方交易構成關連交易或持續關連交易，受公告或獨立股東批准所規限。

購回、出售或贖回上市證券

於上市日期至二零一六年十二月三十一日期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

股票掛鈎協議

本公司於本報告期內未達成股權掛鈎協議，於報告期末尚未有任何股權掛鈎協議。

優先購買權

中國公司法或章程並無載有優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

銀行借款

本集團截至二零一六年十二月三十一日的銀行借款詳情載於綜合財務報表附註22。

CASH MANAGEMENT

As part of the cash management policy to manage excess cash, the Group had invested in certain financial product issued by a PRC commercial bank to achieve higher interest income without interfering with its business operations or capital expenditures during the reporting period.

The Group carefully balances its needs for interest income and the risks associated with financial products by investing in simple financial products issued by reputable financial institutions. The Company's senior management, including its chief executive officer and chief financial officer, is involved in these investment decisions. The Company's senior management periodically reviews investment strategies and investment portfolios to ensure they achieve the Group's cash management objectives. Before making a proposal to invest in financial products, the head of the finance department of the relevant hospital or Group company must assess the cash flow and operational needs and capital expenditures of such hospital or company. If the cash flow exceeds its operational needs and an appropriate low-risk investment opportunity is available, the head of the relevant finance department will submit the investment proposal to the Company's senior management for approval. Regardless of investment size, a proposal to invest in any investment products must first be reviewed and approved by the Company's chief financial officer, who is also responsible for reviewing the relevant documentation and negotiation with the counterparty. After the chief financial officer approves the proposal, it must also be approved by (i) the chief executive officer, if the investment amount exceeds RMB10 million; or (ii) the executive Directors and the independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under the Hong Kong Listing Rules, if the investment amount exceeds RMB100 million.

In assessing a proposal to invest in a financial product, a number of criteria must be met, including:

- the term of the financial product should generally not exceed one year;
- the proposed investment must not interfere with our business operations or capital expenditures;

現金管理

本集團已投資由一間中國商業銀行發行的若干金融產品，以此作為管理超額現金的現金管理政策的一部分，以便於報告期在不干擾其業務運作或資本支出的情況，取得較高的利息收入。

本集團憑藉投資於由信譽卓著的金融產品機構發行的簡單金融產品，謹慎地平衡對利息收入的需求以及與金融產品有關的風險。本集團的高級管理層(包括行政總裁及首席財務官)參與該等投資決定。高級管理層定期檢討投資策略及投資組合，以保管實現本集團的現金管理目標。提出於金融產品的投資建議前，相關醫院或集團公司的財務部門主管必須評估該醫院或公司的現金流量及營運需求以及資本開支。倘若現金流量超過其營運需求，且可獲得適當的低風險投資機會，相關財務部門的主管會提交投資建議予高級管理層批准。無論投資規模如何，於任何投資產品的投資建議必須首先經本集團的首席財務官審閱及批准。本集團的首席財務官亦負責審閱相關文件及與交易對手方進行磋商。首席財務官批准建議之後，該建議亦必須由(i)本集團的行政總裁(倘若投資金額超過人民幣10百萬元)；或(ii)具有上市規則規定的適當專業資格或會計或相關財務管理專長的執行董事及獨立非執行董事(倘若投資金額超過人民幣100百萬元)批准。

評估於金融產品的投資建議時，必須符合多項標準，其中包括：

- 金融產品的期限一般不超過一年；
- 建議投資不得干擾我們的業務營運或資本開支；

Report of the Board

董事會報告

- the financial product must be issued by a reputable bank with which we have a long-term relationship, preferably exceed five years; and
- the investment portfolio of the financial product should generally bear low risk.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. The Board is of the opinion that the Company has complied with the applicable code provisions under the CG Code throughout the period from the Listing Date to 31 December 2016. Principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 69 to 85 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best of the Directors' knowledge, as at the date of this annual report, the Company had maintained the public float of the issued Shares as required under the Hong Kong Listing Rules.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE HONG KONG LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Hong Kong Listing Rules.

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM

The register of members of the Company will be closed from 9 May 2017 to 8 June 2017, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30pm on 8 May 2017.

- 金融產品必須由我們與之擁有長期關係(最好超過五年)的聲譽卓著的銀行發行；及
- 金融產品的投資組合一般應具有低風險。

企業管治

本公司致力於維持高水平的企業管治常規。董事會認為，本公司於上市日期至二零一六年十二月三十一日止期間，已遵守企業管治守則之適用守則條文。本公司採納的主要企業管治常規載於在本年報第69至85頁「企業管治報告」一節。

足夠的公眾持股量

根據本公司公開可獲得的資料及據董事會所深知，於本年報日期，本公司按照香港上市規則所規定維持本公司已發行股份的公眾持股量。

根據香港上市規則持續披露責任

本公司並無香港上市規則第13.20、13.21及13.22條項下的任何其他披露責任。

暫停辦理股份過戶登記

為確定出席股東週年大會及於會上投票之權利

本公司將於二零一七年五月九日至二零一七年六月八日(包括首尾兩天)暫停辦理股份過戶登記，期間不會辦理股份過戶登記手續。為確定股東享有出席股東週年大會及於會上投票之權利，所有股份過戶文件連同相關股票必須於二零一七年五月八日下午四時三十分前交回的本公司之H股股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

Report of the Board

董事會報告

For determining the entitlement to the Proposed Final Dividend

The register of members of the Company will be closed from 14 June 2017 to 19 June 2017, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for receiving the Proposed Final Dividend (subject to the approval by the Shareholders at the AGM), all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30pm on 13 June 2017.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

There are no important events after the reporting period and up to the date of this annual report.

AUDITOR

The Company has appointed Deloitte Touche Tohmatsu as its auditor for the year ended 31 December 2016. A resolution will be proposed for approval by the Shareholders at the AGM to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company.

For and on behalf of the Board

Wang Junyang
Chairman

Dongguan, the PRC
22 March 2017

為確定建議末期股息之權利

本公司將於二零一七年六月十四日至二零一七年六月十九日(包括首尾兩天)暫停辦理股份過戶登記，期間不會辦理股份過戶登記手續。為確定符合收取建議末期股息(須待股東於股東週年大會上批准)的資格，所有股份過戶文件連同相關股票必須於二零一七年六月十三日下午四時三十分前交回的本公司之H股股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

報告期後的重要事項

從報告期後截至本年報日期期間並沒有發生重要事項。

核數師

截至二零一六年十二月三十一日止年度，本公司已委任德勤•關黃陳方會計師行為本公司的核數師。本公司將於應屆股東周年大會上提呈一項決議案供股東批准，以續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

王君揚
主席

中國，東莞
二零一七年三月二十二日

Report of the Supervisory Committee

監事會報告

To the Shareholders:

The Supervisory Committee, in compliance with the relevant laws and regulations and the Articles, has conducted its work in accordance with the fiduciary principle, and has taken up an active role to work seriously and with diligence to protect the interests of the Company and the Shareholders.

During the reporting period, the Supervisory Committee had reviewed cautiously the operation and development plans of the Company and provided reasonable suggestions and opinions to the Board. It also strictly and effectively monitored and supervised the Company's management in making significant policies and decisions to ensure that they were in compliance with the laws and regulations of the PRC and the Articles, and in the interests of the Shareholders.

We have reviewed and agreed to the Report of the Board, audited consolidated financial statements and the Proposed Final Dividend proposed by the Board for presentation at the AGM. We are of the opinion that the Directors and the chief executives and other senior management of the Company are able to strictly observe their fiduciary duties, to act diligently, to exercise their authority faithfully in the best interests of the Company and to work in accordance with the Articles. We are witnessing better operations and internal controls.

Up to the date of approval of this report, none of the Directors and chief executives and senior management members of the Company had been found to have abused their authority, damaged the interests of the Company or infringed upon the interests of the Shareholders. None of them was found to be in breach of any laws and regulations or the Articles. The Supervisory Committee is satisfied with the achievement and cost-effectiveness of the Company during the reporting period and has great confidence in the future prospects of the Company.

For and on behalf of the Supervisory Committee

Chen Shaoming
Chairman

Dongguan, the PRC
22 March 2017

致股東：

監事會按照有關法律和法規及章程的規定，按照誠信原則開展工作，發揮積極作用，認真履行職責，保護本公司及股東的權益。

於報告期內，監事會審慎地審閱本公司的經營及發展規劃，並向董事會提供合理的建議和意見，另嚴格及有效地監控和監督本公司的管理層制定重大政策和決定，確保其符合中國的法律和法規及章程，並符合股東的利益。

我們已審閱並同意董事會於股東周年大會上提呈的董事會報告、經審核的財務報表及建議末期股息。我們認為，本公司董事、行政總裁及其他高級管理層能夠嚴格遵守誠信責任，認真履行職責，按照符合本公司的最佳利益忠誠地行使其授權，及按照章程辦事。我們正在目睹更好的運作和內部控制。

截至本報告批准之日，本公司董事、行政總裁及高級管理層成員均未被發現濫用其授權，損害本公司的利益或侵害股東的權利。概無發現上述人士違反任何法律及法規或章程。監事會對於報告期內本公司的成就和成本效益感到滿意，對本公司的未來前景充滿信心。

代表監事會

陳少明
主席

中國，東莞
二零一七年三月二十二日

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report for the period from the Listing Date to 31 December 2016. The Board is of the opinion that the Company has complied with the applicable code provisions under the CG Code throughout the period from the Listing Date to 31 December 2016.

The Board is committed to promote good corporate governance to safeguard the interests of the Shareholders and believes that maintaining a high standard of corporate governance is essential to the success of the Company and would provide a practice enhancing greater accountability and transparency and meeting the expectations of the Group's stakeholders. The Company will continue to review and enhance its corporate governance to ensure that it will continue to meet the applicable requirements of the CG Code.

THE BOARD

Board Composition

The Board currently comprises eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors

Mr. Wang Junyang (*Chairman*)

Mr. Chen Wangzhi (*Chief Executive Officer*)

Mr. Wong Wai Hung Simon (*Vice Chairman*)

Ms. Wang Aiqin

Non-executive Director

Mr. Lv Yubo ⁽¹⁾

Independent Non-executive Directors

Mr. Yeung Ming Lai ⁽¹⁾

Dr. Chen Keji ⁽¹⁾

Mr. Chan Sing Nun ⁽²⁾

Notes:

(1) Appointed on 22 June 2016.

(2) Mr. Chan Sing Nun was appointed as a Director on 28 December 2015; his appointment as independent non-executive Director was officially confirmed on 22 June 2016.

董事會欣然提呈上市日期至二零一六年十二月三十一日期間的企業管治報告。董事會認為，本公司於上市日期至二零一六年十二月三十一日期間已遵守企業管治守則項下的適用守則條文。

董事會致力推動良好的企業管治，以保障股東的利益，亦相信維持高水平的企業管治乃本公司的成功要素，有助建立高度問責及透明的常規，以達致本集團各利益相關者的期望。公司將繼續審閱及提升其企業管治，確保其繼續符合企業管治守則的適用規定。

董事會

董事會組成

董事會目前由八名董事組成，其中包括四名為執行董事、一名為非執行董事及三名為獨立非執行董事。

執行董事

王君揚先生(*主席*)

陳旺枝先生(*行政總裁*)

王偉雄先生(*副主席*)

王愛勤女士

非執行董事

呂玉波先生 ⁽¹⁾

獨立非執行董事

楊銘灃先生 ⁽¹⁾

陳可冀醫生 ⁽¹⁾

陳星能先生 ⁽²⁾

附註：

(1) 於二零一六年六月二十二日獲委任。

(2) 陳星能先生於二零一五年十二月二十八日獲委任為董事；彼獲任命為獨立非執行董事於二零一六年六月二十二日得到正式確認。

Corporate Governance Report

企業管治報告

The brief biographical details of the Directors are set out in the section headed “Directors, Supervisors and Senior Management” on pages 86 to 103 of this annual report. The overall management and supervision of the Company’s operation and the function of formulating overall business strategies were vested in the Board.

During the reporting period and up to the date of this annual report, the Board has met the requirements of Rules 3.10 and 3.10A of the Hong Kong Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and the requirement that the independent non-executive Directors represent at least one-third of the Board.

The Company has received annual confirmation on independence from each independent non-executive Director pursuant to the requirements under the Hong Kong Listing Rules. The Company considers that each independent non-executive Director is independent in accordance with the independence guidelines as set out in Rule 3.13 of the Hong Kong Listing Rules.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Nomination Committee and the Remuneration Committee.

The CG Code requires the Directors to disclose to the Company the number and nature of offices held in public companies or organizations and other significant commitments as well as their identities and the time involved. The Directors have agreed to disclose to the Company their other commitments in a timely manner.

CHAIRMAN AND CHIEF EXECUTIVE

Mr. Wang Junyang is an executive Director and the chairman of the Board. Mr. Chen Wangzhi is an executive Director and the chief executive officer of the Company. Mr. Wong Wai Hang Ricky is a senior management member and the chief financial officer of the Company. The three of them have separate roles.

Relationship between Directors and Chief Executives

Certain Directors and the chief executive officer of the Company are members of the Wang Family. Please refer to the section headed “Directors, Supervisors and Senior Management” on pages 86 to 103 of this annual report for details.

董事履歷簡介詳情載於本年報第86至103頁「董事、監事及高級管理層」一節。董事會獲賦予本公司營運的整體管理和監督以及制定整體業務策略的功能。

於報告期內及直至本年報刊發日期，董事會已符合香港上市規則第3.10及3.10A條規則的規定，即有關委任至少三名獨立非執行董事中至少有一名獨立非執行董事擁有適當專業資格或會計或相關財務管理專長，以及獨立非執行董事至少佔董事會三分之一的規定。

本公司已根據香港上市規則的規定，接獲每名獨立非執行董事發出獨立性的年度確認書。本公司認為，每名獨立非執行董事均按照香港上市規則第3.13條所載的獨立性指引被視為獨立。

所有董事（包括獨立非執行董事）為董事會帶來廣泛的寶貴業務經驗、知識及專業素養，以實現高效率和有效運作。獨立非執行董事獲邀加入審核委員會、提名委員會及薪酬委員會。

企業管治守則規定，董事向本公司披露於上市公司或機構所持職位的數量和性質，以及其他重大承諾，以至其身份及涉及的時間。董事已同意及時向本公司披露他們的其他承諾。

主席及行政總裁

王君揚先生為執行董事兼董事會主席。陳旺枝先生為執行董事兼本公司行政總裁。黃偉恒先生為本公司高級管理層成員及首席財務官。三人的角色均獨立分開。

董事與行政總裁之間的關係

本公司若干董事及行政總裁為王氏家族成員。請參閱本年報第86至103頁「董事、監事及高級管理層」一節了解詳情。

Corporate Governance Report

企業管治報告

ROLE AND FUNCTION OF AND DELEGATION BY THE BOARD

The Board is responsible for and has general powers for the management and conduct of the business of the Company. It delegates day-to-day management of the Company to the executive Directors and the senior management of the Company within the control and the authority framework set by the Board. The delegated functions and responsibilities are periodically reviewed by the Board.

The Board reserves its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, recommendation for appointment of Directors and other significant financial and operational matters. For details, please refer to the Articles.

In addition, the Board has also delegated to the Audit Committee, the Nomination Committee and the Remuneration Committee various responsibilities as set out in their respective terms of reference. Further details of these committees are set out in this corporate governance report.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance to indemnify its Directors in respect of legal actions against them.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

Save as disclosed in this annual report, since the date of the Prospectus, there has been no change in information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

董事會的角色和職能及轉授

董事會對本公司業務的管理和行為負責並具有一般權力。在董事會制定的控制權限和權限框架內，將本公司日常管理委託給本公司的執行董事和高級管理層。董事會定期審閱轉授的職能和職責。

董事會保留對本公司所有重大事項的決策，包括：審批及監督所有政策事項、總體策略及預算、內部控制和風險管理體系、重大交易（特別是可能涉及利益衝突的事項）、財務資料、任命董事及其他重大財務及營運事項的建議。詳情請參閱章程。

此外，董事會亦向審核委員會、提名委員會和薪酬委員會轉授各自的職權範圍內所載的各項職責。這些委員會的進一步詳情載於本企業管治報告。

所有董事應確保按照適用的法律和法規真誠地履行職務，並始終以本公司及股東的利益為依歸。

本公司已安排適當的責任保險，就向董事採取的法律行動彌償董事。

董事、監事及行政總裁資料的變更

除本年報所披露者外，自招股章程刊發日期以來，根據香港上市規則第13.51B(1)條，概無資料變更須予披露。

Corporate Governance Report

企業管治報告

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Prior to the Listing Date, all of the Directors, including Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung Simon, Ms. Wang Aiqin, Mr. Lv Yubo, Mr. Yeung Ming Lai, Dr. Chen Keji and Mr. Chen Sing Nun, have been provided with the relevant induction with a view to ensuring that they have a proper understanding of the business and operations of the Company and that they are fully aware of the responsibilities and obligations as being a director of a listed company as well as the compliance requirements under the Hong Kong Listing Rules. All of the Directors are kept updated on the statutory and regulatory development and changes in the business and the market so as to facilitate the discharge of their responsibilities. Continuous briefing and professional development for Directors will be arranged where necessary.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as a code of conduct of the Company for Directors' and Supervisors' securities transactions. Having made specific enquiry of all Directors and Supervisors, the Directors and the Supervisors have complied with the required standard set out in the Model Code during the period from the Listing Date to 31 December 2016. Employees who are, or likely to be, in possession of unpublished inside information in relation to the Company or the Shares are prohibited from dealing in the Shares during the black-out period.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors entered into a service contract with the Company on 11 October 2016. According to these service contracts, each Director's term of office (a) three years commencing from the date when their respective appointments were approved by the Shareholders; and (b) subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the Articles and applicable laws, rules or regulations.

None of the Directors or the Supervisors has entered or is proposed to enter into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

入職指導及持續專業發展

在上市日期前，所有董事(包括王君揚先生、陳旺枝先生、王偉雄先生、王愛勤女士、呂玉波先生、楊銘灃先生、陳可冀醫生及陳星能先生)均獲提供相關的入職指導，以確保他們對本公司的業務及營運有正當的了解，並完全了解其作為一家上市公司董事的責任和義務以及香港上市規則項下的合規規定。所有董事獲不斷更新法定及監管發展以至業務和市場的變化，從而方便履行職責。有需要時本公司將為董事安排持續簡報和專業發展。

標準守則的合規

本公司已採納標準守則作為本公司董事和監事進行證券交易的行為守則。經向所有董事及監事作出具體查詢後，在上市日期到二零一六年十二月三十一日期間，已遵守標準守則規定的所需標準。凡已經或可能管有未發佈有關本公司或股份內幕信息的僱員，一概不得於禁止交易期間買賣股份。

董事服務合約

每名董事於二零一六年十月十一日均與本公司訂立服務合約。根據這些服務合約，每名董事的任期為：(a) 由其各自的任命獲股東批准之日起計三年；及(b) 根據各自的條款終止的情況下。服務合約可按照章程及適用法律、法規或條例予以重續。

概無董事及監事與本公司已訂立或建議訂立任何服務合約，而本公司不可於一年內毋須支付賠償(法定賠償除外)可予終止。

Corporate Governance Report

企業管治報告

BOARD MEETINGS AND GENERAL MEETINGS

The Company has adopted the practice of holding Board meetings for at least four times a year at approximately quarterly intervals pursuant to code provision A.1.1 of the CG Code. Notice of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting pursuant to code provision A.1.3 of the CG Code.

All Directors are provided with agenda and relevant information in advance before a Board meeting. They have access to the senior management and the joint company secretaries of the Company at all times and, upon reasonable request, may seek independent professional advice at the Company's expense.

Minutes of Board meetings are kept by the secretary to the Board with copies circulated to all Directors for information and records. Minutes of Board meetings and committee meetings record sufficient detail of the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of Board Meetings and committee meetings are sent to the Directors for comments within a reasonable time after the date on which a meeting is held. The minutes of the Board meetings are open for inspection by Directors.

During the period from the Listing Date to 31 December 2016 which is less than one year, one Board meeting was held and all Directors, including Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung Simon, Ms. Wang Aiqin, Mr. Lv Yubo, Mr. Yeung Ming Lai, Dr. Chen Keji and Mr. Chen Sing Nun attended such Board meeting.

No general meeting was held for the year ended 31 December 2016.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, to handle particular responsibilities of the Board and the Company's affairs. All Board committees of the Company are established with defined written terms of reference that have been uploaded to the respective websites of the Hong Kong Stock Exchange and the Company, and are provided with sufficient resources to discharge their duties.

董事會會議及股東大會

本公司根據企業管治守則的守則條文第A.1.1條，每年大概以季度計至少召開四次董事會會議。董事會全體會議的通知將不少於十四天向所有董事提供，讓他們有機會按照企業管治守則的守則條文第A.1.3條出席定期會議及把事項納入議程內。

所有董事在董事會會議之前均事先獲提供議程和相關資料。他們隨時可以接觸本公司的高級管理層和聯席公司秘書，並經提出合理要求後，可尋求獨立專業意見，費用由本公司承擔。

董事會公司秘書負責保存董事會會議記錄，副本分發給所有董事傳閱以作參考及記錄。董事會及委員會的會議記錄載列董事會及委員會考慮事項的詳盡細節，包括董事提出的任何疑慮。董事會會議記錄草案在召開會議之日期後一段合理時間內發送董事以供批註。董事會會議記錄可供董事查閱。

於上市日期至二零一六年十二月三十一日止(期間不足一年)，董事會召開一次董事會會議，所有董事(包括王君揚先生、陳旺枝先生、王偉雄先生、王愛勤女士、呂玉波先生、楊銘灝先生、陳可冀醫生及陳星能先生)均有出席該次董事會會議。

截至二零一六年十二月三十一日止年度未有舉行股東大會。

董事會轄下的委員會

董事會下設三個委員會，即審核委員會、提名委員會及薪酬委員會，負責處理董事會及本公司的指定事務。本公司董事會轄下的所有委員會按照既定書面職權範圍(已上載到香港聯交所及本公司各自的網站)設立，並為其提供足夠資源，讓其履行職責。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Company established the Audit Committee in compliance with Rules 3.21 and 3.22 of the Hong Kong Listing Rules with written terms of reference in compliance with the CG Code and the roles and responsibilities delegated to the Audit Committee by the Board. The Audit Committee is primarily responsible for the appointment of external auditor; reviewing the Group's financial information and overseeing the Group's financial reporting system, risk management and internal control procedures; supervising the Company's internal audit system and its implementation; reviewing connected transactions and their compliance with the relevant terms and rules; reviewing the interim and annual results of the Group prior to recommending them to the Board for approval; and other matters that the Board has authorised it to deal with.

The Audit Committee consists of three independent non-executive Directors, Mr. Chan Sing Nun (chairman of the Audit Committee), Mr. Yeung Ming Lai and Dr. Chen Keji.

As the Company only became listed on 8 November 2016, no Audit Committee meeting was held during the year ended 31 December 2016. From the Listing Date up to the date of this annual report, two meetings of the Audit Committee were held to review, among other things, the annual audit plan for the year ending 31 December 2016, the financial results of the Group for the year ended 31 December 2016 and the internal control and risk management systems of the Group. All members of the Audit Committee, including Mr. Chan Sing Nun, Mr. Yeung Ming Lai and Dr. Chen Keji attended such Audit Committee meetings.

審核委員會

本公司按照香港上市規則第3.21條及第3.22條的規定設立審核委員會，書面職權範圍符合企業管治守則及董事會轉授審核委員會的角色及職責。審核委員會主要負責委任外部核數師；審閱本集團的財務資料及監督本集團的財務報告制度、風險管理和內部控制程序；監督本公司的內部審核制度及其實施情況；審查關聯交易及其遵守有關條款和法則；於向董事會提呈以供批准前，審閱本集團的中期和年度業績；以及董事會授權其處理的其他事項。

審核委員會由三名獨立非執行董事組成，即陳星能先生（審核委員會主席）、楊銘澧先生及陳可冀醫生。

由於本公司於二零一六年十一月八日才上市，截至二零一六年十二月三十一日止年度尚未舉行審核委員會會議。由上市日期起直至本年報刊發日期，審計委員會舉行兩次會議，審閱（其中包括）截至二零一六年十二月三十一日止年度的年度核數計劃、本集團截至二零一六年十二月三十一日止年度的財務業績及本集團的內部控制及風險管理體系。審核委員會全體成員（包括陳星能先生、楊銘澧先生及陳可冀醫生）均出席該次審核委員會會議。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE

The Company established the Nomination Committee with written terms of reference in compliance with the requirements of the CG Code and the roles and responsibilities delegated to the Nomination Committee by the Board. The Nomination Committee is primarily responsible for preparing the procedures and criteria for determining the candidates for Directors and the senior management of the Company and conducting preliminary review on their qualifications and credentials, including proposing to the Board on its size and composition in accordance with the Company's operating results, assets and shareholding structure; reviewing the procedures and criteria for determining the candidates for Directors and the chief executive officer of the Company and making proposals to the Board; looking for the qualified candidates for Directors and chief executive officer; reviewing and making proposals on the candidates for the Directors and chief executive officer; reviewing and making proposals on the candidates for the other senior management, on which the Board needs to resolve and other matters that the Board has authorized it to deal with.

The Nomination Committee consists of one executive Director, Mr. Wang Junyang (chairman of the Nomination Committee), and two independent non-executive Directors, Mr. Yeung Ming Lai and Dr. Chen Keji.

As the Company only became listed on 8 November 2016 and the Nomination Committee was of the view that there was no imminent reason to change the structure, size and composition of the Board, no Nomination Committee meeting was held during the year ended 31 December 2016.

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy. Please refer to "Board Diversity Policy" on page 77 of this annual report for more details.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

提名委員會

本公司設立提名委員會，書面職權範圍遵照企業管治守則的規定，以及董事會轉授提名委員會的角色和職責。提名委員會主要負責編製本公司董事及高級管理層候選人的輪選程序及準則，並對其資格和資質進行初步審查，包括按照本公司的經營業績、資產及持股架構，向董事會建議其規模及組成；審閱確定董事和本公司行政總裁候選人的輪選程序及準則，並向董事會提出建議；就董事及行政總裁物色合資格候選人；審閱董事及行政總裁候選人並提出建議；審閱董事會需要議決的其他高級管理人員候選人並提出建議，以及董事會授權其處理的其他事項。

提名委員會包括一名執行董事王君揚先生（提名委員會主席）及兩名獨立非執行董事楊銘澧先生及陳可冀醫生組成。

由於本公司於二零一六年十一月八日才上市，而提名委員會認為，沒有迫切的理由改變董事會結構、規模及組成，故此於截至二零一六年十二月三十一日止年度，並無舉行提名委員會會議。

董事會已採納董事會多元化政策，並討論實施該政策的所有可衡量目標。請參閱本年報第77頁的「董事會多元化政策」了解更多詳情。

提名委員會將以下標準評估候選人或現職者，例如誠信、經驗、技能及投入時間及努力執行職責的能力。提名委員會作出推薦供董事會決定。

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PROCEDURE FOR NOMINATION OF DIRECTORS

When there is a vacancy in the Board, the Nomination Committee evaluates the balance of skills, knowledge and experience of the Board, and identifies any special requirements for the vacancy. The Nomination Committee will then identify suitable candidates and convene a Nomination Committee meeting to discuss and vote on the nomination of directors and make recommendation to the Board on the candidate(s) for directorship.

CRITERIA FOR NOMINATION OF DIRECTORS

The Nomination Committee will consider candidates who possess the particular skills, experience and expertise that will best complement the Board effectiveness at that time.

In considering the overall balance of the Board's composition, the Nomination Committee will give due consideration to the board diversity policy of the Company.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee with written terms of reference in compliance with the CG Code and the roles and the responsibilities delegated to the Remuneration Committee by the Board. The Remuneration Committee is primarily responsible for formulating the criteria for and conducting assessment on the Directors and senior management as well as determining and reviewing the remuneration policies and plans for the Directors and senior management, including formulating remuneration plans and proposals in accordance with the terms of reference of the Directors and senior management and the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies; the remuneration plans and proposals including but not limited to criteria, procedures and main assessment system for performance assessment, main proposals and regulations on award and punishment; reviewing the performance of the Directors and senior management and conducting annual assessment on their performance and results; supervising the implementation of the remuneration policies of the Company and other matters that the Board has authorised it to deal with. The Remuneration Committee has adopted the second model described in paragraph B.1.2(c) under Appendix 14 to the Hong Kong Listing Rules (i.e. make recommendation to the Board on the remuneration packages of individual executive Director and senior management member).

提名董事程序

當董事會出現空缺時，提名委員會將評估董事會所需技巧、知識及經驗，並識別空缺是否存在任何特殊要求。提名委員會將識別合適人選並召開提名委員會會議，就提名董事進行討論及投票，並向董事會推薦擔任董事的人選。

提名董事的標準

提名委員會將考慮具備能夠最佳輔助促進董事會效率的個別技能、經驗及專業知識的人選。

提名委員會於考慮董事會組成的整體平衡時，將適當顧及本公司董事會多元化政策。

薪酬委員會

本公司設立薪酬委員會，書面職權範圍遵照企業管治守則的規定，以及董事會轉授薪酬委員會的角色和職責。薪酬委員會主要負責制定董事及高級管理層的評估準則，並釐定和審閱董事及高級管理層的薪酬政策和計劃，包括按照董事及高級管理層的職權範圍、職位重要性及其他類似公司有關職位的薪酬基準制定薪酬計劃及建議；薪酬計劃及建議，包括但不限於績效評估的準則、程序和主要評核制度、獎勵和處罰的主要方案和規定；檢討董事及高級管理層的表現及對其表現及業績進行年度評核；監督本公司薪酬政策的實施情況和董事會授權處理的其他事項。薪酬委員會已採納香港上市規則附錄14第B.1.2(c)段所述的第二個模式（即向董事會提交個別執行董事及高級管理層的薪酬待遇建議）。

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The Remuneration Committee consists of two independent non-executive Directors, Mr. Chan Sing Nun (chairman of the Remuneration Committee), Mr. Yeung Ming Lai, and one executive Director, Ms. Wang Aiqin.

As the Company only became listed on 8 November 2016 and the Remuneration Committee was of the view that there was no imminent reason to change the remuneration of the Directors and senior management, no Remuneration Committee meeting was held during the year ended 31 December 2016.

The primary goal of the Group's remuneration policy is to enable the Directors and senior management to be competitively rewarded having regard to the Group's operating results, roles and responsible and individual performance of the directors and senior management and comparable market practices.

Details of the Directors' emoluments and the five highest paid individuals are set out in notes 11 and 12 to the consolidated financial statements.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy. The Company recognizes and embraces the benefits of having a diverse Board with a view to enhancing its effectiveness and achieving a high standard of corporate governance. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision of all Board appointments should be based on merit and contribution that the selected candidates will bring to the Board.

薪酬委員會由兩名獨立非執行董事陳星能先生(薪酬委員會主席)、楊明禮先生及一名執行董事王愛勤女士組成。

由於本公司於二零一六年十一月八日才上市，而薪酬委員會認為，沒有迫切的理由改變董事的薪酬，故此於截至二零一六年十二月三十一日止年度，並無舉行薪酬委員會會議。

本集團薪酬政策的主要目標是讓董事及高級管理層在考慮本集團的經營業績、角色和職責以及董事和高級管理人員的個別表現，以至可比市場常規後，能夠給予具競爭力的獎勵。

有關董事酬金及五位最高薪人士的詳情載於綜合財務報表附註11及12。

董事會多元化政策

董事會已採納董事會多元化政策，並討論實施該政策的所有可衡量目標。本公司意識到並擁護具有多元化董事會的利益，旨在高其效用並實現高水平的企業管治。本公司致力確保董事會在技能、經驗和多元化觀點各方面取得平衡，適合本公司業務的需要。候選人的輪選將以一系列多元化觀點為基礎，包括但不限於性別、年齡、文化和教育背景、種族、專業經驗、技能、知識和服務年期。所有董事會任命的最終決定，應以輪選的候選人將為董事會帶來的提供的長處和貢獻為基礎。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties including but not limited to:

- (a) to review the Company's compliance with the CG Code and disclosure in the corporate governance report;
- (b) to review and monitor the training and continuous professional development of Directors, Supervisors and senior management; and
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements for the year ended 31 December 2016 which give a true and fair view of the affairs of the Company and the Group and of the Group's financial performance and cash flows. The Directors also acknowledge their responsibilities to ensure that the consolidated financial statements of the Group are published in a timely manner.

The management of the Company has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's consolidated financial statements, which are put to the Board for approval. The Company provides all members of the Board with updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement prepared by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 104 to 113 of this annual report.

企業管治職能

董事會負責履行企業管治職責，包括但不限於：

- (a) 審閱本公司在企業管治報告中遵守企業管治守則及資料披露的情況；
- (b) 審閱及監督董事、監事及高級管理層的培訓和持續專業發展；及
- (c) 審閱及監督本公司遵守法律和法規要求的政策及常規。

董事及核數師對就財務報表進行財務報告的責任

董事承認其編製截至二零一六年十二月三十一日止年度之綜合財務報表的責任，據此真實和公平地呈列本公司及本集團的狀況以及本集團的財務表現及現金流量。董事亦承認其負責確保本集團的綜合財務報表及時刊發。

本公司管理層向董事會提供所需解釋及資料，使董事會能夠對向董事會提呈批准本公司的綜合財務報表進行知情評估。本公司向董事會全體成員提供本公司表現、狀況及前景的最新情況。

董事並不知悉有關事件或條件的任何重大不確定因素，可能對本集團持續經營的能力構成重大質疑。

本公司核數師就本公司綜合財務報表的報告責任編製的陳述載於本年報第104至113頁「獨立核數師報告」。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems of the Group and for reviewing their effectiveness at least annually. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal controls, and the resourcing of the finance and internal audit functions.

Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. The systems and internal control procedures can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Board has in place internal control procedures in ensuring any continuing connected transactions are conducted in compliance with their terms and the applicable requirements under the Hong Kong Listing Rules.

An internal audit function has been established to perform regular financial and operational reviews and recommend necessary actions to the relevant management. The internal audit function is to ensure the risk management and internal control procedures are in place and function properly as intended. The internal audit function also reviews the continuing connected transactions of the Group and the adequacy and effectiveness of the relevant internal control procedures. The results of the internal audit are reported to the Audit Committee. The independent non-executive Directors, in performing their review of the continuing connected transactions of the Group, also take into account the findings of the internal audit function.

風險管理與內部控制

董事會負責本集團的風險管理和內部控制制度，並至少每年審閱其有效性。審核委員會協助董事會履行本集團財務、運作、合規、風險管理和內部控制的監督和企業管治職責，以及財務及內部審核職能的資源。

本公司已設計及設定適當的政策和控制措施，確保資產受到保障，不致於不當使用或處置，依法遵守有關規章制度，依照有關會計準則和監管報告要求存置可靠的財務及會計記錄，而可能對本集團業績造成影響的主要風險已適當地識別出來及予以管理。系統和內部控制程序只能對防止重大錯報或損失提供合理而不是絕對鑒證，因為這些安排僅是旨在控制而不是消除未能實現業務目標的風險。

董事會已制定內部控制程序，確保任何持續關連交易按照香港上市規則的條款及適用規定進行。

本公司已建立內部審計功能，定期進行財務和業務審查，並向有關管理層建議所需的行動。內部審計功能的工作是確保風險管理和內部控制程序到位並按預期正常運行。內部審計功能還對本集團持續關連交易及相關內部控制程序的充分性和有效性進行了檢討。內部審計結果向審核委員會報告。獨立非執行董事對本集團的持續關連交易進行審閱時，亦會考慮到內部審計功能的調查結果。

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Clinical risks are particularly relevant to the Group's hospital operations and a key area of the Group's clinical governance. The Group has adopted a three-tier risk management approach to identify, assess, mitigate and handle these risks. At the first line of defence, the hospitals' front-line staff, guided by clearly defined procedures, are responsible for identifying, assessing and monitoring risks associated with day-to-day operations. The hospital managers and executives, as the second line of defence, implement rules and procedures, provide coaching and support, and deal with, and analyse unusual and unexpected fact patterns and outcomes detected or anticipated by their staff. They ensure that risks are within the acceptable range in the ordinary course of business and that the first line of defence is effective. They also continuously benchmark against international best practice and collate lessons learnt from past incidents to identify areas of improvements. As the final line of defence, the Audit Committee and the internal audit function of the Company ensure that the first and second lines of defence are effective through constant inspection, monitoring and making recommendations to improve the relevant processes. On an ongoing basis, each hospital of the Group reviews and assesses the status of potential risks which may impact on its ability to achieve its business objectives and/or those of the Group. This review process includes assessment as to whether the existing system of internal controls continues to remain relevant, adequately addresses potential risks, and/or should be supplemented. The results of these reviews are regularly reported to the senior management and the Board. Such top-down and company-wide risk management system is intended to cover every aspect of the Group's clinical operations.

The Audit Committee was satisfied as to the implementation and effectiveness of the Group's risk management and internal control procedures. There were no matters of material concerns relating to financial, operational or compliance controls. The Board is satisfied with the adequacy of the risk management and internal control procedures of the Group during the reporting period.

In addition to the review of risk management and internal controls undertaken within the Group, the external auditor also assessed the adequacy and effectiveness of certain key risk management and internal controls as part of their statutory audits. Where appropriate, the external auditor's recommendations are adopted and enhancements to the risk management and internal controls will be made.

臨床風險與本集團的醫院業務和本集團臨床治理的重點領域特別相關。本集團採用三級制風險管理方式，對風險進行識別、評估、減輕和處理。在第一道防線方面，醫院前線員工以清楚介定的程序為指引，負責識別、評估和監測與日常營運有關的風險。作為第二道防線的醫院管理人員和行政人員執行規則和程序，提供指導和支持，及處理和分析工作人員發現或預期的異常和意想不到的事件模式和結果。他們確保風險在日常業務過程中處於可接受的範圍內，第一道防線是有效的。他們還不斷評估國際最佳常規，並整理從過去事件中吸取的教訓，以確定改進範疇。作為最後一道防線，本公司的審核委員會和內部審計功能通過不斷的檢查、監督並提出建議，確保第一道防線和第二道防線的有效性。在持續的基礎上，本集團每家醫院審查和評估潛在風險的狀況，這些風險可能會影響該醫院實現其業務目標的能力和／或本集團的能力。這個審查過程包括評估現有內部控制制度是否繼續保持相關性，充分解決潛在風險和／或應予以補充。這些審查的結果定期向高級管理層及董事會報告。這種自上而下及涵蓋全公司的風險管理制度，旨在讓本集團臨床營運的各個方面均可以得到保障。

審核委員會對本集團風險管理和內部控制程序的實施和有效性感到滿意。概無關於財務、運營或合規控制的重大事項。董事會對報告期內本集團風險管理和內部控制程序的充足性感到滿意。

除審閱本集團內的風險管理和內部控制外，外部核數師還對若干主要風險管理和內部控制的充足性及有效性進行評估，作為其法定審核的一部份。在適當的情況下，本公司採納外部核數師的建議，並對風險管理和內部控制進行改進。

DISSEMINATION OF INSIDE INFORMATION

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company:

- (i) is aware of its obligations under the SFO and the Hong Kong Listing Rules and the overriding principle that inside information should be announced immediately if it is the subject of a decision;
- (ii) conducts its affairs with close regard to the applicable laws and regulations;
- (iii) has established a policy and implemented guidelines for monitoring, reporting and disseminating inside information to our shareholders, investors, analysts and media by pursuing broad, non-exclusive distribution of information through channels such as financial reporting, public announcements and its website. These policies and guidelines also identify who are the Company's authorized spokespersons and their responsibilities for communications with stakeholders; and
- (iv) has communicated to all relevant staff regarding the implementation of the policy and relevant trainings are also provided.

The Company discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Company ensures the information is kept strictly confidential. If the Company believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Company is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

內幕消息的發佈

就處理和發佈內幕消息的程序和內部控制，本公司：

- (i) 知悉其根據證券及期貨條例及香港上市規則所承擔的責任，而當中最重要的原則，為若決定有關消息為內幕消息，則應立即公佈；
- (ii) 於處理時密切關注適用法律和法規；
- (iii) 就通過財務報告、公告及其網站等渠道，廣泛地、非排他性地發佈消息，監督、報告及向股東、投資者、分析員及媒體發佈內幕消息制定政策及實行指引。這些政策及指引亦識別出本公司授權的發言人以及與利益相關方溝通的責任；及
- (iv) 已向所有有關人員通報了有關政策的實施情況，並提供相關培訓。

本公司在合理切實可行的情況下儘快向公眾披露內幕消息，除非消息屬於證券及期貨條例所容許的安全港條文內。消息於向公眾全面披露前，本公司應確保消息嚴格保密。如果本公司認為不能保持所需的保密程度或可能違反保密規定，本集團應立即向公眾披露消息。鑒於以清晰及均衡的方式提供資料，需要同等披露利好和利空的事實，本公司致力確保公告或通函中所載的資料對於重大事實不構成虛假或誤導，或通過遺漏重大事實以致虛假或誤導。

Corporate Governance Report

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AUDITOR'S REMUNERATION

For the year ended 31 December 2016, apart from the provisions of annual audit services, the Group's auditor, Deloitte Touche Tohmatsu, was also the reporting accountant of the Company in relation to the listing of its H Shares. During the year ended 31 December 2016, the total fee paid/payable in respect of audit and non-audit services provided by the Group's auditor is set out below:

		RMB'000
Audit services	審計服務	人民幣千元
– Audit services in relation to listing	– 有關上市的審計服務	5,545
– Audit services in connection with the consolidated financial statements	– 關於綜合財務報表的審計服務	2,236
Non-Audit services	非審計服務	
– Non-audit services in relation to listing	– 關於上市的非審計服務	2,818
Total	合計	10,599

JOINT COMPANY SECRETARIES

Ms. Chau Hing Ling of Vistra Corporate Services (HK) Limited, an external service provider, has been engaged by the Company as one of the joint company secretaries. Her primary contact person at the Company is Mr. Wong Wai Hang Ricky, the chief financial officer of the Company and the other joint company secretary.

During the reporting period and up to the date of this annual report, Ms. Chau Hing Ling has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Hong Kong Listing Rules. Mr. Wong Wai Hang Ricky attended training relating to the roles, functions and duties of directors of a listed company in Hong Kong and was from time to time been updated and with training materials provided by the external lawyers during the reporting period. He will continue to attend relevant professional training in compliance with Rule 3.29 of the Hong Kong Listing Rules for the year ending 31 December 2017.

核數師酬金

截至二零一六年十二月三十一日止年度，除年度審計服務規定外，本集團核數師德勤·關黃陳方會計行亦為本公司H股上市之申報會計師。截至二零一六年十二月三十一日止年度，本集團核數師提供的審計和非審計服務已付／應付的費用總額如下

聯席公司秘書

外部服務供應商Vistra Corporate Services (HK) Limited的周慶齡女士已獲本公司委聘為聯席公司秘書之一，其於本公司的首要聯絡人為本公司首席財務官兼另一名聯席公司秘書黃偉恒先生。

於報告期內，截至本年報刊發日期，周慶齡女士遵照香港上市規則第3.29條已進行不少於15小時的相關專業培訓。於報告期內，黃偉恒先生已於香港出席有關上市公司董事的角色、職能及職責的培訓，並獲不時更新，及由外部律師提供培訓材料。黃先生將繼續遵照香港上市規則第3.29條，於截至二零一七年十二月三十一日止年度繼續出席相關的專業培訓。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board believes that effective communication with investors is essential for establishing investors' confidence and attracting new investors. The Group also recognizes the importance of transparency and timely disclosure of corporate information which enables investors to make the best investment decision.

The general meetings of the Company provide an important channel for communications between the Board and the Shareholders. The chairman of the Board, as well as chairmen of the three Board committees or, in their absence, other members of the respective committee and where appropriate, the independent Board committee, will be available to answer questions at Shareholders' meetings.

No general meeting was held for the year ended 31 December 2016.

Published documents together with the latest corporate information and news are available on the Company's website at <http://www.kanghuagp.com>. Investors can also communicate with the Company through email at kh@kanghuagp.com.

SHAREHOLDERS' RIGHTS

Procedures for Shareholder(s) to Convene an Extraordinary General Meeting ("EGM")

Shareholders requesting the convening of an EGM shall proceed in accordance with the procedures set forth below:

The Shareholders individually or jointly holding over 10% of the Shares with the voting power at the proposed meeting have the right to request the Board to hold the EGM or a class meeting in writing. According to laws, administrative regulations and the Articles, the Board shall give written feedback to agree or disagree to hold the EGM or the class meeting within ten days after receiving the proposal.

If the Board agrees to hold the EGM or the class meeting, a meeting notice shall be given within five days after the Board makes such a resolution. Changes to the original proposal in the notice shall be approved by the relevant Shareholders.

與股東的溝通及投資者關係

董事會認為，與投資者維持有效溝通，對於建立投資者的信心和吸引新的投資者至關重要。本集團亦意識到透明度和及時披露公司消息的重要性，使投資者能夠作出最佳投資決策。

本公司股東大會提供董事會與股東之間溝通的重要渠道。董事會主席、董事會轄下三個委員會的主席，或(在其缺席的情況下)各委員會的其他成員，及如適用，獨立董事會委員會可於股東大會上解答提問。

截至二零一六年十二月三十一日止年度，本公司並未舉行股東大會。

本公司已刊發的文件，連同最新公司消息和新聞，可於本公司網站<http://www.kanghuagp.com>查閱。投資者亦可以通過電子郵件kh@kanghuagp.com與本公司進行溝通。

股東權利

股東召開臨時股東大會（「臨時股東大會」）的程序

股東要求召開臨時股東大會應按照下列程序進行：

凡單獨或共同持有擬召開的大會投票權10%以上股份的股東，有權以書面要求董事會召開臨時股東大會或類別股東會議。根據法律、行政法規及章程，董事會在收到提案後十日內，給予書面反饋，同意或不同意召開臨時股東大會或類別股東會議。

如董事會同意舉行臨時股東大會或類別股東會議時，應在董事會作出決議後五日內發出會議通告。通告中對原始提案的變更應由相關股東批准。

Corporate Governance Report

企業管治報告

If the Board disagrees to hold the EGM or the class meeting or fails to give feedback within ten days after receiving the request, the Shareholders individually or jointly holding over 10% of the Shares have the right to request the Supervisory Committee to hold the EGM or the class meeting in writing.

If the Supervisory Committee agrees to hold the EGM or the class meeting, a meeting notice shall be given within five days after receiving the request. Changes to the original proposal in the notice shall be approved by the relevant Shareholders.

If the Supervisory Committee fails to give the notice of the EGM within the specified period, it shall be deemed that the Supervisory Committee does not convene or preside over the Shareholders' meeting. Shareholders who individually or jointly hold 10% or more of the Shares for not less than 90 consecutive days may convene and preside over the EGM by themselves. The expenses of the Shareholders' meeting held by the Supervisory Committee or Shareholders by themselves shall be borne by the Company.

Procedures for Shareholder(s) to Put Forward Proposals at a General Meeting

When the Company holds a Shareholders' general meeting, the Board, the Supervisory Committee and the Shareholders individually or jointly holding over 3% of the Shares have the right to submit proposals to the Company. Shareholders individually or jointly holding over 3% of the Shares may put forward interim proposal and submit to the convener in writing ten days before the EGM.

如董事會不同意舉行臨時股東大會或類別股東會議時，或者在收到要求後十日內未能提供反饋意見，凡個人或共同持有10%以上股份的股東有權要求監事會召開臨時股東大會或類別股東會議時。

如監事會同意舉行臨時股東大會或類別股東會議時，應當在收到要求後五日內發出會議通告。通告中對原始提案的變更應由相關股東批准。

如監事會在指定期限內未能發出臨時股東大會通告，視為監事會未能召開或主持股東大會。凡單獨或共同持有10%或以上股份不少於連續90天的股東可以自行召開並主持臨時股東大會。監事會或股東自行舉行的股東大會，費用由本公司承擔。

於股東大會上向股東提呈議案的程序

當本公司舉行股東大會時，董事會、監事會及單獨或共同持股3%以上股份的股東有權向本公司提呈議案。單獨或共同持有3%以上股份的股東可提出臨時議案，並於臨時股東大會前十日以書面形式向召集人提呈。

Corporate Governance Report

企業管治報告

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through Mr. Wong Wai Hang Ricky, the chief financial officer and joint company secretary of the Company. His contact details are as follows:

Address:

Unit 3207, Metroplaza Tower 2
223 Hing Fong Road, Kwai Fong,
New Territories, Hong Kong

Fax: (852) 2428-2880

Email: kh@kanghuagp.com

Shareholders may also make enquiries with the Board at the general meetings of the Company.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the period from the Listing Date to 31 December 2016, there was no change in the constitutional documents of the Company.

股東向董事會查詢的程序

股東可隨時通過與本公司首席財務官兼聯席公司秘書黃偉恒先生以書面聯繫，向董事會提出查詢及所關注的問題。黃先生的聯繫詳情如下：

地址：

香港新界
葵芳興芳路223號
新都會廣場第二座3207室

傳真：(852) 2428-2880

電郵：kh@kanghuagp.com

股東亦可在本公司股東大會上向董事會查詢。

章程文件的更改

於上市日期起至二零一六年十二月三十一日止期間，本公司的章程文件概無更改。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

DIRECTORS

Executive Directors

Mr. WANG Junyang, aged 34, is an executive Director and chairman of the Board. He is primarily responsible for the overall business operation and strategic planning of the Group. Mr. Wang was appointed as the executive Director in December 2015 after the Company was converted into a joint stock limited liability company. Mr. Wang has approximately 10 years of industry and management experience, and is familiar with modern enterprise management, capital operations and marketing. Mr. Wang joined Kanghua Hospital in August 2007 and has held various positions since then, including assistant to general manager responsible for hospital operations from August 2007 to July 2009, manager of the business department responsible for business development from August 2009 to November 2012 and vice general manager of the business department responsible for business management and overall strategic development of the hospital since December 2012. Mr. Wang has also served as director and general manager responsible for business management and overall strategic development of Kanghua Group since August 2007 and Xingye Group since December 2008. Mr. Wang has served on the fourth council of Dongguan City Houjie Chamber of Commerce (東莞市厚街商會第四屆理事會理事) since December 2009. In 2012, Mr. Wang served as the president of the fifth council of Dongguan Young Entrepreneurs Association (東莞市青年企業家協會第五屆理事會會長). In June 2014, Mr. Wang was awarded Outstanding Young Dongguan Businessman (優秀青年莞商) by the World Dongguan Entrepreneurs Convention Organising Committee (世界莞商大會組織委員會). Mr. Wang graduated with a high school diploma from Chatsworth International School in Singapore in June 2004. Mr. Wang is a member of the Wang Family and is the cousin of Mr. Wong Wai Hung Simon and nephew of Mr. Chen Wangzhi and Ms. Wang Aiqin.

董事

執行董事

王君揚先生，34歲，為執行董事兼董事會主席。彼主要負責本集團整體業務營運及策略規劃。當本公司轉為股份有限責任公司後，王先生於二零一五年十二月獲委任為執行董事。王先生擁有約10年的業內及管理經驗，並熟悉現代企業管理、資本運營及市場推廣。王先生於二零零七年八月加入康華醫院，並自此一直擔任多個職務(包括自二零零七年八月至二零零九年七月擔任總經理助理(負責醫院營運)、自二零零九年八月至二零一二年十一月擔任業務部經理(負責業務發展)以及自二零一二年十二月起擔任業務部副總經理(負責醫院的業務管理及整體策略發展))。王先生自二零零七年八月起及自二零零八年十二月起亦分別擔任康華集團及興業集團的董事兼總經理，負責康華集團及興業集團的業務管理及整體策略發展。王先生自二零零九年十二月起一直擔任東莞市厚街商會第四屆理事會理事。於二零一二年，王先生擔任東莞市青年企業家協會第五屆理事會會長。二零一四年六月，王先生獲世界莞商大會組織委員會評為「優秀青年莞商」。王先生於二零零四年六月畢業於新加坡查茨沃斯國際學校(Chatsworth International School)並獲得高中文憑。王先生為王氏家族成員，是王偉雄先生的堂兄及陳旺枝先生和王愛勤女士的姪兒。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. CHEN Wangzhi, aged 46, is an executive Director and the chief executive officer of the Company. Mr. Chen is primarily responsible for the overall hospital operations and management of the Group. Mr. Chen was appointed as the executive Director in December 2015 after the Company was converted into a joint stock limited liability company. Mr. Chen has over 10 years of experience in the healthcare industry. Mr. Chen joined Renkang Hospital in August 2005 when it was established as a limited liability company in the PRC and has since served as the chairman responsible for hospital operations and development. Mr. Chen joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and has since served as the chairman and general manager responsible for hospital operations and development. He was principally responsible for supervising the construction and development of Kanghua Hospital and Renkang Hospital from which he had gained extensive experience in hospital management and development. Under the leadership of Mr. Chen, Kanghua Hospital and Renkang Hospital have developed a management style reflective of the values and characteristics of the “Kanghua” brand and obtained many prestigious accreditations and recognitions. Mr. Chen also serves as a tutor at Guangzhou University of Chinese Medicine (廣州中醫藥大學) for graduate students in social medicine and healthcare services management (社會醫學與衛生事業管理專業). Mr. Chen obtained an executive master's degree in business administration (高級管理人員工商管理) from Sun Yat-sen University (中山大學) in December 2014. Mr. Chen is a member of the Wang Family and is uncle-in-law of Mr. Wang Junyung and spouse of Ms. Wang Aiqin.

陳旺枝先生，46歲，為執行董事兼本公司行政總裁。陳先生主要負責本集團整體醫院營運及管理。當本公司轉為股份有限責任公司後，陳先生於二零一五年十二月獲委任為執行董事。陳先生擁有逾10年的醫療行業經驗，陳先生於二零零五年八月仁康醫院在中國成立為有限公司之時加入，並自此一直擔任主席，負責醫院營運及發展。陳先生於二零零五年九月在康華醫院於中國成立為有限公司之時加入康華醫院，並自此擔任主席兼總經理，負責醫院營運及發展。彼主要負責監督康華醫院及仁康醫院的建設及發展，累積了醫院管理及發展的豐富經驗。在陳先生的領導下，康華醫院及仁康醫院形成了反映「康華」品牌價值及特色的管理風格，並獲得了多項知名認證及榮譽。陳先生亦於廣州中醫藥大學擔任社會醫學與衛生事業管理專業的研究生導師。陳先生於二零一四年十二月取得中山大學的高級管理人員工商管理碩士學位。陳先生為王氏家族成員，是王君揚先生的姑丈及王愛勤女士的配偶。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. WONG Wai Hung Simon, aged 28, is an executive Director and vice chairman of the Board. He is primarily responsible for the overall business operations and strategic planning of the Group. Mr. Wong was appointed as the executive Director in December 2015 after the Company was converted into a joint stock limited liability company. Mr. Wong has approximately six years of hospital management experience. Mr. Wong joined Kanghua Hospital in July 2010 and has since served various roles, including assistant to chairman responsible for implementing and executing chairman's decisions from July 2010 to April 2012, manager of the finance department responsible for the overall supervision of the financial affairs of the hospital from May 2012 to June 2013, and vice general manager of the business department responsible for hospital administration management since July 2013. Mr. Wong actively participates in the business communities in Dongguan. He has served as the vice chairman of the Hong Kong Houjie Clansmen Association (香港厚街同鄉會) since January 2016. Mr. Wong obtained a bachelor's degree in management from the California State University, Northridge in December 2010. Mr. Wong is a member of the Wang Family and is the cousin of Mr. Wang Junyung and nephew of Mr. Chen Wangzhi and Ms. Wang Aiqin.

王偉雄先生，28歲，為執行董事兼董事會副主席。彼主要負責本集團整體業務營運及策略規劃。當本公司轉為股份有限責任公司後，王先生於二零一五年十二月獲委任為執行董事。王先生擁有約六年的醫院管理經驗。王先生於二零一零年七月加入康華醫院並自此擔任多個職務，包括自二零一零年七月至二零一二年四月擔任主席助理（負責實施及執行主席決策）、自二零一二年五月至二零一三年六月擔任財務部經理（負責醫院財務事宜的總體監督）以及自二零一三年七月起擔任業務部的副總經理（負責醫院的行政管理）。王先生積極參與東莞的商業社群。彼自二零一六年一月起擔任香港厚街同鄉會副會長。王先生於二零一零年十二月自加利福尼亞州立大學北嶺分校(Northridge)獲得管理學學士學位。王先生為王氏家族成員，是王君揚先生的堂弟及陳旺枝先生和王愛勤女士的姪兒。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Ms. WANG Aiqin, aged 46, is an executive Director. Ms. Wang is primarily responsible for the overall financial management and capital investment of the Group. Ms. Wang has approximately 19 years of group management experience, in particular group financial management. Ms. Wang joined Renkang Hospital in August 2005 when it was established as a limited liability company in the PRC and has since served as a supervisor and a vice general manager of the finance department responsible for financial management. Ms. Wang joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and has since served as a vice general manager of the finance department responsible for financial management. She was also substantially involved in the construction and development of Kanghua Hospital and Renkang Hospital. Ms. Wang has also served as a director and vice general manager of Kanghua Group since June 2002 and Xingye Group since June 1997, and has obtained significant experience in implementing and executing group control systems in financial management, human resources management, risk management, audit management and cultural management. Ms. Wang graduated with a high school diploma from Dongguan Houjie High School (東莞市厚街中學) in the PRC in July 1989. Ms. Wang is a member of the Wang Family and is the aunt of Mr. Wang Junyang and Mr. Wong Wai Hung Simon, and spouse of Mr. Chen Wangzhi.

王愛勤女士，46歲，為執行董事。王女士主要負責本集團的整體財務管理及資本投資。王女士擁有約19年的集團管理尤其是集團財務管理經驗。王女士於二零零五年八月(仁康醫院於中國成立為有限責任公司時)加入仁康醫院，並自此擔任監事兼財務部副總經理，負責財務管理。王女士於二零零五年九月(康華醫院於中國成立為有限責任公司時)加入康華醫院，並自此擔任財務部副總經理，負責財務管理。彼亦主要參與康華醫院及仁康醫院的建設及發展。王女士自二零零二年六月起亦擔任康華集團的董事兼副總經理及自一九九七年六月起在興業集團擔任上述職務，並在實施及執行有關財務管理、人力資源管理、風險管理、審計管理及文化管理的集團控制系統方面積累了豐富的經驗。王女士於一九八九年七月畢業於中國東莞市厚街中學並獲得高中文憑。王女士為王氏家族成員，及為王君揚先生及王偉雄先生的姑母以及陳旺枝先生的配偶。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Non-executive Director

Mr. LV Yubo, aged 66, is a non-executive Director. He is primarily responsible for overseeing the corporate development and strategic planning of the Group. Mr. Lv joined the Group in June 2016 and was appointed as non-executive Director in June 2016. Mr. Lv has more than 40 years of extensive experience in hospital management. Since October 1974, Mr. Lv has played an instrumental role in the development of Guangdong Provincial Hospital of Traditional Chinese Medicine (廣東省中醫院), which has now become one of the largest hospitals of traditional Chinese medicine in the PRC. Mr. Lv is currently a lifetime honorary director (終身名譽院長) of Guangdong Provincial Hospital of Traditional Chinese Medicine. Before such appointment, Mr. Lv had served numerous managerial roles at Guangdong Provincial Hospital of Traditional Chinese Medicine, including vice director (副院長) and director (院長). Mr. Lv has served in a number of healthcare associations in the PRC, including deputy chairman (副會長) of the China Hospital Association (中國醫院協會) since February 2006, chairman (會長) of the Guangdong Provincial Association of Chinese Medicine (廣東省中醫藥學會) since August 2010 and chairman (主任委員) of the Chinese Medicine Hospital Division of the China Hospital Association (中國醫院協會中醫醫院分會) since August 2015. Mr. Lv is well regarded in the medical profession in the PRC and has received numerous awards, including Outstanding Contribution to Chinese Hospitals (中國醫院突出貢獻) from the China Hospital Association (中國醫院協會) in 2006, National Outstanding Director of the Chinese Medicine Hospital (全國中醫醫院優秀院長) from the China Association of Chinese Medicine (中華中醫藥學會) in September 2007, Outstanding Management Personnel (優秀管理人才) from the China Association of Chinese Medicine (中華中醫藥學會) in 2014 and the First Class Sci-Tech Advancement Award of Guangdong Province (廣東省科技進步一等獎) from the People's Government of Guangdong Province (廣東省人民政府) in 2015. Mr. Lv graduated from Guangdong Provincial University of Continuing Technology Education (廣東業餘科技大學) in July 1981 majoring in English, and Guangdong Economics Management Cadre College (廣東省經濟管理幹部學院) in July 1988 majoring in organisation management (組織管理). Mr. Lv obtained an executive master's degree in business administration (高級管理人員工商管理) from Lingnan (University) College of Sun Yat-sen University (中山大學嶺南學院) in December 2005.

非執行董事

呂玉波先生，66歲，為我們的非執行董事。彼主要負責監督本集團的企業發展及策略規劃。呂先生於二零一六年六月加入本集團，並於二零一六年六月獲委任為非執行董事。呂先生擁有逾40年的豐富醫院管理經驗。自一九七四年十月起，呂先生在廣東省中醫院的發展過程中扮演重要角色，該醫院現已成為中國最大的中醫院之一。呂先生現任廣東省中醫院的終身名譽院長。於該項委任之前，呂先生曾在廣東省中醫院出任多個管理職務，包括副院長及院長。呂先生在中國的多個醫療協會任職，包括自二零零六年二月起擔任中國醫院協會副會長，自二零一零年八月起擔任廣東省中醫藥學會會長，並自二零一五年八月起擔任中國醫院協會中醫醫院分會的主任委員。呂先生在中國醫學界廣受認可及已獲眾多獎項，包括於二零零六年中國醫院協會頒發的中國醫院突出貢獻獎，二零零七年九月中華中醫藥學會頒發的全國中醫醫院優秀院長獎，二零一四年中華中醫藥學會頒發的優秀管理人才獎及於二零一五年廣東省人民政府頒發的廣東省科技進步一等獎。呂先生於一九八一年七月畢業於廣東業餘科技大學英語專業及於一九八八年七月畢業於廣東省經濟管理幹部學院組織管理專業。呂先生於二零零五年十二月獲得中山大學嶺南學院的高級管理人員工商管理碩士學位。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Independent non-executive Directors

Mr. YEUNG Ming Lai, aged 68, is an independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Yeung joined the Group in June 2016 and was appointed as independent non-executive Director in June 2016. Mr. Yeung has approximately 32 years of hospital operation experience, particularly in financial management, personnel management, human relations and marketing. He dedicated much of his career to the Adventist Hospitals in Hong Kong. Mr. Yeung started as an assistant accountant at Hong Kong Adventist Hospital (香港港安醫院) in July 1968. He became the vice president for finance of Hong Kong Adventist Hospital in April 1977. He left Hong Kong in October 1979 to pursue advanced training in hospital administration under sponsorship from the Hong Kong Adventist Hospital. Mr. Yeung had also served as an administrative residency at hospital administration at the Kettering Medical Center in Kettering, Ohio, the United States from March 1981 to March 1982. He returned to Hong Kong and became senior vice president of both Hong Kong Adventist Hospital and Tsuen Wan Adventist Hospital (荃灣港安醫院) in April 1982. Shortly after, Mr. Yeung was appointed as president of Tsuen Wan Adventist Hospital in July 1983. Under the leadership of Mr. Yeung, Tsuen Wan Adventist Hospital developed into a modern healthcare institution providing advanced multi-disciplinary healthcare services. He left the hospital in April 1992 and later emigrated to Canada to pursue other interests. Mr. Yeung returned to Hong Kong and had served as president and chief executive officer of both Adventist Hospitals from January 2006 to December 2015. During the period, Mr. Yeung had devoted his efforts to upgrading the clinical quality and service offerings of both Adventist Hospitals. In particular, both hospitals became accredited by the Joint Commission International in 2006, which is considered the gold standard in global healthcare. Mr. Yeung left his positions at both Adventist Hospitals in December 2015.

獨立非執行董事

楊銘灋先生，68歲，為獨立非執行董事。彼主要負責監督董事會及向董事會提供獨立判斷。楊先生於二零一六年六月加入本集團，並於二零一六年六月獲委任為獨立非執行董事。楊先生擁有約32年醫院營運經驗，尤其精通財務管理、人事管理、人際關係以及市場推廣。彼將其過半職業生涯奉獻於香港的港安醫院。楊先生於一九六八年七月在香港港安醫院任助理會計。彼於一九七七年四月成為香港港安醫院的財務副總裁。彼於一九七九年十月離開香港，在香港港安醫院的資助下謀求醫院管理方面的進修培訓。楊先生自一九八一年三月至一九八二年三月亦曾於美國俄亥俄州 Kettering 的 Kettering Medical Center 擔任醫院管理方面的管理實習生。彼於一九八二年四月返回香港並同時成為香港港安醫院及荃灣港安醫院的高級副總裁。不久後，楊先生於一九八三年七月獲委任為荃灣港安醫院的總裁。在楊先生的領導下，荃灣港安醫院發展為現代醫療機構，提供先進的多學科醫療服務。彼於一九九二年四月離開該醫院，隨後因私人理由移民加拿大。楊先生返回香港並自二零零六年一月至二零一五年十二月擔任兩家港安醫院的總裁及行政總裁。在此期間，楊先生竭盡所能去提升兩家港安醫院的醫療質量及服務水平。尤其是，兩家醫院於二零零六年均獲得 Joint Commission International (其被認為是全球醫療行業的黃金準則) 的認可。楊先生於二零一五年十二月辭去其於兩家港安醫院的職位。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. Yeung obtained a diploma in business administration from the South China Union College in Hong Kong in June 1979 and a master's degree in hospital administration from Loma Linda University in California, the United States in March 1982. In recognition of his remarkable contributions to the Adventist Hospitals in Hong Kong, the Adventist University of Philippines bestowed a doctorate degree in humanities upon Mr. Yeung in March 2009.

Dr. CHEN Keji, aged 86, is an independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to the Board. Dr. Chen joined the Group in June 2016 and was appointed as independent non-executive Director in June 2016. Dr. Chen is a renowned cardiologist in the PRC with over 60 years of experience in the medical industry. Dr. Chen has played a pivotal role in the development of the Xiyuan Hospital of China Academy of Chinese Medical Sciences (中國中醫科學院西苑醫院), where he currently serves as chief researcher (首席研究員) and the lifetime researcher (終身研究員) of the China Academy of Traditional Chinese Medicine (中國中醫研究院). Dr. Chen has worked at the Chinese Medical Science Xiyuan Hospital (中國科學院西苑醫院) since April 1956, and has served various roles, including resident doctor (住院醫師), attending doctor (主治醫師), associate chief doctor (副主任醫師), associate researcher (副研究員), department head (科主任), chief doctor (主任醫師), researcher (研究員), tutor for doctor of philosophy students (博士生導師) and vice director (副院長). Dr. Chen has made significant contributions to the medical profession in the PRC. He was elected as the fellow of Chinese Academy of Sciences (中國科學院院士) in 1991. He received the First Lifu Academic Award (第一屆立夫中醫藥學術獎) for Chinese Medicine from the Lifu Medical Research Foundation (立夫中醫藥研究文教基金會) in Taiwan in 1994. He was awarded the Wu Jieping Medicine Prize (吳階平醫學獎) by the Wu Jieping Medicine Prize Committee (吳階平醫學獎評審委員會) in 2009. He received a First Class National Science and Technology Progress Award (國家科技進步獎一等獎) from the State Council (國務院) in 2004. He also received an honorary doctorate of science from Hong Kong Baptist University in 2004, and an honorary doctorate of medicine (榮譽博士) from the Macau University of Science and Technology in 2010. He received a Lifetime Achievement Award (終身成就獎) from the China Association of Chinese Medicine (中華中醫藥學會) in 2014 for his contribution to the academic development of TCM. He became the honorary president (名譽會長) of the Hong Kong Association for Integration of Chinese-Western Medicine (香港中西醫結合醫師會) in 2009, the honorary academic advisor (榮譽學術顧問) of the Hong Kong

楊先生於一九七九年六月在香港華南三育書院獲得工商管理文憑，並於一九八二年三月在美國加利福尼亞羅馬琳達大學(Loma Linda University)獲得醫院管理碩士學位。為表彰其為香港安醫院作出的傑出貢獻，菲律賓亞德溫斯特大學(Adventist University of the Philippines)於二零零九年三月向楊先生授予了人文學醫生學位。

陳可冀醫生，86歲，為獨立非執行董事。彼主要負責監察及向董事會提供獨立意見。陳醫生於二零一六年六月加入本集團，並於二零一六年六月獲委任為獨立非執行董事。陳醫生是中國著名心血管病專家，擁有超過60年的醫療行業經驗。陳醫生在中國中醫科學院西苑醫院的發展過程中發揮著舉足輕重的作用，彼現任其首席研究員及中國中醫研究院終身研究員。自一九五六年四月起，陳醫生任職中國科學院西苑醫院並擔任多項職務，包括住院醫師、主治醫師、副主任醫師、副研究員、科主任、主任醫師、研究員、醫學生導師及副院長。陳醫生對中國醫學界作出重大貢獻。彼於一九九一年當選中國科學院院士。彼於一九九四年獲得台灣立夫醫藥研究文教基金會頒發的第一屆立夫中醫藥學術獎。彼於二零零九年獲得吳階平醫學獎評審委員會頒發的吳階平醫學獎。彼於二零零四年獲國務院頒發國家科技進步獎一等獎。彼亦於二零零四年獲香港浸會大學理學榮譽醫生稱號，於二零一零年獲澳門科技大學醫學榮譽醫生稱號。彼於二零一四年因其對中醫學術發展的貢獻而獲得中華中醫藥學會頒發的終身成就獎。彼於二零零九年成為香港中西醫結合醫師會名譽會長，於二零一一年成為香港中醫學會榮譽學術顧問，於二零一一年成為澳門大學及澳門科技大學中醫藥質量研究國家重點實驗室學術委員會主

Directors, Supervisors and Senior Management

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Association of Traditional Chinese Medicine (香港中醫學會) in 2011, and the director of the academic committee (學術委員會主任) of the State Key Laboratories of Quality Research in Chinese Medicines (中藥質量研究國家重點實驗室) of the University of Macau (澳門大學) and the Macau University of Science and Technology (澳門科技大學) in 2011 and the honorary president (名譽會長) of the Chinese Association of Integrative Medicine (中國中西醫結合學會) in 2015. Dr. Chen graduated from Fujian Medical University (福建醫科大學) (formerly Fujian Medical College (福建醫學院)) in July 1954, majoring in medicine (醫療系).

Mr. CHAN Sing Nun, aged 42, is an independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Chan was appointed as a Director in December 2015; his appointment as independent non-executive Director was officially confirmed in June 2016. Mr. Chan has approximately 18 years of experience in auditing, accounting and financial management. From 1998 to 2002, Mr. Chan was a senior audit associate at K.L. Wong & Co., an audit firm. Since January 2003, Mr. Chan has been the financial manager of Brandwell Limited, a consulting services company. Since September 2009, Mr. Chan has been the audit principal of Qing Lan C.P.A. Limited, mainly responsible for audit planning and supervision, internal control assessment, tax advisory, corporate secretarial services and business development. Mr. Chan has served as an independent non-executive director of Differ Group Holding Company Limited (a company formerly listed on the GEM board with stock code 8056 and currently listed on the Main Board of the Hong Kong Stock Exchange with stock code 6878) since November 2013, and is the sole director and shareholder of Victory Logistic Company Limited, a company principally engaged in providing logistic services. Mr. Chan is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. Mr. Chan graduated from the City University of Hong Kong in 1998, and obtained a higher diploma in professional accounting.

任，及於二零一五年成為中國中西醫結合學會名譽會長。陳醫生於一九五四年七月畢業於福建醫科大學(前稱福建醫學院)，主修醫療系。

陳星能先生，42歲，為獨立非執行董事。彼主要負責監察及向董事會提供獨立意見。陳先生於二零一五年十二月加入本集團，並於二零一六年六月正式獲確認為獨立非執行董事。陳先生在審核、會計及財務管理方面擁有約18年經驗。於一九九八年至二零零二年，陳先生在K.L. Wong & Co.(一家會計師事務所)擔任高級審核助理。自二零零三年一月起，陳先生一直擔任奔威有限公司(一家諮詢服務公司)的財務經理。自二零零九年九月起，陳先生一直擔任青藍會計師事務所有限公司的核數部主管，主要負責審計規劃及監督、內部控制評估、稅務顧問、公司秘書服務及業務發展。陳先生自二零一三年十一月起擔任鼎豐集團控股有限公司(一家曾於香港聯交所創業版上市的公司(股份代號：8056)而目前於主板上市(股份代號：6878))的獨立非執行董事，彼亦為勝記物流有限公司(一家主要從事提供物流服務的公司)的唯一董事及股東。陳先生是香港會計師公會執業會計師及英國特許公認會計師公會會員。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

SUPERVISORS

Mr. CHEN Shaoming, aged 38, is the chairman of the Supervisory Committee. He is primarily responsible for supervising the daily operations and management of the Group. Mr. Chen joined the Group in September 2005 and was appointed as our Supervisor and the chairman of the supervisory committee in December 2015. Mr. Chen has more than 10 years of financial management experience in the healthcare industry. Mr. Chen joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and has since served various roles, including manager of the finance department from September 2005 to April 2007, financial controller of the finance department from May 2007 to December 2013 and supervisor since March 2013. Mr. Chen participated in the construction and development of Kanghua Hospital from which he gained valuable hospital management experience. Mr. Chen has also served as a supervisor of Dongguan Houjie Huaye Village Bank (東莞厚街華業村鎮銀行) since March 2012 and a financial controller of the finance department of Kanghua Group since November 2012. Mr. Chen graduated from Guangdong Economic Management College (廣東省經濟管理幹部學院) and obtained a diploma in accounting in July 2003.

Mr. WANG Shaofeng, aged 33, is a Supervisor. He is primarily responsible for supervising the daily operations and management of the Group. Mr. Wang joined the Group in October 2006 and was appointed as our Supervisor and employee representative of the Supervisory Committee in December 2015. Mr. Wang has approximately nine years of human resources experience in the healthcare industry. Mr. Wang joined Renkang Hospital in October 2006. From October 2006 to February 2007, Mr. Wang worked at Renkang Hospital as a network engineer in the information department. From March 2007 to August 2007, Mr. Wang was seconded to Kanghua Hospital to receive on-the-job training in the procurement department and the human resources department. In September 2007, Mr. Wang became formally employed by Kanghua Hospital and has since served as head of the human resources department responsible for recruitment, payroll, performance, training and employee relations. Mr. Wang graduated from Dongguan University of Technology (東莞理工學院) with a bachelor's degree in computer science and technology in June 2006.

監事

陳少明先生，38歲，為監事會主席。彼主要負責監察本集團的日常營運及管理。陳先生於二零零五年九月加入本集團，並於二零一五年十二月獲委任為我們的監事及監事會主席。陳先生於醫療保健行業擁有逾10年財務管理經驗。陳先生於二零零五年九月（康華醫院於中國成立為有限責任公司時）加入康華醫院，自此擔任多項職務，包括自二零零五年九月至二零零七年四月擔任財務部經理、自二零零七年五月至二零一三年十二月擔任財務部的財務總監，以及自二零一三年三月起擔任監事。陳先生曾參與康華醫院的建設及發展，從中獲得寶貴的醫院管理經驗。陳先生自二零一二年三月起亦擔任東莞厚街華業村鎮銀行的監事，並自二零一二年十一月起擔任康華集團財務部的財務總監。陳先生於二零零三年七月畢業於廣東省經濟管理幹部學院，獲得會計文憑。

王少鋒先生，33歲，為監事。彼主要負責監察本集團的日常營運及管理。王先生於二零零六年十月加入本集團，並於二零一五年十二月獲委任為我們的監事及監事會職工代表。王先生在醫療保健行業擁有約九年的人力資源經驗。王先生於二零零六年十月加入仁康醫院。於二零零六年十月至二零零七年二月，王先生擔任仁康醫院信息部的網絡工程師。於二零零七年三月至二零零七年八月，王先生被調往康華醫院接受採購部及人力資源部的在職培訓。於二零零七年九月，王先生正式受聘於康華醫院，並自此擔任人力資源部門主管，負責招聘、工資單、績效、培訓及僱員關係。王先生於二零零六年六月畢業於東莞理工學院，並獲得計算機科學與技術學士學位。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. WANG Bingzhi, aged 53, is a Supervisor. He is primarily responsible for monitoring the compliance with laws and regulations of the Group. Mr. Wang joined the Group in December 2015 and was appointed as our Supervisor in December 2015. Mr. Wang has approximately 19 years of financial experience. Mr. Wang joined Xingye Group in April 1997 as an accountant and has served as a financial controller since June 2006. Mr. Wang has also served as a financial consultant of Kanghua Group since July 2012. Mr. Wang graduated from Jiangmen Advanced Accounting Vocational School (江門市前進會計職業技術學校) with a diploma in accounting in March 1991.

王炳枝先生，53歲，為監事。彼主要負責監察本集團是否遵守法律法規。王先生於二零一五年十二月加入本集團，並於二零一五年十二月獲委任為我們的監事。王先生擁有約19年的財務經驗。王先生於一九九七年四月加入興業集團並任其會計，並自二零零六年六月起擔任財務總監。自二零一二年七月以來，王先生亦擔任康華集團的財務顧問。王先生於一九九一年三月畢業於江門市前進會計職業技術學校，並獲得會計文憑。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

SENIOR MANAGEMENT

Dr. TIAN Kege, aged 62, is a clinical vice general manager of the Company since June 2016. She is primarily responsible for overseeing the clinical operations of the Group's hospitals. Dr. Tian has more than 25 years of experience in the medical industry. Dr. Tian joined Kanghua Hospital in January 2008 and headed the development of its O&G practice, in particular endoscopic techniques, minimally invasive procedures, standardised treatment of malignant tumours, management of high-risk pregnancies and newborn deliveries and reproductive medicine. Dr. Tian currently serves as a vice director of Kanghua Hospital and the head of the O&G Medical Center of Kanghua Hospital. Before joining the Group, from May 1991 to January 2008, Dr. Tian had worked at the 301 Military Hospital (301 醫院) as an attending doctor (主治醫師), associate chief doctor (副主任醫師) and chief doctor (主任醫師) with a focus on O&G practice. Dr. Tian has made significant contributions to the development of O&G practice in the PRC. She was awarded two Third Class Prizes for outstanding contributions in medical care (醫療護理傑出貢獻三等獎) by the 301 Military Hospital in 1993 for successfully rescuing a patient from HELLP syndrome with multiple organ failure (HELLP's 綜合症併發多器官功能衰竭一例搶救成功) and resuscitating 37 newborns with asphyxia (新生兒窒息復蘇成功 37 例), respectively. She received a certificate of appreciation (感謝狀) from the Guangdong Medical Association (廣東省醫學會) in 2013 for her contributions in the O&G practice (婦產科事業) in Guangdong Province. She was appointed as the vice chairman (副主任委員) of the Expert Committee of Cervical Cancer Prevention of Guangdong Provincial Female Doctors Association (廣東省女醫師協會宮頸癌防治專家委員會) in 2012. She was appointed as a committee member (委員會委員) of the O&G medical doctor branch of the Guangdong Medical Doctor Association (廣東省醫師協會婦產科醫師分會) in 2013. She was also appointed as an expert in health science (健康科普專家) by the Guangdong Provincial Health Education Centre (廣東省健康教育中心) in May 2015. She was awarded as "Heroic and Excellent Doctor in Southern Guangdong" (南粵巾幗好醫師) by the Guangdong Provincial Female Doctors Association (廣東省女醫師協會) in 2015. Dr. Tian graduated from the Second Military Medical University (第二軍醫大學) and obtained a bachelor's degree in medicine in August 1983, and a master's degree in medicine in July 1998. She obtained the chief doctor qualification in O&G in September 2005.

高級管理層

田可歌醫生，62 歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責監督本集團醫院的臨床營運。田醫生於醫療行業擁有逾 25 年經驗。田醫生於二零零八年一月加入康華醫院，主管婦產科的發展，尤其是在內窺鏡技術、微創手術、惡性腫瘤規範化治療、高危妊娠及新生兒分娩管理及生殖醫學等方面。田醫生目前為康華醫院副院長兼康華醫院婦產醫學中心主任。加入本集團前，於一九九一年五月至二零零八年一月，田醫生在 301 醫院任主治醫師、副主任醫師及主任醫師，專攻婦產科。田醫生已為中國婦產科的發展作出重大貢獻。彼因 HELLP's 綜合症併發多器官功能衰竭一例搶救成功及新生兒窒息復蘇成功 37 例而於一九九三年獲 301 醫院頒發兩項醫療護理傑出貢獻三等獎。彼於二零一三年由於對廣東省婦產科事業的貢獻收到廣東省醫學會發出的感謝狀。彼於二零一二年獲委任為廣東省女醫師協會宮頸癌防治專家委員會副主任委員。彼於二零一三年獲委任為廣東省醫師協會婦產科醫師分會委員會委員。彼亦於二零一五年五月獲廣東省健康教育中心委任為健康科普專家。於二零一五年，彼獲廣東省女醫師協會評為「南粵巾幗好醫師」。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Dr. JIA Guoliang, aged 73, is a clinical vice general manager of the Company since June 2016. He is primarily responsible for overseeing the clinical operations of the Group's hospitals. Dr. Jia is a renowned cardiologist in the PRC with more than 47 years of experience in the medical industry. He joined Kanghua Hospital in March 2008 and currently serves as a vice director of Kanghua Hospital and the head of the Cardiovascular Center. Before joining the Group, from August 1968 to December 1974, Dr. Jia had worked at the Xinjiang Military Region Sixth Division Hospital (新疆軍區六師醫院) as a military surgeon. From January 1975 to October 2005, Dr. Jia had worked at the First Affiliated Hospital of the Fourth Military Medical University (第四軍醫大學附屬一院) as an attending physician in cardiology (心內科主任醫生), associate director (副主任) and director (主任), where he undertook clinical, teaching and operational responsibilities. From October 2005 to February 2008, Dr. Jia had worked at the Cardiovascular Hospital of Xi An No. 1 Hospital as a director (院長). Dr. Jia has made substantial contributions to cardiovascular healthcare, particularly in military medicine, in the PRC. He has served as a committee member of numerous medical associations and editorial board of medical journals. In addition to a Third Class Prize in Technology Improvement (三等科技進步獎) awarded by the National Commission for Scientific and Technological Research (國家科學技術委員會) in December 1996, Dr. Jia had received more than 18 awards from the General Logistics Department of the Chinese People's Liberation Army (中國人民解放軍總後勤部) for the contribution of his research projects in military medicine (軍隊醫學). Dr. Jia received a Life-time Award in Interventional Cardiology in the PRC (中國介入心臟病學終生成就獎) and a Distinctive Contribution Award (特別貢獻獎) from the Chinese Medical Association (中華醫學會), respectively, in March 2005. Dr. Jia continues to actively pursue his endeavours in cardiovascular healthcare. His recent appointments include consultant for the interventional cardiovascular diseases branch of the Chinese Medical Association (中華醫學會心血管病學分會) in 2013, committee member for the cardiologist branch of the Chinese Medical Doctor Association (中國醫師協會心血管內科醫師分會) in 2014 and consultant for the editorial board of Chinese Journal of Geriatric Heart Brain and Vessel Diseases (中華老年心腦血管病雜誌) in 2016. Dr. Jia possesses the chief doctor qualification.

賈國良醫生，73歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責監督本集團醫院的臨床營運。賈醫生為中國著名心血管病專家，於醫療行業擁有逾47年經驗。彼於二零零八年三月加入康華醫院，現任康華醫院副院長兼心血管病醫學中心主任。加入本集團前，於一九六八年八月至一九七四年十二月，賈醫生在新疆軍區六師醫院任軍醫。於一九七五年一月至二零零五年十月，賈醫生在第四軍醫大學附屬一院歷任心內科主任醫生、副主任及主任，負責臨床、教學及營運。於二零零五年十月至二零零八年二月，賈醫生在西安市第一醫院的西安市心血管病醫院任院長。賈醫生為中國的心血管保健尤其在軍隊醫學方面作出巨大貢獻。賈醫生具有主任醫師資格。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Dr. LI Zhiwei, aged 49, is a clinical vice general manager of the Company since June 2016. He is primarily responsible for overseeing the clinical operations of the Group's hospitals. Dr. Li is an industry leading general surgeon in the PRC with more than 25 years of experience in the medical industry. He joined Kanghua Hospital in February 2006 and currently serves as a vice director of Kanghua Hospital and the head of the Department of Hepatobiliary and Pancreatic Surgery. Dr. Li also participated in managing the development and operation of Kanghua Hospital from which he gained valuable hospital management experience. Before joining the Group, from August 1990 to December 2005, Dr. Li had focused his practice on hepatobiliary surgery at the 301 Military Hospital (301 醫院), where he had served various roles, including resident doctor (住院醫師), chief resident doctor (總住院醫師), attending doctor (主治醫師), ward inspection chief attending doctor (查房總主治醫師) and associate chief doctor (副主任醫師). Dr. Li is substantially involved in the development of general surgery and medical associations in the PRC. He was complimented to be an advanced teaching individual (先進工作個人) twice by the PLA Postgraduate Medical School (軍醫進修學院) in 1997 and 2001, respectively, for his outstanding performance in teaching and teaching management. Dr. Li is actively involved in medical associations. He was appointed as a committee member of the parenteral and enteral nutrition branch of the Guangdong Provincial Medical Association (廣東省醫學會腸內腸外營養學分會) in 2009. He was appointed as a member of the editorial board (編輯委員會) for the peer-reviewed Chinese Journal of Hepatobiliary Surgery (中華肝膽外科雜誌) by the Chinese Medical Association (中華醫學會) in 2010, and was appointed as a guest editor (特邀編委) of Lingnan Modern Clinics in Surgery (嶺南現代臨床外科) in 2012. He has been a committee member of the hepatobiliary and pancreatic surgery branch of the Guangdong Provincial Medical Association (廣東省醫學會肝膽胰外科學分會) since 2009. He has been a standing committee member of the professional committee of liver failure and artificial liver branch of the Guangdong Provincial Liver Disease Association (廣東省肝臟病學會肝衰竭及人工肝專業委員會) since 2011 and is currently serving as vice chairman (副主任委員). He became a chief committee member (主任委員) of the Hepatobiliary and Pancreatic Surgery Professional Committee of the Dongguan Medical Association (東莞市醫學會肝膽胰外科學專業委員會) in 2012. In 2013, he was appointed as a medical appraisal expert member (醫學鑒定專家庫成員) by the Guangdong Provincial Medical Association (廣東省醫學會), a member of the oncology branch of the Guangdong Provincial Medical Association (廣東省醫學會腫瘤科分會), a committee member of the professional committee of hepatobiliary and pancreatic disease of the Guangdong Provincial Health Management Association (廣東省健康管理學會肝膽胰病學專業委員會) and a committee member of the professional liver cancer committee of the Guangdong Provincial Cancer Association (廣東省抗癌協會肝癌專業委員會). He

李志偉醫生，49歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責監督本集團醫院的臨床營運。李醫生在中國為業界領先的外科醫生，於醫療行業擁有逾25年經驗。彼於二零零六年二月加入康華醫院，現任康華醫院副院長兼肝膽胰外科主任。李醫生亦參與管理康華醫院的發展及營運，並因此獲得寶貴的醫院管理經驗。加入本集團前，自一九九零年八月至二零零五年十二月，李醫生一直於301醫院專注肝膽手術臨床實踐，擔任多個職務，包括住院醫師、總住院醫師、主治醫師、查房總主治醫師及副主任醫師。李醫生一直投身於中國普通外科及醫學會的發展。彼由於在教學及教學管理方面的傑出表現分別於一九九七年及二零零一年獲中國人民解放軍軍醫進修學院兩次評為先進工作個人。李醫生積極參與醫學會。彼於二零零九年獲委任為廣東省醫學會腸內腸外營養學分會委員會委員。彼於二零一零年獲中華醫學會委任為《中華肝膽外科雜誌》編輯委員會委員，於二零一二年起被委任為《嶺南現代臨床外科》特邀編委。彼自二零零九年起成為廣東省醫學會肝膽胰外科學分會委員會委員。彼自二零一一年起成為廣東省肝臟病學會肝衰竭及人工肝專業委員會常務委員及現任副主任委員。彼於二零一二年成為東莞市醫學會肝膽胰外科學專業委員會主任委員。彼於二零一三年獲廣東省醫學會委任為醫學鑒定專家庫成員、廣東省醫學會腫瘤科分會會員、廣東省健康管理學會肝膽胰病學專業委員會委員及廣東省抗癌協會肝癌專業委員會委員。彼於二零一五年成為東莞市醫師協會副會長。彼於二零一六年成為廣東省醫師協會肝膽胰外科醫師分會常務委員。李醫生於一九九零年七月畢業於第一軍醫大學，取得醫學學士學位。彼分別於一九九五年七月及二零零三年七月自301醫院軍醫進修學院取得普外科碩士學位及臨床醫學博士

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became vice president (副會長) of the Dongguan Medical Doctor Association (東莞市醫師協會) in 2015. He became a standing committee member (常務委員) of the Hepatobiliary Surgeons Sub-Association of the Guangdong Medical Doctor Association (廣東省醫師協會肝膽外科醫師分會) in 2016. Dr. Li graduated from First Military Medical University (第一軍醫大學) with a medical bachelor's degree in July 1990. He obtained a master's degree in general surgery and doctoral degree in clinical medicine from the postgraduate medical school (軍醫進修學院) of 301 Military Hospital (301醫院) in July 1995 and July 2003, respectively. Dr. Li obtained the chief doctor qualification in hepatobiliary surgery in January 2009.

Ms. LIN Yan, aged 54, is a clinical vice general manager of the Company since June 2016. She is primarily responsible for the overall management of the nursing work of the Group's hospitals. Ms. Lin is a highly experienced nurse with more than 32 years of experience in the medical industry. Ms. Lin joined Kanghua Hospital in September 2010 and has since served as the head of the Nursing Department. Before joining the Group, from July 1983 to October 2010, Ms. Lin had served various roles at Second Affiliated Hospital of Sun Yat-sen University (中山大學附屬第二醫院), including nurse, head nurse of operating theatre, head of nursing department and deputy head of outpatient office. Ms. Lin has made distinguished contributions in the nursing profession in the PRC, with far-reaching influence in the field of operating room nursing within the PRC, in particular Guangdong Province. She participated in the publication of many professional practice guides in nursing, including main editor (主編) for Practical Surgical Nursing (實用手術護理學) published by the Sun Yat-sen University Press (中山大學出版社), which received a First Class Prize in Outstanding Teaching Materials (優秀教材一等獎) in Southern China universities from the China University Presses Association (中國大學出版協會), participating editor (參編) for Guide on Improving the Core Competence of Professional Nurse (專業護士核心能力建設指南) published by the Guangdong Provincial Publishing Group (廣東省出版集團), and participating editor (參編) for Clinical Care Document Specifications (臨床護理文書規範) published by the Guangdong Provincial Publishing Group. Ms. Lin has also been a member of the editorial board (編輯委員會) for the Journal of Nursing (護理學報) since 2007. Ms. Lin is actively involved in nursing associations. Some of her key appointments include associate director (副主任) of the Guangdong Provincial Operating Room Quality Control Centre (廣東省手術室質量控制中心) since 2006, an executive council member (常務理事) of the Guangdong Provincial Nursing Association (廣東省護理學會) since 2007, associate director (副主任) of the Operating Room Nursing Professional Committee of the Guangdong Provincial Nursing Association (廣東省護理學會手術室護理專業委員會) in 2012, vice president (副理事長) of the Dongguan Nursing Association (東莞市護理學會) in 2013, committee member of the hospital

學位。李醫生於二零零九年一月取得肝膽外科主任醫師資格。

林岩女士，54歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責本集團醫院護理工作的整體管理。林女士為一名經驗豐富的護士，於醫療行業擁有逾32年經驗。林女士於二零一零年九月加入康華醫院，並自此擔任護理部主任。加入本集團前，林女士於一九八三年七月至二零一零年十月期間在中山大學附屬第二醫院擔任多個職務，包括護士、手術室護士長、護理部主任及門診辦公室副主任。林女士在中國護理行業作出突出貢獻，在全國、特別在廣東省手術室護理專業領域具有很大影響力。彼參與出版護理方面的眾多專業操作指引，包括中山大學出版社出版的《實用手術護理學》主編，榮獲中國大學出版協會評比華南地區大學優秀教材一等獎，廣東省出版集團出版的《專業護士核心能力建設指南》參編及廣東省出版集團出版的《臨床護理文書規範》的參編。林女士自二零零七年起亦成為《護理學報》編輯委員會成員。林女士積極參與護理學會。彼部分關鍵職務包括自二零零六年起擔任廣東省手術室質量控制中心副主任，自二零零七年起擔任廣東省護理學會常務理事，於二零一二年擔任廣東省護理學會手術室護理專業委員會副主任，於二零一三年擔任東莞市護理學會副理事長，於二零一四年擔任廣東省醫院協會醫院護理管理分會委員，於二零一四年擔任東莞市醫院協會醫療管理分會護

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nursing management branch of the Guangdong Provincial Hospital Association (廣東省醫院協會醫院護理管理分會) in 2014, associate director committee member (副主任委員) of the Nursing Quality Management Professional Committee of the Medical Management Branch of the Dongguan Hospital Association (東莞市醫院協會醫療管理分會護理質量管理專業委員會) in 2014 and vice chairman (副主委) of the nursing branch of the Guangdong Provincial Family Doctors Association (廣東省家庭醫生協會護理分會) in 2015. Ms. Lin obtained a diploma in advanced nursing from the Evening School of Sun Yat-sen University Zhongshan School of Medicine (中山醫科大學夜大學) in June 1989. Ms. Lin graduated from the Hunan University of Chinese Medicine (湖南中醫藥大學) in January 2010. She obtained the chief nurse qualification (主任護理師) in December 2007.

Mr. WANG Baizhi, aged 41, is an operation vice general manager of the Company since June 2016. He is responsible for the overall administrative and ancillary operations of the Group's hospitals as well as overseeing the Group's hospital management business. Mr. Wang has approximately 11 years of hospital management experience. Mr. Wang joined Renkang Hospital in August 2005 when it was established as a limited liability company in the PRC and has since served as the vice general manager of Renkang Hospital, and as the general manager of Renkang Hospital since November 2015, primarily responsible for the hospital's administrative and ancillary operations. Mr. Wang also participated in the construction and development of Renkang Hospital. Before joining the Group, from March 1998 to July 2003, Mr. Wang had worked at China Construction Bank responsible for auditing and loan management. Mr. Wang obtained a diploma in mechanical manufacturing engineering and design from the Dongguan University of Technology (東莞理工學院) in June 1998.

理質量管理專業委員會副主任委員及於二零一五年擔任廣東省家庭醫生協會護理分會副主委。林女士於一九八九年六月自中山醫科大學夜大學取得高級護理文憑。林女士於二零一零年一月畢業於湖南中醫藥大學。彼於二零零七年十二月獲得主任護理師資格。

王柏枝先生，41歲，自二零一六年六月起為本公司的營運副總經理。彼負責本集團醫院的整體行政及配套營運事宜並監督本集團的醫院管理業務。王先生擁有約11年醫院管理經驗。王先生於二零零五年八月(仁康醫院在中國成立為有限公司時)加入仁康醫院，彼自此擔任仁康醫院副總經理，於二零一五年十一月任仁康醫院總經理，主要負責醫院的行政及配套營運事宜。王先生亦參與仁康醫院的建設及發展。加入本集團前，於一九九八年三月至二零零三年七月，王先生任職中國建設銀行，負責審核及貸款管理事宜。王先生於一九九八年六月取得東莞理工學院機械製造工程及設計專業文憑。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Ms. WANG Yingda, aged 42, is the secretary to the Board since June 2016. She is primarily responsible for overseeing public affairs, administrative and daily operations of the Group. Ms. Wang has 12 years of management experience in the medical industry, particularly in financial management, hospital administration, support and assurances, service excellence, brand promotion and corporate culture. Ms. Wang joined Kanghua Hospital in June 2006, served as a senior manager of the finance department and currently serves as an assistant to chairman responsible for operation control, external and internal liaisons, implementation of action plans, monitoring key performance indicators, assessing patient satisfaction levels and organising hospital branding events. Ms. Wang had worked as a manager of the finance department of Kanghua Group primarily responsible for financial and audit matters from February 2004 to May 2006, during which she had been involved in the construction and development of Kanghua Hospital from which she gained valuable hospital management experience. Ms. Wang currently serves as a standing committee member (常務委員) of the Guangdong Provincial Health Economics Association (廣東省衛生經濟學會委員會) and the deputy chairman (副會長) of the Dongguan Hospital Association (東莞市醫院協會). Ms. Wang graduated from Xi'an Technological University (西安工業大學) and obtained a diploma in financial accounting in July 1995. Ms. Wang obtained the qualification of accountant in the PRC in May 2002. Ms. Wang obtained a master's degree in business administration from Northwest University (西北大學) in the PRC in December 2013.

王櫻達女士，42歲，自二零一六年六月起為董事會秘書。彼主要負責監督本集團的公共事務、行政管理及日常營運。王女士於醫療行業擁有12年管理經驗，尤其是在財務管理、醫院管理、支援及保障、優質服務、品牌提升及企業文化方面。王女士於二零零六年六月加入康華醫院擔任財務部高級經理，現時任職主席助理，負責營運控制、內外部聯絡、實施行動計劃、監測關鍵績效指標、評估患者滿意度及組織醫院品牌推廣活動。王女士自二零零四年二月至二零零六年五月曾擔任康華集團的財務部經理，主要負責財務及審計事宜，其間亦曾參與康華醫院的建設及發展，從中獲得寶貴的醫院管理經驗。王女士目前為廣東省衛生經濟學會委員會常務委員及東莞市醫院協會副會長。王女士於一九九五年七月畢業於西安工業大學，獲得財務會計文憑。於二零零二年五月，王女士取得中國會計師資格。王女士於二零一三年十二月自中國西北大學取得工商管理碩士學位。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. WONG Wai Hang Ricky, aged 38, is a chief financial officer and a joint company secretary of the Company. Mr. Wong has more than 14 years of experience in accounting and finance. He is primarily responsible for the overall financial management, capital investment, investor relations and corporate finance of the Group. Mr. Wong joined the Company as chief financial officer in December 2015. Before joining the Group, from December 2002 to November 2015, Mr. Wong had worked at Deloitte Touche Tohmatsu, where he was responsible for leading, managing and supervising audits for listed and multi-national companies. Mr. Wong has also cultivated transactional experience in his previous roles, including acquisitions, debt offerings and initial public offerings. Mr. Wong was a senior manager at Deloitte Touche Tohmatsu before he joined the Group. Mr. Wong is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and CPA Australia. Mr. Wong obtained a bachelor's degree of commerce majoring in accounting and finance with merit from the University of New South Wales in April 2000, and a master's degree of commerce majoring in advanced information systems and management from the University of New South Wales in May 2003.

Ms. CHEN Li, aged 45, is a financial controller of the Company since June 2016. She is primarily responsible for the overall financial management of the Group's hospitals. Ms. Chen has more than 23 years of experience in financial management. Ms. Chen joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and is currently serving as financial controller in the finance department. Ms. Chen also participated in managing the financial operations of Kanghua Hospital during its construction and development phase from which she gained valuable hospital financial management experience. Before joining the Group, from September 1992 to March 2004, she had served various roles at Dongguan City Guangcai Hotel(東莞市廣彩城酒店), a subsidiary of Guangdong Fortune Colour Picture Tube Co., Ltd. (廣東福地彩色顯像管公司), including accountant, accounting supervisor, cost supervisor and project manager. She has also served as the vice chairman (副會長) of the Dongguan Social Insurance Association (東莞市社會保險協會) since January 2016. Ms. Chen obtained a diploma in financial accounting from Changsha University of Workers (長沙職工大學) in June 1992. She graduated from Dongguan Party School (東莞黨校) in December 1998.

黃偉恒先生，38歲，為本公司的首席財務官及聯席公司秘書。黃先生在會計及財務方面累積逾14年經驗。彼主要負責本集團的整體財務管理、資本投資、投資者關係及企業融資。黃先生於二零一五年十二月加入本公司任首席財務官。加入本集團前，於二零零二年十二月至二零一五年十一月，黃先生任職於德勤•關黃陳方會計師行，在此負責領導、管理及監督上市及跨國公司的審計工作。黃先生亦於其先前職務中積累交易經驗，包括收購、債券發行及首次公開發售。黃先生於加入本集團前曾任德勤•關黃陳方會計師行的高級經理。黃先生是香港會計師公會執業會計師及澳洲執業會計師。黃先生於二零零零年四月以優異成績自新南威爾士大學取得商學學士學位(主修會計及財務)，並於二零零三年五月自新南威爾士大學取得商學碩士學位(主修高級信息系統與管理)。

陳莉女士，45歲，自二零一六年六月起為本公司的財務總監。彼主要負責本集團醫院的整體財務管理。陳女士於財務管理方面擁有逾23年經驗。陳女士於二零零五年九月(康華醫院在中國成立為有限公司時)加入康華醫院，目前在財務部任財務總監。在康華醫院的建設及發展階段，陳女士亦參與管理康華醫院的財務營運事宜，從中累積了寶貴的醫院財務管理經驗。加入本集團前，彼於一九九二年九月至二零零四年三月期間在廣東福地彩色顯像管公司屬下東莞市廣彩城酒店擔任多個職務，包括會計、會計主管、成本主管及項目經理。自二零一六年一月起，彼亦擔任東莞市社會保險協會副會長。陳女士於一九九二年六月自長沙職工大學取得財務會計文憑。彼於一九九八年十二月於東莞黨校畢業。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

JOINT COMPANY SECRETARIES

Mr. WONG Wai Hang Ricky, one of the joint company secretaries of the Company, is also a senior management member of the Company. Please refer to “Senior Management” in this section for his biography.

Ms. CHAU Hing Ling was appointed as a joint company secretary of the Company on 27 June 2016. She has served as a director of Corporate Services of Vistra Corporate Services (HK) Limited since June 2013, where she leads a team of professional staff to provide a full range of company secretary services. Ms. Chau has over 15 years of experience in the corporate services industry.

Ms. Chau is currently the company secretary of Keen Ocean International Holding Limited, a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange (stock code: 8070) and the company secretary of Rici Healthcare Holdings Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1526) and the joint company secretary of COFCO Meat Holdings Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1610) and Persta Resources Inc., a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3395) respectively. Ms. Chau received a master of laws majoring in corporate and finance law from the University of Hong Kong in November 2007. She has been a fellow member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries since May 2013.

聯席公司秘書

黃偉恒先生為本公司的聯席公司秘書之一，亦為本公司的高級管理層成員。其履歷請參閱本節「高級管理層」。

周慶齡女士於二零一六年六月二十七日獲委任為本公司的聯席公司秘書。彼自二零一三年六月起擔任 Vistra Corporate Services (HK) Limited 的公司服務董事並領導一支由專業人員組成的團隊，提供全方位的公司秘書服務。周女士在企業服務行業擁有逾 15 年經驗。

彼現時為僑洋國際控股有限公司（一間於香港聯交所創業板上市的公司，股份代號：8070）的公司秘書以及為瑞慈醫療服務控股有限公司（一間於香港聯交所主板上市的公司，股份代號：1526）的公司秘書，以及分別為中糧肉食控股有限公司（一間於香港聯交所主板上市的公司，股份代號：1610）及 Persta Resources Inc.（一間於香港聯交所主板上市的公司，股份代號：3395）的聯席公司秘書。周女士於二零零七年十一月取得香港大學法學碩士學位，主修公司及金融法，並自二零一三年五月起一直為英國特許秘書及行政人員公會及香港特許秘書公會資深會員。

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF

GUANGDONG KANGHUA HEALTHCARE CO., LTD.

廣東康華醫療股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

致廣東康華醫療股份有限公司股東

(於中華人民共和國註冊成立的股份有限公司)

OPINION

We have audited the consolidated financial statements of Guangdong Kanghua Healthcare Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 114 to 197, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKASs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

本行已審計第114頁至第197頁所載廣東康華醫療股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表及於截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及包括主要會計政策概要在內的綜合財務報表附註。

本行認為，綜合財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的《國際財務報告準則》(「國際財務報告準則」)真實而公平地反映 貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度 貴集團的綜合財務表現及其綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見的基礎

本行已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。本行在該等準則下的責任已於本報告「核數師就審計綜合財務報表的責任」一節中詳述。根據香港會計師公會的「專業會計師道德守則」(「守則」)，本行獨立於 貴集團，並已遵循守則履行其他道德責任。本行相信，本行所獲得的審計憑證足夠及能適當地為本行的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

關鍵審計事項

關鍵審計事項為本行的專業判斷，認為對本期綜合財務報表中最重要的事項。該等事項於本行審計整體綜合財務報表及出具意見時處理，而本行不會就此等事項單獨發表意見。

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

本行於審計時如何處理關鍵審計事項

Contingent liabilities arising from medical disputes

醫療糾紛引起的或然負債

We have identified the contingent liabilities arising from medical disputes as a key audit matter because there are inherent risks of medical disputes in the healthcare business, and the estimation of their financial impact involves significant degrees of management judgment as disclosed in note 5 to the consolidated financial statements.

There are inherent risks associated with the Group's clinical activities which may result in unfavourable medical outcomes not caused by clinical decisions. The Group may be subject to legal proceedings and claims that arise in the ordinary course of business, which primarily include medical dispute claims brought by the former patients.

本行將醫療糾紛引起的或有負債確定為關鍵審計事項，因為醫療業務的醫療糾紛存在固有風險，而其財務影響的估計涉及重大程度的管理層判斷在綜合財務報表附註5所披露。

貴集團的臨床活動存在固有風險，可能導致並非臨床決策引起的不利醫療結果。貴集團可能會在日常業務過程中產生的法律訴訟和索賠，主要包括前病人提出的醫療糾紛索賠。

Our procedures in relation to the Group's contingent liabilities arising from medical disputes included:

- Understanding management's process in developing the estimation on the outflow of economic benefit;
- Obtaining the medical disputes list from the management;
- Arranging litigation search;
- Obtaining and reading legal proceeding letters, judicial appraisal reports, expert opinion letters, judgment letters and medical records relevant to the medical disputes;

本行對貴集團涉及醫療糾紛造成的或然負債採取的程序包括：

- 了解管理層對醫療糾紛賠償的估計；
- 從管理層獲取醫療糾紛清單；
- 安排訴訟搜查；
- 獲得和閱讀與醫療糾紛相關的法律程序函件、司法評估報告、專家意見函件、判決書和醫療記錄；

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獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key audit matter

關鍵審計事項

關鍵審計事項(續)

How our audit addressed the key audit matter

本行於審計時如何處理關鍵審計事項

Contingent liabilities arising from medical disputes (Cont'd)

醫療糾紛引起的或然負債(續)

Provision for medical dispute claims is made based on the status of potential and active claims outstanding at the end of each year, and taking into consideration the assessment and analysis of external experts and the total claim exposure. However, where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Except for those disputes with provision of RMB477,000 made as disclosed in note 21 to the consolidated, financial statements, the management of the Group believes that the final result of other medical disputes with total claims of RMB11,254,000 as at 31 December 2016 will not have a material impact on the financial position or operations of the Group and the amount of outflow, if any, cannot be determined with sufficient reliability prior to judicial appraisals. Accordingly, no provision is made in this regard and disclosed as contingent liabilities in note 29 to the consolidated, financial statements.

醫療糾紛索賠撥備是根據每年年底潛在和未了結索賠作出，並考慮到外部專家的評估和分析以及索賠總額。但是，如果不可能需要經濟利益流出，或者無法可靠估計該金額，則將之披露為或然負債，除非經濟利益流出的可能性極低。

除綜合財務報表附註21所披露就該等糾紛的撥備人民幣477,000元外，貴集團管理層認為，於二零一六年十二月三十一日，總索賠額為人民幣11,254,000元的其他醫療糾紛的最終結果，將不會對貴集團的財務狀況或經營造成重大影響，在司法判定之前，不能以足夠的可靠性確定流出的金額(如有)。因此，在這方面沒有撥備，及作為或然負債在綜合財務報表附註29披露。

- Discussing with the Group's legal counsel on the estimated outcome of the pending medical disputes, with reference to legal precedents of any similar cases; and
- Evaluating the adequacy of disclosure under contingent liabilities.

- 參照類似案件的先例，與貴集團法律顧問討論尚未了結的醫療糾紛的估計結果；
- 評估或有負債披露的充分性。

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獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key audit matter

關鍵審計事項

Control over managed hospital

對所管理醫院的控制權

We have identified the control over the managed hospital as a key audit matter due to significant management judgement involved in assessing the Group's control over the managed hospital.

As disclosed in note 5 to the consolidated financial statements, during the year ended 31 December 2016, the Group entered into a hospital management agreement with an independent third party (the "Party"), pursuant to which the Group was granted management rights over Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd., an entity wholly owned by the Party (the "Managed Hospital"). Pursuant to the hospital management agreement, the Group has an option, exercisable at its absolute discretion at any time during the term of the agreement, to acquire the entire equity interest in the Managed Hospital at fair value to be determined by a professional valuer appointed by both parties at the relevant time.

本行識別出對所管理醫院的控制權為關鍵審計事項，原因是在評估貴集團對所管理醫院的控制權時，涉及管理層的重大判斷。

誠如綜合財務報表附註5所披露，截至二零一六年十二月三十一日止年度，貴集團與獨立第三方（「該名人士」）訂立醫院管理協議，據此貴集團獲得重慶康華眾聯心血管病醫院有限公司（該名人士全資擁有的實體，「管理醫院」）授出的管理權。根據醫院管理協議，貴集團有權在協議期間的任何時候行使該權利，以雙方在相關時間委任的專業估值師確定的公允價值，收購管理醫院的全部股權。

關鍵審計事項(續)

How our audit addressed the key audit matter

本行於審計時如何處理關鍵審計事項

Our procedures in relation to the control over the Managed Hospital included:

- Understanding the assessment of control over the Managed Hospital by the management;
- Inspecting the hospital management agreement and analysing the rights conferred by the agreement to the Group;
- Inquiring the management to obtain an understanding of the terms and condition regarding the exercise of the option;
- Inquiring the management and performing background search of the Managed Hospital to check on the ownership structure of the Managed Hospital;

本行就貴集團對所管理醫院的控制權採取的程序包括：

- 了解管理層對管理醫院控制權的評估；
- 審閱相關的醫院管理協議，並分析協議授予貴集團的權利；
- 向管理層查詢，了解有關行使購買托管醫院選擇權的條款及條件；
- 查詢管理醫院管理層和對管理醫院作出背景調查，檢查管理醫院的所有權結構；

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獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key audit matter

關鍵審計事項

Control over managed hospital (Cont'd)

對所管理醫院的控制權(續)

In application of the Group's accounting policies, the directors of the Company have assessed whether the Group has control over the Managed Hospital. In the view of the directors of the Company, in practice, when the Group exercises its option to purchase the equity interest in the Managed Hospital, the Group will negotiate with the Party in good faith. The directors of the Company consider that the exercise of the option will require the Party's cooperation, including allowing the Group's access to due diligence, further negotiations and entering into a sale and purchase agreement detailing the terms and conditions with reference to the then circumstances of the Managed Hospital to reach a mutually acceptable arrangement.

在應用 貴集團的會計政策時，貴公司董事對 貴集團是否對管理醫院具有控制權進行評估。貴公司董事認為，實際上，當 貴集團行使其購買管理醫院股權的權利時，貴集團將以真誠態度與該名人士進行談判。貴公司董事認為，行使該選擇權將要求該名人士的合作，包括允許 貴集團進行盡職調查、進行進一步磋商，並參考當時管理醫院的情況，達成雙方可接受的安排，訂立詳述條款和條件的買賣協議。

關鍵審計事項(續)

How our audit addressed the key audit matter

本行於審計時如何處理關鍵審計事項

- Inspecting the statutory documents of the Managed Hospital for the corporate structure and the rights of the Party;
 - Examining the approval documents of the Managed Hospital including the shareholder resolution, board resolution and approval for material assets acquisition as to whether the Party has exercised the control over the Managed Hospital; and
 - Analysing the hospital management arrangement in accordance with the accounting standards.
-
- 審閱管理醫院的法定文件，了解其企業結構及該名人士的權利；
 - 審閱管理醫院的審批文件，包括股東決議、董事會決議和重大資產採購的審批文件，確定該名人士有否對管理醫院行使控制權；及
 - 按照會計準則分析醫院管理安排。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key audit matter

關鍵審計事項

關鍵審計事項(續)

How our audit addressed the key audit matter

本行於審計時如何處理關鍵審計事項

Control over managed hospital (Cont'd)

對所管理醫院的控制權(續)

In addition, the Party, as the sole shareholder of the Managed Hospital, controls the shareholders' meeting of the Managed Hospital, which is the highest authority to direct the relevant activities of the Managed Hospital. The Party has ultimate control over the Managed Hospital by virtue of its rights as the sole shareholder under applicable laws and regulations (including the constitution documents of the Managed Hospital), including appointment of directors, supervisors, legal representatives and senior executives to operate, oversee and approve the day-to-day activities of the Managed Hospital (including assessing the performance of the Group in managing the Managed Hospital) and decide on significant matters concerning the Managed Hospital.

Taking into consideration of the criteria for control as set out in IFRS 10 Consolidated Financial Statements and all the facts and circumstances in respect of the arrangement, the directors of the Company are in the opinion that the Group does not have control over the Managed Hospital.

另外，作為管理醫院的唯一股東，該名人士控制管理醫院的股東大會，即指示管理醫院相關活動的最高權力機構。根據適用的法律法規(包括管理醫院的章程文件)賦予該名人士的權利，該名人士對管理醫院具有最終控制權，包括任命董事、監事、法定代表和高級管理人員，以經營、監督並批准管理醫院的日常活動(包括評估 貴集團在管理醫院的管理中的表現)，並決定管理醫院的重大事項。

考慮到國際財務報告準則第10號綜合財務報表所載的控制準則以及有關安排的所有事實和情況，貴公司董事認為 貴集團對管理醫院並無控制權。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事需要負責其他資料。其他資料包括年報所載資料，但不包括綜合財務報表及本行之核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對其他資料發表任何形式的鑒證結論。

當審計綜合財務報表時，本行的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或本行於審計過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於本行已執行的工作，倘本行認為其他資料有重大錯誤陳述，本行須報告該事實。於此方面，本行沒有任何報告。

董事及治理層對綜合財務報表需承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露規定編製並真實兼公允地呈列的綜合財務報表，並為其認為必須為使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部控制負責。

編製綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層履行監督 貴集團財務報告過程的責任。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表的責任

本行的目標為合理鑒證整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有本行意見的核數師報告，按照協定的委任條款僅向閣下（作為整體）報告，除此之外本報告別無其他目的。本行不會就本報告內容向任何其他人士負上或承擔任何責任。合理鑒證屬高層次鑒證，但不能擔保根據香港審計準則進行的審計工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審計時，本行運用專業判斷，於整個審計過程中抱持專業懷疑態度。本行亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審計程序，獲得充足及適當審計憑證為本行的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 了解與審計有關的內部控制，以設計恰當的審計程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

核數師就審計綜合財務報表的責任 (續)

- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審計憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘本行總結認為存在重大不確定因素，本行需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂本行的意見。本行的結論以截至核數師報告日期所獲得的審計憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足的審計憑證，以就綜合財務報表發表意見。本行須負責指導、監督及執行集團的審計工作。本行須為審計意見承擔全部責任。

本行與治理層就審計工作的計劃範圍及時間安排及重大審計發現，包括本行於審計期間識別出內部控制的任何重大缺陷溝通。

本行亦向治理層提交聲明，說明本行已遵守有關獨立性的道德要求，並就所有被合理認為可能影響本行的獨立性的關係及其他事宜及相關防範措施(如適用)與治理層溝通。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

From the matters communicated with those charged with governance, we determine these matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Ms. Faith Corazon Del Rosario.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22 March 2017

核數師就審計綜合財務報表的責任 (續)

本行從與治理層溝通的事項中，決定哪些事項對本期綜合財務報表的審計工作最為重要，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，本行認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則本行會於核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目合夥人是羅雅媛女士。

德勤·關黃陳方會計師行
執業會計師
香港
二零一七年三月二十二日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2016

截至2016年12月31日止年度

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Notes 附註		
Revenue	收益	6	1,240,390	1,063,702
Cost of revenue	收益成本		(943,479)	(824,290)
Gross profit	毛利		296,911	239,412
Other income	其他收入	7	22,953	64,301
Other expenses, gains and losses	其他開支、收益及虧損	8	(4,900)	(4,085)
Administrative expenses	行政開支		(109,042)	(83,657)
Finance costs	融資成本	9	(7,449)	(67,153)
Profit before taxation	除稅前溢利	10	198,473	148,818
Income tax expenses	所得稅開支	13	(52,786)	(29,854)
Profit and total comprehensive income for the year	年內溢利及全面收入總額		145,687	118,964
Profit and total comprehensive income for the year attributable to:	下列各項應佔年內溢利及全面收入總額：			
– owners of the Company	– 本公司擁有人		141,260	118,847
– non-controlling interests	– 非控股權益		4,427	117
			145,687	118,964
Earnings per share (RMB cents):	每股盈利(人民幣分)：	15		
Basic	基本		53.8	47.5
Diluted	攤薄		53.8	N/A

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016

於2016年12月31日

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Notes 附註			
Non-current assets		非流動資產		
Property, plant and equipment	16	物業、廠房及設備	360,997	321,828
Deferred tax assets	23	遞延稅項資產	—	4,301
Deposits paid for acquisition of property, plant and equipment		收購物業、廠房及 設備所付按金	29,940	4,676
			390,937	330,805
Current assets		流動資產		
Inventories	17	存貨	43,226	38,195
Accounts and other receivables	18	應收賬款及其他應收款項	190,486	88,217
Amounts due from a shareholder	19	應收一名股東款項	—	490,117
Amount due from a related party	19	應收一名關聯方款項	—	4,162
Pledged bank deposits	20	已質押銀行存款	—	50,000
Restricted bank balances	20	受限制銀行結餘	34,955	8,904
Bank balances and cash	20	銀行結餘及現金	936,374	95,520
			1,205,041	775,115
Current liabilities		流動負債		
Accounts and other payables	21	應付賬款及其他應付款項	386,359	393,008
Amounts due to shareholders	19	應付股東款項	3,179	104,541
Bank borrowings	22	銀行借款	—	341,800
Tax payables		應付稅項	31,397	19,823
			420,935	859,172
Net current assets (liabilities)		流動資產(負債)淨額	784,106	(84,057)
Net assets		資產淨值	1,175,043	246,748

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016

於2016年12月31日

			2016 二零一六年	2015 二零一五年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Capital and reserves	資本及儲備			
Share capital	股本	24	334,394	250,000
Reserves	儲備		821,021	(18,453)
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,155,415	231,547
Non-controlling interests	非控股權益		19,628	15,201
Total equity	權益總額		1,175,043	246,748

The consolidated financial statements on pages 114 to 197 were approved and authorised for issue by the board of directors on 22 March 2017 and are signed on its behalf by:

第114至197頁的綜合財務報表已於二零一七年三月二十二日獲董事會批准及授權刊發，並由以下董事代表簽署：

Wang Junyang

王君揚

Director

董事

Wong Wai Hung Simon

王偉雄

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016

截至2016年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔						
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Statutory reserves 法定儲備	(Accumulated losses) retained earnings (累計虧損) 保留盈利	Total 總計	Non-controlling interests 非控股權益
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(note iii) (附註 iii)					Total 總計	Total 總計
At 1 January 2015	於二零一五年一月一日	306,700	—	—	26	(183,442)	123,284	15,084
Profit and total comprehensive income for the year	年內溢利及全面收入總額	—	—	—	—	118,847	118,847	117
Capital contribution from shareholders (Note 2)	股東出資(附註2)	140,000	—	106,700	—	—	246,700	—
Effect of reorganisation (note ii)	重組的影響(附註ii)	(246,700)	—	—	—	—	(246,700)	—
Issue of ordinary shares upon conversion into a joint stock company with limited liability (Note 24)	轉制為股份有限公司後發行普通股(附註24)	50,000	—	(53,306)	(26)	3,332	—	—
Deemed distribution to a shareholder (note i)	視作向一名股東分派(附註i)	—	—	—	—	(10,584)	(10,584)	—
At 31 December 2015	於二零一五年十二月三十一日	250,000	—	53,394	—	(71,847)	231,547	15,201
Profit and total comprehensive income for the year	年內溢利及全面收入總額	—	—	—	—	141,260	141,260	4,427
Transfers	轉撥	—	—	—	12,344	(12,344)	—	—
Issue of H shares (Note 24)	發行H股(附註24)	84,000	781,170	—	—	—	865,170	—
Cost of issuance of H shares	發行H股的成本	—	(86,650)	—	—	—	(86,650)	—
Exercise of over-allotment option	行使超額配股權	394	3,694	—	—	—	4,088	—
At 31 December 2016	於二零一六年十二月三十一日	334,394	698,214	53,394	12,344	57,069	1,155,415	19,628

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016

截至2016年12月31日止年度

Notes:

- (i) The Group (as defined in Note 1) has unsecured, interest-free and repayable on demand balances due from a shareholder. Such amounts were measured at its fair value at initial recognition based on the best estimate of the expected repayments by the shareholder at the time of recognising the amounts due from a shareholder. The differences between the amount due from a shareholder and fair value at initial recognition were recognised in equity as deemed distribution to a shareholder, and the amount due from a shareholder were then carried at amortised cost using effective interest method. Subsequently, when the Group revised its estimate of the expected repayments by the shareholder, the carrying amount of the interest-free advances has been adjusted to reflect the actual and revised estimated cash flows. The adjustments were also recognised in equity as deemed distribution to a shareholder.
- (ii) Amount represents the aggregate cash consideration paid for the acquisition of the 100% interest in 東莞康華醫院有限公司 Dongguan Kanghua Hospital Co., Ltd.* ("Kanghua Hospital") and 57% interest in 東莞仁康醫院有限公司 Dongguan Renkang Hospital Co., Ltd.* ("Renkang Hospital").
- (iii) According to the relevant laws in the PRC, the Company and its subsidiaries which were established in the PRC are required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of the respective registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.

* English translated name is for identification purpose only.

附註：

- (i) 本集團(定義見附註1)現有股東應付的無抵押、免息及應要求償還賬款。該金額根據確認應收股東款項時其預期股東還款的最佳估計按初步確認時的公平值計算。應收股東款項及於初步確認時的公平值差額已被確認為權益的視作向一名股東分派，而應收股東款項則使用實際利息法以攤銷成本列賬。隨後，本集團修訂對股東預期還款的估計時，免息墊款的賬面值已被調整以反映實際及經修訂現金流。調整亦已被確認為權益的視作向一名股東分派。
- (ii) 該款項指就收購東莞康華醫院有限公司(「康華醫院」)100%權益及東莞仁康醫院有限公司(「仁康醫院」)57%權益已付的總現金代價。
- (iii) 根據中國相關法律，本公司及其於中國成立的附屬公司須按中國會計條例規定提取其稅後純利至少10%列入不可分派儲備金，直至儲備結餘達各自註冊資本的50%。於向擁有人分派股息前須對儲備劃撥資金。該儲備金可用於抵銷過往年度虧損(如有)，除非清盤，否則不可分派。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016

截至2016年12月31日止年度

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Operating activities	經營活動		
Profit before taxation	除稅前溢利	198,473	148,818
Adjustments for:	就以下項目所作調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	41,488	38,952
Finance costs	融資成本	7,449	67,153
Imputed interest income arising from amount due from a shareholder	應收一名股東款項產生的 估算利息收入	(10,584)	(52,847)
Unrealised exchange gain	未變現的匯兌收益	(5,636)	—
Bank and other interest income	銀行及其他利息收入	(4,452)	(1,498)
Impairment loss recognised in respect of accounts receivables	就應收賬款確認的 減值虧損	226	1,423
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	318	1,383
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	227,282	203,384
Increase in inventories	存貨增加	(5,031)	(4,523)
Increase in accounts and other receivables	應收賬款及其他應收款項增加	(22,495)	(27,963)
(Decrease) increase in accounts and other payables	應付賬款及其他應付款項(減少)增加	(7,422)	41,513
Cash generated from operations	經營所得現金	192,334	212,411
PRC Enterprise Income Tax paid	已付中國企業所得稅	(36,911)	(13,509)
Net cash generated from operating activities	經營活動所得現金淨額	155,423	198,902
Investing activities	投資活動		
Advances to shareholders	向股東墊款	(117,363)	(26,581)
Loans granted to a hospital (Note 18)	授予一間醫院的貸款(附註18)	(80,000)	—
Purchase of property, plant and equipment	購買物業、廠房及設備	(70,087)	(86,036)
Placement of restricted bank balances	存放受限制銀行結餘	(35,977)	(7,835)
Deposits paid for acquisition of property, plant and equipment	就收購物業、廠房及 設備支付的按金	(29,903)	(4,065)
Advance to a related party	向一名關聯方墊款	(4,203)	—
Repayments from shareholders	股東還款	618,064	1,023,707
Withdrawal of pledged bank deposits	提取已質押銀行存款	50,000	—
Withdrawal of restricted bank balances	提取受限制銀行結餘	9,926	11,029
Repayments from a related party	一名關聯方還款	8,365	11,043
Interest received	已收利息	4,452	1,498
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	23	—
Placement of pledged bank deposit	存放已質押銀行存款	—	(50,000)
Net cash generated from investing activities	投資活動所得現金淨額	353,297	872,760

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016

截至2016年12月31日止年度

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Financing activities	融資活動		
Proceeds from issue of shares upon listing	於上市發行股份所得款項	865,170	—
Proceeds from issue of shares upon exercise of over-allotment option	於行使超額配股權後發行股份所得款項	4,088	—
New bank borrowings raised	新增銀行借款	90,000	932,300
Repayments of bank borrowings	償還銀行借款	(431,800)	(1,509,000)
Repayments to shareholders	還款予股東	(104,541)	(363,137)
Share issue expenses	股份發行開支	(86,650)	—
Interest paid	已付利息	(9,769)	(68,410)
Repayments to related parties	還款予關聯方	—	(5,241)
Payment in relation to reorganisation	有關重組的付款	—	(246,700)
Capital injection from shareholders	股東注資	—	246,700
Net cash generated from (used in) financing activities	融資活動所得(所用)現金淨額	326,498	(1,013,488)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	835,218	58,174
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	95,520	37,346
Effects of foreign exchange rate changes	匯率變動影響	5,636	—
Cash and cash equivalents at end of the year, represented by bank balance and cash	年末現金及現金等價物，即銀行結餘及現金	936,374	95,520

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2016

截至2016年12月31日止年度

I. GENERAL

廣東康華醫療股份有限公司 (Guangdong Kanghua Healthcare Co., Ltd.) (“the Company”), was established as a limited liability company under the name of 東莞市康華實業有限公司 (Dongguan Kanghua Enterprise Co., Ltd.) in the People’s Republic of China (the “PRC”) on 30 January 2002. The Company acts as an investment holding company. On 30 December 2015, the Company was converted into a joint stock limited company and renamed as 廣東康華醫療股份有限公司 (Guangdong Kanghua Healthcare Co., Ltd.), with a share capital of RMB250,000,000 under the Company Law of the PRC. On 8 November 2016, the Company has issued overseas listed foreign invested ordinary shares (“H Shares”) which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The addresses of the registered office and the principal place of business of the Company are disclosed in the section “Corporate Information” in the annual report. The Company and its subsidiaries (collectively referred as the “Group”) are engaged in operation of hospitals and provision of hospital management services in PRC. Details of the Company’s subsidiaries are set out in note 32.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF FINANCIAL INFORMATION

Historically, pursuant to an acting-in-concert arrangement between Mr. Wang Junyang, Ms. Wang Aici, Ms. Wang Aiqin and Mr. Chen Wangzhi, all of whom are close family members (collectively referred as the “Controlling Shareholders”), the Controlling Shareholders controlled the Company, Kanghua Hospital and Renkang Hospital through their investment holding companies, namely 東莞市康華投資集團有限公司 (Dongguan Kanghua Investment Group Co., Ltd.*, the “Kanghua Group”), 東莞市興業集團有限公司 (Dongguan Xingye Group Co., Ltd.*, the “Xinye Group”), 東莞市興達物業投資有限公司 (Dongguan Xingda Property Investment Co., Ltd.*, the “Xingda Property”) and 東莞市同力實業有限公司 (Dongguan Tongli Enterprise Co., Ltd.*, the “Tongli Enterprise”).

* English translated name is for identification purposes only.

I. 一般資料

廣東康華醫療股份有限公司(「本公司」)，於二零零二年一月三十日在中華人民共和國(「中國」)以東莞市康華實業有限公司的名稱成立為一家有限公司。本公司為一家投資控股公司。於二零一五年十二月三十日，本公司根據中國公司法轉制為股份有限公司並更名為廣東康華醫療股份有限公司，股本為人民幣250,000,000元，於二零一六年十一月八日，本公司發行境外上市外資普通股(「H股」)，有關股份在香港聯合交易所有限公司(「香港聯交所」)主板上市。本公司註冊辦事處及主要營業地點地址披露於年報「公司資料」一節。本公司及其附屬公司(統稱「本集團」)在中國從事醫院經營及提供醫院管理服務。有關本公司附屬公司的詳情載於附註32。

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司功能貨幣。

2. 集團重組及財務資料呈列基準

於過往，根據王君揚先生、王愛慈女士、王愛勤女士及陳旺枝先生(彼等均為近親家庭成員，統稱「控股股東」)間的一致行動安排，控股股東透過其投資控股公司(即東莞市康華投資集團有限公司(「康華集團」)、東莞市興業集團有限公司(「興業集團」)、東莞市興達物業投資有限公司(「興達物業」)及東莞市同力實業有限公司(「同力實業」))控制本公司、康華醫院及仁康醫院。

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綜合財務報表附註

For year ended 31 December 2016

截至2016年12月31日止年度

2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF FINANCIAL INFORMATION (Cont'd)

In preparation for the listing of the Company's shares on the Hong Kong Stock Exchange, the entities now comprising the Group underwent the group reorganisation (the "Group Reorganisation") to enable the Company to become the holding company of the Group which involves the principle steps of the Group Reorganisation as follows:

- (1) On 8 September 2015, Kanghua Group, Xingye Group and Xingda Property transferred their equity interests in Kanghua Hospital to the Company at a total cash consideration of RMB212.5 million. The consideration of each of the transfers was determined with reference to the then registered capital of Kanghua Hospital.

Following to the above changes, Kanghua Hospital became a wholly-owned subsidiary of the Company.

On the same date, Tongli Enterprise transferred 57% of its equity interest in Renkang Hospital to the Company at a cash consideration of RMB34.2 million. The consideration of the transfer was determined with reference to the then registered capital of Renkang Hospital.

Following to the above changes, Renkang Hospital became a non-wholly owned subsidiary of the Company.

2. 集團重組及財務資料呈列基準 (續)

於籌備本公司股份於香港聯交所上市過程中，現時組成本集團的實體進行集團重組（「集團重組」），以令本公司成為本集團控股公司，所涉集團重組主要步驟如下：

- (1) 於二零一五年九月八日，康華集團、興業集團及興達物業以現金總代價人民幣212.5百萬元向本公司轉讓其於康華醫院的股權。各轉讓代價經參考康華醫院當時的註冊資本釐定。

上述變動後，康華醫院成為本公司全資附屬公司。

同日，同力實業以現金代價人民幣34.2百萬元向本公司轉讓其於仁康醫院的57%股權。有關轉讓的代價乃經參考仁康醫院當時註冊資本而釐定。

上述變動後，仁康醫院成為本公司非全資附屬公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2016

截至2016年12月31日止年度

2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF FINANCIAL INFORMATION (Cont'd)

- (2) On 18 September 2015, Kanghua Group, together with Xingye Group and Xingda Property, contributed a total of RMB246.7 million in cash into the Company. Out of the RMB246.7 million, RMB140.0 million was contributed in the form of a registered capital increase and RMB106.7 million was contributed to the Company's capital reserve. As a result of capital contribution, the Company increased its registered share capital from RMB60.0 million to RMB200.0 million, which was held as to 70% by Kanghua Group, as to 20% by Xingye Group, and as to 10% by Xingda Property.
- (3) On 21 September 2015, (i) Xingye Group transferred 9% of its equity interest in the Company to Kanghua Group at a consideration of RMB27.603 million; and (ii) Xingye Group transferred 1% of its equity interest in the Company to Xingda Property at a consideration of RMB3.067 million. As a result of the transfers, the Company was held as to 79% by Kanghua Group, as to 11% by Xingda Property and as to 10% by Xingye Group.
- (4) On 30 December 2015, the Company was converted into a joint stock limited company under the PRC Company Law, with a registered share capital of RMB250.0 million, divided into 250,000,000 ordinary shares of nominal value of RMB1.00 each, all of which were fully paid up. Upon completion of the conversion, Kanghua Group, Xingda Property and Xingye Group held 197,500,000, 27,500,000 and 25,000,000 ordinary shares, representing approximately 79%, 11% and 10% of the then equity interest in the Company, respectively.

2. 集團重組及財務資料呈列基準 (續)

- (2) 於二零一五年九月十八日，康華集團連同興業集團及興達物業以現金向本公司出資合共人民幣246.7百萬元。人民幣246.7百萬元中，人民幣140.0百萬元以增加註冊資本的形式出資，而人民幣106.7百萬元注入本公司資本儲備。由於注資，本公司的註冊股本由人民幣60.0百萬元增至人民幣200.0百萬元，由康華集團、興業集團及興達物業分別持有70%、20%及10%。
- (3) 於二零一五年九月二十一日，(i) 興業集團以代價人民幣27.603百萬元轉讓其於本公司的9%股權予康華集團；及(ii) 興業集團以代價人民幣3.067百萬元轉讓其於本公司的1%股權予興達物業。轉讓致令本公司由康華集團、興達物業及興業集團分別持有79%、11%及10%。
- (4) 於二零一五年十二月三十日，本公司根據中國公司法改制為股份有限公司，註冊股本為人民幣250.0百萬元，分為250,000,000股每股面值人民幣1.00元的悉數繳足普通股。改制完成後，康華集團、興達物業及興業集團分別持有197,500,000股、27,500,000股及25,000,000股普通股，分別約佔本公司當時股權的79%、11%及10%。

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綜合財務報表附註

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2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF FINANCIAL INFORMATION (Cont'd)

Pursuant to the Group Reorganisation detailed above, the Company became the holding company of the companies now comprising the Group in September 2015 and the Controlling Shareholders are the ultimate controlling shareholders through their investment holding companies, namely Kanghua Group, Xingye Group and Xingda Property. The Company and its subsidiaries have been under the common control of the Controlling Shareholders. The Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the financial information for the year ended 31 December 2015 has been prepared using the principles of merger accounting on the basis as if the Company had always been the holding company of the Group.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2015 include the results, changes in equity and cash flows of the companies now comprising the Group, as if the Company had always been the holding company of the Group and the current group structure had been in existence throughout the year ended 31 December 2015.

2. 集團重組及財務資料呈列基準 (續)

根據上文詳述的集團重組，本公司於二零一五年九月成為現時組成本集團的公司的控股公司，而控股股東透過其投資控股公司康華集團、興業集團及興達物業而為最終控股股東。本公司及其附屬公司一直由控股股東共同控制。因集團重組而產生的本集團被視作持續經營實體。因此，截至二零一五年十二月三十一日止年度之財務資料乃基於本公司一直為本集團控股公司的假設使用合併會計原則編製。

綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表包括現時組成本集團的公司於截至二零一五年十二月三十一日止年度的業績、權益變動及現金流量，猶如於截至二零一五年十二月三十一日止年度本公司一直為本集團的控股公司及現有集團架構一直存續。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2016

截至2016年12月31日止年度

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

The Group has consistently adopted all IFRSs issued by the International Accounting Standards Board (“IASB”) which are effective for annual periods beginning on 1 January 2016 for both current and prior years.

New and amendments to IFRSs and interpretation in issue but not yet effective

The Group has not applied the following new and amendments to IFRSs and interpretation that have been issued but are not yet effective:

IFRS 9

國際財務報告準則第9號

IFRS 15

國際財務報告準則第15號

IFRS 16

國際財務報告準則第16號

IFRIC 22

國際財務報告詮釋委員會詮釋第22號

Amendments to IAS 7

國際會計準則第7號(修訂本)

Amendments to IAS 12

國際會計準則第12號(修訂本)

Amendments to IAS 40

國際財務報告準則第40號(修訂本)

Amendments to IFRS 2

國際財務報告準則第2號(修訂本)

Amendments to IFRS 4

國際財務報告準則第4號(修訂本)

Amendments to IFRS 10 and IAS 28

國際財務報告準則第10號及國際會計準則第28號(修訂本)

Amendments to IFRSs

國際財務報告準則(修訂本)

3. 應用新訂和經修訂的國際財務報告準則(「國際財務報告準則」)

本集團已持續於目前及過往年度採納國際會計準則委員會(「國際會計準則委員會」)頒佈、於二零一六年一月一日開始的年度期間生效的所有國際財務報告準則。

已頒佈但尚未生效的新訂和經修訂國際財務報告準則

本集團尚未應用下列已頒佈但尚未生效的新訂和經修訂國際財務報告準則：

Financial Instruments²

金融工具²

Revenue from contracts with Customers

and the related Amendments²

客戶合約收益及相關修訂²

Leases³

租賃³

Foreign Currency Transactions and Advance Consideration²

外幣交易及預付代價²

Disclosure Initiative¹

披露計劃¹

Recognition of Deferred Tax Assets for Unrealised Losses¹

就未變現虧損確認遞延稅項資產¹

Transfer of Investment Property²

轉讓投資物業²

Classification and Measurement of

Share-based Payment Transactions²

股份為基礎付款交易的分類及計量²

Applying IFRS 9 Financial Instruments with

IFRS 4 Insurance Contracts²

應用國際財務報告準則第9號金融工具與

國際財務報告準則第4號保險合約²

Sale or Contribution of Assets between an Investor

and its Associate or Joint Venture⁴

投資者與其聯營公司或合營企業之間的資產出售或注資⁴

Annual Improvements to IFRS Standards 2014-2016 Cycle⁵

國際財務報告準則二零一四年至二零一六年週期的年度改進⁵

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Cont’d)

New and amendments to IFRSs and interpretation in issue but not yet effective (Cont’d)

- ¹ Effective for annual periods beginning on or after 1 January 2017
- ² Effective for annual periods beginning on or after 1 January 2018
- ³ Effective for annual periods beginning on or after 1 January 2019
- ⁴ Effective for annual periods beginning on or after a date to be determined
- ⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

3. 應用新訂和經修訂的國際財務報告準則(「國際財務報告準則」)(續)

已頒佈但尚未生效的新訂和經修訂國際財務報告準則(續)

- ¹ 於二零一七年一月一日或之後開始的年度期間生效
- ² 於二零一八年一月一日或之後開始的年度期間生效
- ³ 於二零一九年一月一日或之後開始的年度期間生效
- ⁴ 於將確定的日期或之後開始的年度期間生效
- ⁵ 於二零一七年一月一日或二零一八年一月一日(如適用)或之後開始的年度期間生效

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Cont’d)

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of IFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

3. 應用新訂和經修訂的國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則第9號金融工具

國際財務報告準則第9號引入就金融資產、金融負債、一般對沖會計法及金融資產減值要求之分類及計量的新規定。

與本集團有關之國際財務報告準則第9號之主要規定載列如下：

- 屬於國際財務報告準則第9號範圍內的所有已確認金融資產，其後均按攤銷成本或公平值計量。具體而言，以收取合約現金流為目標的業務模式持有的債務投資，且合約現金流僅為支付本金及尚未償還本金利息，則一般於其後會計期間結束時按攤銷成本計量。以同時收取合約現金流及出售金融資產為目標的業務模式而持有的債務工具，以及合約條款令於特定日期產生的現金流僅為支付本金及尚未償還本金的利息的債務工具，一般按透過其他全面收益按公平值列賬(「透過其他全面收益按公平值列賬」)的方式計量。所有其他債務投資及股本投資於其後會計期間結束時按其公平值計量。此外，根據國際財務報告準則第9號，實體可不可撤回的選擇於其他全面收益內呈列股本投資(並非持作買賣)公平值的其後變動，而股息收入則一般僅於損益內確認。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Cont’d)

IFRS 9 Financial Instruments (Cont’d)

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39 *Financial Instruments: Recognition and Measurement*. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the application of IFRS 9 in the future may have an impact on amounts reported in respect of the Group’s financial assets in relation to the impairment assessment on receivables, with the potential early recognition of credit losses based on the expected loss model in relation to the Group’s financial assets measured at amortised costs. However, it is not practicable to provide a reasonable estimate of the effect until the directors of the Company have performed a detailed review. Except for abovementioned, the directors of the Company anticipate that the adoption of IFRS 9 in the future will not have other significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities based on an analysis of the Group’s financial instruments as at 31 December 2016.

3. 應用新訂和經修訂的國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則第9號金融工具(續)

- 關於金融資產減值，國際財務報告準則第9號金融工具：確認及計量規定按一項預期信貸虧損模式，而非根據國際會計準則第39號按一項已發生的信貸虧損模式。該預期信貸虧損模式規定一個實體須就其預期信貸虧損及該等預期信貸虧損之變動在每個報告日期入賬，以反映自初始確認時信貸風險之變動。換句話說，現已不再需要對之前發生的信用事件確認信貸虧損。

本公司董事預期，日後應用國際財務報告準則第9號可能對本集團有關應收款項減值評估的金融資產所呈報金額造成影響，基於預期虧損模式可能導致提早確認按攤銷成本計量的金融資產之信貸虧損。然而，直至本公司完成詳盡審閱前，對影響作出合理估計並不可行。除上述者外，本公司董事預期，基於本集團於二零一六年十二月三十一日的金融工具分析，日後採納國際財務報告準則第9號將不會對本集團金融資產及金融負債所呈報金額造成其他重大影響。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Cont’d)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

3. 應用新訂和經修訂的國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則第15號客戶合約收益

國際財務報告準則第15號，確立單一全面的模式，以供實體對來自客戶合約的收益入賬時使用。國際財務報告準則第15號在生效後，將取代現時的收益確認指引，包括國際會計準則第18號「收益」、國際會計準則第11號「建築合約」及相關詮釋。

國際財務報告準則第15號的核心原則為實體所確認的收益應指明為向客戶轉移經承諾的貨品或服務，而金額為反映實體預期就交換該等貨品或服務而有權獲得的代價。具體而言，該項準則引入有關收益確認的5步模式：

第1步：識別與客戶訂立的合約

第2步：識別合約內的履約責任

第3步：釐定交易價格

第4步：將交易價格分配至合約內的履約責任

第5步：於或當實體達成履約責任時確認收益

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Cont’d)

IFRS 15 Revenue from Contracts with Customers (Cont’d)

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of IFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of IFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 *Leases* and the related interpretations when it becomes effective.

3. 應用新訂和經修訂的國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則第15號客戶合約收益(續)

根據國際財務報告準則第15號，於或當履約責任獲達成時，即當與特定履約責任相關的貨品或服務的「控制權」轉移予客戶時，實體則確認收益。國際財務報告準則第15號已加入更為明確的指引以處理特定情況。此外，國際財務報告準則第15號要求更為廣泛的披露。

於二零一六年四月，國際會計準則理事會發佈國際財務報告準則第15號之澄清，內容有關識別履約責任、當事人相對代理人的代價以及特許應用指引。

本公司董事估計，日後應用國際財務報告準則第15號可能導致更多披露，然而，本公司董事預期，於未來應用國際財務報告準則第15號將不會對本集團綜合財務報表所呈報及披露的金額產生重大影響。

國際財務報告準則第16號租賃

國際財務報告準則第16號同時為出租人及承租人引入一個用以識別租賃安排及會計處理之全面模式。國際財務報告準則第16號將於其生效時取代國際會計準則第17號租賃及相關詮釋。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Cont’d)

IFRS 16 Leases (Cont’d)

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing cash flows.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

3. 應用新訂和經修訂的國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則第16號租賃(續)

國際財務報告準則第16號根據所識別資產是否由客戶控制區分租賃及服務合約。經營租賃及融資租賃之差異自承租人會計處理中撤銷，並由承租人須就所有租賃確認使用權資產及相應負債之模式替代，惟短期租賃及低價值資產租賃則除外。

使用權資產初步乃按成本計量，其後按成本(除若干例外情況外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債按於該日尚未支付的租金現值初始計量。其後，租賃負債就(其中包括)利息及租金以及租賃修訂的影響作出調整。此外，現金流量的分類亦將受到影響，乃由於國際會計準則第17號項下經營租賃付款呈列為經營現金流量；而根據國際財務報告準則第16號，租賃負債的租金將分為本金及利息部分，並將分別呈列為融資現金流量。

與承租人會計處理相反，國際財務報告準則第16號大致轉承國際會計準則第17號之出租人會計處理規定，並繼續規定出租人將其租賃分類為經營租賃或融資租賃。

此外，國際財務報告準則第16號規定須作出全面披露。

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3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Cont’d)

IFRS 16 Leases (Cont’d)

As at 31 December 2016, the Group as lessee has non-cancellable operating lease commitments of RMB295,380,000. IAS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in note 25. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors of the Company complete a detail review.

The directors of the Company anticipate that the application of other amendments to IFRSs and the interpretation will have no material impact on the consolidated financial statements of the Group.

3. 應用新訂和經修訂的國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則第16號租賃(續)

於二零一六年十二月三十一日，本集團(作為承租人)的不可撤銷經營租賃承擔為人民幣295,380,000元。國際會計準則第17號並無規定確認該等租賃日後付款的使用權資產或負債；反而，若干資料披露於附註25為經營租賃承擔。初步評估顯示該等安排將符合國際財務報告準則第16號項下租賃的定義，因此，本集團將就所有該等租賃確認使用權資產及相應負債，惟其於應用國際財務報告準則第16號後屬低價值或短期資產則除外。此外，應用新規定可能導致上文所示計量、呈列及披露有所變動。然而，在本公司董事完成詳細審閱前，無法提供合理之財務影響估計。

本公司董事預計，應用其他新訂及經修訂國際財務報告準則將不會對本公司綜合財務報表造成重大影響。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis and in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Hong Kong Listing Rules”) and by the Hong Kong Companies Ordinance.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in the consolidated financial statements are determined on such a basis, except for leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

4. 重大會計政策

綜合財務報表乃按歷史成本基準根據國際財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則（「香港上市規則」）及香港公司條例規定的適用披露詳情。

歷史成本一般基於交換貨品及服務所提供代價的公平值計算。

公平值為市場參與者於計量日期進行的有序交易中出售資產所收取或轉讓負債所支付的價格，而不論該價格是否可直接觀察或利用其他估值法估計得出。估計一項資產或負債的公平值時，本集團計及該資產或負債的特徵，前提是市場參與者於計量日期為資產或負債定價時計及該等特徵。

該等財務資料內作計量及／或披露目的之公平值按該基準釐定，惟國際會計準則第17號租賃範圍內的租賃交易以及與公平值有相似之處但並非公平值的計量（如國際會計準則第2號存貨內的可變現淨值或國際會計準則第36號資產減值內的使用價值）等除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

4. 重大會計政策(續)

非金融資產之公平值計量乃考慮市場參與者通過使用其資產之最高及最佳用途，或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

此外，就財務報告而言，公平值計量根據公平值計量輸入數據可觀察程度及輸入數據對公平值計量的整體重要程度分類為第一級、第二級或第三級，載述如下：

- 第一級輸入數據為實體於計量日期可以取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入數據為就資產或負債可直接或間接觀察的輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

綜合入賬基準

綜合財務報表包括本公司以及本公司及其附屬公司控制的實體(包括結構實體)的財務報表。附屬公司為本集團控制的實體。本公司達成下列條件時取得控制權：

- 對投資對象行使權力；
- 因參與投資對象的業務而可或有權獲得可變回報；及
- 有能力行使其權力以影響其回報。

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of consolidation (Cont'd)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4. 重大會計政策(續)

綜合入賬基準(續)

倘事實及情況表明以上所列控制權三項要素的一項或多項有所變動，本公司重估其是否控制投資對象。

附屬公司綜合入賬於本公司取得對附屬公司的控制權時開始，並於本公司喪失對附屬公司的控制權時終止。特別是，年內收購或出售附屬公司的收入及開支自本公司取得附屬公司控制權的日期起直至本公司不再控制該附屬公司之日止於綜合損益及其他全面收益表內列賬。

損益及其他全面收益各項目乃歸屬於本公司擁有人及非控股權益。附屬公司的全面收入總額歸屬於本公司擁有人及非控股權益，即使這會使非控股權益產生虧絀結餘。

必要時，附屬公司財務報表會予以調整，以使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、權益、收入、開支及有關本集團成員公司之間交易的現金流量均於綜合入賬時悉數對銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2016

截至2016年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Merger accounting for business combination involving business under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income include the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for services provided in the normal course of business, net of discounts and related taxes.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

4. 重大會計政策(續)

涉及共同控制業務合併的合併會計法

綜合財務報表包括共同控制實體合併的合併業務的財務報表項目，猶如合併實體或業務自首次受控股股東控制之日起已綜合入賬。

合併業務的資產淨值以從控制方角度計算的現行賬面值綜合入賬。商譽或公平淨值的權益超出合併當時成本的差額將不予確認。

綜合損益及其他全面收益表包括各合併業務自最早呈報日期或合併業務首次受共同控制當日(以較短期間為準)起計的業績。

收益確認

收益按已收或應收代價的公平值計量，代表於正常業務過程中就所提供服務已收或應收的款項(扣除折讓及相關稅項)。

當收益金額能夠可靠計量；當經濟利益可能流入；及當已達至本集團各活動的下述特定準則時，確認收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2016

截至2016年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue recognition (Cont'd)

Revenue from the provision of inpatient healthcare services, outpatient healthcare services, physical examination services and hospital management services is recognised upon rendering of the relevant services.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment held for use in the provision of services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

4. 重大會計政策(續)

收益確認(續)

提供住院醫療服務、門診醫療服務、體檢服務及醫院管理服務的收益在提供相關服務時確認。

利息收入參照未償還的本金及適用實際利率，按時間基準累計，而實際利率指用以對金融資產的整個預期年期內的估計未來現金流入準確貼現至該資產於初始確認時的賬面淨值的比率。

物業、廠房及設備

為提供服務或行政管理目的而持有的物業、廠房及設備按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

用於生產、提供貨物或行政用途的在建物業以成本減任何已確認減值虧損列賬。成本包括專業費及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。有關物業完工後並達到可使用狀態時被劃分為適當類別物業、廠房及設備。當該等資產達到可用狀態時，按與其他物業資產相同的基準開始折舊。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2016

截至2016年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment (Cont'd)

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

4. 重大會計政策(續)

物業、廠房及設備(續)

折舊乃予以確認，以採用直線法於估計可使用年期內經扣減剩餘價值後撇減物業、廠房及設備項目(在建工程除外)的成本。估計可使用年期、剩餘價值及折舊法於各年末予以檢討，而估計的任何變動影響按預期基準列賬。

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或棄置物業、廠房及設備項目產生的任何損益乃按該資產的出售所得款項與賬面值之間的差額釐定，並於損益內確認。

租賃

當租賃條款將擁有權的絕大部分風險及回報轉讓予承租人時，租賃分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為出租人

經營租賃所得租金收入按相關租期以直線基準確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leasing (Cont'd)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

4. 重大會計政策(續)

租賃(續)

本集團作為承租人

經營租賃付款以直線法，按租期確認為開支。經營租賃下的或然租金在產生當期作為開支確認。

倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。優惠利益總額以直線法確認為沖減租金開支。

存貨

存貨按成本與可變現淨值的較低者列值。存貨成本以加權平均法釐定。可變現淨值指存貨的估計售價減進行銷售所需全部成本。

金融工具

集團實體成為有關工具合約條文的訂約方時，於綜合財務狀況表內確認金融資產及金融負債。

金融資產及金融負債初步以公平值計量。因收購或發行金融資產及金融負債(按公平值計入損益的金融資產或金融負債除外)而直接應佔的交易成本於初步確認時新增至金融資產或金融負債的公平值或自該等公平值中扣除(如適用)。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets

The Group's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including accounts and other receivables, amounts due from a shareholder/a related party, pledged bank deposits, restricted bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

4. 重大會計政策(續)

金融工具(續)

金融資產

本集團的金融資產分類為貸款及應收款項，而分類取決於金融資產的性質及目的，且在初步確認時確定。

實際利率法

實際利率法指於相關期間計算債務工具的攤銷成本以及分配利息收入的方法。實際利率乃於金融資產的預期年期或(如適當)更短期間內能將估計未來現金收入(包括構成實際利率不可缺少一部分的已付或已收所有費用及點數以及交易成本、其他溢價或折讓)準確貼現至初步確認時賬面淨值的利率。

債務工具按實際利息基準確認利息收入。

貸款及應收款項

貸款及應收款項為有固定或可釐定付款款額但並無於活躍市場內報價的非衍生金融資產。於初步確認後，貸款及應收款項(包括應收賬款及其他應收款項、應收一名股東／一名關聯方款項、已質押銀行存款、受限制銀行結餘及銀行結餘及現金)採用實際利息法按攤銷成本減任何已識別減值虧損計量(請參閱下文有關金融資產減值的會計政策)。

利息收入乃應用按實際利率確認，惟所確認利息極微的短期應收款項除外。

Notes to the Consolidated Financial Statements

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For year ended 31 December 2016

截至2016年12月31日止年度

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of each year. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio passed the respective credit period, observable changes in national or local economic conditions that correlate with default on receivables.

4. 重大會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項減值

於各年末評估貸款及應收款項是否有減值跡象。倘有客觀證據顯示因貸款及應收款項初步確認後發生的一項或多項事件而令估計未來現金流量受到影響，則貸款及應收款項被視為減值。

客觀減值證據可能包括：

- 發行方或交易對手方面臨重大財務困難；或
- 違約，如逾期支付或拖欠利息或本金；或
- 借款人很可能將破產或者進行財務重組。

應收款項組合的減值客觀證據包括本集團收取款項的過往經驗、組合內超過有關信用期的延遲付款數目增加、國家或當地經濟條件發生與拖欠應收款項有關的可觀察變動。

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of loans and receivables (Cont'd)

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the loans and receivables is reduced by the impairment loss directly with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

4. 重大會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項減值(續)

所確認減值虧損金額為資產賬面值與按金融資產原實際利率貼現的估計未來現金流量現值的差額。

貸款及應收款項的減值虧損直接於賬面值中扣減，惟應收賬款除外，該等款項的賬面值透過使用撥備賬扣減。撥備賬的賬面值變動於損益內確認。應收賬款在被視為不可收回時於撥備賬撇銷。先前已撇銷的款項如其後收回，則計入損益。

倘在隨後期間減值虧損數額減少，而有關減少與確認減值虧損後發生的事件有客觀聯繫，則先前已確認的減值虧損將透過損益撥回，惟該資產於減值撥回當日的賬面值不得超過未確認減值時的攤銷成本。

金融負債及股本工具

集團實體發行的金融負債及股本工具乃根據所訂立合約安排的內容及金融負債與股本工具的定義分類為金融負債或股本。

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綜合財務報表附註

For year ended 31 December 2016

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments (Cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities, including accounts and other payables, amounts due to shareholders and bank borrowings, are subsequently measured at amortised cost, using the effective interest method.

4. 重大會計政策(續)

金融工具(續)

金融負債及股本工具(續)

實際利率法

實際利率法乃計算金融負債的攤銷成本以及於有關期間內分配利息開支的一種方法。實際利率乃於金融負債的預期年期或(如適當)較短期間內將估計未來現金付款(包括構成實際利率不可缺少一部分的已付或已收所有費用以及交易成本、其他溢價或折讓)準確貼現至初步確認時的賬面淨值的利率。

利息開支按實際利息基準確認。

股本工具

股本工具是證明扣除所有負債後本集團資產剩餘權益的任何合約。集團實體發行的股本工具按已收所得款項扣除直接發行成本確認。

金融負債

金融負債(包括應付賬款及其他應付款項、應付股東款項及銀行借款)其後採用實際利率法按攤銷成本計量。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of each year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

4. 重大會計政策(續)

金融工具(續)

終止確認

僅當從資產收取現金流量的合約權利到期時，或將金融資產及該資產所有權的絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認金融資產。

於整體終止確認金融資產時，資產賬面值與已收及應收代價之間的差額於損益確認。

當及僅當本集團的責任獲解除、註銷或已屆滿時，本集團方會終止確認金融負債。終止確認金融負債的賬面值與已付及應付代價之間的差額於損益確認。

撥備

若本集團須就過往事件而承擔現時責任(法定或推定)，及本集團有可能須履行該項責任，而對責任的金額可作出可靠估計時，則會確認撥備。確認為撥備的金額為於各年末履行現時責任所需代價的最佳估計，而估計乃經考慮圍繞責任的風險及不確定性而作出。當撥備以估計履行現時責任所用現金流量計量時，其賬面值為該等現金流量的現值(倘貨幣時間價值的影響屬重大)。

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment losses

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

4. 重大會計政策(續)

減值虧損

於各報告期末，本集團檢討其資產的賬面值，以釐定有否任何跡象顯示該等資產遭受減值虧損。如有任何該等跡象，則會估計資產的可收回金額，以釐定減值虧損(如有)的程度。倘無法估計單項資產的可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。於可識別合理及一貫分配基準的情況下，企業資產亦會被分配至個別現金產生單位，否則或被分配至可合理及按一貫分配基準而識別的最小現金產生單位中。

可收回金額乃公平值減出售成本與使用價值的較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映對貨幣時間價值的當前市場評價及未來現金流量估計未經調整的資產所特有的風險。

倘估計某資產(或現金產生單位)的可收回金額低於其賬面值，該資產(或現金產生單位)的賬面值被削減至其可收回金額。減值虧損即時於損益確認。

倘減值虧損其後撥回，該資產(或現金產生單位)的賬面值將增加至可收回金額的經修訂估計，惟所增加的賬面值不得超過假設該資產(或現金產生單位)過往年度未確認減值虧損原應釐定的賬面值。減值虧損撥回即時確認為收入。

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government subsidies

Government subsidies are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government subsidies are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the subsidies are intended to compensate. Specifically, government subsidies whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

Government subsidies that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4. 重大會計政策(續)

外幣

於編製各個別集團實體之財務報表時，以實體之功能貨幣以外之貨幣(外幣)進行之交易以其分別的功能貨幣(即實體主要經營所在經濟環境之貨幣)確認。於各報告期末，以外幣列值之貨幣項目按當日之現行匯率重新換算。按公平值計值之非貨幣項目按釐定公平值該日當前匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

由結算貨幣項目及重新換算貨幣項目產生之匯兌差額於其產生之期間於損益中確認。

借貸成本

收購、建造或生產合資格資產(亦即必須耗用大量時間才可作其擬定用途或銷售的資產)的直接應佔借貸成本均撥作該等資產的成本，直至資產接近可作擬定用途或銷售時為止。特定借貸待支出用於合資格資產之前的暫時投資所賺取的投資收入於可供資本化的借貸成本中扣除。

所有其他借貸成本於其產生期間的損益內確認。

政府補貼

政府補貼直至有合理保證本集團將會符合補貼所附條件及補助金將獲收取時才予以確認。

政府補貼按本集團將擬用作補償的補貼相關成本確認為開支的期間有系統地於損益確認。具體而言，主要條件為本集團應購買、建造或以其他方式購入非流動資產的政府補貼於綜合財務狀況表中確認為遞延收入，並按有關資產的可使用年期轉撥至損益。

作為已產生的開支或損失補償而可收取或為了給予本集團即時財務支持而無日後相關成本的政府補貼在其應收取期間於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Retirement benefit costs

Payments to defined contribution retirement benefit plans, including Mandatory Provident Fund Scheme ("MPF Scheme") in Hong Kong and government-managed retirement benefit schemes in the PRC, are recognised as an expense when employees have rendered service entitling them to the contributions.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any).

4. 重大會計政策(續)

退休福利成本

界定供款退休福利計劃(包括香港強制性公積金(「強積金」)及中國政府管理的退休福利計劃)的付款於僱員已提供使其有權享受供款的服務時確認為開支。

研發支出

研究活動的支出於產生期間確認為開支。

當且僅當以下所有各項得到證明時，開發活動(或內部項目的開發階段)產生的內部無形資產應予確認：

- 完成該無形資產以使其能使用或出售，在技術上可行；
- 有完成該無形資產並使用或出售該無形資產的意圖；
- 有能力使用或出售該無形資產；
- 該無形資產如何產生很可能的未來經濟利益；
- 有足夠的技術、財務資源及其他資源支援，以完成該無形資產的開發，並使用或出售該無形資產；以及
- 歸屬於該無形資產開發階段的支出能夠可靠地計量。

內部產生的無形資產的初始確認金額是自無形資產首次滿足上述確認標準後所發生的支出的總額。如果開發支出不能確認為內部產生的無形資產，開發支出應在其發生的當期計入損益。在初始確認之後，內部產生的無形資產應以成本減累計攤銷和累計減值虧損(如有)後的餘額計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each year, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss.

4. 重大會計政策(續)

稅項

所得稅開支指當期應付稅項及遞延稅項的總和。

應付即期稅項按年內的應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣減的收支項目，亦不包括毋須課稅或不可扣減的項目，故應課稅溢利與綜合損益及其他全面收益表呈列的「除稅前溢利」不同。本集團按年末已實行或實質已實行的稅率計算即期稅項負債。

遞延稅項按綜合財務報表中資產及負債賬面值與計算應課稅溢利所採用相應稅基兩者的暫時差額確認。一般就所有應課稅暫時差額確認遞延稅項負債。倘可能有應課稅溢利可用以抵銷可動用的可扣減暫時差額，則通常就所有可扣減暫時差額確認遞延稅項資產。倘暫時差額因初步確認一項既不影響應課稅溢利亦不影響會計溢利的交易的資產及負債而產生，則有關資產及負債不予確認。

遞延稅項資產的賬面值於各年末檢討，並在可能不再有足夠應課稅溢利可收回全部或部分資產時調減。

遞延稅項資產及負債按預期清償負債或變現資產期間適用的稅率，基於各年末前已實行或實質已實行的稅率（及稅法）計量。

遞延稅項負債及資產的計量反映本集團預期於各年末收回或清算資產及負債賬面值的方式所產生的稅務影響。

即期及遞延稅項乃於損益中確認。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below) that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Control over managed hospital

During the year ended 31 December 2016, the Group entered into a hospital management agreement with an independent third party (the "Party"), pursuant to which the Group was granted management rights over Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd., an entity wholly owned by the Party (the "Managed Hospital"). Pursuant to the hospital management agreement, the Group has an option, exercisable at its absolute discretion at any time during the term of the agreement, to acquire the entire equity interest in the Managed Hospital at fair value to be determined by a professional valuer appointed by both parties at the relevant time.

5. 關鍵會計判斷及估計不確定因素的主要來源

應用本集團會計政策(載於附註4)時，本公司管理層須就未能從其他資料來源確定之資產及負債的賬面值作出判斷、估計及假設。估計及有關假設乃按過往經驗及其他視為有關之因素作出。實際結果或有別於該等估計值。

估計及有關假設乃按持續基準檢討。倘修訂僅影響當前期間，則會計估計之修訂會於修訂期間確認，倘修訂同時影響當前期間及日後期間，則修訂會於修訂期間及日後期間確認。

會計政策之應用的關鍵判斷

除該等有關估計(見下文)，以下乃本公司董事對於對本集團的綜合財務報表內確認的金額有最顯著的影響的會計政策之應用的關鍵判斷。

對所管理醫院的控制權

截至二零一六年十二月三十一日止年度，本集團與一名獨立第三方(「該名人士」)訂立管理協議，據此，本集團獲授予對重慶康華眾聯心血管病醫院有限公司(一間由該名人士全資擁有的實體，「管理醫院」)的管理權。根據醫院管理協議，本集團有權在協議期間的任何時候行使該權利，以雙方在相關時間委任的專業估值師確定的公平值，收購管理醫院的全部股權。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Critical judgement in applying accounting policies (Cont'd)

Control over managed hospital (Cont'd)

In application of the Group's accounting policies, the directors of the Company have assessed whether the Group has control over the Managed Hospital. In the view of the directors of the Company, in practice, when the Group exercises its option to purchase the equity interest in the Managed Hospital, the Group will negotiate with the Party in good faith. The directors of the Company consider that the exercise of the option will require the Party's cooperation, including allowing the Group's access to due diligence, further negotiations and entering into a sale and purchase agreement detailing the terms and conditions with reference to the then circumstances of the Managed Hospital to reach a mutually acceptable arrangement.

In addition, the Party, as the sole shareholder of the Managed Hospital, controls the shareholders' meeting of the Managed Hospital, which is the highest authority to direct the relevant activities of the Managed Hospital. The Party has ultimate control over the Managed Hospital by virtue of its rights as the sole shareholder under applicable laws and regulations (including the constitution documents of the Managed Hospital), including appointment of directors, supervisors, legal representatives and senior executives to operate, oversee and approve the day-to-day activities of the Managed Hospital (including assessing the performance of the Group in managing the Managed Hospital) and decide on significant matters concerning the Managed Hospital.

Taking into consideration of the criteria for control as set out in IFRS 10 *Consolidated Financial Statements* and all the facts and circumstances in respect of the arrangement, the directors of the Company is in the opinion that the Group does not have control over the Managed Hospital.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. 關鍵會計判斷及估計不確定因素的主要來源(續)

會計政策之應用的關鍵判斷(續)

對所管理醫院的控制權 (續)

在應用本集團的會計政策時，本公司董事對本集團是否對管理醫院具有控制權進行評估。本公司董事認為，實際上，當本集團行使其購買管理醫院股權的權利時，本集團將以真誠態度與該名人士進行談判。本公司董事認為，行使該選擇權將要求該名人士的合作，包括允許本集團進行盡職調查、進行進一步磋商，並參考當時管理醫院的情況，達成雙方可接受的安排，訂立詳述條款和條件的買賣協議。

另外，作為管理醫院的唯一股東，該名人士控制管理醫院的股東大會，即指示管理醫院相關活動的最高權力機構。根據適用的法律法規(包括管理醫院的章程文件)賦予該名人士的權利，該名人士對管理醫院具有最終控制權，包括任命董事、監事、法定代表和高級管理人員，以經營、監督並批准管理醫院的日常活動(包括評估本集團在管理醫院的管理中的表現)，並決定管理醫院的重大事項。

考慮到國際財務報告準則第10號*綜合財務報表*所載的控制準則以及有關安排的所有事實和情況，本公司董事認為本集團對管理醫院並無控制權。

估計不確定因素的主要來源

以下為於報告期末起下個財政年度內具有可能對資產及負債的賬面值造成重大調整的重大風險的有關未來的關鍵假設及於年末估計不確定因素的其他主要來源。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Estimated allowance for inventories

Inventories are valued at the lower of cost and net realisable value. The Group regularly reviews its inventory levels in order to identify slow-moving and obsolete inventories. When the Group identifies items of inventories which have a net realisable value that is lower than its carrying amount, the Group estimates the amount of write-down of inventories as allowance for inventories. If the net realisable value of inventories of the Group becomes lower than its carrying amount subsequently, additional allowance may be required. The carrying amount of inventories was approximately RMB43,226,000 (2015: RMB38,195,000) as at 31 December 2016. No impairment loss on the above amounts was recognised during the year.

Details of the Group's inventories are set out in note 17.

Estimated allowance for accounts receivables

Management regularly reviews the recoverability of accounts receivables. Allowance for these receivables is made based on evaluation of collectability and on management's judgment by reference to the estimation of the future cash flows discounted at an effective interest rate to calculate the present value. A considerable amount of judgment is required in assessing the ultimate realisation of these debtors, including their current creditworthiness. If the actual future cash flows were less than expected, additional allowance may be required. The carrying amounts of accounts receivables was approximately RMB87,036,000 (net of allowance for doubtful debts of approximately RMB4,155,000) as at 31 December 2016 (2015: carrying amount of approximately RMB70,223,000 net of allowance for doubtful debts of approximately RMB3,929,000).

Details of the Group's accounts receivables are set out in note 18.

5. 關鍵會計判斷及估計不確定因素的主要來源(續)

會計政策之應用的關鍵判斷(續)

存貨的估計撥備

存貨按成本與可變現淨值兩者較低者計價。本集團定期檢討其存貨水平，以辨別滯銷及陳舊存貨。當本集團發現存貨項目的可變現淨值低於其賬面值時，本集團估計減值存貨的數目以作出存貨撥備。倘其後本集團的存貨可變現淨值低於其賬面值，可能須計提額外撥備。於二零一六年十二月三十一日，存貨的賬面值為約人民幣43,226,000元(二零一五年：人民幣38,195,000元)。年內概無確認上述金額的減值虧損。

本集團存貨的詳情載於附註17。

應收賬款的估計撥備

管理層定期檢討應收賬款的可收回情況。該等應收款項撥備乃通過參考按實際利率計算現值的經貼現未來現金流量估計，按收回情況評估及管理層的判斷而確定。評估債務人的最終變現情況時，須作大量判斷，包括其當前的信譽情況。倘實際未來現金流量少於預期，則可能須作額外撥備。於二零一六年十二月三十一日，應收賬款的賬面值為約人民幣87,036,000元(扣除呆賬撥備約人民幣4,155,000元)(二零一五年：賬面值為約人民幣70,223,000元，扣除呆賬撥備約人民幣3,929,000元)。

本集團應收賬款的詳情載於附註18。

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綜合財務報表附註

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截至2016年12月31日止年度

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Provision for medical dispute claims

The Group may be subject to legal proceedings and claims that arise in the ordinary course of business, which primarily include medical dispute claims brought by the former patients. Provision for medical dispute claims is made based on the status of potential and active claims outstanding at the end of each year, and taking into consideration the assessment and analysis of external experts and the total claim exposure. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Based on the assessment, the provision for the certain medical dispute claims existed of approximately RMB477,000 (2015: RMB2,365,000) has been provided and included in accounts and other payables by the Group as at 31 December 2016. The situation is closely monitored by the directors of the Company and provision will be made as appropriate. Where the final actual claims are greater than expected, a material dispute claims expense may arise, which would be recognised in profit or loss for the period in which such a claim takes place.

5. 關鍵會計判斷及估計不確定因素的主要來源(續)

醫療糾紛索賠撥備

本集團可能面臨日常業務過程中產生的法律訴訟及索賠，主要包括前病人提出的醫療糾紛索賠。醫療糾紛索賠的撥備是根據每年年底潛在及未了結索賠而作出，並考慮到外聘專家的評估和分析及索賠總額。如果不可能需要經濟利益流出或無法靠估計該金額，則將之披露為或然負債，除非經濟利益流出的可能性極低。或然負債為過往事件產生的可能責任，或然負債是否存在將僅透過發生或不發生並非全部屬於本集團控制範圍內的一項或更多不確定的未來事件所確認。

根據評估，本集團於二零一六年十二月三十一日已撥備及計入應付賬款及其他應付款項的有關若干已存在的醫療糾紛索賠的撥備分別為約人民幣477,000元(二零一五年：人民幣2,365,000元)。本公司董事密切監控相關情況及將會適時作出撥備。倘最終實際索賠高於預期，則可能產生重大糾紛索賠開支，而這可能於有關索賠發生期間的損益內確認。

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6. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of hospital services and provision of hospital management services.

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of service provided. The Group's operating segments are classified as (i) Inpatient healthcare services; (ii) Outpatient healthcare services; (iii) Physical examination services and (iv) Hospital management services. The details of the Group's operating segments are as follows:

- | | |
|--------------------------------------|--|
| (i) Inpatient healthcare services: | Provision of treatment of patients who are hospitalised overnight or for an indeterminate time, usually several days or weeks, subject to the patient's conditions and recovery. |
| (ii) Outpatient healthcare services: | Provision of treatment of patients who are hospitalised for less than 24 hours. |
| (iii) Physical examination services: | Provision of clinical examination of individuals for signs of diseases and health advisory services. |
| (iv) Hospital management services: | Provision of management services to independent third-party operated hospital. |

These operating segments also represent the Group's reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

6. 收益及分部資料

本集團主要從事醫院經營及提供醫院管理服務。

為進行資源分配及評估分部表現而向本公司董事(即主要經營決策者(「主要經營決策者」))提供的資料側重於所提供服務的類型。本集團的經營部分為(i)住院醫療服務；(ii)門診醫療服務；(iii)體檢服務及(iv)醫院管理服務。本集團經營分部的詳情如下：

- | | |
|--------------|---|
| (i) 住院醫療服務： | 為過夜或不定時（一般為數天或數週，視乎病人狀況及恢復程度而定）入院的病人提供治療。 |
| (ii) 門診醫療服務： | 為入院少於24小時的病人提供治療。 |
| (iii) 體檢服務： | 為個人提供有關疾病徵兆的臨床檢驗及保健諮詢服務。 |
| (iv) 醫院管理服務： | 向獨立第三方經營的醫院提供管理服務。 |

該等經營分部亦代表本集團的可呈報分部。於釐定本集團的可呈報分部時，概無合併主要經營決策者確定的經營分部。

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6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating segments:

Year ended 31 December 2016

6. 收益及分部資料(續)

分部收益及業績

以下為按經營分部劃分的本集團收益及業績分析：

截至二零一六年十二月三十一日止年度

		Inpatient healthcare services 住院醫療 服務 RMB'000 人民幣千元	Outpatient healthcare services 門診醫療 服務 RMB'000 人民幣千元	Physical examination services 體檢服務 RMB'000 人民幣千元	Hospital management services 醫院管理 服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
					(note) (附註)	
SEGMENT REVENUE	分部收益					
External sales	外部銷售	729,168	443,763	66,298	1,161	1,240,390
Segment profit	分部溢利	123,480	136,094	36,969	368	296,911
Other income	其他收入					22,953
Other expenses, gains and losses	其他開支、收益及虧損					(4,900)
Other unallocated expenses	其他未分配開支					(109,042)
Finance costs	融資成本					(7,449)
Profit before taxation	除稅前溢利					198,473

Note: Provision of hospital management services started in 2016 only.

附註：於二零一六年開始提供醫院管理服務。

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For year ended 31 December 2016

截至2016年12月31日止年度

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment revenues and results (Cont'd)

Year ended 31 December 2015

6. 收益及分部資料(續)

分部收益及業績

截至二零一五年十二月三十一日止年度

		Inpatient healthcare services 住院醫療 服務 RMB' 000 人民幣千元	Outpatient healthcare services 門診醫療 服務 RMB' 000 人民幣千元	Physical examination services 體檢服務 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
SEGMENT REVENUE	分部收益				
External sales	外部銷售	628,045	373,265	62,392	1,063,702
Segment profit	分部溢利	93,078	110,799	35,535	239,412
Other income	其他收入				64,301
Other expenses, gains and losses	其他開支、收益及虧損				(4,085)
Other unallocated expenses	其他未分配開支				(83,657)
Finance costs	融資成本				(67,153)
Profit before taxation	除稅前溢利				148,818

There were no inter-segment sales during both years.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit represents the profit earned by each segment without allocation of other income, other expenses, gains and losses, other unallocated expenses and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

Except as disclosed above, no other amounts are regularly provided to the CODM of the Group and therefore, no further analysis is presented.

於兩個年度並無分部間銷售。

經營分部的會計政策與附註4所述本集團會計政策相同。分部溢利指各分部賺取的溢利，而並無分配其他收入、其他開支、收益及虧損、其他未分配開支及融資成本。此乃就資源分配及表現評估而呈報予本集團主要經營決策者的計量方式。

除上文所披露者外，並無其他金額定期提供予本集團主要經營決策者，故並無呈列進一步分析。

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For year ended 31 December 2016

截至2016年12月31日止年度

6. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM of the Group.

Geographical information and information about major customers

All revenue are generated in the PRC where all of the non-current assets of the Group are also located in the PRC. The Group has a highly diversified patient portfolio. No single patient contributing over 10% of the Group's total revenue during both years.

7. OTHER INCOME

6. 收益及分部資料(續)

分部資產及負債

並無呈列分部資產或分部負債分析，因為彼等並無定期提供予本集團主要經營決策者。

有關主要客戶的資料

所有收益均來自中國，而本集團所有非流動資產同樣位於中國。本集團的病人組合高度分散。並無單一病人類別於兩個年度對本集團總收益貢獻10%以上。

7. 其他收入

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Imputed interest income arising from amount due from a shareholder	應收股東款項所產生的 估算利息收入	10,584	52,847
Bank and other interest income	銀行及其他利息收入	4,452	1,498
Government subsidies (Note)	政府補貼(附註)	500	3,153
Rental income	租金收入	4,580	4,973
Others	其他	2,837	1,830
		22,953	64,301

Note: The government subsidies mainly represented the subsidies on cost incurred for research and development projects, medical related seminars and forums with no unfulfilled conditions attached. The amount for the year ended 31 December 2015 also included the release of deferred income of RMB1,000,000 which was recognised in profit or loss on a systematic basis over the useful life of the property, plant and equipment. No such releases of deferred income was noted for the year ended 31 December 2016.

附註：政府補貼主要指無附帶未達成條件的研究及開發項目、醫療相關講座及座談會產生的成本的補貼。截至二零一五年十二月三十一日止年度的金額亦包括遞延收入撥回人民幣1,000,000元，已按物業、廠房及設備的可使用年期以系統基準於損益內確認。截至二零一六年十二月三十一日止年度並無撥回遞延收入。

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8. OTHER EXPENSES, GAINS AND LOSSES

8. 其他開支、收益及虧損

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Impairment loss on accounts receivables	應收賬款減值虧損	(226)	(1,423)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	(318)	(1,383)
Net exchange gain	匯兌收益淨額	6,399	—
Listing expenses recognised in profit or loss	於損益內確認的上市開支	(10,755)	(1,279)
		(4,900)	(4,085)

9. FINANCE COSTS

9. 融資成本

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest on bank borrowings	銀行借款利息	7,449	63,796
Interest on amount due to a related party	應付一名關聯方款項利息	—	3,357
		7,449	67,153

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10. PROFIT BEFORE TAXATION

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before taxation has been arrived at after charging:	除稅前溢利經扣除下列項目後達致：		
Directors' and supervisors' remuneration (Note 11)	董事薪酬(附註11)	1,153	—
Other staff costs:	其他員工成本：		
Salaries and allowances	薪金及津貼	260,998	227,819
Retirement benefit schemes contributions	退休福利計劃供款	13,076	9,747
Total staff costs	員工總成本	275,227	237,566
Depreciation of property, plant and equipment	物業、廠房及設備折舊	41,488	38,952
Research and development expenditure	研發開支	745	709
Operating lease rentals in respect of hospitals	與醫院有關的經營租賃租金	22,906	18,199
Auditors' remuneration	核數師酬金	2,326	25
Cost of inventories recognised as expenses (representing pharmaceutical products and consumables used, included in cost of revenue)	確認為開支的存貨成本(指所用藥品及耗材，計入收益成本內)	606,510	523,381

11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS

Up to 24 December 2015, Mr. Wang Junyang was the sole director of the Company. On 25 December 2015, Mr. Chen Wangzhi, Mr. Wong Wai Hung, Simon, Ms. Wang Aiqin and Mr. Lv Yubo were appointed as directors of the Company. Mr. Chen Wangzhi is also the chief executive of the Group and his emoluments disclosed below included those for services rendered by him as the chief executive.

On 22 June 2016, Mr. Yeung Ming Lai, Dr. Chen Keji and Mr. Chan Sing Nun were appointed as the independent non-executive directors of the Company.

On 25 December 2015, Mr. Chen Shaoming, Mr. Wang Shaofeng and Mr. Wang Bingzhi were appointed as the supervisors of the Company.

10. 除稅前溢利

11. 董事，行政總裁及監事酬金

直至二零一五年十二月二十四日，王君揚先生乃本公司的唯一董事。於二零一五年十二月二十五日，陳旺枝先生、王偉雄先生、王愛勤女士及呂玉波先生獲委任為本公司董事。陳旺枝先生亦為本集團的最高行政人員，下文所披露彼の酬金包括彼作為最高行政人員所提供服務的酬金。

於二零一六年六月二十二日，楊銘澧先生、陳可冀博士及陳星能先生獲委任為本公司獨立非執行董事。

於二零一五年十二月二十五日，陳少明先生、王少鋒先生及王炳枝先生獲委任為本公司監事。

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II. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (Cont'd)

Details of the emoluments paid or payable to the directors' chief executive and supervisors of the Company are as follows:

II. 董事，行政總裁及監事酬金(續)

已付或應付本公司董事，行政總裁及監事的酬金詳情如下：

		Salaries and allowances		Retirement benefit schemes contributions	Total
		Fees	薪金及津貼	退休福利計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
For the year ended	截至二零一六年				
31 December 2016	十二月三十一日止年度				
Executive director:	執行董事：				
Mr. Wang Junyang	王君揚先生	60	—	—	60
Mr. Chen Wangzhi	陳旺枝先生	60	378	25	463
Mr. Wong Wai Hung, Simon	王偉雄先生	60	—	—	60
Ms. Wang Aiqin	王愛勤女士	60	—	—	60
Non-executive director:	非執行董事：				
Mr. Lv Yubo	呂玉波先生	—	—	—	—
Independent non-executive director:	獨立非執行董事：				
Mr. Yenng Ming Lai	楊銘澧先生	140	—	—	140
Dr. Chen Keji	陳可冀博士	140	—	—	140
Mr. Chan Sing Nun	陳星能先生	140	—	—	140
Supervisor:	監事：				
Mr. Chen Shaoming	陳少明先生	—	—	—	—
Mr. Wang Shaofeng	王少鋒先生	—	77	13	90
Mr. Wang Bingzhi	王炳枝先生	—	—	—	—
		660	455	38	1,153

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II. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (Cont'd)

II. 董事，行政總裁及監事酬金(續)

			Salaries and allowances	Retirement benefit schemes contributions	Total
		Fees 袍金	薪金及 津貼	退休福利 計劃供款	總計
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
For the year ended	截至二零一五年				
31 December 2015	十二月三十一日止年度				
Executive director:	執行董事：				
Mr. Wang Junyang	王君揚先生	—	—	—	—
Mr. Chen Wangzhi	陳旺枝先生	—	—	—	—
Mr. Wong Wai Hung, Simon	王偉雄先生	—	—	—	—
Ms. Wang Aiqin	王愛勤女士	—	—	—	—
Non-executive director:	非執行董事：				
Mr. Lv Yubo	呂玉波先生	—	—	—	—
Supervisor:	監事：				
Mr. Chen Shaoming	陳少明先生	—	—	—	—
Mr. Wang Shaofeng	王少鋒先生	—	—	—	—
Mr. Wang Bingzhi	王炳枝先生	—	—	—	—
		—	—	—	—

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

上文所示執行董事的酬金乃就其管理本公司及本集團事務提供的服務而支付。

Mr. Chen Wangzhi is the Chief Executive Officer of the Company and his emoluments disclosed above include those for service rendered by him as Chief Executive Officer.

陳旺枝先生為本公司的行政總裁，而其於上文披露的酬金涉及其作為行政總裁所提供之服務。

The independent non-executive directors' emoluments shown above were for their services as director of the Company.

上文所示獨立非執行董事的酬金乃就其作為本公司董事提供的服務而支付。

Mr. Lv Yubo has waived emoluments in acting as a non-executive director of the Company. No other director of the Company has waived or agreed to waive any emoluments during both years.

呂玉波先生已放棄作為本公司非執行董事的酬金。於兩個年度本公司無其他董事放棄或同意放棄任何酬金的安排。

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12. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, none (2015: one) of them was director of the Company for the year ended 31 December 2016 whose emoluments are included in note 11. The emoluments of the top five (2015: remaining top four) highest paid individuals are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	1,979	1,651
Performance related incentive payments	表現相關獎勵付款	3,702	1,210
Retirement benefit schemes contributions	退休福利計劃供款	38	15
		5,719	2,876

Their emoluments were within the following bands:

		Number of employees 僱員人數	
		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	3	3
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	—

During the year, no emoluments were paid by the Group to the director(s) of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

12. 僱員酬金

於本集團的五名最高薪酬人士中，截至二零一六年十二月三十一日止年度，概無人士(二零一五年：一名)為本公司董事且其酬金載於附註11。五名(二零一五年：餘下四名)最高薪酬人士的酬金如下：

彼等的酬金介乎以下範圍：

年內，本集團並無向本公司董事或五名最高薪酬人士(包括董事及僱員)支付酬金作為吸引彼等加入本集團或加入本集團時的報酬或作為離職補償。

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13. INCOME TAX EXPENSES

13. 所得稅開支

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current tax:	即期稅項：		
PRC Enterprise Income Tax ("PRC EIT")	中國企業所得稅 (「中國企業所得稅」)	47,882	25,795
Underprovision in respect of prior years	往年撥備不足	603	288
		48,485	26,083
Deferred tax (note 23)	遞延稅項(附註23)	4,301	3,771
		52,786	29,854

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory income tax rate of the Company and its PRC subsidiaries is 25% for both years.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，本公司及其中國附屬公司於兩年內的法定所得稅率為25%。

The income tax expenses for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

年內的所得稅開支可與綜合損益及其他全面收益表的除稅前溢利對賬如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	198,473	148,818
Tax at PRC EIT rate of 25%	按25%的中國企業所得稅率繳稅	49,618	37,204
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	7,125	4,951
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(4,160)	(13,213)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	—	786
Utilisation of tax losses previously not recognised	動用以往未確認稅項虧損	—	(162)
Utilisation of deductible temporary difference previously not recognised	動用過往未確認可扣減暫時差額	(400)	—
Underprovision in respect of prior years	往年撥備不足	603	288
Income tax expenses	所得稅開支	52,786	29,854

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14. DIVIDENDS

No dividend was declared or paid by the Company or its group entities during the year ended 31 December 2015.

Subsequent to the end of the reporting period, final dividend of RMB14 cents per share amounting to approximately RMB46,815,000 in aggregate has been proposed by the directors of the Company which is subject to approval by the shareholders in the forthcoming annual general meeting.

15. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

14. 股息

於截至二零一五年十二月三十一日止年度，本公司或其集團實體並無宣派或派付股息。

於報告期間結束後，本公司董事建議派發本公司的末期股息每股人民幣14分，約合共人民幣46,815,000元，須待即將舉行的股東週年大會上獲股東批准後，始可作實。

15. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利基於以下數據計算：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Earnings:	盈利：		
Profit for the year attributable to the owners of the Company for the purpose of calculating basic earnings per share	用於計算每股盈利的本公司擁有人應佔年度溢利	141,260	118,847
		2016 二零一六年	2015 二零一五年
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of basic and dilution (2015: basic) earnings per share	用於計算每股基本及攤薄（二零一五年：基本）普通股加權平均數	262,426,814	250,000,000

The number of ordinary shares for the purpose of basic earnings per share in 2015 has been adjusted retrospectively for the effect of shares issued in connection with the Group Reorganisation as set out in note 2.

The calculation of diluted earnings per share for the year ended 31 December 2016 did not assume the exercise of the over-allotment options since it is anti-dilutive.

No diluted earnings per share has been presented for the year ended 31 December 2015 since there was no potential ordinary shares in issue.

用於計算二零一五年每股基本盈利的普通股數目，已就因附註2所載集團重組而發行股份的影響進行追溯調整。

截至二零一六年十二月三十一日止年度的每股攤薄收益的計算，並無考慮超額配股權，因為其為反攤薄。

由於截至二零一五年十二月三十一日止年度並無潛在已發行普通股，故並無呈列每股攤薄虧損。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Leasehold improvement 租賃裝修 RMB' 000 人民幣千元	Medical equipment 醫療設備 RMB' 000 人民幣千元	Office equipment 辦公設備 RMB' 000 人民幣千元	Motor vehicles 汽車 RMB' 000 人民幣千元	Construction in progress 在建工程 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
COST	成本						
At 1 January 2015	於二零一五年一月一日	158,947	296,643	70,211	9,286	3,563	538,650
Additions	添置	—	24,035	10,871	471	60,802	96,179
Disposals	出售	—	(9,339)	(2,621)	(65)	—	(12,025)
Transfer	轉讓	6,175	—	—	—	(6,175)	—
At 31 December 2015	於二零一五年十二月三十一日	165,122	311,339	78,461	9,692	58,190	622,804
Additions	添置	—	30,900	5,158	1,998	42,942	80,998
Disposals	出售	—	(6,117)	(1,207)	(56)	—	(7,380)
Transfer	轉讓	1,446	—	—	—	(1,446)	—
At 31 December 2016	於二零一六年十二月三十一日	166,568	336,122	82,412	11,634	99,686	696,422
DEPRECIATION	折舊						
At 1 January 2015	於二零一五年一月一日	38,551	189,048	38,818	6,249	—	272,666
Provided for the year	年內撥備	7,768	25,687	4,814	683	—	38,952
Eliminated on disposal	出售時對銷	—	(8,990)	(1,591)	(61)	—	(10,642)
At 31 December 2015	於二零一五年十二月三十一日	46,319	205,745	42,041	6,871	—	300,976
Provided for the year	年內撥備	8,076	26,365	6,199	848	—	41,488
Eliminated on disposal	出售時對銷	—	(5,839)	(1,145)	(55)	—	(7,039)
At 31 December 2016	於二零一六年十二月三十一日	54,395	226,271	47,095	7,664	—	335,425
CARRYING VALUES	賬面值						
At 31 December 2016	於二零一六年十二月三十一日	112,173	109,851	35,317	3,970	99,686	360,997
At 31 December 2015	於二零一五年十二月三十一日	118,803	105,594	36,420	2,821	58,190	321,828

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16. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method and at the following rates per annum:

Leasehold improvement	5%
Medical equipment	10% - 20%
Office equipment	10% - 20%
Motor vehicles	20%

17. INVENTORIES

16. 物業、廠房及設備(續)

折舊採用直線法按下列年率計提撥備，以於估計可使用年期內撇銷物業、廠房及設備(在建工程除外)項目的成本減剩餘價值：

租賃裝修	5%
醫療設備	10%至20%
辦公設備	10%至20%
汽車	20%

17. 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Pharmaceutical products	藥品	28,733	29,286
Consumables and others	耗材及其他	14,493	8,909
		43,226	38,195

18. ACCOUNTS AND OTHER RECEIVABLES

18. 應收賬款及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Accounts receivables	應收賬款	87,036	70,223
Prepayments to suppliers	預付供應商款項	19,260	3,288
Loan receivables (note)	應收貸款(附註)	80,000	—
Deferred listing expenses	遞延上市開支	—	5,642
Others	其他	4,190	9,064
Total accounts and other receivables	應收賬款及其他應收款項總額	190,486	88,217

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18. ACCOUNTS AND OTHER RECEIVABLES (Cont'd)

Note: In June 2016, a wholly-owned subsidiary of the Company granted an unsecured loan of RMB50,000,000 to the Managed Hospital. In December 2016, the Group provided an unsecured loan facility of RMB50,000,000 to the Managed Hospital, of which the Managed Hospital made the first drawdown of RMB30,000,000 in the same month. The loans provided to the Managed Hospital are interest-bearing at a fixed rate of 0.42% per month and repayable within twelve months from the end of the reporting period. In January 2017, the Managed Hospital has made the second drawdown of the unsecured loan facility of RMB20,000,000.

The individual patients of the Group would usually settle payments by cash, credit cards or governments' social insurance schemes. For credit card payments, the banks will normally settle the amounts approximately 30 days after the transaction date. Payments by governments' social insurance schemes will normally be settled by the local social insurance bureau and similar government departments which are responsible for the reimbursement of medical expenses for patients who are covered by the government medical insurance schemes ranged from 30 to 90 days from the transaction date. Corporate customers will normally settle the amounts within 90 days after the transaction date by bank transfers.

The following is an aged analysis of accounts receivables, net of allowance for doubtful debts, presented based on the revenue recognition date at the end of the reporting period:

18. 應收賬款及其他應收款項(續)

附註：於二零一六年六月，本公司全資附屬公司向管理醫院給予人民幣50,000,000元的無擔保貸款。於二零一六年十二月，本集團向管理醫院提供人民幣50,000,000元的無擔保貸款額度，管理醫院同月首次提取當中人民幣30,000,000元。提供給管理醫院的貸款按照固定利率每月0.42%計息，自報告期末12個月內還本付息。二零一七年一月，管理醫院第二次提取無擔保貸款額度人民幣20,000,000元。

本集團的個人病人一般以現金、信用卡或政府社保計劃繳費，對於信用卡支付，銀行通常會在交易日期後約30天結算賬款。透過政府的社保計劃繳費，則通常須由當地社保局及負責向辦理政府醫療保險計劃的病人報銷醫療開支的類似政府部門，自交易日期起介乎30至90天內結清。公司客戶將一般於交易日期後90天內以銀行轉賬方式結算款項。

基於報告期末收益確認日期呈列的應收賬款(扣除呆賬撥備)的賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 30 days	30天以內	69,770	58,802
31 to 90 days	31至90天	11,148	2,912
91 to 180 days	91至180天	2,647	3,365
181 to 365 days	181至365天	2,351	2,112
Over 365 days	超過365天	1,120	3,032
		87,036	70,223

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18. ACCOUNTS AND OTHER RECEIVABLES (Cont'd)

The management of the Group closely monitors the credit quality of accounts receivables and considers the debts that are neither past due nor impaired to be of a good credit quality. Receivables that were neither past due nor impaired related to the customers for whom there was no history of default.

Included in the Group's accounts receivables balance are debtors with aggregate carrying amount of approximately RMB6,118,000 (2015: RMB8,509,000) as at 31 December 2016, which are past due at end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

The following is an aged analysis of accounts receivables based on the transaction date which are past due but not impaired:

18. 應收賬款及其他應收款項(續)

本集團管理層密切監控應收賬款的信用質素並將並無逾期亦無減值的債務視為良好的信用質素。既未逾期亦未減值的應收賬款與並無違約記錄的客戶有關。

本集團的應收賬款結餘包括於二零一六年十二月三十一日總賬面值分別約為人民幣6,118,000元(二零一五年：人民幣8,509,000元)的應收賬款，其於報告期末已逾期，而本集團並無就其計提減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

已逾期但未減值的應收賬款基於交易日期的賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
91 to 180 days	91 至 180 天	2,647	3,365
181 to 365 days	181 至 365 天	2,351	2,112
Over 365 days	超過 365 天	1,120	3,032
		6,118	8,509

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18. ACCOUNTS AND OTHER RECEIVABLES (Cont'd)

Movement in the allowance for doubtful debts

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At the beginning of the year	於年初	3,929	2,829
Impairment loss recognised on receivables	就應收款項確認的減值虧損	226	1,423
Amounts written off as uncollectable	因無法收回而撇銷的款項	—	(323)
At the end of the year	於年末	4,155	3,929

Included in the allowance for doubtful debts are accounts receivables which are in financial difficulties. The Group does not hold collateral over these balances.

18. 應收賬款及其他應收款項(續)

呆賬撥備變動

呆賬撥備所識別的為有財政困難的應收賬款。本集團並未就該等結餘持有抵押品。

19. AMOUNTS DUE FROM (TO) A SHAREHOLDER(S)/ A RELATED PARTY

(a) Amount due from (to) a shareholder

		Maximum amount outstanding				
		As at		during the year ended 31		
		1 January		December		
		2015		截至十二月三十一日止年度		
		於		最高未償還金額		
		2016	2015	二零一五年	2016	2015
		二零一六年	二零一五年	一月一日	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Amounts due from a shareholder	應收一名股東款項	—	490,117	1,444,100	498,728	1,457,172

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19. AMOUNTS DUE FROM (TO) A SHAREHOLDER(S)/A RELATED PARTY (Cont'd)

(a) Amount due from (to) a shareholder (Cont'd)

The amount is non-trade nature, unsecured, interest-free and repayable on demand. The amount at 31 December 2015 carries effective interest rate of 7.14% per annum.

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amounts due to shareholder:	應付股東款項：		
Xingye Group	興業集團	—	104,541
Kanghua Group	康華集團	3,179	—

The amount is non-trade nature, unsecured, interest-free and repayable on demand.

(b) Amounts due from a related party

		Maximum amount outstanding	
		As at	during the year ended 31
		1 January	December
		2015	截至十二月三十一日止年度
		於	最高未償還金額
		二零一五年	2016
		一月一日	二零一六年
		二零一五年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Amount due from a related party	應收一名關聯方款項	—	4,162
		15,205	5,928
		25,085	

The amount is non-trade nature, unsecured, interest-free and repayable on demand. The related party is Tongli Enterprise, non-controlling shareholder of Renkang Hospital.

款項為非貿易性質，無抵押，免息及須按要求償還。關聯方為仁康醫院的非控股股東同力實業。

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20. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS/ RESTRICTED BANK BALANCES

Bank balances carried interest at prevailing market rates which ranges from 0.30% to 0.455% (2015: from 0.35% to 1.265%) per annum as at 31 December 2016.

Pledged bank deposits as at 31 December 2015 represented deposits pledged to a bank to secure bank borrowings granted to the Group. The pledged bank deposits carried fixed interest rate of 3.00% per annum.

Restricted bank balances represented i) deposits required by Dongguan Social Insurance Bureau which is based on annual assessment on the medical service quality of the hospitals; such deposits will be discharged upon completion of the annual assessment; and ii) proceeds from initial public offering of the Company's H shares remitted to PRC banks, the usage of which is subject to relevant approval. The restricted bank balances carried fixed interest rate ranging from 0.30% to 0.41% (2015: 0.35%) per annum as at 31 December 2016.

20. 銀行結餘及現金／已質押銀行 存款／受限制銀行結餘

銀行結餘按市場利率計息，於二零一六年十二月三十一日，年利率介乎0.35%至0.455%(二零一五年：年利率介乎0.35%至1.265%)。

於二零一五年十二月三十一日，已質押銀行存款指為向本集團授出的銀行借款作擔保而質押予銀行的存款。已質押銀行存款分別按固定年利率3.00%計息。

受限制銀行結餘指(i)根據東莞社會保障局的規定，存款金額基於年度醫院醫療服務質素評估所釐定，該存款將於完成年度評估後解除限制，以及(ii)匯入中國的銀行須經批核用於特定用途的首次公開發售本公司H股所得款項。於二零一六年十二月三十一日，受限制銀行結餘按介乎0.30%至0.41%(二零一五年：年利率0.35%)的固定年利率計息。

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21. ACCOUNTS AND OTHER PAYABLES

21. 應付賬款及其他應付款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Accounts payables	應付賬款	274,119	296,883
Accrued expenses	應計開支	50,965	42,328
Construction payables	應付建設費	18,166	11,894
Receipt in advance	預收款項	30,924	29,112
Other tax payables	其他應付稅項	2,815	2,265
Interest payables	應付利息	—	2,320
Provision for medical dispute claims	醫療糾紛索償撥備	477	2,365
Others	其他	8,893	5,841
Other payables	其他應付款項	112,240	96,125
Total accounts and other payables	應付賬款及其他應付款項總額	386,359	393,008

The credit period of accounts payables is from 30 to 90 days from the invoice date.

應付賬款的信用期自發票日期起計介乎30至90天。

The following is an aged analysis of accounts payables based on the date of receipt of goods:

基於收貨日期的應付賬款的賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 30 days	30天以內	98,452	95,664
31 to 90 days	31至90天	79,907	80,588
91 to 180 days	91至180天	69,859	85,647
180 to 365 days	180至365天	7,459	14,560
Over 365 days	超過365天	18,442	20,424
		274,119	296,883

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21. ACCOUNTS AND OTHER PAYABLES (Cont'd)

Included in other payables is provision for medical dispute claims which the Group is involved as defendants in certain medical disputes arising from its ordinary course of business. The following is the movement in provision for medical dispute claims:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At the beginning of the year	於年初	2,365	983
Provision for the year	年內撥備	323	1,693
Utilisation of the provision	動用撥備	(2,211)	(311)
At the end of the year	於年末	477	2,365

22. BANK BORROWINGS

Secured fixed-rate bank borrowings - repayable within one year * 有抵押定息銀行借款*

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

As at 31 December 2015, bank borrowings included RMB295,000,000 which contain a repayment on demand clause.

21. 應付賬款及其他應付款項(續)

計入其他應付的醫療糾紛索償撥備，為本集團作為被告而牽涉於日常業務過程中產生的若干醫療糾紛而作出之相應撥備。以下為醫療糾紛索償撥備的變動：

22. 銀行借款

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Secured fixed-rate bank borrowings - repayable within one year *	—	341,800

* 到期款項乃以貸款協議所載計劃還款日期為基準。

截至二零一五年十二月三十一日之銀行借款，其中人民幣295,000,000元載有按要求償還條款。

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22. BANK BORROWINGS (Cont'd)

The range of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings as at 31 December 2015 are as follows:

		2015 二零一五年
Effective interest:	實際利率：	
Fixed-rate borrowings	定息借款	5.29% - 9.60%

Details of bank borrowings secured by assets held by the Group or related parties and/or guaranteed by related parties are set out below.

22. 銀行借款(續)

於二零一五年十二月三十一日，本集團借款的實際利率(亦等於合約利率)範圍如下：

由本集團或關聯方所持資產作抵押及／或由關聯方作擔保的銀行借款詳情載列如下。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Arranged in order according to portion number	按照份數順序安排		
Portion 1 (note 1)	第1份(附註1)	—	100,000
Portion 2 (note 2)	第2份(附註2)	—	100,000
Portion 3 (note 3)	第3份(附註3)	—	95,000
Portion 4 (note 4)	第4份(附註4)	—	46,800
		—	341,800

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22. BANK BORROWINGS (Cont'd)

Notes:

- (1) The portion of bank borrowings was guaranteed by the corporate guarantee from Kanghua Group and 東莞市名都家居有限公司, a company of which Mr. Wang Junyang has controlling beneficial interest, and personal guarantee by Mr. Wang Junyang and a close family member of the Controlling Shareholders. Both corporate and personal guarantees have been released during the year ended 31 December 2016 upon the repayment of bank borrowings.
- (2) The portion of bank borrowings is secured by pledge of properties and land use rights held by Tongli Enterprise, and is also guaranteed by the corporate guarantee from Tongli Enterprise and personal guarantee by Mr. Chen Wangzhi, Ms. Wang Aiqin, Ms. Wang Aici and certain non-controlling shareholders of the Renkang Hospital. The guarantees are released upon the repayment of bank borrowings during the year ended 31 December 2016.
- (3) The portion of bank borrowings is guaranteed by the corporate guarantee from Tongli Enterprise and personal guarantee by certain close family members of the Controlling Shareholders and certain non-controlling shareholders of Renkang Hospital. The guarantees are released upon the repayment of bank borrowing during the year ended 31 December 2016.
- (4) The portion of bank borrowings is secured by the pledged bank deposits of RMB50,000,000 as at 31 December 2015. The pledge are released upon repayment of the bank borrowing during the year ended 31 December 2016.

At 31 December 2016, the Group has no available unutilised short-term bank loan facilities (2015: RMB266,000,000).

22. 銀行借款(續)

附註：

- (1) 該份銀行借款以康華集團及東莞市名都家居有限公司(王君揚先生於該公司擁有控股實益權益)的企業擔保以及王君揚先生及控股股東的一名近親的個人擔保作擔保。企業及個人擔保均於償還銀行借款後於截至二零一六年十二月三十一日止年度解除。
- (2) 該份銀行借款通過質押同力實業所持有的物業及土地使用權作抵押，亦以同力實業的企業擔保以及陳旺枝先生、王愛勤女士、王愛慈女士及仁康醫院若干非控股股東的個人擔保作擔保。擔保於償還銀行借款後於截至二零一六年十二月三十一日止年度解除。
- (3) 該份銀行借款以同力實業的企業擔保以及控股股東的若干近親及仁康醫院若干非控股股東的個人擔保作擔保。擔保於償還銀行借款後於截至二零一六年十二月三十一日止年度解除。
- (4) 該份銀行借款通過二零一五年十二月三十一日的已質押銀行存款人民幣50,000,000元作抵押。質押於償還銀行借款後於截至二零一六年十二月三十一日止年度解除。

於二零一六年十二月三十一日，本集團並無未動用短期銀行貸款融資額度(二零一五年：人民幣266,000,000元)。

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23. DEFERRED TAX ASSETS

The following are the deferred tax assets recognised and movements thereon during the year:

		Tax losses	Other deductible temporary difference	Total
		稅項虧損	其他可扣減暫時差額	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	2,014	6,058	8,072
Charge to profit or loss	於損益扣除	(467)	(3,304)	(3,771)
At 31 December 2015	於二零一五年十二月三十一日	1,547	2,754	4,301
Charge to profit or loss	於損益扣除	(1,547)	(2,754)	(4,301)
At 31 December 2016	於二零一六年十二月三十一日	—	—	—

At 31 December 2016, the Group had unused tax losses of approximately RMB889,000 (2015: RMB10,601,000) available for offset against future profits. No deferred tax asset was recognised in respect of the tax losses of RMB889,000 (2015: RMB4,413,000) as realisation of the related tax benefit through the future taxable profit is not probable (2015: deferred tax asset recognised for the tax loss of approximately RMB6,188,000). The unused tax losses can be carried forward up to five years from the year in which the loss was originated, to offset future taxable profits.

At 31 December 2016, the Group has deductible temporary difference amounted to approximately RMB2,269,000 (2015: RMB14,886,000). No deferred tax asset was recognised in respect of the deductible temporary difference of RMB: 2,269,000 (2015: RMB3,872,000) due to unpredictable profit stream (2015: deferred tax asset of RMB11,014,000 had been recognised in respect of the deductible temporary difference).

23. 遞延稅項資產

以下為於年內已確認的遞延稅項資產及有關變動的情況：

於二零一六年十二月三十一日，本集團擁有未動用稅項虧損約人民幣889,000元(二零一五年：人民幣10,601,000元)，可用於抵銷未來溢利。並無就稅項虧損確認遞延稅項資產人民幣889,000元(二零一五年：人民幣4,413,000元)，因為透過未來應課稅溢利變現相關稅務優惠乃屬不可能(二零一五年：已就稅項虧損確認遞延稅項資產約人民幣6,188,000元)。未動用稅項虧損可自虧損產生年度開始最多五年內結轉，以抵銷未來應課稅溢利。

於二零一六年十二月三十一日，本集團擁有可扣減暫時差額分別約人民幣2,269,000元(二零一五年：人民幣14,886,000元)。由於不可預知的溢利來源，並無就可扣減暫時差額確認遞延稅項資產(二零一五年：已就可扣減暫時差額確認遞延稅項資產人民幣11,014,000元)。

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24. SHARE CAPITAL

The Company was established as a limited liability company in the PRC on 30 January 2002.

Details of the movements of paid-in capital/share capital of the Company are as follows:

24. 股本

本公司於二零零二年一月三十日在中國成立為有限責任公司。

本公司實繳資本／股本變動的詳情如下：

		Number of domestic shares 內資股 數目 '000 千股	Number of H shares H 股 數目 '000 千股	Paid-in capital/ share capital 實繳資本 股本 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	N/A 不適用	N/A 不適用	60,000
Capital contribution by shareholders on 18 September 2015	股東於二零一五年 九月十八日的出資	N/A 不適用	N/A 不適用	140,000
Conversion into joint stock company with limited liability (note i)	轉制為股份有限公司(附註i)	200,000	—	200,000
Issue of ordinary shares upon conversion into a joint stock company with limited liability (note i)	於轉制為股份有限公司時 發行普通股(附註i)	50,000	—	50,000
At 31 December 2015	於二零一五年十二月三十一日	250,000	—	250,000
Issue of ordinary shares upon listing (note ii)	於上市後發行普通股 (附註ii)	—	84,000	84,000
Issue of ordinary share upon exercise of over-allotment options (note iii)	於行使超額配股權後 發行普通股(附註iii)	—	394	394
At 31 December 2016	於二零一六年十二月三十一日	250,000	84,394	334,394

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24. SHARE CAPITAL (Cont'd)

Notes:

- i. The Company converted into a joint stock company with limited liability on 30 December 2015. Pursuant to the approval of shareholders and the board of directors of the Company, the Company's equity was converted into 250,000,000 ordinary shares with par value of RMB1 each issued proportionately to its existing equity owners, after capitalisation of capital reserve of RMB53,306,000 and statutory reserve of RMB26,000 and elimination of accumulated losses of RMB3,332,000, respectively. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meeting of the Company. According to the articles of the association of the Company, ordinary shares rank *pari passu* with regard to the Company's residual assets.
- ii. On 8 November 2016, upon listing on the Hong Kong Stock Exchange, the Company issued 84,000,000 H shares with par value of RMB1 each at HK\$11.60 each with net proceeds of approximately HK\$870,341,000 (equivalent to approximately RMB778,520,000).
- iii. On 1 December 2016, upon exercise of over-allotment option, the Company issued 394,000 H shares with par value of RMB1 each at HK\$11.60 each with net proceeds of approximately HK\$4,570,000 (equivalent to approximately RMB4,088,000).

24. 股本(續)

附註：

- i. 本公司於二零一五年十二月三十日轉制為股份有限公司。根據本公司股東及董事會的批准，於分別資本化人民幣53,306,000元的資本儲備及人民幣26,000元的法定儲備及對銷人民幣3,332,000元的累計虧損後，本公司的股權轉換為250,000,000股每股面值人民幣1元的普通股，並按比例發行予其現有股權持有人。普通股持有人有權收取不時宣派的股息，並享有於本公司股東大會上就每股投一票的權利。根據本公司的組織章程細則，普通股與本公司的剩餘資產享有相同權益。
- ii. 於二零一六年十一月八日，於香港聯交所上市時，本公司發行84,000,000股每股面值人民幣1元的H股，每股作價11.60港元，所得款項淨額約為870,341,000港元(相等於人民幣778,520,000元)。
- iii. 於二零一六年十二月一日，本公司行使超額配股權，發行394,000股每股面值人民幣1元的H股，每股作價11.60港元，所得款項淨額約為4,570,000港元(相等於人民幣4,088,000元)。

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25. OPERATING LEASES

The Group as lessee

As at 31 December 2016, the Group had commitments for future minimum lease payments under non-cancellable operating leases with Kanghua Group, the shareholder, and the non-controlling shareholder of Renkang Hospital which fall due as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	24,660	—
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	117,154	—
Over five years	五年以上	153,566	—
		295,380	—

Operating lease payments represent rentals payable by the Group for land and buildings used for provision of hospital services. These leases are negotiated for terms ranging from three to ten years with fixed monthly rental. None of the leases include any contingent rental.

The Group as Lessor

Property rental income earned during the year was as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Rental income	租金收入	4,580	4,973
Less: Outgoings	減：支出	—	—
		4,580	4,973

25. 經營租賃

本集團作為承租人

於二零一六年十二月三十一日，本集團根據與股東康華集團及仁康醫院非控股股東訂立的不可撤銷經營租約擁有未來最低租賃付款承擔的到期情況如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	24,660	—
In the second to fifth years inclusive	117,154	—
Over five years	153,566	—
	295,380	—

經營租賃付款指本集團就用於提供醫院服務的土地及樓宇應付的租金。經磋商，該等租賃為期三至十年不等並支付固定月租。概無租賃包括任何或然租金。

本集團作為出租人

年內賺取的物業租金收入如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Rental income	4,580	4,973
Less: Outgoings	—	—
	4,580	4,973

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25. OPERATING LEASES (Cont'd)

The Group as Lessor (Cont'd)

The properties have non-cancellable operating leases at the end of the reporting period is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	63	527
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	4	27
		67	554

The properties generate rental yield of 3% on an ongoing basis (2015: 3%) which have non-cancellable operating leases with contract terms of one to three years (2015: one to three years).

25. 經營租賃(續)

本集團作為出租人(續)

於報告期末，該等物業的不可撤銷經營租賃如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
該等物業以持續基準賺取的租金回報率為3%(二零一五年：3%)。全部持有的物業於一至三年合約期有不可撤銷經營租賃(二零一五年：一至三年)。		

26. CAPITAL COMMITMENTS

Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements

有關綜合財務報表中已訂約但未計提撥備的物業、廠房及設備的資本開支

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements	49,004	59,952

26. 資本承擔

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27. RELATED PARTY DISCLOSURES

In addition to the transactions, balances and commitments disclosed elsewhere in the consolidated financial statements, the Group had entered into the following related party transactions:

27. 關聯方披露

除綜合財務報表其他章節所披露的交易、結餘及承擔外，本集團已訂立以下關聯方交易：

Name of related companies 關聯公司名稱	Relationship 關係	Nature of transactions 交易性質	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Kanghua Group 康華集團	Shareholder 股東	Consultancy fee 諮詢費	—	800
		Rental expense 租金開支	19,741	15,008
		Interest income 利息收入	10,584	52,847
Tongli Enterprise 同力實業	Non-controlling shareholder of Renkang Hospital 仁康醫院的非控股股東	Rental expense 租金開支	3,165	3,191
		Consultancy fee 諮詢費	150	600
		Interest expenses 利息開支	—	3,357
東莞市裕恒醫藥有限公司 (note i) 東莞市裕恒醫藥有限公司 (附註i)	Company controlled by two of the Controlling Shareholders 其中兩名控股股東 控制的公司	Purchase of pharmaceuticals products 購買醫藥產品	N/A 不適用	131,764
東莞市卓眾物業管理有限公司 (formerly known as 東莞市 康華物業管理有限公司) (note ii) 東莞市卓眾物業管理有限公司 (前稱為東莞市康華 物業管理有限公司) (附註ii)	Company controlled by one of the Controlling Shareholders 由其中一名控股股東 控制的公司	Property management fee 物業管理費	7,806	10,000

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27. RELATED PARTY DISCLOSURES (Cont'd)

27. 關聯方披露(續)

Name of related companies 關聯公司名稱	Relationship 關係	Nature of transactions 交易性質	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
東莞市菁盛園林工程有限公司	Company controlled by Xingye Group	Landscape	231	555
東莞市菁盛園林工程有限公司	由興業集團控制的公司	maintenance expense 園林綠化維護開支		
東莞市東成石材有限公司	Company controlled by Xingye Group	Purchase of	672	12,177
東莞市東成石材有限公司	由興業集團控制的公司	construction materials 購買建築材料		
東莞市力盛裝飾工程有限公司 (note iii)	Company controlled by Xingye Group	Renovation work capitalised as property, plant and equipment	N/A 不適用	23,489
東莞市力盛裝飾工程有限公司 (附註iii)	由興業集團控制的公司	資本化為物業、廠房及 設備的裝飾工程		
		Maintenance expense 維護開支	N/A 不適用	1,441
東莞市海月建設發展有限公司	Company controlled by Kanghua Group	Landscape engineering and maintenance service	3,332	1,219
東莞市海月建設發展有限公司	由康華集團控制的公司	園林綠化工程及 維護服務		

Notes:

- i The entity ceased to be a related party of the Group since 18 September 2015 as the entire interest of the entity was disposed to an independent third party.
- ii The entity ceased to be a related party of the Group since 23 May 2016 as the entire interest of the entity was disposed to an independent third party.
- iii The entity ceased to be a related party of the Group since 8 December 2015 as Xingye Group has disposed its entire interest in it by that date.

附註：

- i 該實體自二零一五年九月十八日起不再為本集團的關聯方，因為該實體的全部權益出售予一名獨立第三方。
- ii 該實體自二零一六年五月二十三日起不再為本集團的關聯方，因為該實體的全部權益出售予一名獨立第三方。
- iii 該實體自二零一五年十二月八日起不再為本集團的關聯方，因為興業集團於該日期前出售其於該實體的全部權益。

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27. RELATED PARTY DISCLOSURES (Cont'd)

Other than those disclosed above, certain subsidiaries of the Group had provided staff healthcare services to companies controlled by the Controlling Shareholders and the corresponding aggregate service fees amounted to approximately RMB100,000 (2015: RMB73,000) for the year ended 31 December 2016.

Provision of guarantees and security by the Group's directors, shareholders and related parties

Details of guarantees and securities provided by the Group's directors, shareholders and related parties are set out in note 22.

Compensation of key management personnel

Key management includes directors, supervisors and senior management. The remuneration of directors and other members of key management during the year was as follows:

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Fees	袍金	660	—
Salaries and allowances	薪金及津貼	455	851
Retirement benefit scheme contributions	退休福利計劃供款	38	18
		1,153	869

27. 關聯方披露(續)

除上文所披露者外，本集團若干附屬公司已向受控股股東控制的公司提供員工醫療服務，而相應服務費總額於截至二零一六年十二月三十一日止年度約為人民幣100,000元(二零一五年：人民幣73,000元)。

本集團董事、股東及關聯方提供擔保及抵押

有關本集團董事、股東及關聯方所提供擔保及抵押的詳情載於附註22。

主要管理人員薪酬

主要管理層包括董事、監事及高級管理層。年內，董事及主要管理層其他成員的薪酬如下：

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28. DETAILS OF NON WHOLLY-OWNED SUBSIDIARY THAT HAS MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non wholly-owned subsidiary of the Group that has material non-controlling interests at the end of each year:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及 主要經營地點	Proportion of ownership and voting rights held by non-controlling interests 非控股權益所持 擁有權及投票權比例		Profit allocated to non-controlling interest 分配至非控股權益的溢利		Accumulated non-controlling interests 累計非控股權益	
		2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
				RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Renkang Hospital 仁康醫院	PRC 中國	43%	43%	4,427	117	19,628	15,201

Summarised financial information in respect of Renkang Hospital that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

28. 擁有重大非控股權益的非全資附屬公司詳情

下表載列於各年末擁有重大非控股權益的本集團非全資附屬公司詳情：

有關擁有重大非控股權益的仁康醫院的財務資料概要載列如下。以下財務資料概要指集團內公司間對銷前的金額。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current assets	流動資產	47,892	195,187
Non-current assets	非流動資產	149,330	154,827
Current liabilities	流動負債	(151,576)	(314,663)
Equity attributable to owners of the Company	本公司擁有人應佔權益	26,018	20,150
Non-controlling interests of Renkang Hospital	仁康醫院非控股權益	19,628	15,201

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28. DETAILS OF NON WHOLLY-OWNED SUBSIDIARY THAT HAS MATERIAL NON-CONTROLLING INTERESTS (Cont'd)

28. 擁有重大非控股權益的非全資附屬公司詳情(續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收益	199,351	188,901
Other income	其他收入	669	1,314
Total expenses	總開支	(189,725)	(189,943)
Profit and total comprehensive income for the year	年內溢利及全面收入總額	10,295	272
Profit and total comprehensive income for the year attributable to:	以下各項應佔年內溢利全面收入總額：		
- the owners of the Company	— 本公司擁有人	5,868	155
- non-controlling interests	— 非控股權益	4,427	117
		10,295	272
Net cash inflow from operating activities	經營活動所得淨現金流入	22,234	41,413
Net cash inflow (outflow) from investing activities	投資活動所得淨現金流入(流出)	138,782	(66,836)
Net cash (outflow) inflow from financing activities	融資活動所得淨現金(流出)流入	(160,758)	34,151
Net cash inflow	淨現金流入	258	8,728

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29. CONTINGENT LIABILITIES

The Group is involved as defendants in certain medical disputes arising from its normal business operations.

Except for those disputes with provision made as disclosed in note 21, the management of the Group believes that the final result of other medical disputes with total claims of RMB11,254,000 (2015: RMB9,946,000) as at 31 December 2016 will not have a material impact on the financial position or operations of the Group and the amount of outflow, if any, cannot be determined with sufficient reliability prior to judicial appraisals. Accordingly, no provision is made in this regard.

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which include bank borrowings and amounts due to shareholders disclosed in notes 22 and 19 respectively, net of cash and cash equivalents and equity attributable to owner of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost and the risks associates with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

29. 或然負債

本集團作為被告牽涉於其一般業務營運中產生的若干醫療糾紛。

除附註21所披露就此等糾紛作出的撥備外，本集團管理層相信於二零一六年十二月三十一日，涉及人民幣11,254,000元(二零一五年：人民幣9,946,000元)的其他醫療糾紛的最終結果將不會對本集團的財務狀況或營運造成重大影響，而流出金額(如有)無法於司法鑒定前充分可靠地釐定。因此，本集團並無就此作出撥備。

30. 資本風險管理

本集團管理其資本以確保本集團內的實體將能持續經營，同時透過優化債務及股本平衡盡可能提高股東回報。本集團的整體策略自去年保持不變。

本集團的資本架構包括債務，債務包括分別於附註22及19披露的銀行借款及應付股東款項(扣除現金及現金等價物)以及本公司擁有人應佔權益(包括股本及儲備)。

本公司董事定期檢討資本架構。作為該檢討的一部分，本公司董事考慮各類資本相關的成本及風險。根據本公司董事的推薦意見，本集團將透過支付股息、發行新股以及發行新債務或贖回現有債務平衡其整體資本架構。

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31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	1,142,403	722,793
Financial liabilities	金融負債		
Amortised cost	攤銷成本	324,399	784,626

(b) Financial risk management objectives and policies

The Group's major financial instruments include accounts and other receivables, amount(s) due from a shareholder/a related party, bank balances and cash, restricted bank balances, pledged bank deposits, accounts and other payables, amounts due to shareholders and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Market risk

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to bank balances (see note 20) due to the fluctuation of the prevailing market interest rate.

31. 金融工具

(a) 金融工具的類別

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	1,142,403	722,793
Financial liabilities	金融負債		
Amortised cost	攤銷成本	324,399	784,626

(b) 金融風險管理目標及政策

本集團的主要金融工具包括應收賬款及其他應收款項、應收一名股東／一家關聯方款項、銀行結餘及現金、受限制銀行結餘、已質押銀行存款、應付賬款及其他應付款項、應付股東款項及銀行借款。該等金融工具的詳情披露於各自附註。該等金融工具的若干相關風險及有關如何減少該等風險的政策載列如下。管理層管理及監控該等風險敞口，確保及時有效實施適當措施。

(i) 市場風險

利率風險

由於現行市場利率波動，本集團面對與銀行結餘及浮息銀行借款(請參閱附註20)有關的現金流量利率風險。

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31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) *Market risk* (Cont'd)

Interest rate risk (Cont'd)

The Group is also exposed to fair value interest rate risk in relation to loan receivables, pledged bank deposits, restricted bank balances and fixed-rate bank borrowings (see notes 18, 20 and 22 for details).

In order to mitigate the interest rate risk, the Group adopts a policy of maintaining an appropriate mix of fixed and floating rate borrowings which is achieved primarily through the contractual terms of borrowings. The position is regularly monitored and evaluated by reference of anticipated changes in market interest rate. The Group did not use any interest rate swap to hedge its interest rate risk during the year.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(i) *市場風險* (續)

利率風險 (續)

本集團亦面對與應收貸款、已質押銀行存款、受限制銀行結餘及定息銀行借款有關的公平值利率風險(詳情請參閱附註18、20及22)。

為降低利率風險，本集團已採取政策，主要通過訂立不同合約限期的借款，保持定息及浮息借款的適當組合。其狀況乃定期監察，並按市場利率的預期變動進行評估。本集團不會於年內利用任何利率掉期對沖其利率風險。

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31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Market risk (Cont'd)

Interest rate risk (Cont'd)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank balances. The analysis is prepared assuming that the amount of assets outstanding at the end of the year were outstanding for the whole year. 50 basis points increase or decrease represent the management's assessment of the reasonable possible change in interest rates of bank deposits.

If the interest rates had been 50 basis points higher/lower and all other variables were held constant, the potential effect on the Group's post-tax profit for the year ended 31 December 2016 would increase/decrease by approximately RMB4,457,000 (2015: RMB350,000).

Foreign currency risk

The Group's exposure to currency risk attributable to monetary assets and liabilities (other receivables, other payables and bank balances), which are denominated in currencies other than the functional currency of the entity to which they related. The Group considers its foreign currency exposure is mainly arising from the exposure of RMB against HK\$.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(i) 市場風險(續)

利率風險(續)

敏感度分析

下述敏感度分析乃根據浮息銀行結餘的利率風險釐定。分析乃假設於年末資產餘額於整個年度尚未動用而編製。增加或減少50個基點指管理層分別對銀行存款利率的合理可能變動的評估。

倘利率增加／減少50個基點而所有其他變量保持不變，則分別對本集團於截至二零一六年十二月三十一日止年度的除稅後溢利的潛在影響減少／增加約人民幣4,457,000元(二零一五年：人民幣350,000元)。

外匯風險

本集團面臨來自以相關實體功能貨幣以外貨幣列值的貨幣資產及負債(其他應收款項、其他應付款項及銀行結餘)之貨幣風險。本集團認為，其外匯風險主要來自人民幣兌港元的敞口。

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31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Market risk (Cont'd)

Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at 31 December 2016 are as follows:

		Liabilities	Assets
		負債	資產
		2016	2016
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
HK\$	港元	3,610	768,067

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2016, if HK\$ had strengthened/weakened against RMB by 5% with all other variables held constant, profit for the year would have been higher/lower by approximately RMB28,706,000 mainly as a result of increase/decrease in net foreign exchange gains on translation of other receivables, other payables and bank balances denominated in non-functional currencies of the relevant group entities.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(i) 市場風險(續)

外匯風險(續)

於二零一六年十二月三十一日，本集團以外幣計價的貨幣資產及負債賬面值如下：

本集團目前並無外幣對沖政策。然而，管理層監察外匯風險，並將於有需要時考慮對沖重大外幣風險。

於二零一六年十二月三十一日，倘港元兌人民幣升值／貶值5%，而所有其他變數維持不變，年內溢利將增加／減少約人民幣28,706,000元，主要由於換算以相關集團實體非功能貨幣列值的其他應收款項、其他應付款項及銀行結餘之外匯收益淨額增加／減少。

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31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Market risk (Cont'd)

Foreign currency risk (Cont'd)

At 31 December 2015, the Group had no significant foreign currency risk as all the group entities' financial assets and liabilities were denominated in RMB which was also the functional currency of the relevant group entities.

(ii) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of each year in relation to each class of recognised financial assets is the carrying amount of these assets as stated in the consolidated statement of financial position of the Group.

In order to minimise the credit risk, management of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures over the customers to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each year to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(i) 市場風險(續)

外匯風險(續)

於二零一五年十二月三十一日，本集團並無重大外匯風險，因為本集團的所有金融資產及負債均以人民幣計值，人民幣亦為相關集團實體的功能貨幣。

(ii) 信貸風險

倘對手方未能履行其責任，則本集團於各年末就各類已確認金融資產面臨的最大信貸風險敞口為本集團綜合財務狀況表內所載該等資產的賬面值。

為盡可能降低信貸風險，本公司管理層已委派一個團隊負責釐定有關客戶的信貸上限、信貸審批及其他監控程序，確保採取跟進措施收回逾期債務。此外，本集團於各年末檢討各個別債務的可收回金額，確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團的信貸風險已大幅減少。

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31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Credit risk (Cont'd)

The Group does not have concentration of credit risk in relation to its accounts receivables.

The Group has concentration of credit risk in relation to its loan receivables which is due from the Managed Hospital. The directors of the Company consider that the related credit risk is limited because they regularly monitor the financial position of the Managed Hospital through involvement in its management and operations.

At 31 December 2015, the directors of the Company consider that the credit risk on amount due from a shareholder and amount due from a related party is limited because they regularly monitor the financial position of these related parties through involvement in either their management and operations. In addition, advances are only made to related parties having a good financial standing.

Other than the concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings and amount due from a shareholder and amount due from a related company, the Group does not have any other significant concentration of credit risk, with exposure spread over a number of counterparties.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(ii) 信貸風險 (續)

本集團並無有關其應收賬款的信貸風險集中情況。

本集團有關應收管理醫院貸款的信貸風險集中情況。本公司董事認為，有關信貸風險有限，因為彼等通過參與管理醫院的管理及營運，定期監察彼等的財務狀況。

於二零一五年十二月三十一日，本公司董事認為，應收一名股東款項及應收一名關聯方款項的信貸風險有限，因為彼等通過參與該等關聯方的管理及營運，定期監察彼等的財務狀況。此外，彼等僅向財務狀況良好的關聯方提供墊款。

除存放在幾間高信用評級銀行的流動資金及應收一名股東款項及應收一名關聯公司款項存在集中信貸風險外，由於信貸風險分散於多名對手方，故本集團並無任何其他重大集中的信貸風險。

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31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that the undiscounted amount is derived from interest rate at the end of the reporting period.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(iii) 流動資金風險

流動資金風險管理乃由管理層最終負責，並已建立適當的流動資金風險管理框架，以符合本集團管理短期、中期及長期資金及流動資金的規定。本集團的政策為通過持續監察預測及實際現金流量，就金融資產及負債的到期狀況進行配對，從而維持充足的儲備及借款融資，管理流動資金風險。

下表詳列本集團的非衍生金融負債的餘下合約到期狀況。此表按照金融負債未貼現現金流量編製，其中以本集團須付款的最早日期為基礎。具體而言，附帶須按要求還款條款的銀行貸款會計入最早還款的組別，不論銀行選擇行使其權利的可能性。其他非衍生金融負債的到期日以協定的還款日為基礎。

表格包含利息及本金現金流量。未貼現金額則源自報告期末的利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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截至2016年12月31日止年度

31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Liquidity risk (Cont'd)

Liquidity tables

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(iii) 流動資金風險(續)

流動資金表

		Weighted average effective interest rate 加權 平均利率 %	On demand or less than 1 month 按要求或 少於1個月 RMB'000 人民幣千元	1 - 3 months 1至3個月 RMB'000 人民幣千元	3 months to 1 year 3個月 至1年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
At 31 December 2016	於二零一六年十二月三十一日						
Accounts and other payables	應付賬款及其他應付款項	—	321,220	—	—	321,220	321,220
Amount due to a shareholder	應付一名股東款項	—	3,179	—	—	3,179	3,179
			324,399	—	—	324,399	324,399
At 31 December 2015	於二零一五年十二月三十一日						
Accounts and other payables	應付賬款及其他應付款項	—	338,285	—	—	338,285	338,285
Amount due to a shareholder	應付一名股東款項	—	104,541	—	—	104,541	104,541
Bank borrowings	銀行借款						
– fixed-rate	一定息	7.18	295,000	—	50,160	345,160	341,800
			737,826	—	50,160	787,986	784,626

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2016

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31. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Liquidity risk (Cont'd)

Liquidity tables (Cont'd)

The bank loans with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 December 2015, the aggregate carrying amounts of these bank loans amounted to RMB295,000,000. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

The directors of the Company believe that the principal and interest will be repaid in accordance with the scheduled repayment dates set out in the loan agreements and the principal and interest cash outflows according to the scheduled repayment dates are set out as follows:

	Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 1 month 按要求或少 於1個月 RMB'000 人民幣千元	1-3 months 1至3個月 RMB'000 人民幣千元	3 months to 1 year 3個月至1年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
At 31 December 2015 於二零一五年十二月三十一日						
– fixed-rate 一定息	7.18	—	—	316,181	316,181	295,000

The bank loans was fully repaid during the year ended 31 December 2016.

銀行貸款已於截至二零一六年十二月三十一日止年度內悉數償還。

(c) Fair value

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

31. 金融工具(續)

(b) 金融風險管理目標及政策(續)

(iii) 流動資金風險(續)

流動資金表

附帶按要求還款條款的銀行貸款亦計入上文到期狀況分析的「按要求或少於1個月」一欄。於二零一五年十二月三十一日，該等銀行貸款的本金總額為人民幣295,000,000元。考慮到本集團的財務狀況，本公司董事認為，銀行不大可能行使其酌情權要求即時還款。

本公司董事認為，本金及利息將根據貸款協議載列的計劃還款日期償還，而根據計劃還款日期的本金及利息現金流出載列如下：

(c) 公平值

金融資產及金融負債的公平值，乃基於貼現現金流量分析根據公認定價模式釐定。

本公司董事認為，於綜合財務報表按攤銷成本入賬的金融資產及金融負債的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2016

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32. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2016 and 2015 are as follows:

32. 附屬公司資料

本公司於二零一六年及二零一五年十二月三十一日的附屬公司資料如下：

	Place and date of incorporation/ 註冊成立／ 成立地點及日期	Issued and fully paid share/ registered capital 已發行及繳足 股份／註冊資本	Attributable equity interest to the Group 本集團應佔股權		Principal activities 主要業務
Name of subsidiary 附屬公司名稱			2016 二零一六年	2015 二零一五年	
<i>Directly held</i> 直接持有					
Kanghua Hospital (Note) 康華醫院(附註)	The PRC 15 September 2005 中國 二零零五年九月十五日	Registered capital RMB250,000,000 註冊資本 人民幣 250,000,000 元	100%	100%	Operating of hospital 醫院運營
Renkang Hospital (Note) 仁康醫院(附註)	The PRC 23 August 2005 中國 二零零五年八月二十三日	Registered capital RMB60,000,000 註冊資本 人民幣 60,000,000 元	57%	57%	Operating of hospital 醫院運營
Dongguan Kanghua Healthcare Management Co., Ltd.* (Note) 東莞康華醫療管理 有限公司(附註)	The PRC 1 February 2016 中國 二零一六年二月一日	Registered capital RMB11,000,000 註冊資本 人民幣 11,000,000 元	100%	N/A 不適用	Provision of hospital management services 提供醫院管理服務
Kanghua Healthcare Management (HK) Co., Ltd. 康華醫療管理(香港) 有限公司	Hong Kong 17 May 2016 香港 二零一六年五月十七日	Ordinary shares HK\$10,000 普通股 10,000 港元	100%	N/A 不適用	Inactive 暫無業務

* English translated name is for identification purposes only.

Note: The subsidiaries are limited liability companies established in the PRC.

None of the subsidiaries had issued any debt securities at the end of the year.

附註：附屬公司為成立於中國的有限責任公司。

概無附屬公司於年末已發行任何債務證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2016

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33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

33. 本公司財務狀況表

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current asset	非流動資產		
Investment in subsidiaries	於附屬公司的投資	308,596	284,200
Current assets	流動資產		
Amount due from a subsidiary	應收一間附屬公司款項	38	21,327
Other receivables	其他應收款項	402	4,968
Restricted bank balances	受限制銀行結餘	25,017	—
Bank balances and cash	銀行結餘及現金	758,526	59
		783,983	26,354
Current liabilities	流動負債		
Other payables	其他應付款項	4,857	95
Amount due to a shareholder	應付一名股東款項	2,938	10,588
Amount due to a subsidiary	應付一間附屬公司款項	10,459	—
		18,254	10,683
Net current assets	流動資產淨值	765,729	15,671
Net assets	資產淨值	1,074,325	299,871
Capital and reserves	資本及儲備		
Share capital	股本	334,394	250,000
Reserves (Note)	儲備(附註)	739,931	49,871
Total equity	權益總額	1,074,325	299,871

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2016

截至2016年12月31日止年度

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

Note: The reserves of the Company at 31 December 2016 and 2015 are as follows:

33. 本公司財務狀況表(續)

附註：本公司於二零一六年及二零一五年十二月三十一日的儲備如下：

		Share premium 股份溢價 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Statutory reserve 法定儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	—	—	26	(3,713)	(3,687)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	—	—	—	(3,142)	(3,142)
Capital contribution from shareholders (Note 2)	股東出資(附註2)	—	106,700	—	—	106,700
Issue of ordinary shares upon conversion into a joint stock company with limited liability (Note 24)	轉制為股份有限責任公司後 發行普通股(附註24)	—	(53,306)	(26)	3,332	(50,000)
At 31 December 2015	於二零一五年十二月三十一日	—	53,394	—	(3,523)	49,871
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	—	—	—	(8,154)	(8,154)
Issue of H shares	上市發行H股	781,170	—	—	—	781,170
Cost of issuance of H shares	發行H股的成本	(86,650)	—	—	—	(86,650)
Exercise of over-allotment option	行使超額配股權	3,694	—	—	—	3,694
At 31 December 2016	於二零一六年十二月三十一日	698,214	53,394	—	(11,677)	739,931

Financial Summary

財務概要

		For the year ended 31 December 截至十二月三十一日止年度			
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
RESULTS	業績				
Revenue	收益	1,240,390	1,063,702	985,108	858,874
Profit before taxation	除稅前溢利	198,473	148,818	135,212	124,742
Income tax expenses	所得稅開支	(52,786)	(29,854)	(27,445)	(15,629)
Profit for the year	年內溢利	145,687	118,964	107,767	109,113
Attributable to:	以下人士應佔權益：				
Equity owners of the Company	本公司權益持有人	141,260	118,847	102,237	107,309
Non-controlling interests	非控股權益	4,427	117	5,530	1,804
		145,687	118,964	107,767	109,113
		As at 31 December 於十二月三十一日			
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債				
Total assets	總資產	1,595,978	1,105,920	1,885,024	1,821,598
Total liabilities	總負債	(420,935)	(859,172)	(1,746,656)	(1,738,150)
		1,175,043	246,748	138,368	83,448
Equity attributable to:	以下人士應佔權益：				
Equity owners of the Company	本公司權益持有人	1,155,415	231,547	123,284	73,894
Non-controlling interests	非控股權益	19,628	15,201	15,084	9,554
		1,175,043	246,748	138,368	83,448

Note:

- (i) The financial information set out above is prepared in accordance with International Financial Reporting Standards.
- (ii) The financial summary does not form part of the consolidated financial statements.

附註：

- (i) 上述財務資料按照國際財務報告準則編製。
- (ii) 財務概要並不構成綜合財務報表的一部份。

Articles	the articles of association of the Company, as amended, modified or supplemented from time to time
「章程」	本公司採納並不時修訂、修改或補充的公司章程
Audit Committee	the audit committee of the Board
「審核委員會」	董事會審核委員會
AGM	the annual general meeting of the Company for the year 2016 to be convened and held on 8 June 2017
「股東週年大會」	本公司將於二零一七年六月八日召開及舉行的二零一六年度股東週年大會
Board of Directors or Board	the board of Directors of the Company
「董事會」	本公司董事會
Company	Guangdong Kanghua Healthcare Co., Ltd. (廣東康華醫療股份有限公司), a joint stock limited liability company established under the laws of the PRC, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 3689)
「本公司」	廣東康華醫療股份有限公司，一家根據中國法律成立的股份有限公司，其H股於香港聯交所主板上市(股份代號：3689)
CG Code	the Corporate Governance Code contained in Appendix 14 to the Hong Kong Listing Rules
「企業管治守則」	香港上市規則附錄十四所載的《企業管治守則》
Controlling Shareholders	has the meaning ascribed under the Hong Kong Listing Rules and unless the context otherwise requires, refers to Mr. Wang Junyang, Ms. Wang Aici, Kanghua Group, Xingye Group, Mr. Chen Wangzhi, Ms. Wang Aiqin and Xingda Property as a group of Controlling Shareholders of the Company, and each of them, a “Controlling Shareholder”
「控股股東」	具香港上市規則所賦予的涵義，除非文義另有所指，指王君揚先生、王愛慈女士、康華集團、興業集團、陳旺枝先生、王愛勤女士及興達物業作為一組本公司控股股東，而彼等各自為一名「控股股東」
Director(s)	the director(s) of the Company
「董事」	本公司董事或任何一位董事
Domestic Share(s)	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
「內資股」	本公司所發行每股面值為人民幣1.00元並以人民幣認購或入賬列為繳足股款的普通股，並且是目前未在任何證券交易所上市或交易的非上市股份

Definitions

釋義

“Group” or “we” or “our” 「本集團」或「我們」	the Company and its subsidiaries 本公司及其附屬公司
Guangdong HFPC 「廣東省衛計委」	the Health and Family Planning Commission of Guangdong Province (廣東省衛生和計劃生育委員會), which was reorganised from the former Guangdong Province Department of Health (廣東省衛生廳) and Guangdong Province Population and Family Planning Commission (廣東省人口和計劃生育委員會) in October 2013 and includes its predecessor regulatory bodies for the purpose of this document 廣東省衛生和計劃生育委員會，於二零一三年十月由前身廣東省衛生廳及廣東省人口和計劃生育委員會重組成立，就本文件而言，包括該等前身監管機構
H Share(s) 「H股」	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange 本公司普通股股本中每股面值人民幣1.00元的境外上市外資普通股，將以港元認購及買賣，於香港聯交所主板上市
“HK\$” or “Hong Kong dollars” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣
Hong Kong 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
Hong Kong Listing Rules 「香港上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time 《香港聯合交易所有限公司證券上市規則》，經不時修訂、補充或修改
Hong Kong Stock Exchange 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Huaxin Building 「華心樓」	refers to the complex (華心樓) at Kanghua Hospital which was commissioned to provide VIP healthcare services 康華醫院華心樓，獲分派提供貴賓醫療服務
Kangdi Enterprise 「康帝實業」	Dongguan Kangdi Enterprise Co., Ltd. (東莞市康帝實業有限公司), a limited liability company established in the PRC on 25 July 2014 with 50% of its equity interest held by Mr. Wang Zhengren (王政仁) and 50% by Ms. Wang Keying (王可瑩), all of whom are members of the Wang Family, being cousins of Mr. Wang Junyang. Kangdi Enterprise holds a 15% equity interest in Renkang Hospital 東莞市康帝實業有限公司，一家於二零一四年七月二十五日在中國成立的有限責任公司，其股權由王政仁先生及王可瑩女士各持有50%，彼等均為王氏家族的成員及王君揚先生的堂兄弟姐妹。康帝實業於仁康醫院持有15%的股權

Kanghua Group	Dongguan Kanghua Investment Group Co., Ltd. (東莞市康華投資集團有限公司), a limited liability company established in the PRC on 29 March 2002 and one of the Controlling Shareholders holding approximately 59.06% interest in the Company. It is owned as to 97.46% by Mr. Wang Junyang and as to 2.54% by Ms. Wang Aici. Kanghua Group, Mr. Wang Junyang, Ms. Wang Aici, Xingye Group, Mr. Chen Wangzhi, Ms. Wang Aiqin and Xingda Property are acting together as a group of Controlling Shareholders
「康華集團」	東莞市康華投資集團有限公司，一家於二零零二年三月二十九日在中國成立的有限責任公司，持有本公司約59.06%權益，其分別由王君揚先生及王愛慈女士擁有97.46%及2.54%。康華集團、王君揚先生、王愛慈女士、興業集團、陳旺枝先生、王愛勤女士及興達物業作為一組控股股東一致行動
Kanghua Hospital	Dongguan Kanghua Hospital Co., Ltd. (東莞康華醫院有限公司), a limited liability company established in the PRC on 15 September 2005 and a wholly-owned subsidiary of the Company
「康華醫院」	東莞康華醫院有限公司，一家於二零零五年九月十五日在中國成立的有限責任公司，且為本公司的全資附屬公司
Kanghua Hospital Lease Agreement	the lease agreement dated 10 April 2016 entered into between Kanghua Hospital and Kanghua Group with respect to the land and buildings underlying the operations of Kanghua Hospital
「康華醫院租賃協議」	由康華醫院與康華集團就康華醫院營運相關的土地及建築物訂立的日期為二零一六年四月十日的租賃協議
Listing Date	8 November 2016, the date on which the H Shares were listed on the Main Board of the Hong Kong Stock Exchange
「上市日期」	二零一六年十一月八日，H股在香港聯交所主板上市的日期
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Hong Kong Listing Rules
「標準守則」	香港上市規則附錄十所載《上市發行人董事進行證券交易標準守則》
NHFPCC	the National Health and Family Planning Commission of the PRC (中華人民共和國衛生和計劃生育委員會), which was reorganised from the former Ministry of Health (衛生部) and the National Population and Family Planning Commission (國家人口和計劃生育委員會) in March 2013 and includes such predecessor regulatory board for the purpose of this document
「國家衛計委」	中華人民共和國衛生和計劃生育委員會，於二零一三年三月由前身衛生部及國家人口和計劃生育委員會重組成立，就本文件而言，包括該等前身監管機構
Nomination Committee	the nomination committee of the Board
「提名委員會」	董事會提名委員會
Non-Competition Undertaking	the non-competition undertaking dated 11 October 2016 provided by the Controlling Shareholders in favour of the Company
「不競爭承諾」	控股股東以本公司為受益人提供的日期為二零一六年十月十一日的不競爭承諾

Definitions

釋義

O&G 「婦產科」	obstetrics and gynaecology 婦產科
“PRC” or “China” 「中國」	the People's Republic of China 中華人民共和國
PRC Company Law	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Twelfth National People's Congress on 28 December 2013 and effective on 1 March 2014, as amended, supplemented and otherwise modified from time to time
「中國公司法」	《中華人民共和國公司法》，由第十二屆全國人民代表大會常務委員會於二零一三年十二月二十八日修訂並通過，自二零一四年三月一日起生效，經不時修訂、補充及以其他方式修改
Proposed Final Dividend	the proposed final dividend distribution plan of RMB14 cents per Share (inclusive of applicable tax) subject to the approval by the Shareholders at the AGM as described under the section headed “Dividend” on pages 45 to 46 of this annual report
「建議末期股息」	如本年報第45至46頁「股息」一節所述，建議末期股息派發計劃每股人民幣14分（含適用稅項），須股東於股東周年大會上批准後，始可作實
Prospectus 「招股章程」	the prospectus of the Company dated 27 October 2016 本公司日期為二零一六年十月二十七日的招股章程
reporting period 「報告期間」	the year ended 31 December 2016 截至二零一六年十二月三十一日止年度
Remuneration Committee 「薪酬委員會」	the remuneration committee of the Board 董事會薪酬委員會
Renkang Hospital	Dongguan Renkang Hospital Co., Ltd. (東莞仁康醫院有限公司), a limited liability company established in the PRC on 23 August 2005 with 57% of its equity interest being held by the Company, 15% by Kangdi Enterprise, 15% by Ms. Zhang Dandan and 13% by Ms. Wang Aier, respectively
「仁康醫院」	東莞仁康醫院有限公司，一家於二零零五年八月二十三日在中國成立的有限責任公司，其股權分別由本公司、康帝實業、張丹丹女士及王愛兒女士持有57%、15%、15%及13%
Renkang Hospital Lease Agreement	the lease agreement dated 10 April 2016 entered into between Renkang Hospital and Tongli Enterprise with respect to the land and buildings underlying the operations of Renkang Hospital
「仁康醫院租賃協議」	由仁康醫院與同力實業就仁康醫院營運相關的土地及建築物訂立的日期為二零一六年四月十日的租賃協議
RMB 「人民幣」	the lawful currency of the PRC 中國法定貨幣

SFO	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
「證券及期貨條例」	香港法例第571章《證券及期貨條例》(經不時修訂、補充或以其他方式修改)
Share(s)	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including the Domestic Share(s) and the H Share(s)
「股份」	本公司股本中每股面值人民幣1.00元的股份，包括內資股及H股
Shareholder(s)	holder(s) of the Share(s)
「股東」	股份持有人
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto in the Companies Ordinance (Chapter 622 of the laws of Hong Kong)
「附屬公司」	具有香港法例第622章《公司條例》賦予該詞的含義
“substantial shareholder(s)”	has the meaning ascribed thereto in the Hong Kong Listing Rules
「主要股東」	具有香港上市規則賦予該詞的含義
“Supervisor(s)”	the members of the Supervisory Committee
「監事」	監事會成員
“Supervisory Committee”	the Company's supervisory committee established pursuant to the PRC Company Law
「監事會」	本公司根據中國公司法設立的監事會
“Tongli Enterprise”	Dongguan Tongli Enterprise Co., Ltd. (東莞市同力實業有限公司), a limited liability company established in the PRC on 23 June 2003 with 43% of its equity interest being held by Ms. Wang Aiqin, 29% by Ms. Wang Aici, 15% by Ms. Zhang Dandan (張丹丹) and 13% by Ms. Wang Aier (王愛兒), respectively, all of whom are members of the Wang Family, being aunts of Mr. Wang Junyang. Pursuant to a nominee arrangement among the Wang Family, (i) Ms. Wang Aici (an aunt of Mr. Wang Junyang) agreed to hold 16% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Junyang; (ii) Ms. Wang Aiqin (an aunt of Mr. Wang Junyang and the spouse of Mr. Chen Wangzhi) agreed to hold 15% and 6.5% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Junyang and Mr. Chen Wangzhi, respectively; and (iii) Ms. Wang Aiqin agreed to hold 15% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Wencheng (王文成)
「同力實業」	東莞市同力實業有限公司，一家於二零零三年六月二十三日在中國成立的有限責任公司，其股權分別由王愛勤女士、王愛慈女士、張丹丹女士及王愛兒女士持有43%、29%、15%及13%，彼等均為王氏家族的成員及王君揚先生的姑母或姨母。根據王氏家族中的代名人安排，(i) 王愛慈女士(王君揚先生的姑母)同意代表王君揚先生持有其於同力實業16%權益；(ii) 王愛勤女士(王君揚先生的姑母及陳旺枝先生的配偶)同意代表王君揚先生及陳旺枝先生分別持有其於同力實業15%權益及6.5%權益；及(iii) 王愛勤女士同意代表王文成先生持有其於同力實業15%權益

Definitions

釋義

Wang Family	The family members of the founder of the Group, the late Mr. Wang Jincheng (王金城), including (i) his children; (ii) his siblings; (iii) the spouses of his siblings; and (iv) the children of his siblings
「王氏家族」	本集團創辦人已故王金城先生的家庭成員，包括(i)其子女；(ii)其兄弟姊妹；(iii)其兄弟姊妹的配偶；及(iv)其兄弟姊妹的子女
Xingda Property	Dongguan Xingda Property Investment Co., Ltd. (東莞市興達物業投資有限公司), a limited liability company established in the PRC on 14 December 2001 and one of the Controlling Shareholders holding approximately 8.22% interest in the Company. It is owned as to 50% each by Mr. Chen Wangzhi and Ms. Wang Aiqin. Xingda Property, Mr. Chen Wangzhi, Ms. Wang Aiqin, Mr. Wang Junyang, Ms. Wang Aici, Kanghua Group and Xingye Group are acting together as a group of Controlling Shareholders
「興達物業」	東莞市興達物業投資有限公司，一家於二零零一年十二月十四日在中國成立的有限公司，持有本公司約8.23%權益，其由陳旺枝先生及王愛勤女士各擁有50%。興達物業、陳旺枝先生、王愛勤女士、王君揚先生、王愛慈女士、康華集團及興業集團作為一組控股股東一致行動
Xingye Group	Dongguan Xingye Group Co., Ltd. (東莞市興業集團有限公司), a limited liability company established in the PRC on 15 April 1997 and one of the Controlling Shareholders holding approximately 7.48% interest in the Company. It is owned as to 80% by Mr. Wang Junyang and as to 20% by Ms. Wang Aici, respectively. Xingye Group, Mr. Wang Junyang, Ms. Wang Aici, Kanghua Group, Mr. Chen Wangzhi, Ms. Wang Aiqin and Xingda Property are acting together as a group of Controlling Shareholders
「興業集團」	東莞市興業集團有限公司，一家於一九九七年四月十五日在中國成立的有限公司及我們其中一名控股股東，持有本公司約7.48%權益，其由王君揚先生及王愛慈女士分別擁有80%及20%。興業集團、王君揚先生、王愛慈女士、康華集團、陳旺枝先生、王愛勤女士及興達物業作為一組控股股東一致行動
Zhonglian Cardiovascular Hospital	Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd. (重慶康華眾聯心血管病醫院有限公司), a limited liability company established in the PRC on 10 June 2014 and beneficially owned by Independent Third Parties. It is a hospital managed by the Group
「眾聯心血管病醫院」	重慶康華眾聯心血管病醫院有限公司，一家於二零一四年六月十日在中國成立的有限責任公司，並由獨立第三方實益擁有，是一家由本集團管理的醫院
%	percentage ratio
%	百分比比率



廣東康華醫療股份有限公司
Guangdong Kanghua Healthcare Co., Ltd.*