



# 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

2017

年報  
Annual Report



# CONTENTS

## 目錄

CORPORATE INFORMATION	公司資料	2
FINANCIAL HIGHLIGHTS	財務概覽	4
2017 MILESTONES	2017年度里程	6
THE CHIEF EXECUTIVE OFFICER'S STATEMENT	行政總裁報告	8
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論及分析	12
REPORT OF THE BOARD	董事會報告	46
REPORT OF THE SUPERVISORY COMMITTEE	監事會報告	71
CORPORATE GOVERNANCE REPORT	企業管治報告	72
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	環境、社會及管治報告	91
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT	董事、監事及高級管理層	141
INDEPENDENT AUDITOR'S REPORT	獨立核數師報告	156
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	綜合損益及其他全面收益表	163
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	綜合財務狀況表	164
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	綜合權益變動表	166
CONSOLIDATED STATEMENT OF CASH FLOWS	綜合現金流量表	167
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	綜合財務報表附註	169
FINANCIAL SUMMARY	財務概要	244
DEFINITIONS	釋義	246

# 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

楊銘灃先生

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

楊銘灃先生

#### 薪酬委員會

陳星能先生(*主席*)

王愛勤女士

楊銘灃先生

#### 提名委員會

王君揚先生(*主席*)

陳可冀醫生

楊銘灃先生

### 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號舖

### STOCK CODE

3689

### 股份代號

3689

### COMPANY'S WEBSITE

<http://www.kanghuagp.com>

### 公司網站

<http://www.kanghuagp.com>

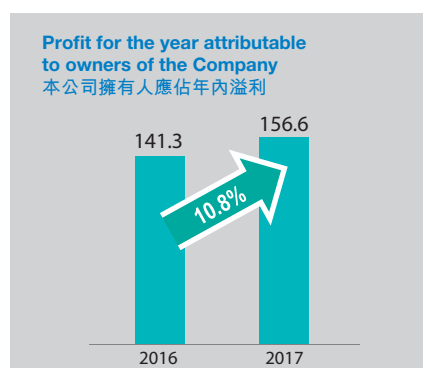
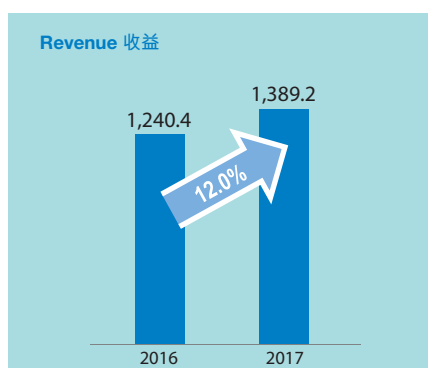
# Financial Highlights

## 財務概覽

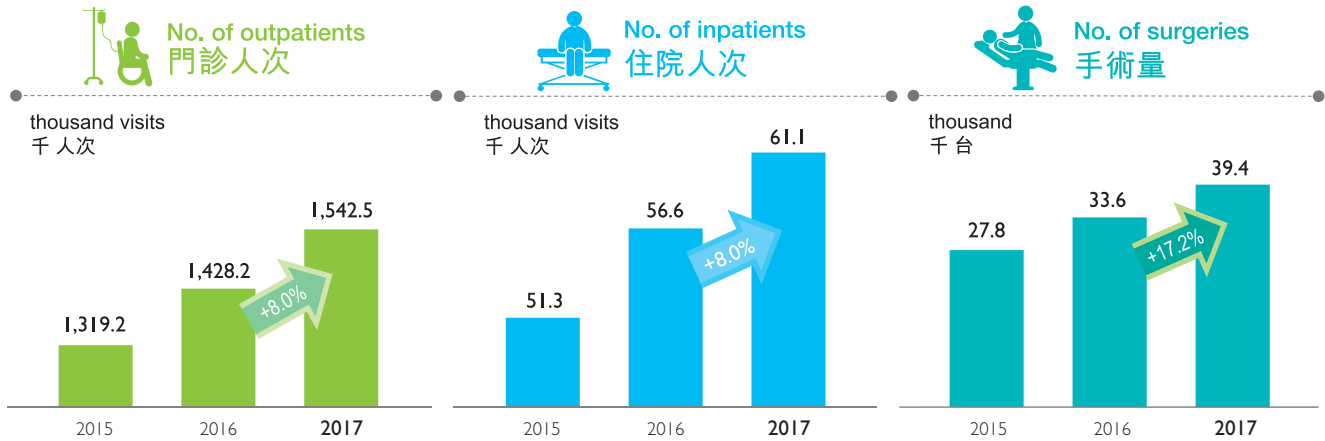
### KEY FINANCIAL PERFORMANCE 主要財務表現

		For the year ended 31 December 截至十二月三十一日止年度			
		2017 二零一七年 YoY Change 按年變動	2017 二零一七年 RMB' 000 人民幣千元	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	+12.0%	1,389,169	1,240,390	1,063,702
Gross profit	毛利	+11.4%	330,876	296,911	239,412
Gross profit margin	毛利率	-0.1b.p	23.8%	23.9%	22.5%
Profit before taxation	除稅前溢利	+9.9%	218,076	198,473	148,818
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	+10.8%	156,592	141,260	118,847
Earnings per share – basic	每股盈利 – 基本	-13.0%	46.8	53.8	47.5
Final dividend (RMB cents)	末期股息 (人民幣分)	+14.3%	16.0	14.0	N/A 不適用
Total assets	總資產	+8.5%	1,732,393	1,595,978	1,105,920
Total liabilities	總負債	+5.2%	442,994	420,935	859,172
Equity attributable to owners of the Company	本公司擁有人應佔權益	+9.5%	1,265,224	1,155,415	231,547
Net gearing ratio	淨資產負債率	N/A	—	—	138.5%

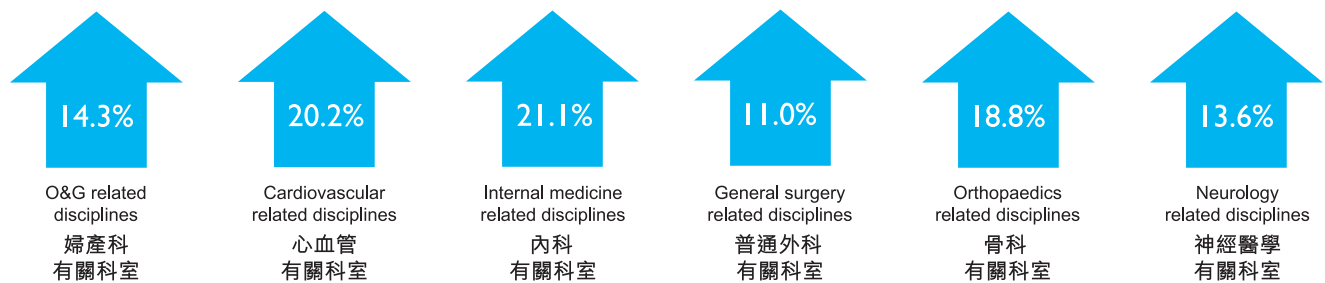
RMB million 人民幣 百萬元



### PATIENT VISITS 病人人次

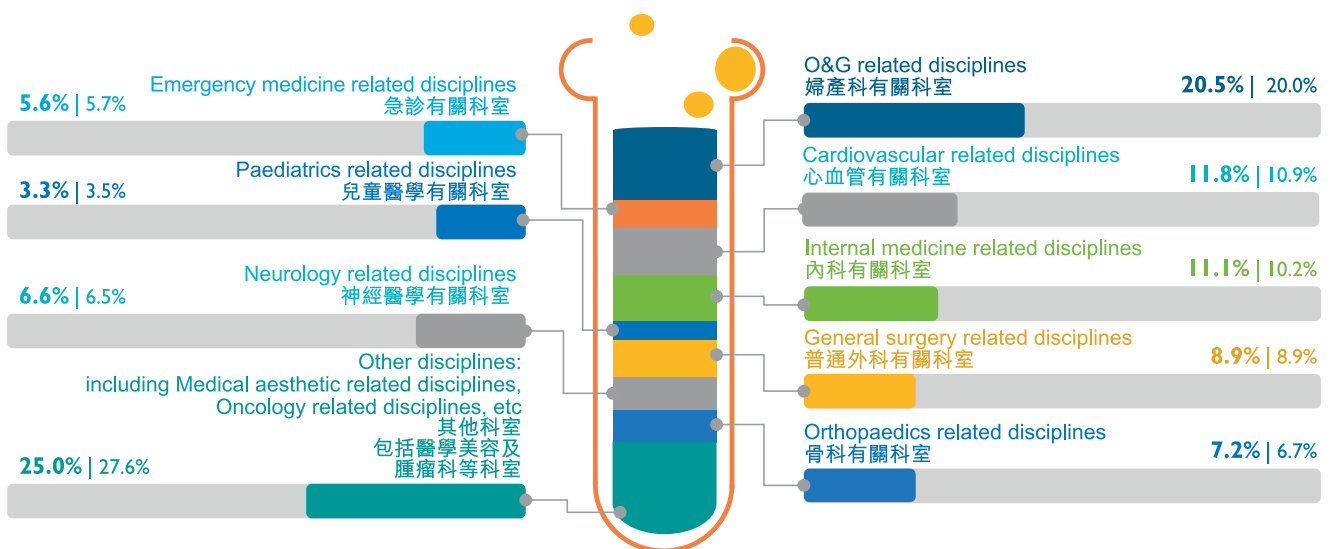


### REVENUE YOY GROWTH OF MAJOR HEALTHCARE DISCIPLINES 主要科室年內同比升幅



### REVENUE PROPORTION BY MAJOR HEALTHCARE DISCIPLINES\* 主要醫學專科收益\*

2017 | 2016



\* The amount does not include revenue from hospital management services and sales of pharmaceutical products.

\* 該金額不包括醫院管理服務及銷售藥品的收益。

## 2017 Milestones

### 2017年度里程

#### Opening of Kanghua Zhonglian Cardiovascular Hospital 康華眾聯心血管病醫院開業



The Group's first managed hospital, Kanghua Zhonglian Cardiovascular Hospital commenced operations in March 2017. It has been ramping up the level of its operations and has had a rapid increase in patient visits since commencement. The second phase of the hospital commenced construction in August 2017. In November 2017, it also became a designated hospital for medical insurance in Chongqing.

本集團管理的康華眾聯心血管病醫院於2017年3月開始投入運營。開業以來，該醫院不斷提升其運營能力，接診患者人次快速增長。2017年8月，該醫院二期項目動工建設。2017年11月，該醫院成為重慶醫療保險定點醫院。



#### Opening of Kanghua Hospital – Huawei Clinic 設立康華醫院－華為門診部



The Group established Kanghua Hospital – Huawei Clinic in 2017. The clinic is located in the Songshan Lake Science and Technology Industrial Park in Dongguan and commenced operations in August 2017. The clinic mainly provides high-quality basic outpatient services, emergency medical services and physical examination services to the staff of technology enterprises and other residents in the Songshan Lake Science and Technology Industrial Park.

本集團於2017年開設康華醫院－華為門診部，該門診部位於東莞松山湖科技產業園，於2017年8月開業，主要為松山湖科技產業園內的高新科技企業員工和其他居民提供高質量、基礎化的門診服務、急診服務及體檢服務。



## 2017 Milestones

2017年度里程

### Establishment of National Stroke Center 成立國家級卒中中心

On 29 December 2017, Kanghua hospital held the opening ceremony of its National Stroke Center. The establishment of the stroke center opened a new chapter for Kanghua Hospital's stroke treatment unit and signified its advanced medical capability in stroke treatment in the PRC, including emergency and multi-disciplinary treatments, emergency stroke treatment and implementing multi-disciplinary stroke treatments.



2017年12月29日，康華醫院舉行了國家級卒中中心的掛牌儀式。卒中中心的成立標誌著該醫院在開通急診綠色通道、建立卒中單元和開展多學科聯合診療腦卒中等方面的能力均已達全國先進水平。

### Kanghua Hospital was awarded the 2017 China Integrity Private Hospital 康華醫院獲評「2017年全國誠信民營醫院」



In November 2017, on account of Kanghua Hospital's high social credibility, advanced medical technology and strong brand influence, Kanghua Hospital stood out from 15,000 private hospitals in China and was awarded the 2017 China Integrity Private Hospital by Chinese Hospital Association.

2017年11月，康華醫院憑藉其極高的社會公信度、先進的醫療技術以及強大的品牌影響力，從全國15,000多家民營醫院中脫穎而出，被中國醫院協會評為「2017年全國誠信民營醫院」。



# The Chief Executive Officer's Statement

## 行政總裁報告



Dear Shareholders,

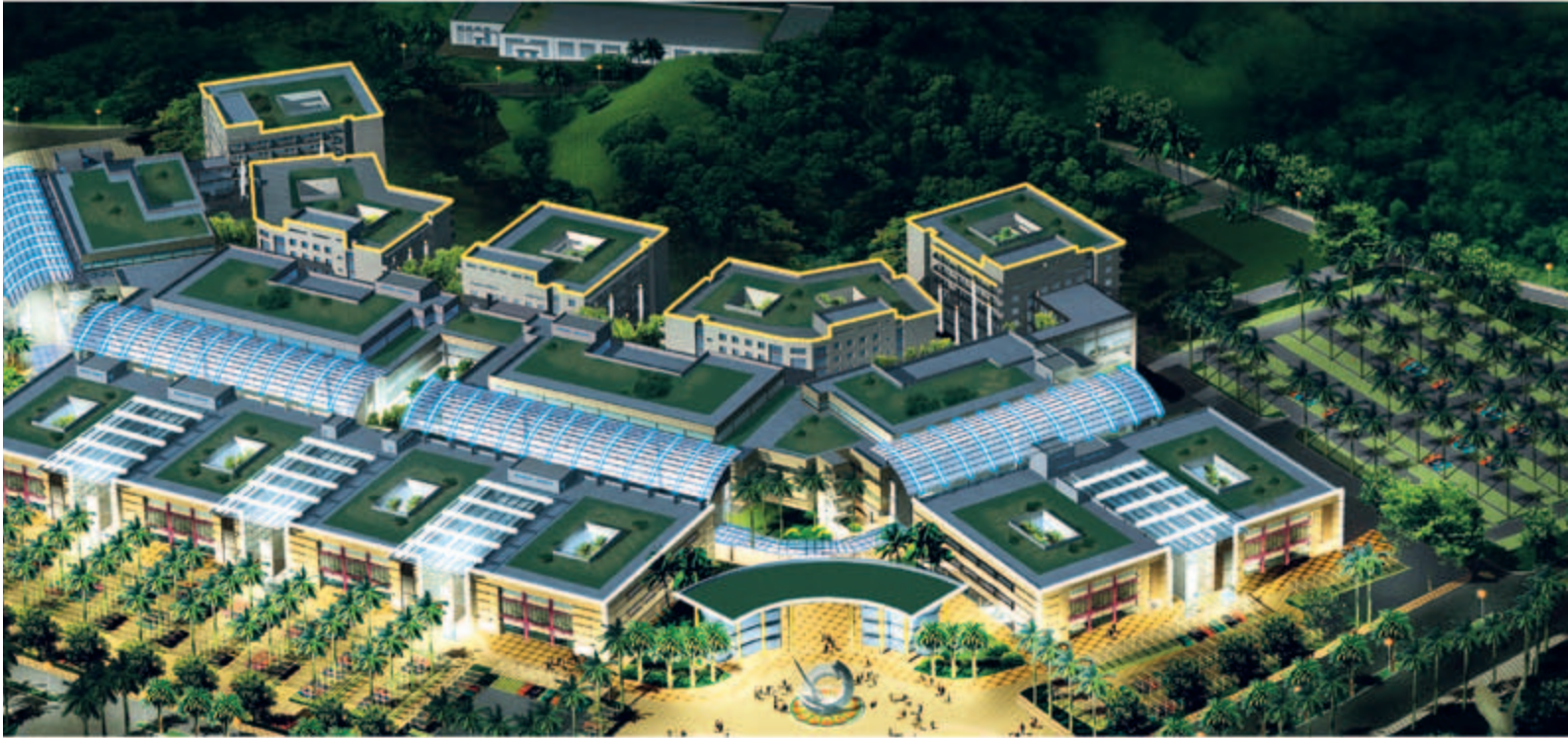
On behalf of Guangdong Kanghua Healthcare Co., Ltd., I would like to express my sincere gratitude to all of the Shareholders as well as the community for their support to the Group. The year 2017 marked the beginning of the second 10-year development phase. During the year, the Group followed the direction of the new healthcare reform policy and the concept of "health and wellness". On one hand, leveraging the capital platform of the Company as a listed company, we actively expanded our medical network and service scope. On the other hand, we maintained strict control over the quality and safety of our medical services and continuously promoted our key and specialty disciplines and the development of new medical technology and scientific research projects. In 2017, while accelerating our network expansion, we also enhanced the quality of the medical services at our managed hospitals. Through standardizing service, optimizing service processes and comprehensively enhancing patients' satisfaction and the brand image of "Kanghua Healthcare", Kanghua's influence intensified in the industry.

致股東：

本人謹代表廣東康華醫療股份有限公司衷心感謝所有股東及社會各界人士對本集團的支持。二零一七年是本集團第二個十年發展階段的初始之年，年內，本集團順應新醫改政策走向，圍繞「健康保健」概念，一方面利用上市公司的資本平台優勢，積極拓展醫療網路和服務範圍；另一方面嚴抓醫療品質與安全，持續推動重點、特色專科和新醫療技術、科研項目的發展。二零一七年，我們在加速網絡擴張的同時亦不斷提升旗下醫院的醫療服務品質，通過規範服務行為、優化服務流程，全面優化患者就醫滿意度及「康華醫療」的品牌形象，使康華於行業內之影響力得到進一步提升。

# The Chief Executive Officer's Statement

## 行政總裁報告



The Group vigorously strengthened the introduction and development of new medical technology and new scientific research projects in 2017 and launched a series of incentive schemes to encourage medical personnel to continue learning new technology and undertaking new research projects. These measures are expected to improve the overall quality of medical care and expand our influence in the industry and the outcome has been positive. The Group's Kanghua Hospital aligned the operations of various disciplines with the hospital development needs. As we continued to strengthen the development of key medical disciplines of municipal level or above, we also vigorously promoted the building and development of specialty disciplines such as O&G, hematology, and rehabilitation and related specialized treatment centres. Inter-disciplinary communication and cooperation also strengthened the comprehensiveness of the medical capability of the hospital. In addition, the Group's Renkang Hospital also continued to promote development of specialty disciplines, such as O&G, geriatric diseases, Chinese medicine and stomatology, to effectively enhance the quality of its medical service. In 2017, Kanghua Hospital and Renkang Hospital continued to deliver promising operating results, including: the total number of inpatient visits reached 61,143, representing a year-on-year increase

本集團在二零一七年大力加強旗下醫院對新醫療技術及新科研項目的引進和開發力度，並出台了一系列激勵措施，鼓勵旗下醫療人才不斷學習新技術及開展新項目研究，預期推動整體醫療水平提升及擴大行業影響力，並將獲得良好收效。本集團旗下康華醫院於年內通過結合各科室的現狀和醫院發展的要求，在持續強化市級或以上重點專科建設的同時，大力推動婦產科、血液科、康復醫學科等特色專科及相關專科診療中心的建設和發展，並著重加強了跨科室之間的溝通協作，全面提高醫院的綜合醫療能力；此外，本集團旗下的仁康醫院亦持續推動婦產科、老年病科、中醫科及口腔科等特色專科的發展，使其醫療服務水平得到有效提高。於二零一七年，康華醫院及仁康醫院持續創造良

# The Chief Executive Officer's Statement

## 行政總裁報告

of 8.0%; the overall bed utilization rate significantly improved to 90.0%; the total number of outpatient visits reached 1,542,482, representing a year-on-year increase of 8.0%; the total number of surgical operations reached 39,407, representing a year-on-year increase of 17.2%.

Moreover, Kanghua Hospital's Grade A Class III qualification was under review by the Health and Family Planning Commission of Guangdong Province in 2017. The review progressed smoothly and the last phase of review is expected to complete in 2018. The hospital will receive the review results after the completion of all review procedures. The Board believes that Kanghua Hospital will be able to maintain its Grade A Class III rating. In addition, Renkang Hospital is in preliminary preparation for applying for a Grade A Class II rating. The application process is expected to be completed in 2018.

In respect of the hospital management business, our managed hospital, Kanghua Zhonglian Cardiovascular Hospital, commenced operations in March 2017. Since its opening, the business of the hospital developed rapidly and its operation capability was constantly enhanced. The number of patients received increased significantly month by month. There were 390 inpatients and 3,000 outpatients intake in 2017. Moreover, since the successful performance of its first heart surgery in May 2017, more than 190 cardiovascular surgeries were performed at the hospital. Construction for phase 2 project of the hospital commenced in August 2017, which is expected to commence operations in 2019. The Board is confident that the hospital will then be able to better meet the demand for medical services of patients of cardiovascular diseases and has great confidence in the development prospects of the hospital.

Another significant business expansion of the Group in 2017 is the opening of Kanghua Hospital – Huawei Clinic. The clinic is located in the Songshan Lake Science and Technology Industrial Park in Dongguan. It commenced operations in August 2017 and mainly provides fundamental outpatient services, emergency medical services and physical examination services to the staff of technology enterprises and other residents in the Songshan Lake Science and Technology Park. The clinic is equipped with medical professionals and high-end healthcare equipment to provide high quality medical services to patients. The clinic will also share the quality healthcare facilities and expert resources with the Kanghua Hospital headquarters. It is expected that such collaboration will generate positive synergies.

好經營業績，包括：住院人次總數達61,143名，同比增加8.0%；病床的整體利用率大幅提高到90.0%；門診人次總數達1,542,482名，同比增長8.0%；共實施手術39,407台，同比增長17.2%。

此外，康華醫院於二零一七年接受了廣東省衛生和計劃生育委員會對其三級甲等醫院資質複審，審查進展順利，預計最後一輪評審工作將於二零一八年內展開，醫院將於評審流程全部結束後獲知複審結果。董事會相信康華醫院可維持三甲資質評級。此外，仁康醫院亦正進行二級甲等醫院資質評級的前期籌備工作，預期將於二零一八年內完成相關申請程序。

在醫院管理業務方面，本集團管理的康華眾聯心血管病醫院於二零一七年三月開始投入運營。自開業以來，該醫院業務發展快速，運營能力不斷提升，接診患者人次逐月大幅增加，於年內共收住住院患者390人及門診患者3,000餘人。此外自二零一七年五月成功實施心血管病手術，該醫院於年內共實施手術逾190台。該醫院的二期項目已於二零一七年八月動工，預計將於二零一九年投入使用，董事會相信該醫院可更好地滿足心血管疾病患者的醫療服務需求，並對醫院的發展前景充滿信心。

二零一七年本集團另一重要業務拓展是開設康華醫院－華為門診部。該門診部位於東莞市松山湖科技產業園，於二零一七年八月開業，主要為松山湖科技產業園內的高新科技企業員工和其他居民提供基礎的門診服務、急診服務及體檢服務等。康華醫院為該門診部配備了專業醫師及高端醫療設備，旨在為患者提供高品質的醫療服務，其亦將與康華醫院總部共用優質的醫療設施及專家資源，預計將產生良性協同效應。

# The Chief Executive Officer's Statement

## 行政總裁報告

Given the stable operations and strategic development of the Group in 2017, the Group recorded revenue of RMB1,389.2 million in the year, representing a year-on-year increase of 12.0%. Gross profit amounted to RMB330.9 million, representing a year-on-year increase of 11.4%. Profit for the year attributable to owners of the Company increased by 10.8% to RMB156.6 million. The Board recommended to distribute a final dividend of RMB16 cents per share with a dividend payout ratio at 34.2% for the year ended 31 December 2017.

In 2017, new policies regarding the Chinese healthcare reform were frequently introduced, providing a favorable environment for the long-term development of the Group's operations in the private healthcare industry in the PRC. During the year, the State Council promulgated the Guiding Opinions on Propelling the Building of a Hierarchical Diagnosis and Treatment System and the Guiding Opinion on Promoting the Building and Development of Healthcare Unions, promoting the building of a comprehensive treatment system by hierarchy and the full initiation of piloting of healthcare unions in multiple forms, respectively. It is also specified that hospital groups and community healthcare system will gradually integrate in urban areas according to the progress of the local hierarchical treatment system implementation.

Going forward, against the backdrop of the healthcare reform, the Group will closely follow the trend of policies and capitalise on the emerging opportunities. Our hospitals will strengthen their collaboration with public hospitals and lower-tier hospitals, actively participate in the formation of healthcare unions, share quality medical resources and also leverage our own medical technology platform and strengths in our medical disciplines in order to promote the long-term prosperous development of the Group. As a leader in the private healthcare industry in the PRC, the Group will continue to take up the responsibility of facilitating the development of medical and hygiene industry and generate return to Shareholders through sustainable operations and development.

Chen Wangzhi  
Chief Executive Officer

15 March 2018

基於本集團於二零一七年的穩健運營和戰略化發展，本集團於年內錄得收益為人民幣1,389.2百萬元，同比增長12.0%；毛利為人民幣330.9百萬元，同比上升11.4%。本公司擁有人應佔年內溢利上升10.8%至人民幣156.6百萬元。董事會建議派發截至二零一七年十二月三十一日止年度之末期股息為每股人民幣16分，派息率34.2%。

二零一七年，中國醫療改革新政頻出，為本集團所在的國內民營醫療行業之長遠發展提供了良好的政策環境。年內，國務院先後發佈了《關於推進分級診療制度建設的指導意見》及《關於推進醫療聯合體建設和發展的指導意見》，分別提出全面建成完善的分級診療制度以及全面啟動多種形式的醫聯體建設試點，並明確要根據當地分級診療制度建設進展，逐步在城市組建醫療集團及醫療共同體。

展望未來，在醫療改革的背景下，本集團將緊跟政策趨勢，把握新興機遇，旗下醫院將加強與公立醫院及下級醫院的聯動協作，積極參與醫聯體組建，實現優質醫療資源分享，同時充分發揮自身醫療技術及學科優勢，從而推動集團的長遠、眾榮發展。作為中國民營醫療行業的領頭者，本集團將繼續積極承擔起促進醫療衛生事業發展的使命和責任，並通過良好的持續運營和發展，回報各大股東。

陳旺枝  
行政總裁

二零一八年三月十五日

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW AND OUTLOOK

#### Business overview for 2017

In the year 2017, the Group commenced its third five-year of operations. It also witnessed the opening of our first managed hospital, Kanghua Zhonglian Cardiovascular Hospital in March 2017, a specialty hospital in cardiovascular diseases in Chongqing, and Kanghua Hospital – Huawei Clinic, an outpatient division of the Group that commenced operations in August 2017.

The business sentiment in the Dongguan region remained strong in 2017. The Group's owned hospitals, namely Kanghua Hospital and Renkang Hospital, continued to deliver promising operating results in 2017, in particular: (i) the total number of inpatient visits reached 61,143 (2016: 56,590), representing a year-on-year increase of 8.0%; (ii) the overall average spending per inpatient visit amounted to RMB13,361.1 (2016: RMB12,885.1), representing a year-on-year increase of 3.7%; (iii) the overall bed utilisation rate significantly improved to 90.0% (2016: 83.2%); (iv) the average length of stay was lowered to 7.7 days (2016: 7.8 days) as a result of more efficient clinical processes and oversight; (v) the total number of outpatient visits reached 1,542,482 (2016: 1,428,185), representing a year-on-year increase of 8.0%; (vi) the overall average spending per outpatient amounted to RMB318.4 (2016: RMB310.7), representing a year-on-year increase of 2.5%; and (vii) the total number of surgical operations reached 39,407 (2016: 33,630), representing a year-on-year increase of 17.2%.

### 業務回顧和展望

#### 二零一七年業務概覽

二零一七年為本集團第三個五年運營階段的起始之年。年內，本集團首間管理的康華眾聯心血管病醫院(重慶市一家心血管疾病專科醫院)於三月開業運營，此外我們新設立的康華醫院－華為門診部亦於八月開業。

二零一七年，東莞地區的商業情緒依然強勁，本集團擁有的醫院，即康華醫院及仁康醫院，繼續創造良好的經營業績，特別是：(i) 住院人次總數達61,143名(二零一六年：56,590名)，按年計同比增加8.0%；(ii) 每名住院病人的整體平均支出為人民幣13,361.1元(二零一六年：人民幣12,885.1元)，按年計同比增長3.7%；(iii) 病床的整體利用率大幅提高到90.0%(二零一六年：83.2%)；(iv) 由於臨床治療過程和監督更有效益，平均住院時間降至7.7天(二零一六年：7.8天)；(v) 門診人次總數達到1,542,482名(二零一六年：1,428,185名)，按年計同比增長8.0%；(vi) 每個門診病人的整體平均支出為人民幣318.4元(二零一六年：人民幣310.7元)，按年計同比增長2.5%；及(vii) 外科手術總數達到39,407宗(二零一六年：33,630宗)，按年計同比增長17.2%。



# 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年度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	2017	2016
		變動	二零一七年	二零一六年
<b>Inpatient healthcare services</b>	<b>住院醫療服務</b>			
Number of registered bed	登記病床數目	—	2,486	2,486
Number of beds in operation	運營病床數目	+70	1,650	1,580
Inpatient visits	住院人次	+8.0%	61,143	56,590
Average length of stay (days)	平均住院日數	-0.1	7.7	7.8
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+3.7%	13,361.1	12,885.1
<b>Outpatient healthcare services</b>	<b>門診醫療服務</b>			
Outpatient visits	門診人次	+8.0%	1,542,482	1,428,185
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+2.5%	318.4	310.7

During 2017, Kanghua Hospital continued to enhance its leading position in the healthcare industry. Kanghua Hospital considerably stepped up its recruitment efforts, particularly for experienced medical experts who may in turn improve the medical capability of the Group. It has established cooperation with renowned experts in major hospitals in Guangdong Province with a view to leveraging their expertise to offer more comprehensive and sophisticated treatment options to patients. In particular, Kanghua Hospital expanded its capability in delivering multi-disciplinary services via inter-disciplinary synergies and collaborations.

二零一七年，康華醫院繼續鞏固了其在醫療行業的領先地位。康華醫院重點加強了招聘工作，特別是針對能夠促使本集團醫療能力得以提升的、經驗豐富的醫療專家。該醫院已與廣東省主要醫院的知名專家建立合作關係，以藉助彼等的專業技術為患者提供更全面及精細化的治療選擇。尤其是，康華醫院亦在二零一七年內著重加強了多部門及學科之間的溝通協作，使其重症綜合救治能力得到顯著提升。



# Management Discussion and Analysis

## 管理層討論及分析



Some of Kanghua Hospital's highlights in 2017 include:

- In January 2017, Kanghua Hospital was designated as an assessment service center for labour capacity by the Dongguan Social Insurance Bureau. The Board believes that this recognition reflects public confidence in the medical capability and reputation of Kanghua Hospital.
  - In April 2017, Kanghua Hospital formed the "South China Famous Doctors Alliance" jointly with the Guangdong Clinical Medical Association and established a cooperation and exchange centre for consultation with a view to expanding its influence and network of clinical resources through cooperation and exchange with other hospital members of the alliance and multiple-site doctor practice.
  - Rehabilitation medicine – In May 2017, the rehabilitation medicine of Kanghua Hospital was recognized as a key medical discipline in Dongguan. It has also established a network of rehabilitation services with Renkang Hospital and Kanghua Hospital – Huawei Clinic.
  - Clinical experimental study and research centre – In June 2017, the first phase of the clinical experimental study and research centre of Kanghua Hospital commenced operations, offering research and development and application capabilities on novel clinical treatments and medications for the benefit of patients.
  - Hematology centre – In July 2017, Kanghua Hospital performed its first stem cell transfer therapy at the hematology centre and successfully cured a patient with lymphoma that has a high risk and remission rate.
- 二零一七年康華醫院的部份亮點包括：
- 二零一七年一月，康華醫院獲東莞市社保局指定為勞動能力鑒定中心。董事會認為，此項榮譽體現公眾對康華醫院醫療能力和聲譽的信賴。
  - 二零一七年四月，康華醫院與廣東省臨床醫學學會聯合共建「華南名醫聯盟」並成立會診合作交流中心，旨在通過與聯盟的其他醫院成員合作與交流以及醫生多點執業，擴大其影響力及臨床資源網絡。
  - 康復醫學科—二零一七年五月，康華醫院的康復醫學科獲評定為東莞市臨床重點專科。其亦與仁康醫院及康華醫院—華為門診部建立了康復醫學醫聯體。
  - 臨床試驗研究中心—二零一七年六月，康華醫院臨床試驗研究中心一期投入運營，為新型臨床治療及藥物提供研發和應用能力，從而造福患者。
  - 血液病中心—二零一七年七月，康華醫院血液病中心實施了首例應用自體造血幹細胞移植的治療，成功治癒一名復發性高危險類型的惡性淋巴瘤患者。

## Management Discussion and Analysis 管理層討論及分析

- Prenatal diagnosis centre – In October 2017, after two years of preparation and planning, Kanghua Hospital obtained the relevant approval and permit and launched a prenatal diagnosis center in October 2017. Since then, the O&G medical centre of the hospital has been able to offer comprehensive multi-disciplinary services combining gynecology, reproductive medicine, prenatal diagnosis, neonatology and pediatrics with VIP settings.
- 產前診斷中心—二零一七年十月，經過兩年的籌備，康華醫院的產前診斷中心獲得相關審批許可並正式投入運營。自此，該醫院的婦產醫學中心正式構建起一個結合了婦科、生殖醫學、產前診斷、產科、新生兒科、兒科、貴賓婦產及婦幼衛生服務的全學科醫療體系。

In 2017, Renkang Hospital focused on developing its Chinese Medicine discipline and implemented a specialised ward with a deployment of 6 to 8 beds. Meanwhile, Renkang Hospital also continued to promote the development of other specialty disciplines, such as O&G, geriatric diseases and stomatology, with a view to enhancing the hospital's overall medical capability, particularly to receive and treat critically ill patients. In April 2017, Renkang Hospital entered into a designated hospital cooperation agreement with Ping An Life Insurance Company of China Ltd. to provide direct claim settlement services to patients, which significantly simplify the claiming processes and enhance patient experience. In November 2017, Renkang Hospital obtained the qualifications to conduct occupational health assessments in Dongguan, which is expected to have a strong demand in Dongguan.

二零一七年，仁康醫院重點發展中醫科並配備6至8張病床的專科病房。同時，仁康醫院亦持續推動婦產科、老年病、口腔科等特色專科的發展，旨在提升醫院整體醫療能力，特別是收治重症患者的能力。二零一七年四月，仁康醫院與中國平安人壽保險股份有限公司簽訂定點醫院合作協議，以向患者提供直接理賠服務，大大簡化索賠流程並提升患者的體驗。二零一七年十一月，仁康醫院取得了東莞市「職業病體檢資質」並正式開展職業病體檢服務，預計該項服務於當地需求強勁。





# 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:

下表載列於所示年度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				
		Change	2017 RMB' 000	% of revenue of the Group's owned hospitals 分佔本集團 擁有醫院的 收益百分比	2016 RMB' 000	% of revenue of the Group's owned hospitals 分佔本集團 擁有醫院的 收益百分比
Healthcare disciplines	醫學專科	變動	二零一七年 人民幣千元	二零一六年 人民幣千元	二零一六年 人民幣千元	二零一六年 人民幣千元
O&G related disciplines	婦產科有關科室	+14.3%	283,234	20.5	247,755	20.0
Cardiovascular related disciplines	心血管有關科室	+20.2%	162,024	11.8	134,838	10.9
Internal medicine related disciplines	內科有關科室	+21.1%	152,679	11.1	126,047	10.2
General surgery related disciplines	普通外科有關科室	+11.0%	122,836	8.9	110,711	8.9
Orthopaedics related disciplines	骨科有關科室	+18.8%	98,678	7.2	83,074	6.7
Neurology related disciplines	神經醫學有關科室	+13.6%	90,975	6.6	80,117	6.5
Emergency medicine related disciplines	急診有關科室	+10.1%	77,547	5.6	70,449	5.7
Paediatrics related disciplines	兒童醫學有關科室	+3.3%	44,941	3.3	43,487	3.5
Medical aesthetic related disciplines	醫學美容有關科室	+29.6%	33,045	2.4	25,501	2.1
Nephrology related disciplines	腎臟科有關科室	+12.3%	30,807	2.2	27,437	2.2
Oncology related disciplines	腫瘤有關科室	-10.5%	25,785	1.9	28,818	2.3
Physical examination	體檢科	+6.8%	70,816	5.1	66,298	5.3
Other disciplines	其他臨床科室	-4.8%	185,442	13.4	194,697	15.7
Total <sup>#</sup>	總計 <sup>#</sup>		1,378,809	100.0	1,239,229	100.0

<sup>#</sup> The amount does not include revenue from hospital management services and sales of pharmaceutical products.

<sup>#</sup> 該金額不包括醫院管理服務及銷售藥品的收益。

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 2017, Kanghua Hospital performed: (i) 1,648 cardiovascular interventional surgeries (2016: 1,625), representing a year-on-year increase of 1.4%; and (ii) 10,369 surgeries with level 3 or level 4 complexities (2016: 8,792), representing a year-on-year increase of 17.9%. 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 2017, accounting for approximately 59.5% of the Group's total revenue (not including revenue from hospital management services and sales of pharmaceutical products) in the same period (2016: 56.7%).

During the year ended 31 December 2017, (a) revenue from O&G related disciplines recorded a year-on-year increase of 14.3%, as our O&G related disciplines becoming a stable revenue driver of the Group, the increase is primarily attributable to (i) the Group's continual efforts in recruiting more O&G healthcare expert professionals and enhancing medical facilities in such disciplines; (ii) the effect of two-child policy in the PRC had gradually becoming more apparent; and (iii) strong demand for VIP O&G and reproductive medicine services; (b) revenue from cardiovascular related disciplines recorded a strong year-on-year increase of 20.2%, primarily attributable to the Group's improvements in clinical resources and medical service capabilities in these areas that enhance the capability to receive and cure critical patients of cardiovascular diseases to further satisfy the needs of patients as well as the Group's growing reputation within Guangdong Province; (c) revenue from medical aesthetic related disciplines recorded a considerable year-on-year increase of 29.6%, primarily attributable to (i) the introduction of more advanced medical equipment and medical aesthetic materials to improve the service quality and treatment results; and (ii) a general increase in the level of fees charged by the services in such areas; and (d) revenue from oncology related disciplines recorded a year-on-year decrease of 10.5%, a moderate decrease as compared with prior year, primarily attributable to a loss of key oncology professional in 2016 and the relevant medical equipment taking longer time to become operational in clinically acceptable conditions, however, the Group was able to hire additional medical professionals to fill the gap towards the end of 2017. The Group will continue to recruit medical experts and talents, accelerate the installation and implementation of the medical equipment and promote the development of these disciplines comprehensively, as well as increase the capability to receive and treat critical oncology patients.

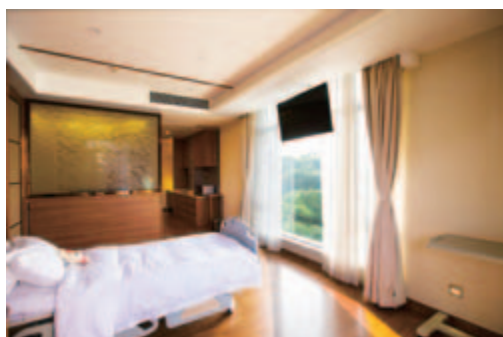
於二零一七年，康華醫院已施行：(i) 1,648次心血管導管介入手術(二零一六年：1,625次)，按年計同比增長1.4%；及(ii) 10,369次三、四級複雜手術(二零一六年：8,792次)，按年計同比增長17.9%。婦產科、心血管科、內科、普通外科和骨科仍然是二零一七年本集團產生最高收益的專科，佔本集團同期總收益(不包括醫院管理服務及銷售藥品的收益)約59.5%(二零一六年：56.7%)。

截至二零一七年十二月三十一日止年度，(a) 婦產科有關科室的收益按年錄得14.3%的同比增長，原因是我們的婦產科有關科室為本集團穩定的收益來源，該增加主要是由於(i) 本集團不斷努力招聘更多婦產科醫療專家，並加強該等科室的醫療設施所致；(ii) 中國二胎政策的效果逐漸顯現；及(iii) 對貴賓婦產科及生殖醫學服務的強烈需求；(b) 心血管有關科室收益按年錄得20.2%的強勁同比增長，主要由於本集團在該等領域的臨床資源及醫療服務能力得到改善，增強了收治心血管疾病危重患者的能力，從而進一步滿足患者的需求以及本集團在廣東省內的聲譽日益提高；(c) 醫學美容有關科室收益按年錄得29.6%的大幅度同比增長，主要由於(i) 引入更先進的醫療設備及醫學美容材料以提高服務質素及治療結果；及(ii) 該等領域的服務收費水平普遍提高；及(d) 腫瘤有關科室收益按年錄得10.5%的同比下降，與上年相比適度下降，主要是由於二零一六年主要腫瘤專科醫務人員的流失以及相關醫療設備需要較長時間才能在符合臨床條件下投入使用。然而，本集團已聘請相關醫療專家，使該科室的年內收益情況於二零一七下半年有所改善。本集團將持續增聘該領域的醫療專家及人才，加快相關醫療設備的引進及投用流程，全面推動該科室的發展，以提高對重症腫瘤病人的收治能力。

## Management Discussion and Analysis

### 管理層討論及分析

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 2017, the total revenue derived from special services amounted to RMB134.0 million (2016: RMB117.1 million), representing a year-on-year increase of 14.4%. In 2017, the average spending per inpatient visit of VIP healthcare services amounted to RMB26,118.2 (2016: RMB20,776.8), representing a year-on-year increase of 25.7%, primarily attributable to the more premium and comprehensive services available at Huaxin Building (a complex in Kanghua Hospital dedicated to VIP healthcare services), including comprehensive general surgery and paediatrics services dedicated to VIP patients. In 2017, the Group has begun to adopt a more balanced approach in the pricing of its VIP services taking into account the market demand and competitors' offering in the Dongguan area. Our revenue from VIP inpatient services recorded a year-on-year increase of 19.7%, primarily driven by the increase in average spending as our services are becoming more widely accepted in the market around the Dongguan region. The demand for reproductive medicine remains strong. However, the overall growth of reproductive medicine in 2017 slowed down primarily due to limited operating capacity. In view of this, the Group will continue to expand its capacity in reproductive medicine by recruiting qualified staff as well as deploying dedicated service floor space.



本集團的特殊服務是在大眾醫療的基礎上延伸出的高端化醫療服務，主要針對高收入人群，彼等願意為普通公立醫院難以提供的高品質、定制化醫療服務支付額外費用。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。於二零一七年，來自特殊服務的總收益為人民幣134.0百萬元(二零一六年：人民幣117.1百萬元)，按年計同比增長14.4%。於二零一七年，貴賓醫療服務的每人次平均開支為人民幣26,118.2元(二零一六年：人民幣20,776.8元)，按年計同比增長25.7%，主要是由於華心樓(康華醫院專門用於貴賓醫療服務的綜合大樓)可提供更多樣化的專科醫療服務，包括開放貴賓普通外科及兒科醫療服務。於二零一七年，考慮到東莞地區的市場需求和同業情況，本集團已開始在其貴賓服務的定價中採用平衡策略。我們的貴賓住院服務收益按年錄得同比增長19.7%，主要受患者平均開支增長所推動，原因是我們的服務正在東莞地區市場上被越來越廣泛地接受。生殖醫學的需求依然強勁。然而，二零一七年生殖醫學的整體增長放緩，主要是由於接診容量有限所致。因此，本集團將繼續招聘具資質的專業醫務人員及擴大醫療服務場地空間，以提高生殖醫學服務的接診容量。

# 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	For the year ended 31 December 截至十二月三十一日止年度	
			2017 二零一七年	2016 二零一六年
<b>VIP healthcare services</b>	<b>貴賓醫療服務</b>			
Number of beds in operation	運營病床數目	+10	130	120
Inpatient visits	住院人次	-1.0%	1,295	1,308
Average spending per inpatient visit (RMB)	每人次平均開支 (人民幣元)	+25.7%	26,118.2	20,776.8
Outpatient visits	門診人次	+6.0%	58,339	55,056
Average spending per outpatient visit (RMB)	每人次平均開支 (人民幣元)	-2.4%	486.5	498.4
Revenue (RMB'000)	收益(人民幣千元)	+13.9%	62,207	54,617
<b>Reproductive medicine</b>	<b>生殖醫學</b>			
Number of outpatient visits	門診人次	+11.3%	57,878	51,981
Revenue (RMB'000)	收益(人民幣千元)	+12.8%	57,862	51,301
<b>Plastic and aesthetic surgery</b>	<b>整形美容外科</b>			
Revenue (RMB'000)	收益(人民幣千元)	+19.3%	5,393	4,520
<b>Laser treatment</b>	<b>激光治療</b>			
Revenue (RMB'000)	收益(人民幣千元)	+27.4%	8,539	6,702
<b>Total revenue from special services (RMB'000)</b>	<b>特殊服務的總收益 (人民幣千元)</b>	<b>+14.4%</b>	<b>134,001</b>	<b>117,140</b>



# Management Discussion and Analysis

## 管理層討論及分析

In June 2016, the Group entered into a management agreement with Kanghua Zhonglian Cardiovascular Hospital. It was the Group's first managed hospital and represented the first step of extending the Group's layout to outside of Guangdong Province. Kanghua Zhonglian Cardiovascular Hospital will bear the "Kanghua" brand and is intended to be positioned as a regional integrated medical institution providing high level of cardiovascular healthcare services to patients from Chongqing and neighbouring provinces and regions. Kanghua Zhonglian Cardiovascular Hospital commenced operations in March 2017. As at 31 December 2017, the hospital had 20 doctors and 151 other healthcare professionals and continuously ramped up its operations and has experienced a gradual increase in patient visits since commencement. In May 2017, Kanghua Zhonglian Cardiovascular Hospital successfully performed its first heart surgery since commencement. With the view to establishing brand image, Kanghua Zhonglian Cardiovascular Hospital has organised numerous community health lectures and charity healthcare services. The Board considers that Kanghua Zhonglian Cardiovascular Hospital is still in the infancy stage of its operations and is fully confident in its prospects. The hospital only commenced providing outpatient services in April 2017 and inpatient services in May 2017 and was able to receive more than 3,000 outpatients and 390 inpatients in 2017. More than 190 cardiovascular surgeries were performed at Kanghua Zhonglian Cardiovascular Hospital in 2017. In November 2017, it also became a designated hospital for medical insurance in Chongqing, enabling patients to settle medical fees through the insurance platform in Chongqing, further optimising the claiming processes and improving patient experience.

In 2017, Kanghua Hospital's Grade A Class III was in the process of being reviewed by the Health and Family Planning Commission of Guangdong Province. It is expected that the last phase of the review will take place in 2018. Kanghua Hospital will receive the review results upon completion of all the reviews by the commission. The Board remains confident that Kanghua Hospital will be able to maintain its rating. Renkang Hospital is also in the process of preparing for its application to be rated as a Grade A Class II hospital under the National Health and Family Planning Commission hospital classification system and is expected to complete the application procedures in 2018.

於二零一六年六月，本集團與康華眾聯心血管病醫院簽訂管理協議。該院為本集團管理的第一家醫院，並代表本集團佈局廣東省外的第一步。康華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醫療機構，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。康華眾聯心血管病醫院於二零一七年三月開始投入運營。截至二零一七年十二月三十一日止，該醫院擁有20名醫生及151名其他醫療人員。自開業以來，該醫院不斷提升其運營能力，接診患者人次逐漸增加。二零一七年五月，康華眾聯心血管病醫院成功實施自開業以來的首例心臟病手術。為樹立品牌形象，康華眾聯心血管病醫院已開展多場社區健康講座及公益醫療服務等。董事會認為康華眾聯心血管病醫院仍處於經營初期階段，對其前景充滿信心。自該醫院於二零一七年四月開始提供門診服務及二零一七年五月開始住院服務起，其已於二零一七年內收治收住院病人390人及門診病人3,000餘人。二零一七年，該醫院共實施心血管病手術逾190台。二零一七年十一月，該醫院成為重慶醫療保險的指定醫院，患者可通過重慶醫保平台報銷醫療費用，使患者的報銷流程和就醫體驗得到進一步優化。

二零一七年，康華醫院接受了廣東省衛生和計劃生育委員會對其三級甲等醫院資質復審。預計三甲復審最後一輪評審工作將於二零一八年內展開，康華醫院將於評審流程全部結束後獲知復審結果。董事會相信康華醫院可維持三甲資質評級。此外，仁康醫院亦正準備向中華人民共和國衛生和計劃生育委員會申請綜合醫院二級甲等評級，並預期將於二零一八年內完成相關申請程序。

# Management Discussion and Analysis

## 管理層討論及分析

### Industry outlook and strategy

In April 2017, the State Council of the PRC promulgated the Guiding Opinion on Promoting the Building and Development of Healthcare Unions promoting, among other things, the integration of hospital groups and community healthcare system. Against this backdrop, the Group intends to capitalise on the potential opportunities by enhancing its cooperation and referral channels with public hospitals, lower-tier hospitals and other community healthcare institutions, which are conducive to the long-term growth of the healthcare network of the Group.

In May 2017, the State Council of the PRC promulgated 2017 Key Tasks on Promoting Further Reform of the Healthcare System, that is intended to reduce the proportion of public hospital income from the sale of pharmaceuticals and increase the proportion of hospital income from the provision of medical services. On this basis, the Group will continue to improve the quality of its medical services and strictly control the pricing of the pharmaceuticals with a view to further optimising the income structure of the Group.

The Group is actively seeking for opportunities to expand its operations and network coverage and is in the process of identifying suitable targets. 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 medical needs of the local population. Business feasibility studies, in-depth demographics analysis and due diligence will be conducted by the Group for the purposes of evaluating potential development opportunities.

The Guangdong – Hong Kong – Macau Greater Bay Area Initiative was introduced in the 13th five-year plan (2016 – 2020) of China. The development of the Guangdong – Hong Kong – Macau Greater Bay Area, together with the “Belt and Road” planning initiatives, may bring significant business opportunities and encourage investment activities in Guangdong

Province, including Dongguan, where the Group primarily operates in. At the same time, this may also drive the market demand for healthcare services, particularly premium and high-end healthcare services in the region. The Group will continue to observe market demand and make appropriate adjustments to its service offerings to capture upcoming opportunities.



### 行業前景和戰略

二零一七年四月，中華人民共和國國務院發佈「關於推進醫療聯合體建設和發展的指導意見」指出，（其中包括）全面啟動醫療集團及醫療共同體建設。在此背景下，本集團擬透過加強與公立醫院、下級醫院及其他社區醫療機構的合作及轉診渠道，把握潛在機遇，從而推動本集團醫療網絡的長遠發展。

二零一七年五月，中華人民共和國國務院發佈「深化醫藥衛生體制改革2017年重點工作任務」，旨在降低公立醫院醫藥銷售收入的比例，提高醫院醫療服務的收入比例。在此基礎上，本集團將繼續提高醫療服務質量，嚴格控制藥品定價，進一步優化本集團收入結構。

本集團繼續尋求擴大營運及覆蓋網絡的機會，並正在甄選合適目標。本集團計劃以300至500張床位的中小型醫院為目標，以將其發展成為大專科小綜合醫院，適應當地人口的就醫需要。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，以評估潛在的發展機遇。

中國十三五規劃（二零一六年至二零二零年）提出粵港澳大灣區計劃。粵港澳大灣區的發展連同「一帶一路」規劃或會帶來大量商業機遇及鼓勵在廣東省（包括本集團的經營所在的主要地點東莞）的投資活動。同時，這亦將推動市場對醫療服務的需求，尤其是對該地區優質高端醫療服務的需求。本集團將繼續研究市場需求，對所提供之服務作出適當調整以把握即將到來的機遇。

# Management Discussion and Analysis

## 管理層討論及分析

### SIGNIFICANT EVENTS

#### Opening of Kanghua Zhonglian Cardiovascular Hospital in March 2017

Kanghua Zhonglian Cardiovascular Hospital commenced operations in March 2017. It has been continuously ramping up the development level of its operations and has had a rapid increase in patient visits since commencement. In May 2017, Kanghua Zhonglian Cardiovascular Hospital successfully performed its first heart surgery since commencement. Kanghua Zhonglian Cardiovascular Hospital commenced outpatient services in April 2017 and inpatient services in May 2017 and received more than 3,000 outpatients and 390 inpatients in 2017. More than 190 cardiovascular surgeries were performed at Kanghua Zhonglian Cardiovascular Hospital in 2017. In November 2017, it also became a designated hospital for medical insurance in Chongqing, enabling patients to settle medical fees through the insurance platform in Chongqing.

#### Opening of Kanghua Hospital – Huawei Clinic in August 2017

Kanghua Hospital – Huawei Clinic, being a newly established outpatient division of the Group, commenced operations in August 2017. The clinic is located within the Songshan Lake Science and Technology Industrial Park in Dongguan with a gross floor area of approximately 4,000 square metres and a deployment of about 60 medical professionals. The clinic mainly provides basic outpatient services, emergency medical services and physical examination services to personnel inside the Songshan Lake Science and Technology Industrial Park. Patients with complex medical conditions may be transferred from the clinic to the headquarters of Kanghua Hospital to receive suitable treatment. As at the date of publication of this annual report, the Group has planned to invest approximately RMB30.0 million in the overall operations of the clinic, including construction of facilities, purchase of healthcare equipment and deployment of medical professionals. Moreover, the clinic will also share the quality healthcare facilities and expert resources with the headquarters of Kanghua Hospital.

### 重大事件

#### 二零一七年三月康華眾聯心血管病醫院開業

康華眾聯心血管病醫院於二零一七年三月開始營運。該醫院不斷提升運營發展水平，接診患者人次自開業以來快速增加。二零一七年五月，康華眾聯心血管病醫院成功實施自開業以來的首例心臟病手術。康華眾聯心血管病醫院於二零一七年四月開始門診服務，二零一七年五月開始住院服務，二零一七年住院病人390人，門診病人3,000餘人。二零一七年在康華眾聯心血管病醫院進行了190多次心血管外科手術。於二零一七年十一月，其亦成為重慶醫療保險的指定醫院，讓患者能夠通過重慶的保險平台報銷醫療費用。

#### 二零一七年八月康華醫院－華為門診部開業

作為本集團新設立的門診部，康華醫院－華為門診部於二零一七年八月開始營運。該門診部位於東莞市松山湖科技產業園區內，建築面積約4,000平方米，配備專業醫療人員約60名。該門診部主要為松山湖科技產業園內的人員提供基本門診服務、急診醫療服務及體檢服務。對於患複雜病症的病人，該門診部可將其轉診至康華醫院總部接受所需治療。截至本年報發佈之日，本集團擬投資約人民幣30.0百萬元用於該門診部的整體運營，包括設施建設、醫療設備購置、醫療人員配備等方面。此外，該門診部亦將與康華醫院總部共享優質的醫療設施及專家資源。

# 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; (ii) providing hospital management services to a third-party hospital, namely Kanghua Zhonglian Cardiovascular Hospital; and (iii) sales of pharmaceutical products and medical consumables to patients of the Group's hospitals and walk-in customers who may not be patients of the Group's hospitals.

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 2017

		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	Sales of pharmaceutical products 銷售藥品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收益	816,937	491,056	70,816	3,135	7,225	1,389,169
Cost of revenue	收益成本	(684,532)	(335,986)	(30,026)	(1,711)	(6,038)	(1,058,293)
Gross profit	毛利	132,405	155,070	40,790	1,424	1,187	330,876
Gross profit margin	毛利率	16.2%	31.6%	57.6%	45.4%	16.4%	23.8%

### 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；(ii) 向第三方醫院即康華眾聯心血管病醫院提供醫院管理服務；及(iii) 向本集團醫院的病人及未必為本集團醫院病人的步入式客戶銷售藥品及醫療消耗品。

下表載列所示年度本集團的收益、收益成本、毛利及毛利率：

截至二零一七年十二月三十一日止年度



# Management Discussion and Analysis

## 管理層討論及分析

For the year ended 31 December 2016

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
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%

Revenue from the Group's inpatient healthcare services amounted to RMB816.9 million (2016: RMB729.2 million), representing a year-on-year increase of 12.0%, accounting for 58.8% (2016: 58.8%) of the total revenue of the Group, mainly due to (i) an increase in the number of inpatient visits during the year; (ii) an increase in average inpatient spending; (iii) strong growth in the revenue of Cardiovascular related disciplines and O&G related disciplines as a result of penetrating impact of the two-child policy in the PRC; and (iv) the recognition of the Kanghua brand and reputation of the Group's owned hospitals in the Dongguan region.

本集團住院醫療服務的收益為人民幣816.9百萬元(二零一六年：人民幣729.2百萬元)，相當於按年計同比增加12.0%，佔本集團總收益58.8%(二零一六年：58.8%)，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；(iii)由於中國的二胎政策的滲透影響，我們的心血管有關科室及婦產有關科室的收益增長強勁；及(iv)康華品牌及本集團在東莞地區擁有的醫院的聲譽獲認可。

Revenue from the Group's outpatient healthcare services amounted to RMB491.1 million (2016: RMB443.8 million), representing a year-on-year increase of 10.7%, accounting for 35.4% (2016: 35.8%) 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 primarily due to higher prices of certain medical services charged at the Group's hospitals.

本集團門診醫療服務的收益為人民幣491.1百萬元(二零一六年：人民幣443.8百萬元)，相當於按年計同比增加10.7%，佔本集團總收益35.4%(二零一六年：35.8%)，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，主要是由於本集團醫院收取的某些醫療服務的價格上升。

# Management Discussion and Analysis

## 管理層討論及分析

Revenue from physical examination services amounted to RMB70.8 million (2016: RMB66.3 million), representing a year-on-year increase of 6.8%, accounting for 5.1% (2016: 5.3%) 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 and the opening of our Kanghua Hospital – Huawei Clinic contributing additional physical examination visits to the Group.

Revenue from hospital management services amounted to RMB3.1 million (2016: RMB1.2 million), accounting for 0.2% (2016: 0.1%) of the total revenue of the Group. The management agreement with Kanghua Zhonglian Cardiovascular Hospital has a term from 1 July 2016 to 30 June 2026, during which the Group has exclusive management rights over the hospital and is entitled to a monthly management fee of RMB200,000 (before applicable tax) plus 5% of hospital's monthly revenue. Kanghua Zhonglian Cardiovascular Hospital only commenced operations on 1 March 2017 and is still in the phase of ramping up its operations. Apart from the fixed management fee of RMB200,000 per month (before applicable tax), the Group has received minimal management income from the revenue generated by Kanghua Zhonglian Cardiovascular Hospital.

Revenue from sales of pharmaceutical products and medical consumables amounted to RMB7.2 million (2016: nil), accounting for 0.5% (2016: nil) of the total revenue of the Group. In April 2017, the Group established a pharmaceuticals and medical consumables trading company (which commenced operations in July 2017) for the purpose of streamlining pharmaceuticals and medical consumables sales directly to the patients at the Group's hospitals and walk-in customers who may not be patients of the Group's hospitals.

體檢服務的收益為人民幣70.8百萬元(二零一六年：人民幣66.3百萬元)，相當於按年計同比增加6.8%，佔本集團總收益5.1%(二零一六年：5.3%)，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以及我們的康華醫院－華為門診部開業(為本集團帶來額外體檢人次)。

醫院管理服務的收益為人民幣3.1百萬元(二零一六年：人民幣1.2百萬元)及佔本集團總收益0.2%(二零一六年：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止，期間內本集團對該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(適用稅前)及另加該醫院每月收益的5%。由於康華眾聯心血管病醫院僅於二零一七年三月一日開始運作，經營仍處在初期上升階段。除每月人民幣200,000元(適用稅前)的固定管理費外，本集團每月已就康華眾聯心血管病醫院的每月收益收取最低管理收入。

銷售藥品及醫療消耗品的收益為人民幣7.2百萬元(二零一六年：無)，佔本集團總收益0.5%(二零一六年：無)。於二零一七年四月，本集團成立藥品及醫療消耗品貿易公司(於二零一七年七月開始營運)，旨在精簡藥品及醫療消耗品的銷售業務，直接向本集團醫院的病人及未必為本集團醫院病人的步入式客戶銷售。

# Management Discussion and Analysis

## 管理層討論及分析

### Cost of Revenue

Cost of revenue of the Group 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 RMB1,050.5 million (2016: RMB942.7 million), representing a year-on-year increase of 11.4%, which was in line with the increase in revenue and business volume. For the year ended 31 December 2017, pharmaceuticals, medical consumables and staff cost accounted for approximately 34.0% (2016: 38.9%), 27.1% (2016: 25.4%) and 26.8% (2016: 24.4%), respectively, of the total cost of revenue of the Group. The decrease in the proportion of our cost of pharmaceuticals is primarily the result of increases in other cost of revenue components including medical consumables, staff related costs and depreciation. Our total staff related costs had increased by 22.9% in 2017, mainly attributable to an increase in general salary level and special bonus distributed with a view to retaining and attracting quality healthcare professionals in the highly competitive healthcare industry. Cost of revenue of the Group's hospital management services mainly represented staff costs in relation to management personnel assigned to Kanghua Zhonglian Cardiovascular Hospital.

### 收益成本

本集團的收益成本主要包括藥品、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到人民幣1,050.5百萬元(二零一六年：人民幣942.7百萬元)，按年計同比增長11.4%，與收益及業務量增長相符。截至二零一七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總收益成本約34.0%(二零一六年：38.9%)、27.1%(二零一六年：25.4%)及26.8%(二零一六年：24.4%)。我們的藥品成本比例下降主要是由於收益組成部份的其他成本(包括醫療消耗品、員工相關成本及折舊)增加所致。我們的員工相關成本總額於二零一七年增加22.9%，主要由於本年度獲分配的總薪酬水平及特別獎金增加，以挽留及吸引競爭激烈的醫療行業中優質的醫護專業人員。本集團醫院管理服務的收入成本主要指與分配至康華眾聯心血管病醫院的管理人員有關的員工成本。

# 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 RMB330.9 million (2016: RMB296.9 million), representing a year-on-year increase of 11.4%. The overall gross profit margin decreased slightly to 23.8% (2016: 23.9%), primarily due to:

- (i) an increase in staff related costs of 22.9% and depreciation of 22.5%. The increase in staff related costs includes general increase in overall salary level, more competitive compensation packages offered to our healthcare professionals and distribution of a special bonus to reward medical staff. The increase in depreciation was mainly a result of newly purchased medical facilities and equipment that were put into operation during the year as well as additional depreciation charge relating to the newly established Kanghua Hospital – Huawei Clinic;
- (ii) the increase of the above is partially offset by the growth in special services that are targeted towards high-end patients and typically command higher margin than basic healthcare services; in 2017, the revenue from special services accounted for 9.6% of the total revenue derived from the Group's owned hospitals, compared to 9.4% in 2016;
- (iii) further lowering of the 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;
- (iv) 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; and
- (v) the ability of Kanghua Hospital to uplift its healthcare consultation prices at a faster pace than its cost of revenue leveraging the reputation of the "Kanghua" brand that is gaining wider recognition in the Guangdong region.

### 毛利及毛利率

本集團總毛利為人民幣330.9百萬元(二零一六年：人民幣296.9百萬元)，按年計同比增長11.4%。整體毛利率略減至23.8%(二零一六年：23.9%)，主要原因是：

- (i) 員工相關成本增加22.9%及折舊增加22.5%。員工相關成本的增加包括總體薪酬水平、向我們醫療專業人員提供更具競爭力的薪酬待遇的整體提高以及分派特別花紅獎勵醫療團隊。折舊增加主要是由於新購買的醫療設施和設備於年內投入使用以及與新成立的康華醫院－華為門診部有關的額外折舊費用所致；
- (ii) 上述增加已因針對高端病人的特殊服務持續增長，而通常比基本醫療服務的利潤率更高而部份抵銷；於二零一七年，來自特殊服務的收益佔本集團擁有的醫院產生的總收益的9.6%，而二零一六年為9.4%；
- (iii) 藥品銷售產生的收益比例進一步降低；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；
- (iv) 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；及
- (v) 憑藉「康華」品牌在廣東地區不斷提升的聲譽，康華醫院提升其醫療諮詢價格的能力，其提升速度較其收益成本更快。

# Management Discussion and Analysis

## 管理層討論及分析

In 2017, the Group's hospital management business had a gross profit of RMB1.4 million (2016: RMB0.4 million) and a gross profit margin of 45.4% (2016: 31.7%). Kanghua Zhonglian Cardiovascular Hospital commenced operations in March 2017 and is at the stage of ramping up its services and operational capabilities. Going forward, it is expected that the revenue-pegged component of the management fee (5% of monthly revenue of Kanghua Zhonglian Cardiovascular Hospital) will have an impact on the gross profit margin of the Group's hospital management business.

The Group's sales of pharmaceutical products and medical consumables segment recorded a gross profit of RMB1.2 million and a gross profit margin of 16.4%.

### 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	2017 二零一七年	2016 二零一六年
<b>Inpatient healthcare services</b>	<b>住院醫療服務</b>			
Inpatient visits	住院人次	+10.0%	47,425	43,119
Average length of stay (days)	平均住院日數	—	7.9	7.9
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+2.6%	14,634.2	14,257.1
<b>Outpatient healthcare services</b>	<b>門診醫療服務</b>			
Outpatient visits	門診人次	+9.9%	1,167,545	1,062,728
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+1.2%	346.9	342.7
<b>Staff</b>	<b>員工</b>			
Doctors	醫生	+9	520	511
Other medical, administrative and support staff	其他醫療、行政和後勤員工	+79	1,369	1,290
<b>Total</b>	<b>總計</b>	<b>+88</b>	<b>1,889</b>	<b>1,801</b>

In 2017, Kanghua Hospital continued to deliver stable 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.

於二零一七年，本集團醫院管理業務的毛利為人民幣1.4百萬元(二零一六年：人民幣0.4百萬元)及毛利率45.4%(二零一六年：31.7%)。康華眾聯心血管病醫院於二零一七年三月開始投入運作，並正在提升其服務及營運能力。展望將來，預計管理費的收益掛鉤部份(康華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。

本集團的藥品及醫療消耗品銷售分部錄得毛利人民幣1.2百萬元及毛利率16.4%。

### 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	2017 二零一七年	2016 二零一六年
<b>Inpatient healthcare services</b>			
Inpatient visits	+10.0%	47,425	43,119
Average length of stay (days)	—	7.9	7.9
Average spending per visit (RMB)	+2.6%	14,634.2	14,257.1
<b>Outpatient healthcare services</b>			
Outpatient visits	+9.9%	1,167,545	1,062,728
Average spending per visit (RMB)	+1.2%	346.9	342.7
<b>Staff</b>			
Doctors	+9	520	511
Other medical, administrative and support staff	+79	1,369	1,290
<b>Total</b>	<b>+88</b>	<b>1,889</b>	<b>1,801</b>

二零一七年，康華醫院繼續穩步增長，主要是因為其醫療能力增強，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。

# Management Discussion and Analysis

## 管理層討論及分析

### Renkang Hospital

### 仁康醫院

		Change	2017	2016
		變動	二零一七年	二零一六年
<b>Inpatient healthcare services</b>	<b>住院醫療服務</b>			
Inpatient visits	住院人次	+1.8%	13,718	13,471
Average length of stay (days)	平均住院日數	-0.1	7.3	7.4
Average spending per visit (RMB)	每人次平均開支(人民幣元)	+5.5%	8,959.8	8,493.6
<b>Outpatient healthcare services</b>	<b>門診醫療服務</b>			
Outpatient visits	門診人次	+2.6%	374,937	365,457
Average spending per visit (RMB)	每人次平均開支(人民幣元)	+5.3%	229.3	217.8
<b>Staff</b>	<b>員工</b>			
Doctors	醫生	-45	138	183
Other medical, administrative and support staff	其他醫療、行政和後勤員工	-65	386	451
<b>Total</b>	<b>總計</b>	<b>-110</b>	<b>524</b>	<b>634</b>

In 2017, Renkang Hospital regained its growth momentum in the number of inpatient and outpatient visits after a temporary reduction in year 2016, primarily as a result of improving economic sentiment in its vicinity during 2017. Patient flow noticeably increased beginning from 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 a stable increase in average spending per visit for both inpatients and outpatients.

仁康醫院於二零一六年住院及門診人次出現暫時減少的情況後，於二零一七年恢復其增長勢頭，主要是由於二零一七年其附近的經濟情緒改善所致。自二零一六年下半年起，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次平均開支穩步上升。

# Management Discussion and Analysis

## 管理層討論及分析

### Other Income

The other income of the Group primarily consisted of bank and other interest income, income from available-for-sale investments, government subsidies, rental income, imputed interest income arising from amount due from a shareholder (2016 only) and others. In 2017, other income amounted to RMB32.7 million (2016: RMB23.0 million), representing a year-on-year increase of approximately 42.2%, primarily due to (i) an increase in bank and other interest income to RMB11.6 million (2016: RMB4.5 million) as interest income arising from bank balances and loan receivable had a full year impact during 2017; and (ii) income generated from available-for-sale investments of RMB11.7 million (2016: nil), which collectively outweighed the effect of not having any imputed interest income arising from amount due from a shareholder recorded in 2017 (2016: RMB10.6 million). During the year, as part of the Group's cash management to maximise return on idle cash, the Group invested in certain principal-protected structured deposit products (classified as available-for-sale investments) issued by a PRC commercial bank to achieve higher interest income without interfering with business operations or capital expenditures to earn better return on our excess cash balance.

### 其他收入

本集團的其他收入主要包括銀行及其他投資收入、可供出售投資的收入、政府補貼、租金收入、應收股東款項估算(只在2016年產生)的利息收入及其他。於二零一七年，其他收入為人民幣32.7百萬元(二零一六年：人民幣23.0百萬元)，按年計同比增加約42.2%，主要是由於：(i)銀行及其他利息收入增加至人民幣11.6百萬元(二零一六年：人民幣4.5百萬元)，原因是來自銀行結餘及應收貸款產生的利息收入於二零一七年有全年影響；及(ii)可供出售投資產生收益人民幣11.7百萬元(二零一六年：無)，其整體超過二零一七年應收一名股東款項並無產生任何估計利息收入的影響(二零一六年：人民幣10.6百萬元)。年內，作為本集團為盡量提高閒置現金回報的現金管理的一部份，本集團投資於一家中國商業銀行發行的若干保本結構性存款產品(分類為可供出售投資)以獲取更高利息收入，以便在不影響業務營運或資本開支的情況下利用剩餘資金賺取更高的回報率。

# Management Discussion and Analysis

## 管理層討論及分析

### 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 (loss) gain and listing expenses recognised in profit or loss. In 2017, other expenses, gains and losses amounted to a net loss of RMB18.5 million (2016: net loss of RMB4.9 million), representing a year-on-year increase of approximately 277.6%, primarily due to (i) a recorded net exchange loss of RMB14.7 million (2016: net exchange gain of RMB6.4 million) arising from the exchange rate translation of the Group's Hong Kong dollar denominated assets including bank balances and available-for-sale investments; (ii) no one-off listing related expenses was recorded during the year (2016: RMB10.8 million) and recognised in profit or loss; and (iii) an increase in impairment loss on accounts receivables. The Group has written off certain accounts receivables balances that are aged over three years and considered not recoverable after taking the relevant recovery measures.

### 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 2017, administrative expenses amounted to RMB127.0 million (2016: RMB109.0 million), representing a year-on-year increase of approximately 16.5%, primarily due to (i) an increase in administrative staff related costs to RMB49.2 million (2016: RMB42.8 million) as a result of general increase in salary and more competitive compensation package offered and distribution of bonuses to administrative staff; (ii) an increase in building rentals and management fee to RMB16.1 million (2016: RMB12.9 million) as a result of sub-contracted service fees to cope with business growth; and (iii) an increase in other administrative related expenses including professional fees.

### 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(虧損)收益淨額及於損益確認的上市開支。於二零一七年，其他開支、收益及虧損為數淨虧損人民幣18.5百萬元(二零一六年：淨虧損人民幣4.9百萬元)，相當於按年計同比增長約277.6%，主要由於：(i)錄得由本集團港元計值資產(包括銀行結餘及可供出售投資)的匯率換算產生的匯兌虧損人民幣14.7百萬元(二零一六年：匯兌收益淨額人民幣6.4百萬元)；(ii)年內並無錄得並於損益確認的一次性上市相關開支(二零一六年：人民幣10.8百萬元)；及(iii)應收賬款減值虧損增加。本集團自採取相關收回措施後已撇銷賬齡超過三年且被視為不可收回的若干應收賬款結餘。

### 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。於二零一七年，行政開支為數人民幣127.0百萬元(二零一六年：人民幣109.0百萬元)，相當於按年計同比增長約16.5%，主要由於：(i)行政員工相關成本增加人民幣49.2百萬元(二零一六年：人民幣42.8百萬元)，原因是工資普遍增加，提供更具競爭力的薪酬待遇並向行政人員派發花紅所致；(ii)建築物租金和管理費增加人民幣16.1百萬元(二零一六年：人民幣12.9百萬元)，原因是分包服務費用以應付業務增長；及(iii)其他管理相關開支(包括諮詢顧問費)增加。



# Management Discussion and Analysis

## 管理層討論及分析

### Finance Costs

The finance costs of the Group primarily consisted of interest on bank borrowings wholly repayable within five years. In 2016, finance costs amounted to RMB7.4 million. No finance costs were recorded in 2017 as all of the Group's bank borrowings were fully repaid in July 2016 and no bank borrowing has been raised since then.

### Income Tax Expenses

The income tax expenses of the Group primarily consisted of PRC enterprise income tax. In 2017, income tax expenses amounted to RMB56.9 million (2016: RMB52.8 million), representing a year-on-year increase of approximately 7.8%, primarily due to higher profit before tax of RMB218.1 million (2016: RMB198.5 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 2017 was 26.1% (2016: 26.6%). The decrease was primarily due to certain expenses recorded in certain entities of the Group that were not deductible against the Group's profits in 2017 and certain administrative expenses recorded in a holding company in 2017.

### Profit for the Year

In 2017, profit attributable to the Shareholders amounted to RMB156.6 million (2016: RMB141.3 million), representing a year-on-year increase of approximately 10.8%.

### 融資成本

本集團的融資成本主要包括須於五年內悉數償還的銀行借款的利息。於二零一六年，融資成本為數人民幣7.4百萬元。於二零一七年並無錄得融資成本，原因為本集團所有銀行借款已於二零一六年七月悉數償還，此後並無籌借銀行借款。

### 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。於二零一七年，所得稅開支為數人民幣56.9百萬元(二零一六年：人民幣52.8百萬元)，相當於按年計同比增長約7.8%，主要由於除稅前溢利增加人民幣218.1百萬元(二零一六年：人民幣198.5百萬元)。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。於二零一七年的實際稅率為26.1%(二零一六年：26.6%)，減少主要是由於本集團若干實體於二零一七年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於二零一七年入賬的若干行政開支。

### 年內溢利

於二零一七年，股東應佔溢利為人民幣156.6百萬元(二零一六年：人民幣141.3百萬元)，相當於按年計同比增長約10.8%。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL POSITION

#### Property, Plant and Equipment and Deposits Paid for Acquisition of Property, Plant and Equipment

During the year, the Group acquired property, plant and equipment and incurred expenditure on construction in progress of RMB79.3 million (2016: RMB38.1 million) and RMB43.7 million (2016: RMB42.9 million), respectively, for the purpose of upgrading and expanding the service capacity of its hospital operations. In addition, as at 31 December 2017, the Group had certain deposits paid for acquisition of property, plant and equipment amounting to RMB76.5 million (2016: RMB29.9 million). The deposits mainly represented amount paid for acquisition of new medical equipment and other new facilities as well as medical equipment for the newly established Kanghua Hospital - Huawei Clinic and deposits for renovation work in respect of the new administrative building and Huaxin Building (a complex in Kanghua Hospital dedicated to VIP healthcare services).

#### Inventories

The inventories of the Group primarily consisted of pharmaceutical products, medical consumables and others. As at 31 December 2017, inventories increased slightly by 3.0% to RMB44.5 million (2016: RMB43.2 million) primarily due to business growth. During the year, the Group had tightened and improved overall inventory controls, thus, despite the growth in business volume, inventory level was maintained at a similar level as last year.

### 財務狀況

#### 物業、廠房及設備以及就購買物業、廠房及設備支付的按金

年內，本集團購買物業、廠房及設備人民幣79.3百萬元(二零一六年：人民幣38.1百萬元)及就在建工程產生支出人民幣43.7百萬元(二零一六年：人民幣42.9百萬元)，以升級及擴大其醫院營運的服務能力。此外。於二零一七年十二月三十一日，本集團就購買物業、廠房及設備支付的若干按金為人民幣76.5百萬元(二零一六年：人民幣29.9百萬元)。按金主要指就購買新的醫療設備及其他新設施以及為新成立的康華醫院－華為門診部購買醫療設備支付的款項，以及為新行政大樓及華心樓(康華醫院專用於貴賓醫療服務的綜合大樓)進行翻新工程的按金。

#### 存貨

本集團的存貨主要為藥品、醫療消耗品及其他。截至二零一七年十二月三十一日，存貨略增3.0%至人民幣44.5百萬元(二零一六年：人民幣43.2百萬元)，主要是由於業務增長。年內，儘管業務量增長，但本集團已收緊並改善整體庫存控制，因此庫存水平維持在與去年相若的水平。

# Management Discussion and Analysis

## 管理層討論及分析

### 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 2017, accounts receivables increased to RMB95.0 million (2016: RMB87.0 million) primarily due to an increase in the operation level of the Group, of which 90.5% (2016: 93.0%) were aged within 90 days. Average accounts receivables turnover days for 2017 was 23.9 days (2016: 23.2 days), which the Board considers to be relatively healthy as compared with industry average.

The other receivables of the Group primarily consisted of prepayments to suppliers, deposit paid for an investment, loan receivables, interest receivables and others. As at 31 December 2017, other receivables increased to RMB124.5 million (2016: RMB103.5 million) primarily due to (i) a decrease in prepayment to suppliers; (ii) during the year, the Group granted unsecured loans in the aggregate amount of RMB100 million (2016: RMB80.0 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; (iii) recorded interest receivables of RMB6.1 million (2016: 0.5 million) arising from cancelable short-term fixed deposits which were not mature at the end of the reporting period and interest income from loans granted to Kanghua Zhonglian Cardiovascular Hospital; and (iv) deposit paid for an investment of RMB5.0 million.

### 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。於二零一七年十二月三十一日，應收賬款增加至人民幣95.0百萬元(二零一六年：人民幣87.0百萬元)，主要由於本集團之營運水平擴大，其中90.5%(二零一六年：93.0%)的賬齡為90天內。二零一七年平均應收賬款周轉天數為23.9天(二零一六年：23.2天)。董事會認為，這與行業平均水平相比屬相對健康。

本集團的其他應收款項主要包括對供應商的預付款、已付投資訂金、應收貸款和應收利息及其他。於二零一七年十二月三十一日，其他應收款項增至人民幣124.5百萬元(二零一六年：人民幣103.5百萬元)，主要由於：(i)減少對供應商的預付款；(ii)於本年度，本集團總共向本集團管理的眾聯心血管病醫院授出無抵押貸款人民幣100百萬元(二零一六年：人民幣80.0百萬元)；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；(iii)錄得於報告期末尚未到期的可撤銷短期定期存款產生的應收利息人民幣6.1百萬元(二零一六年：人民幣0.5百萬元)以及授予康華眾聯心血管病醫院貸款的利息收入；及(iv)投資訂金人民幣5.0百萬元。

# 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 2017, accounts and other payables increased to RMB412.6 million (2016: RMB386.4 million) primarily due to (i) a slight increase in accounts payables to RMB275.6 million (2016: RMB274.1 million); (ii) an increase in accrued expenses to RMB68.9 million (2016: RMB51.0 million) primarily attributable to increase in staff salary and other operational and administrative charges incurred but not yet settled at the end of the reporting period; (iii) a decrease in construction payable to RMB16.2 million (2016: RMB18.2 million) primarily attributable to a renovation cost payable for a new administrative center; and (iv) an increase in receipt in advance to RMB41.8 million (2016: RMB30.9 million) due to expansion of operation during the year.

### Net Current Assets

As at 31 December 2017, the Group recorded net current assets of RMB757.6 million (2016: RMB784.1 million).

### 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、預收款項及其他。於二零一七年十二月三十一日，應付賬款及其他應付款項增加至人民幣412.6百萬元(二零一六年：人民幣386.4百萬元)，主要由於：(i)應付賬款略增至人民幣275.6百萬元(二零一六年：人民幣274.1百萬元)；(ii)應計開支增加至人民幣68.9百萬元(二零一六年：51.0百萬元)，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增加；(iii)應付建設費減少至人民幣16.2百萬元(二零一六年：人民幣18.2百萬元)，主要由於新行政中心翻新應付的費用；及(iv)因年內擴大經營，預收款項增加至人民幣41.8百萬元(二零一六年：人民幣30.9百萬元)。

### 流動資產淨值

於二零一七年十二月三十一日，本集團錄得流動資產淨值人民幣757.6百萬元(二零一六年：人民幣784.1百萬元)。

# 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 RMB383.8 million as at 31 December 2017 (2016: RMB936.4 million) and short-term available-for-sale investments of RMB543.0 million (2016: nil). The Group continues to generate steady cash inflow from operations and coupled with sufficient cash and bank balances, in the opinion of the directors of the Company, the Group will have adequate and sufficient liquidity and financial resources to meet the working capital requirement of the Group for at least the next twelve months from the end of the reporting period.

As at 31 December 2017, the Group had investments (classified as available-for-sale investments) in aggregate of RMB559.3 million (2016: nil) primarily consisting of, (i) an unlisted fund of US\$2.5 million (equivalent to approximately RMB16.3 million) representing an investment in equity securities of a private company in the PRC for a minimum term of three years for the purpose of capital gain, strategic long-term investment and potential cooperation in healthcare; (ii) portfolio investment fund of RMB51.2 million, representing an investment fund deposited with a discretionary fund manager in Hong Kong mandated to achieve appropriate return consistent with the Group's cash management policy. The portfolio included a mixture of cash and shares that are primarily listed in Hong Kong; and (iii) structured bank deposits of RMB491.8 million, representing principal-protected products issued by a PRC commercial bank.

### 流動資金及資本資源

#### 財務資源

本集團於二零一七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383.8百萬元(二零一六年：人民幣936.4百萬元)及短期可供出售投資人民幣543.0百萬元(二零一六年：無)。本集團繼續從經營活動產生穩定的現金流入，加上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，以滿足本集團於報告期結束後至少未來十二個月的營運資金需求。

於二零一七年十二月三十一日，本集團作出投資(分類為可供出售投資)合共人民幣559.3百萬元(二零一六年：無)，主要包括(i)非上市基金2.5百萬美元(相當於約人民幣16.3百萬元)，指於中國一家私人公司的權益證券投資，期限最短為三年，以獲取資本收益、長期戰略投資及潛在醫療合作為目的；(ii)證券投資基金人民幣51.2百萬元，指授權存放至香港全權基金經理管理的投資基金，以達致符合本集團現金管理政策的適當回報。組合包括現金及主要在香港上市的股份；及(iii)結構性銀行存款人民幣491.8百萬元，指由一家中國商業銀行發行的保本產品。

# Management Discussion and Analysis

## 管理層討論及分析

As part of the Group's cash management policy to manage excess cash, the Group purchases investment products from financial institutions to achieve higher interest income without interfering with business operations or capital expenditures. The Group carefully balances the risks and returns associated with the investment products when making the investment decisions. The senior management of the Group is closely involved in securitizing any decision of the Group to purchase investment products. The investment products should generally satisfy the following criteria, (i) its term should generally not exceed one year; (ii) it should not interfere with the Group's business operations or capital expenditures; (iii) it should be issued by a reputable bank which the Group has a long-term relationship, preferably exceeding five years; and (iv) the underlying investment portfolio should generally be low risk.

作為本集團管理超額現金的其中一項現金管理政策，本集團在不影響正常業務運作及資本支出的前提下，向金融機構購買理財投資產品，以管理超額現金並獲取更高的收益。本集團在制定相關投資決策時，會謹慎衡量投資產品的風險與收益。此外，本集團管理層亦密切參與有關購買投資產品的一切相關決策。本集團選擇的投資產品須符合以下幾項標準：(i) 其收益週期一般不超過一年；(ii) 其將不涉及集團的正常業務運作或資本支出；(iii) 其應由與本集團有長期合作關係（一般超過5年）及具有良好信譽的銀行發行；及(iv) 其基礎投資組合應具較低風險。

### 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:

### 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：

	Change 變動	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net cash generated from operating activities 經營活動所得現金淨額	+37.6%	213,919	155,423
Net cash (used in) generated from investing activities 投資活動(所用)所得現金淨額	-301.3%	(711,188)	353,297
Net cash (used in) generated from financing activities 融資活動(所用)所得現金淨額	-115.0%	(49,037)	326,498
Net (decrease) increase in cash and cash equivalents 現金及現金等價物(減少)增加淨額	-165.4%	(546,306)	835,218

# Management Discussion and Analysis

## 管理層討論及分析

### *Net cash generated from operating activities*

In 2017, the net cash generated from operating activities amounted to RMB213.9 million, which was primarily attributable to (a) profit before taxation of RMB218.1 million, as mainly adjusted by (i) depreciation of property, plant and equipment of RMB49.6 million; (ii) unrealised exchange loss of RMB7.2 million; (iii) bank and other interest income of RMB11.6 million; and (iv) available-for-sale investments income of RMB11.7 million and (b) changes in working capital primarily consisting of (i) an increase in accounts and other receivables of RMB7.5 million; and (ii) a increase in accounts and other payables of RMB26.2 million as a result of business growth. The Group had further cash outflow of RMB58.9 million attributable to income tax paid. The increase in net cash generated from operating activities was primarily caused by the increase on profit before taxation for the year and the increase in accrued expenses in relation to staff salary and bonuses that remained unsettled at the end of the reporting period.

### *Net cash (used in) generated from investing activities*

In 2017, the net cash used in investing activities amounted to RMB711.2 million, which was primarily attributable to (i) purchase of available-for-sale investments of 560.2 million; (ii) purchase of property, plant and equipment of RMB119.3 million; (iii) additional loan granted to Kanghua Zhonglian Cardiovascular Hospital of RMB20.0 million; (iv) deposit paid for an investment of RMB5.0 million; and (v) partially off-set by income received from available-for-sale investments of RMB11.7 million and interest received of RMB11.6 million. During the year, as part of the Group's cash management policy, the Group had made investments in an unlisted fund, a portfolio investment fund and structured bank deposits to achieve higher returns on excess cash, resulting in a net cash outflow in its investing activities.

### *經營活動所得現金淨額*

於二零一七年，經營活動所得現金淨額為數人民幣213.9百萬元，歸屬(a)除稅前溢利人民幣218.1百萬元，經作出調整如下：(i)物業、廠房及設備折舊人民幣49.6百萬元；(ii)未變現匯兌虧損人民幣7.2百萬元；(iii)銀行及其他利息收入人民幣11.6百萬元；及(iv)可供出售投資的收入人民幣11.7百萬元；及(b)因應業務增長而致使營運資金變動，主要包括(i)應收賬款及其他應收款項增加人民幣7.5百萬元；及(ii)應付賬款及其他應付款項增加人民幣26.2百萬元。歸屬於已付所得稅，本集團進一步現金流出人民幣58.9百萬元。經營活動所得現金淨額增加，主要是由於本年度除稅前溢利增加及與報告期末尚未解決的員工薪金和花紅相關的應計費用增加所致。

### *投資活動（所用）所得現金淨額*

二零一七年，投資活動所用現金淨額為人民幣711.2百萬元，主要由於(i)購買可供出售投資人民幣560.2百萬元；(ii)購買物業、廠房及設備人民幣119.3百萬元；(iii)授予康華眾聯心血管病醫院額外貸款人民幣20.0百萬元；(iv)已付投資訂金人民幣5.0百萬元；及(v)部份因來自可供出售投資的收入人民幣11.7百萬元及已收利息人民幣11.6百萬元而抵銷。年內，作為本集團現金管理政策的一部份，本集團已投資於非上市基金、證券投資基金及結構性銀行存款，以實現多餘現金的更高回報，導致其投資活動出現淨現金流出。

# Management Discussion and Analysis

## 管理層討論及分析

### *Net cash (used in) generated from financing activities*

In 2017, the net cash used in financing activities amounted to RMB49.0 million, which was primarily attributable to (i) dividend paid during the year of RMB46.8 million; and (ii) repayment to a shareholder of RMB2.3 million. The net cash inflow in 2016 was mainly attributable to the proceeds from the initial public offering of the Company's H Shares, partially off-set by repayment to shareholders and repayment of bank borrowings.

### **Significant Investment, Acquisition and Disposal**

#### *Kanghua Zhonglian Cardiovascular Hospital*

In June 2016, the Group entered into a management agreement with respect to Kanghua 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. Kanghua 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 Kanghua Zhonglian Cardiovascular Hospital and is entitled to a monthly management fee of RMB200,000 (before applicable tax) plus 5% of Kanghua Zhonglian Cardiovascular Hospital's monthly revenue.

In June 2016, following arm's length negotiations with Kanghua Zhonglian Cardiovascular Hospital, the Group provided an unsecured loan in the amount of RMB50.0 million to Kanghua 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 (the "June 2016 Loan").

### *融資活動(所用)所得現金淨額*

二零一七年，融資活動所用現金淨額為人民幣49.0百萬元，主要由於(i)年內已付股息為人民幣46.8百萬元；及(ii)償還股東人民幣2.3百萬元。二零一六年的現金流入淨額主要歸因於本公司H股首次公開發售的所得款項，部份因償還股東貸款及償還銀行借款而抵銷。

### **重大投資、收購及出售**

#### *康華眾聯心血管病醫院*

於二零一六年六月，本集團就康華眾聯心血管病醫院訂立管理協議，該醫院為重慶市首家心血管疾病專科醫院，也是本集團管理的首家醫院，及首次踏足廣東省以外經營業務。康華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，期間本集團對康華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(扣除適用稅項前)加康華眾聯心血管病醫院的每月收益5%。

於二零一六年六月，經與康華眾聯心血管病醫院以公平原則進行磋商後，本集團向康華眾聯心血管病醫院提供人民幣50.0百萬元之無抵押貸款，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(「二零一六年六月貸款」)。



# Management Discussion and Analysis

## 管理層討論及分析

As disclosed in the Company's announcement dated 12 December 2016, in December 2016, following arm's length negotiations with Kanghua Zhonglian Cardiovascular Hospital, the Group provided an unsecured loan facility in the amount of RMB50 million to Kanghua Zhonglian Cardiovascular Hospital, which could be drawdown in one or more tranches within two months. A monthly interest rate of 0.42% is payable by Kanghua Zhonglian Cardiovascular Hospital monthly in arrears and the principal amount of each loan tranche is repayable by Kanghua Zhonglian Cardiovascular Hospital at the expiry of 12 months from the relevant drawdown date. The loan amounts of RMB30.0 million and RMB20.0 million were drawdown by Kanghua Zhonglian Cardiovascular Hospital in December 2016 (the "First Tranche December 2016 Loan") and February 2017 (the "Second Tranche December 2016 Loan"), respectively.

In June 2017, the **June 2016 Loan** was renewed in the amount of RMB50.0 million and carries a monthly interest rate of 0.42% for another year. The **First Tranche December 2016 Loan** and **Second Tranche December 2016 Loan** were renewed in the amount of RMB30.0 million in December 2017 and RMB20.0 million in February 2018, respectively, and carry a monthly interest rate of 0.42% for another year.

As at 31 December 2017, the total loan balance provided to Kanghua Zhonglian Cardiovascular Hospital in aggregate amounted to RMB100.0 million (2016: RMB80.0 million). Such loan balance represented less than 6% 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 2017.

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

如本公司日期為二零一六年十二月十二日的公告所披露，於二零一六年十二月，經與康華眾聯心血管病醫院以公平原則進行磋商後，本集團向康華眾聯心血管病醫院提供人民幣50百萬元的無抵押貸款融資額度，該融資額度可於兩個月內一次性或分多次提取。月利率為0.42%，由康華眾聯心血管病醫院每月於期後償付，而每批貸款的本金由康華眾聯心血管病醫院於相關提取日期後滿12個月當日償還。康華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二月提取人民幣30.0百萬元（「第一批二零一六年十二月貸款」）及人民幣20.0百萬元（「第二批二零一六年十二月貸款」）的貸款金額。

於二零一七年六月，二零一六年六月貸款續期一年，金額為人民幣50.0百萬元，按月利率0.42%計息。第一批二零一六年十二月貸款及第二批二零一六年十二月貸款已分別更新至二零一七年十二月的人民幣30.0百萬元及二零一八年二月的人民幣20.0百萬元，而另一年的每月利率為0.42%。

於二零一七年十二月三十一日，向康華眾聯心血管病醫院提供的貸款結餘總額合共為人民幣100.0百萬元（二零一六年：人民幣80.0百萬元）。經計及本集團於二零一七年十二月三十一日的總資產狀況，該貸款結餘相當於少於6%的資產比率（定義見香港上市規則第14.07(1)條）。

除本年報所披露者外，本集團於報告期內並無任何重大投資、收購或出售，報告期結束起直至本年報之日亦無任何重大事項。

# Management Discussion and Analysis

## 管理層討論及分析

### Cash Management Activities

As part of the Group's cash management, the Group has from time to time invested into investment products issued by a reputable PRC commercial bank with terms ranging from 90-138 days and portfolio investment funds to achieve higher interest income without interfering with business operations or capital expenditures. The investment products are not rated by any credit agency but is classified as low-risk by the issuing bank and listed securities with low risk profile. The Group carefully balances the risks and returns associated with the investment products when making the investment decisions. The senior management of the Group is closely involved in securitizing any decision of the Group to purchase investment products.

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 and up to the date of this annual report.

### 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 2017 was RMB123.0 million (2016: RMB81.0 million), representing a increase of 51.9% from 2016, primarily due to acquisition and upgrade of medical equipment to cope with operational expansion, addition of leasehold improvement in Kanghua Hospital – Huawei Clinic and construction in progress work for the Group's new administrative centre. The Group has financed its capital expenditure through cash flows generated from operating activities.

### 現金管理活動

作為本集團現金管理的一部份，本集團不時投資至由一家聲譽良好的中國商業銀行發行期限介乎90至138天的投資產品及組合投資基金，在不影響業務運作或資本開支的前提下，以獲取更高的利息收益。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，以及低風險的上市證券。本集團在制定相關投資決策時，會謹慎衡量投資產品的風險與收益。本集團高級管理層亦密切參與有關購買投資產品的一切相關決策。

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。

### 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。本集團於二零一七年之資本開支為人民幣123.0百萬元(二零一六年：人民幣81.0百萬元)，較二零一六年增加51.9%，主要是由於收購及升級醫療設施以應付營運擴充、康華醫院－華為門診部增添租賃改善以及本集團新設的行政中心在建工程。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。

# Management Discussion and Analysis

## 管理層討論及分析

### USE OF PROCEED FROM THE INITIAL PUBLIC OFFERING

The Company's H Shares were listed on the Hong Kong Stock Exchange on 8 November 2016. The Company's net proceeds from the initial public offering of its H Shares amounts to approximately RMB782.6 million (equivalently to approximately HK\$874.9 million) after deducting underwriting commissions and all related expenses. The net proceeds from the initial public offering have been and will be utilised in accordance with the purposes set out in the prospectus of the Company dated 27 October 2016 (the "Prospectus").

Up to 31 December 2017, approximately RMB47.8 million of the net proceeds from the initial public offering, representing approximately 6.1% of the net proceeds, has been utilised, of which 4.8% has been used as general working capital and 1.3% has been used as upgrading our hospitals' facilities. As at 31 December 2017, out of the balance of the unutilised net proceeds of RMB734.8 million, RMB559.3 million has been used to purchase certain financial products (classified as available-for-sale investments) as part of the cash management policy, to achieve higher interest income and capital return on excess cash balance without interfering with business operations or capital expenditures, and the remaining balance has been kept at the bank accounts of the Group (included in bank balances and cash). 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.

### 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。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874.9百萬元)。首次公開發售所得款項淨額已按照並將持續按照本公司日期為二零一六年十月二十七日的招股章程(「招股章程」)所載用途使用。

截至二零一七年十二月三十一日，首次公開發售所得款項淨額中約有人民幣47.8百萬元(佔所得款項淨額約6.1%)已被動用，其中4.8%用作一般營運資金及1.3%用作升級我們的醫院設施。於二零一七年十二月三十一日，尚未動用所得款項淨額結餘人民幣734.8百萬元中，人民幣559.3百萬元已被用於購買若干金融產品(分類為可供出售投資)作為現金管理政策的一部份，以從多餘的現金中獲得較高的利息收入及資本回報，而不會干擾我們的業務營運或產生資本開支，以及餘額乃存於本集團的銀行賬戶(計入銀行結餘及現金)。於本年報日期，本公司預計招股章程所述所得款項使用計劃不會發生任何變動。

# Management Discussion and Analysis

## 管理層討論及分析

### INDEBTEDNESS

#### Bank Loans

As at 31 December 2017, the Group had no bank borrowings (2016: nil). As at 31 December 2017, the Group had no banking facilities (2016: nil).

#### 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 2017, the total stated claim amount of the Group's on-going medical disputes was approximately RMB7.1 million (2016: RMB11.3 million) and there were certain medical disputes without claim amount stated. Based on the Group's assessment, as at 31 December 2017, approximately RMB0.50 million (2016: RMB0.48 million) had been provided and included in accounts and other payables of the Group.

As at 31 December 2017, 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 2017, none of the Group's assets had been pledged (2016: none).

#### Contractual Obligations

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

### 債項

#### 銀行貸款

於二零一七年十二月三十一日，本集團並無銀行借款(二零一六年：無)。截至二零一七年十二月三十一日，本集團並無銀行融資額度(二零一六年：無)。

#### 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。於二零一七年十二月三十一日，本集團尚未了結的醫療糾紛索賠總額約為人民幣7.1百萬元(二零一六年：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，於二零一七年十二月三十一日，本集團已作出約人民幣0.50百萬元(二零一六年：人民幣0.48百萬元)的撥備，並計入本集團的應付賬款及其他應付款項中。

於二零一七年十二月三十一日，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

於二零一七年十二月三十一日，本集團概無資產已被質押(二零一六年：無)。

#### 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。

# Management Discussion and Analysis

## 管理層討論及分析

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 2017, the future aggregate minimum lease payments under non-cancellable lease agreements were RMB270.7 million (2016: RMB295.4 million).

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 2017, the capital commitments in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements were RMB82.8 million (2016: RMB49.0 million).

### Financial Instruments

The Group's financial instruments primarily consisted of available-for-sale investments, accounts and other receivables, bank balances and cash, restricted bank balances, accounts payables and other payables and amount due to a shareholder. 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 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 2017, the Group's gearing ratio (total interest-bearing bank loans divided by total equity and multiplied by 100%) was zero (2016: zero).

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。於二零一七年十二月三十一日，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270.7百萬元(二零一六年：人民幣295.4百萬元)。

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。於二零一七年十二月三十一日，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82.8百萬元(二零一六年：人民幣49.0百萬元)。

### 金融工具

本集團的金融工具主要包括可供出售投資、應收賬款及其他應收款項、銀行結餘及現金、受限制銀行結餘、應付賬款及其他應付款項及應付股東款項。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

本集團以港元存放部份其金融資產，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

於二零一七年十二月三十一日，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(二零一六年：零)。

# Management Discussion and Analysis

## 管理層討論及分析

### EVENTS AFTER THE REPORTING PERIOD

As disclosed in the Company's announcement dated 13 March 2018, an indirect wholly-owned subsidiary of the Company entered into an agreement to acquire 57% equity interest in Anhui Hualin Medical Investment Co., Ltd. ("Anhui Hualin") at a total consideration of RMB78.66 million by way of purchase of equity interests from an independent third party with cash consideration of RMB58.66 million and capital injection in a non-pro rata basis of RMB20 million to Anhui Hualin. Anhui Hualin is principally engaged in the provision of healthcare, rehabilitation and training services and directly and indirectly holds the sponsor interest in a number of private non-enterprise entities in Anhui Province, the PRC, including one specialist hospital, one class I general hospital, nine rehabilitation centres and one vocational training school. Refundable earnest money of RMB5.0 million was paid in connection with the acquisition and set out in the consolidated statement of financial position.

### 報告期後事項

誠如本公司日期為二零一八年三月十三日的公告所披露，本公司一家間接全資附屬公司訂立一項協議，以總代價人民幣78.66百萬元收購安徽樺霖醫療投資有限公司（「安徽樺霖」）的57%股權，支付方式為以現金代價人民幣58.66百萬元向獨立第三方購買股權及向安徽樺霖以非按比例基準注資人民幣20百萬元。安徽樺霖主要從事提供醫療、康復及培訓之業務，且於中國安徽省的多間民辦非企業單位直接或間接持有舉辦者權益，包括一間專科醫院、一間一級綜合醫院、九間殘疾人康復中心及一間職業培訓學校。可退回的誠意金人民幣5.0百萬元已就收購事項支付，並載於綜合財務狀況表內。

# 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 2017.

### PRINCIPAL ACTIVITIES

The Group is principally engaged in the operation of private hospitals, provision of hospital management services and sales of pharmaceutical products 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.

### 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 Corporate Governance Report and the Management Discussion and Analysis section on pages 72 to 90 and on pages 12 to 45 respectively 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. Particulars of important events affecting the Group after the reporting period are provided in the Management Discussion and Analysis section on page 45 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 pages 244 to 245 of this annual report respectively. In addition, discussions on the relationships with its staff, customers and suppliers is also contained in the Environmental, Social and Governance Report section on pages 91 to 140 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 47.

董事會欣然提呈本年報以及本集團截至二零一七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，醫院管理服務及銷售藥品。

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。

### 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分別載於本年報第 72 至 90 頁之企業管治報告及第 12 至 45 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。報告期後所發生影響本集團之重要事項詳情載於本年報第 45 頁之管理層討論及分析一節。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 244 至 245 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 91 至 140 頁之環境、社會及管治報告一節。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 47 頁。

### 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 2017, the Group had complied with the applicable environment laws and regulations in the PRC in all material respects.

Please refer to pages from 91 to 140 of this annual report for the Environmental, Social and Governance Report of the Company prepared 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 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 163 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，截至二零一七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。

本公司根據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編製的環境、社會及管治報告請參閱本年報第91至140頁。

### 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

本集團截至二零一七年十二月三十一日止年度的財務業績載於本年報第163頁的綜合損益及其他全面收益表。



# Report of the Board

## 董事會報告

### 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. 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.

For a description of the utilisation of the proceeds from the initial public offering, please refer to page 42 of this annual report.

### DIVIDEND

The Board recommends the payment of the Proposed Final Dividend of RMB16 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 2018, the Proposed Final Dividend will be distributed on or about 20 July 2018 to the Shareholders whose names appear on the register of members of the Company on 19 June 2018 (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 RMB16 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 2018. 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 2018 to 19 June 2018, 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。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。

有關首次公開發售所得款項用途的描述，請參照本年報第42頁。

### 股息

董事會建議派發建議末期股息每股人民幣16分(含適用稅項)。待股東於二零一八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，建議末期股息將於二零一八年七月二十日或前後分派給於二零一八年六月十九日(「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16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二零一八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股股東名冊將於二零一八年六月十四日至二零一八年六月十九日(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%。

# Report of the Board

## 董事會報告

### 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.

### 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 15 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 2017, 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。

### 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15。

### 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。截至二零一七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%。

For the year ended 31 December 2017, the Group's largest supplier and the five largest suppliers in aggregate contributed to approximately 30.8% and 70.4%, 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 30.8% 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 2017.

### DONATIONS

For the year ended 31 December 2017, the Group has no charitable contributions and other donations.

### SUBSIDIARIES

Details of the Company's principal subsidiaries as of 31 December 2017 are set out in note 32 to the consolidated financial statements.

截至二零一七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30.8%和70.4%，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30.8%。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二零一七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

截至二零一七年十二月三十一日止年度，本集團無作出的慈善捐款和其他捐款。

### 附屬公司

本公司截至二零一七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

#### Independent Non-executive Directors

Mr. Yeung Ming Lai

Dr. Chen Keji

Mr. Chan Sing Nun

### 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

#### 獨立非執行董事

楊銘澧先生

陳可冀醫生

陳星能先生

### 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

### 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 2017 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 reporting period, 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 2017 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 2017.

### 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二零一七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。於報告期內，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，其於截至二零一七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二零一七年十二月三十一日止年度遵守不競爭協議。

# Report of the Board

## 董事會報告

### 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 10 and 11 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 2017, 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10及11。

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

截至二零一七年十二月三十一日，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 <sup>(5)</sup>	
				Approximate percentage in Shares of the same class <sup>(5)</sup> 相同類別 股份所佔 概約百分比 <sup>(5)</sup>	Approximate percentage of the Company's total issued share capital <sup>(5)</sup> 佔本公司 已發行股本 概約百分比 <sup>(5)</sup>
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 <sup>(1)</sup> ; interest in a controlled corporation <sup>(2)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(2)</sup>	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 <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(3)</sup> ；配偶的家族權益 <sup>(4)</sup>	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 <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(3)</sup> ；配偶的家族權益 <sup>(4)</sup>	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 2017, 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 2017, 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 2017.

### 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) 截至二零一七年十二月三十一日，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) 截至二零一七年十二月三十一日，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二零一七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。

(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 2017, 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，截至二零一七年十二月三十一日，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。

# Report of the Board

## 董事會報告

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As of 31 December 2017, 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 <sup>(1)</sup> ; interest in a controlled corporation <sup>(2)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(2)</sup>	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 <sup>(1)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup>	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

截至二零一七年十二月三十一日，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 <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(3)</sup> ；配偶的家族權益 <sup>(4)</sup>	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 <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(3)</sup> ；配偶的家族權益 <sup>(4)</sup>	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 <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	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 <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	20,055,800 (Long position) (好倉)	23.76%	6.00%

# 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
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 <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	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 <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	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 <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	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%

# 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
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%
Lin Lijun ("Mr. Lin") 林利軍(「林先生」)	H Shares H股	Interest in a controlled corporation <sup>(6)</sup> 於受控制法團的權益 <sup>(6)</sup>	8,646,200 (Long position) (好倉)	10.25%	2.59%
LVC Assets Management Limited	H Shares H股	Interest in a controlled corporation <sup>(6)</sup> 於受控制法團的權益 <sup>(6)</sup>	8,646,200 (Long position) (好倉)	10.25%	2.59%
LVC KH Investment L.P.	H Shares H股	Beneficial owner 實益擁有人	8,646,200 (Long position) (好倉)	10.25%	2.59%
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%
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%
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 <sup>(7)</sup> 於受控制法團的權益 <sup>(7)</sup>	4,880,000 (Long position) (好倉)	5.78%	1.46%
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 <sup>(7)</sup> 於受控制法團的權益 <sup>(7)</sup>	4,880,000 (Long position) (好倉)	5.78%	1.46%
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	4,880,000 (Long position) (好倉)	5.78%	1.46%

# 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 Ai Qin 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 Ai Qin holds 50% in Xingda Property. As each of Mr. Chen Wangzhi and Ms. Wang Ai Qin controls more than one third of the voting power at the general meeting of Xingda Property, each of Mr. Chen Wangzhi and Ms. Wang Ai Qin 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 Ai Qin 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. Lin holds 100% in LVC Assets Management Limited, which in turn holds 100% in LVC KH Investment L.P. Each of Mr. Lin and LVC Assets Management Limited is deemed to be interested in the same number of Shares in which LVC KH Investment L.P. is interested by virtue of SFO.
- (7) 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中擁有權益。
- (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) 林先生持有LVC Assets Management Limited 100%，而LVC Assets Management Limited持有LVC KH Investment L.P. 100%。基於證券及期貨條例，林先生及LVC Assets Management Limited各自被視為於LVC KH Investment L.P.擁有的相同數目股份擁有權益。
- (7) 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。

(b) Substantial shareholders of other members of the Group

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

Save as disclosed above, as of 31 December 2017, 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.

(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。

除上文所披露者外，截至二零一七年十二月三十一日，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。



# Report of the Board

## 董事會報告

### 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 year ended 31 December 2017, 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	Actual
			for the year ended 31 December 2017 (RMB million)	transaction value for the year ended 31 December 2017 (RMB million)
			截至二零一七年 十二月三十一日 止年度的年度上限 (人民幣百萬元)	截至二零一七年 十二月三十一日 止年度的實際 交易價值 (人民幣百萬元)
The Kanghua Hospital Lease Agreement 康華醫院租賃協議	Kanghua Group 康華集團	The land and buildings under the lease are owned by Kanghua Group and leased to Kanghua 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	24.0	23.0
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	3.4	3.4

### 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

截至二零一七年十二月三十一日止年度，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

### *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 2017, the actual GFA used by Kanghua Hospital was 277,824.64 sq.m. and the monthly rental per sq.m. was RMB6.96. 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。截至二零一七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277,824.64平方米，而每平方米租金為人民幣6.96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。

# Report of the Board

## 董事會報告

### 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 2017, the actual GFA used by Renkang Hospital was 73,265.62 sq.m. and the monthly rental per sq.m. was RMB3.85. 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。截至二零一七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3.85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。

### 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 reporting period, 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

As at 31 December 2017 the Group has no bank borrowing.

### 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，概無關聯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

於報告期內，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

本集團截至二零一七年十二月三十一日並沒有銀行借款。

# Report of the Board

## 董事會報告

### 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；

- 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.
- 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。

### 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 reporting period. Principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 72 to 90 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 2018 to 8 June 2018, 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 2018.

### 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，本公司於報告期內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72至90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

本公司將於二零一八年五月九日至二零一八年六月八日(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二零一八年五月八日下午四時三十分前交回之本公司之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 2018 to 19 June 2018, 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 2018.

### IMPORTANT EVENTS AFTER THE REPORTING PERIOD

On 13 March 2018 a subsidiary of the Company entered into a binding agreement to purchase certain healthcare business in Anhui Province, the PRC at a total consideration of RMB78.66 million. Please refer to the announcement of the Company dated 13 March 2018 for details.

Save as disclosed above, 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 2017. 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  
15 March 2018

### 為確定建議末期股息之權利

本公司將於二零一八年六月十四日至二零一八年六月十九日(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二零一八年六月十三日下午四時三十分前交回之本公司之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

於二零一八年三月十三日, 本公司的一間附屬公司簽訂具約束力的協議, 以購買約干於中國安徽省的醫療業務, 總代價為人民幣78.66百萬元。詳情請參閱本公司日期為二零一八年三月十三日的公告。

除上文所述者外, 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

截至二零一七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週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  
二零一八年三月十五日

# 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  
15 March 2018

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  
二零一八年三月十五日



# Corporate Governance Report

## 企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2017. The Board is of the opinion that the Company has complied with the applicable code provisions under the CG Code throughout the year ended 31 December 2017.

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

#### Independent Non-executive Directors

Mr. Yeung Ming Lai

Dr. Chen Keji

Mr. Chan Sing Nun

董事會欣然提呈截至二零一七年十二月三十一日止年度的企業管治報告。董事會認為，本公司於截至二零一七年十二月三十一日止年度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

#### 獨立非執行董事

楊銘灃先生

陳可冀醫生

陳星能先生

# 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 141 to 155 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 141 to 155 of this annual report for details.

董事履歷簡介詳情載於本年報第141至155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 and 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141至155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, there has been no change in information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules since the date of the 2017 interim report of the Company.

### 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，自本公司之二零一七年中期報告日期以來，根據香港上市規則第13.51B(1)條，概無資料變更須予披露。

### INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director shall receive formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Hong Kong Listing Rules and relevant statutory requirements.

Directors will be continuously updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Directors are also encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company update the Directors on the latest developments regarding the Hong Kong Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

During the reporting period, all Directors had participated in continuous professional training to develop and refresh their knowledge and skills in relation to their contribution to the Board.

Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:

- participation in continuous professional training seminars and/or conferences and/or courses and/or workshops on subjects relating to, inter alia, corporate governance, directors' duties and legal and regulatory changes organised and/or arranged by the Company and/or professional bodies and/or lawyers;
- reading materials provided from time to time by the Company to Directors regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties; and
- reading news, journals, magazines and/or other reading materials regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

### 入職指導及持續專業發展

每位新委任董事均將在首次獲委任時接受正式、全面及專門為其而設之入職介紹，以確保其對本公司之業務及運作有適當之了解，以及全面知悉在香港上市規則及相關法定規定下董事之責任及義務。

董事將持續獲得有關法律和監管機制以及業務環境的最新消息，以協助彼等履行其職責。本公司亦鼓勵董事參與持續專業發展，以提高及更新彼等的知識及技能。聯席公司秘書不時向董事提供有關香港上市規則及其他適用監管固定之最新資訊，以確保本公司遵守有關規定，及加強董事對良好企業管治常規的意識。

於報告期內，所有董事均已參加了持續性職業培訓，就為董事會做出貢獻提升及更新其知識及技能。

董事透過(其中包括)以下方式不斷發展及更新知識及技能：

- 參與本公司及／或專業機構及／或律師舉辦及／或安排有關(其中包括)企業管治、董事職責及法律與規管變動之持續專業培訓講座及／或研討會及／或課程及／或工作坊；
- 本公司不時向董事提供有關法律及規管變動，以及董事履行其職責之相關事宜之閱讀資料；及
- 閱覽有關法律及規管變動，以及董事履行其職責之相關事宜之新聞、期刊、雜誌及／或其他閱讀資料。

# Corporate Governance Report

## 企業管治報告

### 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 reporting period. 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.

### 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.

### 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，在報告期內，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。

### 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。

# Corporate Governance Report

## 企業管治報告

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 reporting period, the Board convened five meetings. A summary of the attendance record of the Directors is set out in the table below:

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。

於報告期內，董事會召開五次會議。董事出席記錄概要載於下表：

Name of Directors	董事姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2017 於截至二零一七年十二月三十一日止年度期間 出席／可出席會議次數	Attendance rate 出席率
<b>Executive Directors</b>		<b>執行董事</b>	
Mr. Wang Junyang (Chairman)	王君揚先生(主席)	5/5	100%
Mr. Chen Wangzhi (Chief Executive Officer)	陳旺枝先生(行政總裁)	5/5	100%
Mr. Wong Wai Hung Simon (Vice Chairman)	王偉雄先生(副主席)	5/5	100%
Ms. Wang Aiqin	王愛勤女士	5/5	100%
<b>Non-executive Director</b>		<b>非執行董事</b>	
Mr. Lv Yubo	呂玉波先生	4/5	80%
<b>Independent Non-executive Directors</b>		<b>獨立非執行董事</b>	
Mr. Yeung Ming Lai	楊銘灃先生	5/5	100%
Dr. Chen Keji	陳可冀醫生	5/5	100%
Mr. Chan Sing Nun	陳星能先生	5/5	100%

During the reporting period, the Company convened one annual general meeting on 8 June 2017. All Directors attended the annual general meeting, apart from Mr. Lv Yubo and Dr. Chen Keji, who could not attend due to pre-arranged business commitments.

於報告期內，本公司於二零一七年六月八日召開一次股東週年大會。除呂玉波先生及陳可冀醫生因已安排好的商業承諾未能出席外，其餘所有董事均出席股東週年大會。

# Corporate Governance Report

## 企業管治報告

### 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.

### 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.

During the reporting period, the Audit Committee held three meetings. A summary of the attendance record of the Audit Committee members is set out in the table below:

Name of committee member	委員會成員姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2017	
		出席／可出席會議次數	Attendance rate
Mr. Yeung Ming Lai	楊銘灃先生	3/3	100%
Dr. Chen Keji	陳可冀醫生	3/3	100%
Mr. Chan Sing Nun	陳星能先生	3/3	100%

### 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。

### 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)、楊銘灃先生及陳可冀醫生。

於報告期內，審核委員會召開三次會議。審核委員會成員出席記錄概要載於下表：

### 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.

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 82 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灃先生及陳可冀醫生組成。

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82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。



# Corporate Governance Report

## 企業管治報告

During the reporting period, the Nomination Committee held one meeting. A summary of the attendance record of the Nomination Committee members is set out in the table below:

於報告期內，提名委員會召開一次會議。提名委員會成員出席記錄概要載於下表：

Name of committee member	委員會成員姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2017	
		出席／可出席會議次數	Attendance rate
		於截至二零一七年十二月三十一日止年度期間	出席率
Mr. Wang Junyang	王君揚先生	1/1	100%
Mr. Yeung Ming Lai	楊銘澧先生	1/1	100%
Mr. Chan Sing Nun	陳星能先生	1/1	100%

### 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.

### 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。

### 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.

### 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。

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.

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。

### 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).

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.

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 10 and 11 to the consolidated financial statements.

### 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)。

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)、楊明澧先生及一名執行董事王愛勤女士組成。

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10及11。

# Corporate Governance Report

## 企業管治報告

During the reporting period, the Remuneration Committee held one meeting. A summary of the attendance record of the Remuneration Committee members is set out in the table below:

於報告期內，薪酬委員會召開一次會議。薪酬委員會成員出席記錄概要載於下表：

Name of committee member	委員會成員姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2017	
		出席／可出席會議次數	Attendance rate
Ms. Wang Aiqin	王愛勤女士	1/1	100%
Mr. Yeung Ming Lai	楊銘灃先生	1/1	100%
Mr. Chan Sing Nun	陳星能先生	1/1	100%

### 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.

### 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 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 2017 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 156 to 162 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二零一七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156至162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。

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汲取的教訓，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。

# Corporate Governance Report

## 企業管治報告

### 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

## 企業管治報告

### AUDITOR'S REMUNERATION

During the year ended 31 December 2017, the total fee paid/payable in respect of audit and non-audit services provided by the Group's auditor, Deloitte Touche Tohmatsu, is set out below:

### 核數師酬金

截至二零一七年十二月三十一日止年度，本集團核數師德勤·關黃陳方會計行提供的審計和非審計服務已付／應付的費用總額如下：

		RMB'000 人民幣千元
<b>Audit services</b>	<b>審計服務</b>	
– Audit services in connection with the consolidated financial statements	– 關於綜合財務報表的審計服務	2,125
<b>Non-Audit services</b>	<b>非審計服務</b>	
– Review of interim condensed consolidated financial statements	– 審閱中期簡明綜合財務報告	443
<b>Total</b>	<b>合計</b>	<b>2,568</b>

### 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, both of Ms. Chau Hing Ling and Mr. Wong Wai Hang Ricky have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Hong Kong Listing Rules.

### 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，周慶齡女士及黃偉恒先生均已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。



# 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.

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](mailto: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。

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](mailto: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。

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

Tel: (852) 2428-2880

Fax: (852) 2418-5688

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 reporting period, 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

電話：(852) 2428-2880

傳真：(852) 2418-5688

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

於報告期內，本公司的章程文件概無更改。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Board is pleased to present the environmental, social and governance report of the Company for the year ended 31 December 2017 (the “ESG Report”). The contents of the ESG Report are in compliance with the relevant environmental, social and governance reporting guidelines set out in Appendix 27 to the Hong Kong Listing Rules.

The ESG Report covers the Group’s self-owned hospitals located in the PRC, namely Kanghua Hospital, Renkang Hospital and Kanghua Hospital – Huawei Clinic.

Any opinions or suggestions in relation to the ESG Report may be sent to the Company’s email address at: kh@kanghuagp.com.

### I. ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT SYSTEM

#### I.1 Core values in environmental, social and governance

The Group is committed to integrating corporate, social and environmental responsibilities into various aspects of the Group’s operations for achieving sustainable development. To this end, the Group has implemented various environmental, social and governance policies:

- (a) compliance with the requirements of the laws, rules and regulations on the corporate environment, society and governance;
- (b) promotion of the establishment and improvement of relevant management systems and mechanisms in corporate environment, society and governance;
- (c) emphasis on delivering patient-centric healthcare services with the highest possible ethical and professional standard;

董事會欣然提呈本公司截至二零一七年十二月三十一日止年度的環境、社會及管治報告(「環境、社會及管治報告」)。環境、社會及管治報告的內容符合香港上市規則附錄二十七所載的有關環境、社會及管治報告指引。

環境、社會及管治報告涵蓋本集團位於中國的自有醫院，即康華醫院、仁康醫院及康華醫院－華為門診。

如有任何有關環境、社會及管治報告的意見或建議，可發送至本公司的電郵地址 kh@kanghuagp.com。

### I. 環境、社會及管治管理制度

#### I.1 環境、社會及管治的核心價值

本集團致力於將企業、社會及環境責任融入本集團營運的各個方面，以實現可持續發展。為此，本集團已實施各項環境、社會及管治政策：

- (a) 遵守有關企業環境、社會及管治的法律、規則及法規規定；
- (b) 促進建立及改進企業環境、社會及管治的有關管理制度及機制；
- (c) 注重以最高的道德及專業標準提供以患者為中心的醫療服務；

# Environmental, Social and Governance Report

## 環境、社會及管治報告

(d) active engagement with stakeholders to identify changing needs in corporate, social and environmental aspect of the Group's operations; and

(e) encourages staff to save energy, cherish resources, support and promote measures on energy-saving and emission reduction.

The Group has set up a special working group formed by the management and hospital executives and managers of each hospital to promote the above policies and prepare the relevant disclosures and report to the Board.

### 1.2 The communication and responses among the stakeholders

As part of the Group's sustainable development objectives, the Group maintains communication with stakeholders through various channels with a view to proactively responding to stakeholders' requests and fostering the Group's capability in fulfilling its environmental and social responsibilities:

(d) 積極與持份者一道參與，以識別本集團營運的企業、社會及環境方面不斷變化的需求；及

(e) 鼓勵員工節約能源、珍惜資源、支持及推進節能減排措施。

本集團已成立了專項工作小組，成員包括管理層及各醫院的醫院行政人員及管理人員，以推動上述政策及編製相關披露，並向董事會匯報。

### 1.2 持份者溝通與回應

作為本集團可持續發展目標的一部分，本集團通過多種渠道與持份者保持溝通，旨在主動回應持份者的要求及促進本集團更好地履行環境及社會責任：

Stakeholders 持份者	Communication and responses 溝通與回應	Key issues 主要事項
Investors/shareholders 投資者／股東	Shareholders' general meetings, annual reports and interim reports, results announcements, corporate announcements, investors conferences 股東大會、年報與中期報告、業績公告、企業公告、投資者大會	Corporate governance and strategic development and directions 企業管治及戰略發展及方向
Government and regulatory authorities 政府及監管機構	Regular communications, field visits, meetings, operating information disclosure and reporting 定期溝通、實地視察、會議、營運資料披露及報告	Strict compliance with applicable laws and regulations, license, maintaining and renewal hospital classification, anti-corruption, environmental protection, responsive to the government's latest policies and directives on healthcare 嚴格遵照適用法律法規、牌照、維持及重續醫院分類、反貪污、環境保護、響應政府有關醫療的最新政策及指引

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Stakeholders 持份者	Communication and responses 溝通與回應	Key issues 主要事項
Staff 員工	Labour union, regular communications between staff and management, staff activities, regular in-house publications, trainings and education, responsibility and accountability systems 職工工會、員工與管理層定期溝通、員工活動、定期內部刊物、培訓與教育、責任及問責制度	Staff retention, collegiality, quality standard, ethical practice, career progression, development and training, workplace health and safety, fair and reasonable reward and punishment mechanisms 員工留聘、合作關係、質量標準、道德操守、職業發展、發展與培訓，工作場所健康與安全、公正合理的獎懲機制
Suppliers 供應商	Due diligence, meetings, negotiations, regular review of cooperation and quality check, internal audit of procurements and prescriptions by doctors 盡職調查、會議、談判、定期審查合作及質量檢查、採購內部審核及醫生處方	Stable and uninterrupted supply of quality pharmaceuticals, medical consumables and medical equipment on terms no less favourable than market, proper qualifications and licenses, service support and training on equipment, anti-corruption, environmentally preferable purchasing 按不遜於市場的條款穩定且不間斷地供應優質的藥品、醫療耗材及醫療設備、適當的資格及牌照、設備的服務支持及培訓、反腐敗、環保採購
Patients 患者	Day to day operations and communications, dedicated customer service, satisfaction surveys and feedback, service complaints and response systems 日常運營及溝通、專責的客戶服務，滿意度調查與反饋、服務投訴及回應系統	Clinical standard and the Group's reputation as a quality and ethical healthcare services provider, patient satisfaction, anti-corruption (e.g. refusing "red packets") 臨床標準及本集團作為優質及高道德標準的醫療服務提供商的聲譽、患者滿意度、反腐敗(如拒絕「紅包」)
Community 社區	Community activities, public health awareness events, free medical consultations, regular in-house publications, donations, supporting charitable causes 社區活動、公共衛生意識活動、免費醫療諮詢、定期內部刊物、捐贈、支持慈善事業	Improving the community's awareness of public health and safety and the profile of the Group as a socially responsible healthcare services provider, addressing healthcare needs from the underserved and unprivileged 提高社區對公共衛生與安全的意識及本集團作為對社會負責的醫療服務提供商的形象、處理服務不足的基層醫療機構的醫療需求

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Stakeholders 持份者	Communication and responses 溝通與回應	Key issues 主要事項
Healthcare facilities  醫療機構	Mutual cooperation and patient referrals, technical assistance to lower-tier hospitals, multi-site doctor practice  相互合作及病人轉診，向下級醫院提供技術援助、醫生多點執業	Delivery of optimal clinical solutions to address the different needs of patients, referral of patients requiring acute, complex and critical care from lower-tier hospitals to the Group, the Group's influential presence in the industry  提供最佳的臨床解決方案，以滿足患者的不同需求、將較低等級醫院的急診、疑難雜症及重症監護的患者轉診至本集團、本集團業內有影響力的地位

## 2. ENVIRONMENTAL PROTECTION

The Group regularly keeps track of the latest national and regional environmental laws and regulations and adopts all necessary measures to comply with them. The Board considers that wastewaters and solid wastes (particularly medical wastes) produced by the Group's hospitals are particularly relevant to environmental protection. The Group is compliant with applicable laws and regulations, including, the Law of the PRC on the Prevention and Control of Water Pollution, the Regulations on Urban Drainage and Sewage Treatment, the Regulations on the Management of Medical Waste and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste. During the year ended 31 December 2017, the Group had not been subject to any penalties in relation to environmental protection.

Developing sustainable best practices requires modification of staff behavior, and this occurs most frequently through ongoing staff education. Education and supporting processes are one of the most critical elements to effective implementation of environmental protection initiatives and reduction in environmental footprint.

## 2. 環境保護

本公司定期追蹤最新國家和地區環境保護法律法規，並採取所有必要措施遵守有關法律法規。董事會認為本集團醫院產生的污水及固體廢物(尤其是醫療廢物)與環境保護尤為相關。本集團遵守適用法律法規，包括《中華人民共和國水污染防治法》、《城鎮排水與污水處理條例》、《醫療廢物管理條例》及《中華人民共和國固體廢物污染環境防治法》。截至二零一七年十二月三十一日止年度，本集團並無遭受與環境保護有關的任何懲罰。

制定可持續最佳做法需要改變員工的行為，而這最常見的方法是持續的員工教育。教育及支持過程是有效實施環保舉措及減少環境足跡的最關鍵因素之一。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 2.1 Wastewaters

Hospitals discharge considerable amounts of chemicals and microbial agents in their wastewaters. Many substances contained in the wastewaters, such as chemicals, medicine residues as well as pathogenic resistant bacteria and viruses, resist normal wastewater treatment and could pose a danger to public health and the environment if released untreated into the public sewer system. Due to the chemical and biochemical contaminants, the wastewaters treatment requires specialised technologies and processes that cannot be feasibly conducted at the source. The Group engages a qualified and licensed service provider to process all of the wastewaters produced by its hospitals. Before the wastewaters are processed by the service provider, they are stored in dedicated facilities to ensure they will not contaminate the primary water supply for human consumption and clinical use.

The table below sets forth the discharge volume of wastewaters by the Group's hospitals for the years indicated:

		Change 變動	2017 二零一七年	2016 二零一六年
Wastewaters discharge (ton)	污水排放(噸)	-9.0%	326,587	358,743
Wastewaters discharge per gross floor area (ton/gross floor area)	每建築面積的 污水排放 (噸/建築面積)	-15.6%	0.92	1.09

The Group had a lower level of wastewaters discharge in 2017 despite business growth due to a lower level of water consumption, which was in turn because: (i) the leaking underground water pipe of Kanghua Hospital was identified and fixed; and (ii) Kanghua Hospital installed more than 1,500 high-efficiency waterheads.

### 2.1 污水

醫院在其污水中排放大量的化學物質及微生物劑。污水中含有的許多物質，如化學藥品、藥物殘留物、致病性耐藥菌及病毒，抵禦正常的污水處理，如未經處理進入公共污水系統，可能對公共衛生及環境造成危害。由於化學及生物化學污染物，污水處理需要專門的技術及過程，該等技術及過程在源頭上不可行。本集團委聘合資格且持牌的服務提供商處理其醫院產生的所有污水。於污水經服務提供商處理之前，將其存放在專用設施中，以確保不會污染用於人類飲用及臨床使用的原生水供應。

下表載列於所示年度本集團醫院的污水排放量：

儘管業務有所增長，但水消耗水平較低導致本集團於二零一七年的污水排放水平較低，此乃由於(i)康華醫院地下水管漏水得以察覺並維修；及(ii)康華醫院已安裝逾1,500個高效水龍頭。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

The discharge of wastewaters is integral to the Group's clinical operations and is generally expected to increase in line with business growth. The management does not currently consider that it is feasible to implement any initiatives or policies to control or reduce the amount of wastewaters discharge without compromising sanity and clinical safety, which are of overriding importance to public health and safety. The Group regularly reviews its wastewaters treatment protocols with a view to ensuring there is no inadvertent contamination of its water supply and that the wastewaters will be properly handled by the hospitals before treated by the service provider. The management believes that the wastewaters produced by the hospitals, after properly treated by the service provider, will pose minimal risks to the environment.

### 2.2 Hazardous solid wastes

Hospital operations generate a variety of solid medical wastes in the diagnosis, treatment or immunization of patients or in research that can pose a danger to public health and the environment if not properly treated and disposed of. Materials containing pathogens are infectious can cause diseases if exposed. These include:

- human anatomical waste: waste from surgery and autopsies on patients with infectious diseases;
- sharps: disposable needles, syringes, saws, blades, broken glasses, nails or any other item that could cause a cut; and
- pathological: tissues, organs, body parts, human flesh, fetuses, blood and body fluids.

污水排放是本集團臨床業務的組成部分，一般預計會隨著業務增長而增加。管理層目前認為，在不影響衛生及臨床安全(其對公共衛生及安全至關重要)情況下實行任何舉措或政策來控制或減少污水排放量不可行。本集團定期檢討其污水處理方案，以確保其供水不會出現疏忽的污染及在服務提供商處理之前，污水將由醫院妥善處理。管理層認為，醫院產生的污水在得到服務提供商的妥善處理後，對環境造成的風險微乎其微。

### 2.2 有害固體廢物

醫院業務在患者的診斷、治療或免疫接種或研究中產生各種固體醫療廢物，如不妥善處理及處置，可對公共衛生及環境構成危害。含有病原體的物質具傳染性，如暴露在外，則會造成疾病。該等物質包括：

- 人體解剖廢物：傳染病患者手術及屍體解剖的廢物；
- 銳器：一次性針頭、注射器、鋸、刀片、破碎的玻璃、指甲或任何可能導致割傷的物品；及
- 病理：組織、器官、身體部位、人體、胎兒、血液及體液。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Non-infectious but hazardous wastes include:

- pharmaceuticals: drugs and chemicals that are returned from wards, spilled, outdated, contaminated, or are no longer required; and
- radioactive: wastes contaminated with radioactive substances used in diagnosis and treatment of diseases.

The Group's hospitals have in place a comprehensive medical waste management system:

1. Identification and segregation of waste types: segregation of different types of wastes at source (wards, operation theaters, laboratories, examination rooms etc.) with color coding systems and clear operation guidelines and handbooks, supervised by responsible staff. Effective segregation diminishes total waste and the hospital's environmental footprint;
2. Transport & storage of waste: use of puncture proof and leak proof containers; bags are properly tied and sealed; use of special containers for radioactive wastes; use of designated transport trolleys and timely collection; and storage in covered areas remote from normal passages with security measures to prevent unauthorized tempering;

非傳染性但有害廢物包括：

- 藥品：從病房退回、溢出、過期、被污染或不再需要的藥物及化學藥品；及
- 放射性：用於疾病診斷及治療的放射性物質污染的廢物。

本集團醫院已制定一套全面的醫療廢物管理制度：

1. 廢物類型的識別及分離：以顏色編碼系統及明確的操作指引及手冊在負責人員監督下從源頭(病房、手術室、化驗室，檢查室等)分離不同類型廢物。有效的分離減少廢物總量及醫院的環境足跡；
2. 廢物運輸與儲存：使用防刺穿及防滲漏容器；袋子妥善地捆紮及密封；使用放射性廢物專用容器；使用專用的運輸手推車及及時收集；及保存在遠離正常通道的有蓋區域，並採取安全措施防止未經授權再利用；

# Environmental, Social and Governance Report

## 環境、社會及管治報告

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|---|---|
| <p>3. Identify the need for use of personal protective equipment: special clothing, gloves, masks and eye protection identified and provided to the healthcare works responsible for waste transportation and disposal; and</p> <p>4. Proper disposal of waste: collection and subsequent disposal by qualified and licensed service provider (including incineration, landfill or chemical/biochemical treatment, as appropriate to the type of wastes) specialized in medical wastes disposal. On account of the hazardous nature of these wastes, they are not typically recycled.</p> | <p>3. 識別使用個人防護裝備的需要：識別並向負責廢物運輸及處置的醫療人員提供特殊服裝、手套、口罩及眼睛保護；及</p> <p>4. 妥善處理廢物：由專業從事醫療廢物處理的合資格且持牌服務提供商(包括適用廢物類型的焚化、填埋或化學/生物化學處理)的收集及後續處置。由於該等廢物具有有害性，通常不可回收再利用。</p> |
|---|---|

The table below sets forth the volume of hazardous solid medical wastes produced by the Group's hospitals for the years indicated:

下表載列於所示年度本集團醫院產生的有害固體醫療廢物量：

		Change 變動	2017 二零一七年	2016 二零一六年
Hazardous solid wastes (kg)	有害固體廢物(公斤)	+16.8%	427,343	365,880
Hazardous solid wastes per gross floor area	每建築面積的 有害固體廢物			
(kg/gross floor area)	(公斤/建築面積)	+8.0%	1.204	1.115

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The disposal of hazardous solid medical wastes is integral to the Group's clinical operations and is generally expected to increase in line with business growth. The management does not currently consider that it is feasible to implement any initiatives or policies to control or reduce the production of hazardous solid wastes without compromising sanity and clinical safety, which are of overriding importance. For example, many surgical tools, protective masks and gloves and syringes are strictly for one-time use only; extending their use may reduce waste production but is not clinically acceptable as it significantly increases the risks of cross-infection among patients and staff. The Group regularly reviews its waste management system with a view to ensuring that all of the steps in the chain are properly followed with the safety of the patients and staff as top priority. One of the key steps in managing the hazardous wastes is proper identification and segregation because: (i) this ensures no hazardous wastes are inadvertently mixed with domestic wastes and disposed without proper treatment, potentially posing harm to public safety and environment; and (ii) the service provider processes the wastes collected according to the identification and segregation by the hospitals. The hospitals have a responsibility and accountability system for waste management at the source and provide regular trainings to the front-line staff to ensure that the guidelines and handbooks are strictly adhered. The management believes that the hazardous solid wastes produced by the hospitals, after properly treated by the service provider, will pose minimal risks to the environment.

### 2.3 Domestic wastes

The Group's operations generate domestic wastes that are non-infectious and non-hazardous from the offices, dormitories, kitchens, rooms, including bed linens, utensils, paper, etc. These wastes are identified and segregated at source and are eventually collected, treated and recycled by general wastes service providers.

棄置有害固體醫療廢物是本集團臨床業務的組成部分，一般預計會隨著業務增長而增加。管理層目前認為，在不影響衛生及臨床安全（其至關重要）情況下實行任何舉措或政策來控制或減少有害固體廢物產生量不可行。例如，許多手術工具、防護口罩及手套和注射器嚴格僅用於一次性使用；延長其使用可能會減少廢物產生量，但從臨床上不可接受，因為這將大幅增加患者與員工之間交叉感染的風險。本集團定期檢討其廢物管理制度，確保以患者及員工安全為首要任務，妥善遵循整個環節中的所有步驟。管理有害廢物的關鍵步驟之一是適當識別及分離，因為：(i) 這將確保有害廢物不會無意中與生活垃圾混合及在沒有妥善處理情況下進行處置，可能危及公共安全與環境；及(ii) 服務提供商根據醫院的識別及分離處理所收集的廢物。醫院從源頭定有廢物管理責任追究制度，定期向前線人員進行培訓，確保嚴格遵守指引及手冊。管理層認為，醫院產生的有害固體廢物經服務提供商妥善處理後，對環境構成的風險微乎其微。

### 2.3 生活垃圾

本集團的業務從辦公室、宿舍、廚房、房間產生非傳染性且非有害性的生活垃圾，包括床上用品、餐具、紙張等。該等垃圾從源頭予以識別及分離，最終由一般廢物服務提供商收集、處理及回收再利用。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The table below sets forth the volume of domestic wastes produced by the Group's hospitals for the years indicated:

下表載列於所示年度本集團醫院產生的生活垃圾量：

		Change 變動	2017 二零一七年	2016 二零一六年
Domestic wastes (kg)	生活垃圾(公斤)	+5.2%	1,920,000	1,825,000
Domestic wastes per gross floor area (kg/gross floor area)	每建築面積的 生活垃圾 (公斤/建築面積)	-2.8%	5.408	5.561

The Group is conscientious about the environment and is committed to the recycling of domestic wastes where feasible. This primarily includes the recycling of paper, plastic, metal and glass. The Group mandates its staff to segregate the domestic wastes into appropriate categories for proper handling by the service provider. The Group also promotes "paper-less" office, including double-sided or secondary paper printing except for official documents, multimedia form of presentation in meetings and increasing the use of office automation system to reduce administrative paperwork. The hospitals have an engineering department to salvage any usable parts or components from decommissioned equipment and furniture, such as televisions, computers and hospital beds, before they are disposed of. The Group may also donate obsolete but functional items, such as computers, to various charitable organisations. The Group will continue to explore feasible initiatives to reduce domestic waste production and enhance its recycling efforts.

本集團認真對待環境，致力於在可行的情況下回收再利用生活垃圾，主要包括紙張、塑料、金屬及玻璃的回收利用。本集團要求其員工將生活垃圾分為適當類別，供服務提供商妥善處理。本集團亦推崇「無紙化」辦公(包括雙面或二次印刷，除正式文件外)、會議的多媒體展示及增加辦公自動化系統的使用，以減少行政文書工作。醫院設有一個工程部門，於報廢設備及傢具(如電視機、電腦及醫院病床)處置前將其任何可用零件或部件進行回收。本集團亦可將過時但可使用的物品(如電腦)捐贈予各慈善組織。本集團將繼續探索可行的舉措，減少生活垃圾產生量並加強回收力度。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 2.4 Energy consumption

Healthcare systems are among a community's largest consumers of energy. Hospitals are generally open 24 hours a day and have sophisticated energy needs, such as particular air flow controls and specialized heating, ventilation and air-conditioning systems. The Group's hospitals' energy consumption primarily includes electricity and water.

The table below sets forth the consumption of the Group for the years indicated:

		Change 變動	2017 二零一七年	2016 二零一六年
Electricity (kilowatt-hours)	電力(千瓦時)	+2.2%	29,733,765	29,087,860
Electricity consumption intensity (kilowatt-hours per gross floor area)	電耗強度 (每建築面積千瓦時)	-5.4%	83.8	88.6
Water consumption (ton)	水耗(噸)	-17.8%	688,282	836,998
Water consumption intensity (ton per gross floor area)	水耗強度 (每建築面積噸)	-26.9%	1.9	2.6

The hospitals' electricity consumption is primarily attributable to air-conditioning, water heating, lighting and energy demanding medical equipment such as MRI and X-ray. The Group's initiatives aimed at reducing electricity consumption include:

- explore the feasibility of using air heat pump water heater and gas-fired boiler;
- installation of inverter-type air-conditioning systems that are more energy-efficient;

### 2.4 能源消耗

醫療系統是社區最大的能源消費機構之一。醫院一般每天24小時開業，具有極為複雜的能源需求，如特定的氣流控制及專門的供暖、通風及空調系統。本集團醫院的能源消耗主要包括水電。

下表載列於所示年度本集團消耗量：

醫院的電力消耗主要是由於空調、水暖、照明及高耗能的醫療設備(如MRI及X射線)。本集團旨在減少用電量的舉措包括：

- 探索使用空氣熱泵熱水器及燃氣鍋爐的可行性；
- 安裝更節能的逆變式空調系統；

# Environmental, Social and Governance Report

## 環境、社會及管治報告

- installation of high efficiency LED light sources;
  - promote staff awareness and control measures ensure lights are off when no one is using;
  - an energy saving task force is set up to perform regular inspections of air-conditioning systems and other electrical systems to ensure no unintended or unusual usage;
  - installation of motion-triggered lighting systems in escalators and elevators;
  - maximize the use of natural sunlight via roof windows;
  - installation of automatic door closers in wards with a view to increasing energy efficiency by limiting the amount of air movement required, as well as the space that needs to be cooled; and
  - gradually replace obsolete equipment with new equipment that are certified for energy efficiency.
- 安裝高效率 LED 光源；
  - 推動員工的意識及控制措施，確保在沒有人在使用時熄燈；
  - 設立一個節能專責小組，對空調系統及其他電氣系統進行定期檢查，以確保不存在無意或異常使用；
  - 在自動扶梯及電梯中安裝運動觸發的照明系統；
  - 通過屋頂窗戶最大限度地利用自然光；
  - 將自動閉門器安裝在病房中，以通過限制所需的空氣流動量以及需要冷卻的空間來提高能源效率；及
  - 逐步用節能認證的新設備替代過時的設備。

The hospitals' water consumption is primarily attributable to cooling equipment, plumbing fixtures, landscaping, medical process rinses, pure water systems and domestic uses (sinks, showers, toilets). The Group's initiatives aimed at reducing water consumption include:

- leak detection and repair;
  - use of high-efficiency showerheads;
  - use of low-flow plumbing fixtures;
  - use of motion sensor-activated faucets and flow control;
  - use of waterless medical vacuum pumps;
- 洩漏檢測及維修；
  - 使用高效噴頭；
  - 使用低流量水管裝置；
  - 使用運動傳感器啟動的水龍頭及流量控制；
  - 使用無水醫用真空泵；

醫院的耗水量主要是由於冷卻設備、水管裝置、景觀美化、醫療過程沖洗、純淨水系統及生活用水(水槽、淋浴、廁所)。本集團旨在減少用水量的舉措包括：

# Environmental, Social and Governance Report

## 環境、社會及管治報告

- use of reject water produced in the reverse-osmosis process;
  - use full loads in sanitizers, sterilizers and laundry washing machines, consistent with infection control requirements; and
  - minimize water use for irrigation with rain/soil moisture controllers and only during times when wind and evaporation are lowest.
- 使用在反滲透過程中產生的廢水；
  - 符合感染控制要求情況下全負荷使用消毒劑、消毒器及洗衣機；及
  - 使用雨水／土壤濕度控制器盡量減少灌溉的用水量，且只有在風及蒸發量最低的時候才能使用。

In 2016, the Group had a relatively higher level of water consumption due to leakage in an underground water pipe of Kanghua Hospital. In 2017, the Group also achieved remarkable water saving on account of the installation of more than 1,500 high-efficiency waterheads at Kanghua Hospital. The Group will continue to oversee the effectiveness of the above initiatives and explore new and innovative ways to achieve water saving, which will in turn contribute to electricity saving.

二零一六年，本集團因康華醫院地下水管漏水而引致用水量相對較高。於二零一七年，因在康華醫院安裝了逾1,500個高效水龍頭，本集團節水成效顯著。本集團將繼續監督上述舉措的有效性，並探尋新的創新方法實現節水，進而促進節電。

### 2.5 Antibiotics prescription

Antimicrobial resistance is a global public health challenge, which is aggravated by the overuse of antibiotics. Increased antimicrobial resistance is the cause of severe infections, complications, longer hospital stays and increased mortality. Antibiotics over-prescription is also potentially associated with an increased risk of adverse effects, more frequent re-attendance and increased medicalization of self-limiting conditions.

Inevitably, doctors at the Group's hospitals prescribe antibiotics to patients from time to time. The Group is committed to the judicious prescription of antibiotics by eliminating unnecessary or sub-optimal prescriptions.

### 2.5 抗生素處方

抗菌素耐藥性是全球公共衛生的一項挑戰，過度使用抗生素會造成耐藥性加劇。抗菌素耐藥性加劇是導致嚴重感染、併發症、住院時間延長及死亡率上升的原因。抗生素處方過量亦可能伴隨著不利影響的風險增加，復發頻率增加及自限性條件的醫療化增加。

本集團醫院醫生不時不可避免地向患者開出抗生素處方。本集團致力於通過消除不必要或次優處方審慎開出抗生素處方。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group's clinical governance tracks a number of parameters to gauge the prescription of antibiotics as set forth in the table below:

本集團的臨床治理追蹤衡量抗生素處方的若干參數，詳情載列下表：

Kanghua Hospital	康華醫院	Change 變動	2017 二零一七年	2016 二零一六年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	-1.7 b.p.	11.6%	13.3%	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	-5.9 b.p.	28.8%	34.7%	≤ 40%
Rate of antibiotics prescription for inpatients	住院患者抗生素處方率	-4.5 b.p.	50.0%	54.5%	≤ 60%

Renkang Hospital	仁康醫院	Change 變動	2017 二零一七年	2016 二零一六年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	+1.4 b.p.	15.8%	14.4%	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	-0.8 b.p.	35.2%	36.0%	≤ 40%
Rate of antibiotics prescription for inpatients	住院患者抗生素處方率	-2.5 b.p.	59.4%	61.9%	≤ 60%

Huawei Clinic	華為門診	Change 變動	2017 二零一七年	2016 二零一六年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	N/A 不適用	12.4%	N/A 不適用	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	N/A 不適用	20.6%	N/A 不適用	≤ 40%

The Group's initiatives to the judicious prescription of antibiotics include:

本集團倡導審慎開出抗生素處方的舉措包括：

- providing education and clinical decision support to doctors and patients regarding the long-term and community-wide consequences of overusing antibiotics;
- 為醫生及患者提供過度使用抗生素的長期及全社會後果的教育及臨床決策支持；

# Environmental, Social and Governance Report

## 環境、社會及管治報告

- patients should be educated of the importance of following the use of antibiotics according to prescription;
  - doctors should always follow the principle of rational, safe and effective antibiotics prescription;
  - antibiotics should be prescribed only for bacterial infections whenever possible and in the proper dose for the correct duration;
  - narrow spectrum antibiotics should be chosen whenever possible to avoid destroying populations of beneficial bacteria along with the disease-causing bacteria;
  - publish internal clinical guidelines for doctors to follow, especially for common infections, with a view to improving antibiotics use;
  - rotating use of different classes of antibiotics where possible;
  - accountability systems to prompt responsible prescription of antibiotics by doctors;
  - strictly prohibit any form of advantages or rebates provided by pharmaceutical companies to incentivize doctors to prescribe more antibiotics; and
  - regular communications with regulators and healthcare organizations, including the Chinese Center for Disease Control and Prevention, to understand the latest community threats and outbreaks with a view to modifying antibiotics prescription strategy as appropriate.
- 教育患者遵照處方使用抗生素的重要性；
  - 醫生應始終遵循合理、安全及有效的抗生素處方原則；
  - 抗生素盡可能於細菌感染時方可按正確藥效時間的適當劑量開出處方；
  - 應盡可能選擇窄譜抗生素，以避免連同致病細菌一起破壞有益細菌群；
  - 發佈醫生遵循的內部臨床指引，特別是針對常見感染，以改善抗生素使用；
  - 盡可能交替使用不同類別的抗生素；
  - 制定問責制度，促使醫生負責任地開出抗生素處方；
  - 嚴格禁止製藥公司提供任何形式的好處或回扣鼓勵醫生開出更多的抗生素處方；及
  - 與包括中國疾病預防控制中心在內的監管機構及醫療組織定期溝通，了解最新的社區疾病威脅及爆發情況，以期酌情修改抗生素處方策略。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 3. EMPLOYMENT

The success of the Group depends critically on its ability to attract, develop and retain its staff. The Group adheres to fair and open recruitment practices, and provides its staff with adequate protection of rights. During the year ended 31 December 2017, the Group continued to strive for improvements and innovations in staff support, development and training to create a safe and comfortable working environment and provide a fair and collegial learning and development platform. The Group prides itself on maintaining harmonious relationships with its staff in the spirit of "Kanghua People". As of 31 December 2017, the Group had a total of 2,476 (2016: 2,448) full-time staff.

#### 3.1 Recruitment

Recruitment is an important component to the continuous growth of the Group. The Group's recruitment process is merit based and is open to all qualified personnel. In addition to internal recruitment by job promotion and rotation, the Group also carries out external recruitment activities. Healthcare professionals are highly sought after in Guangdong Province. Therefore, the Group strategically extends its recruitment efforts to other provinces in the PRC. The Group implements a series of internet recruitment campaigns to reach a wide base of potential candidates and on-campus recruitment drives in key medical schools and nursing schools in multiple provinces to attract talent out of Guangdong Province. Teaching affiliations with academic institutions enable the Group to identify potential young healthcare professionals and recruit them early on. The Group also has in place various referral schemes to identify potential candidates from its existing staff's social networks. Referred staff generally has higher retention rates and increased engagement. The Group audits and verifies staff identify and background as part of the recruitment process to ensure no child labor or forced labour is employed. Depending on the position being hired, the Group also conducts background checks to ensure the veracity of information provided by the potential candidate. The Group has adopted a Recruitment Process Management Policy to standardize its recruitment practice.

### 3. 僱傭

本集團的成功十分依賴於吸引、培養及留住員工的能力。本集團遵循公開公平的招聘方式，並充分保護員工權利。截至二零一七年十二月三十一日止年度，本集團繼續努力在員工支持、發展及培訓上作出改進及創新，以創造安全舒適的工作環境和提供公平的學院式學習及發展平台。本集團秉著「康華人」的精神以與員工保持和諧關係為榮。截至二零一七年十二月三十一日，本集團共有全職員工2,476人(二零一六年：2,448人)。

#### 3.1 招聘

招聘是本集團持續增長的重要組成部分。本集團的招聘流程採取擇優錄用，面向所有合資格人士開放。除通過職位晉升及工作輪換進行內部招聘外，本集團亦開展外部招聘活動。醫療專業人士在廣東省備受歡迎。因此，本集團策略性地向中國其他省份擴展招聘工作。本集團實施一系列互聯網招聘活動以接觸廣泛的潛在候選人，並在多個省份的主要醫學院及護理學校進行校園招聘活動以吸引廣東省外人才。本集團與學術機構的教學關係讓其可物色到潛在年輕醫療專業人士並在早期進行招聘。本集團亦制訂多項推薦計劃以從現有員工社會網絡中物色潛在候選人。獲推薦員工的保留率通常較高及更加投入。作為招聘流程的一部分，本集團會審核及核實員工身份與背景，確保不會僱用童工或發生強迫勞動。視乎被聘用的職位，本集團亦會進行背景調查以確保潛在候選人提供的資料真實。本集團已採納《招聘流程管理制度》以使招聘方式標準化。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group strictly abides by the relevant laws and regulations such as the Labor Law of the PRC and the Labor Contract Law of the PRC, and enters into labor contracts with its staff. Each of the Group's hospitals has adopted a labor union to protect the rights and interests of its staff and encourage them to participate in the management of the hospital's operations.

本集團嚴格遵守相關法律法規，如《中華人民共和國勞動法》及《中華人民共和國勞動合同法》，並與員工訂立勞動合同。本集團各家醫院均已成立工會以保護員工權利及權益，並鼓勵員工參與醫院經營管理。

### 3.2 Equal opportunities employer

The Group is an equal opportunities employer. The Group provides equal opportunities to all staff in a fair, transparent and non-discriminatory environment. Female staff has equal opportunities as male staff, and would not be prejudiced because of pregnancy. No religious or racial discrimination is tolerated in recruitment and career development.

### 3.2 平等就業機會

本集團是平等就業僱主。本集團為所有員工在公平、透明、無歧視環境中提供平等機會。女性員工擁有與男性員工平等機會，不會因為懷孕而受歧視。在招聘及職業發展中亦不容忍任何宗教或種族歧視。

As at 31 December 2017  
截至二零一七年十二月三十一日

Age Group/Gender	年齡組別／性別	Kanghua Hospital 康華醫院		Renkang Hospital 仁康醫院		Huawei Clinic 華為門診		Total Staff 總人數	
		Male 男	Female 女	Male 男	Female 女	Male 男	Female 女	Male 男	Female 女
Age 51 or above	51 歲或以上	66	54	30	17	2	1	98	72
Age between 31 to 50	31 至 50 歲	274	406	96	128	6	9	376	543
Age below 30	30 歲或以下	233	856	32	221	1	22	266	1,099
		573	1,316	158	366	9	32	740	1,714

As at 31 December 2016  
截至二零一六年十二月三十一日

Age Group/Gender	年齡組別／性別	Kanghua Hospital 康華醫院		Renkang Hospital 仁康醫院		Huawei Clinic 華為門診		Total Staff 總人數	
		Male 男	Female 女	Male 男	Female 女	Male 男	Female 女	Male 男	Female 女
Age 51 or above	51 歲或以上	64	57	55	14	N/A 不適用	N/A 不適用	119	71
Age between 31 to 50	31 至 50 歲	288	424	125	154	N/A 不適用	N/A 不適用	413	578
Age below 30	30 歲或以下	196	772	50	236	N/A 不適用	N/A 不適用	246	1,008
		548	1,253	230	404	N/A 不適用	N/A 不適用	778	1,657

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 3.3 Staff remuneration and retention

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 determined with reference 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 safety and career advancement. The Group regularly benchmarks against available market data and adjusts its remuneration structure with a view to remaining competitive. While financial incentives are an important factor in staff retention, the Group recognizes that they alone are not enough to improve recruitment and retention in a sustainable manner. Therefore, the Group places equal emphasis on non-economic factors, in particular personal development, work environment and collegiality. The Group's career advancement track is transparent and achievable. The Group provides a platform and support for its staff to undertake medical education and research in their field of choice.

With a view to retaining and developing talent, the Group actively identifies high potential staff and provide them with additional training opportunities, industry exposure and an accelerated career track. By providing training for new skills and tuition reimbursement for external courses, the Group's staff will feel valued, important and invested in the Group. The Group regularly carries out staff appraisals to discuss achievements, strengths, and areas for development, and to set personal objectives with a view to ensuring they feel motivated and appreciated for their contribution. The Group maintains open channels of communication with its staff to keep them informed of the latest developments and provide them with opportunities to voice their opinions. The Group also recognises that its healthcare professionals, in particular doctors and nurses, may be subject to a high pressure and demanding work environment from time to time due to their job nature, which may result in attrition. The Group actively monitors the emotional wellbeing of its staff and provide counselling and supporting arrangements

### 3.3 員工薪酬及留任

本集團的全面員工薪酬及留任政策旨在獎勵員工表現及長期留住員工。該政策主要包括：(i) 經濟部分，當中包括參考個人職位、資歷及服務年限釐定的基本薪金、參考個人職能特定指標釐定的績效花紅及其他福利；及(ii) 非經濟部分，當中包括個人發展、工作挑戰性及滿意度、成就感、工作環境、工作安全及職業晉升。本集團定期以可用市場數據為基準，調整其薪酬結構，以保持競爭力。雖然財務獎勵是留住員工的一個重要因素，但本集團認識到，單純的財務獎勵並不足以可持續地改善招聘及留任情況。因此，本集團同樣重視非經濟因素，尤其是個人發展、工作環境及共同治理。本集團的職業晉升渠道透明可行。本集團為員工提供平台及支持，以在其選擇領域進行醫學教育及研究。

為留住及培養人才，本集團積極發掘高潛質員工，向彼等提供額外培訓機會、行業曝光及職業快速晉升通道。通過提供新技能培訓及外部課程學費報銷，本集團的員工將體會到自身價值，認識到自身重要性並投身於本集團。本集團定期進行員工評價以討論成就、優勢及進步領域，並設定個人目標，以確保員工因其貢獻而感受到激勵及獎勵。本集團保持與員工的公開溝通渠道，使之獲悉最新進展，並向彼等提供機會表達個人意見。本集團亦認識到，其醫療專業人士，尤其是醫

# Environmental, Social and Governance Report

## 環境、社會及管治報告

where appropriate. The Group regularly gauges the working hours of its staff to identify any staff with excessive workloads and makes alternative staffing arrangements if necessary. The Group aims to build a strong organisational culture to cultivate a sense of belonging among its staff through various staff functions and events. The Group believes that the creation of a healthy and harmonious working environment will improve staff morale and productivity in the long term.

In 2017, the Group began the year with 2,448 (2016: 2,538) full-time staff, added 681 (2016: 763) full-time staff and lost 532 (2016: 853) full-time staff during the year. The higher number of staff lost in 2016 was primarily due to the outsourcing of certain ancillary non-clinical functions of the Group's hospitals to third party contractors. As at 31 December 2017, the Group had a total of 2,476 (2016: 2,448) full-time staff. The attrition rate of full-time staff (including doctors, nurses, administrative and other support staff) of the Group for 2017 was 21.6% (2016: 34.2%). The attrition rate of doctors of the Group for 2017 was 24.3% (2016: 17.4%)

生及護士，可能因工作性質而不時承受巨大壓力及面臨苛刻工作環境，這可能導致人員流失。本集團積極監控員工心理健康，並在適當時提供諮詢及支持安排。本集團定期計量員工工作時數，以發現超工作負荷的員工，並在必要時作出替代人員安排。本集團旨在打造強有力的組織文化，通過多個職能部門及活動培養員工歸屬感。本集團認為，營造健康和諧的工作環境將長期提高員工士氣及生產力。

二零一七年，本集團年初全職員工2,448(二零一六年：2,538)人，年內增加全職員工681(二零一六年：763)人及流失532(二零一六年：853)人。二零一六年度員工的流失較多主要是由於本集團醫院將某些輔助性非臨床職能外包於第三方承包商所致。於二零一七年十二月三十一日，本集團共有全職員工2,476(二零一六年：2,448)人。二零一七年，本集團的全職員工(包括醫生、護士、行政及支援的員工)流失率為21.6%(二零一六年：34.2%)。二零一七年，本集團的醫生流失率為24.3%(二零一六年：17.4%)。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 3.4 Training and development

The Group provides structured training and education programmes to enable its staff to consistently deliver high quality services. These programmes aim to equip the staff with a sound foundation of the medical principles and knowledge as well as practical skills in their respective practice area and foster a high standard of practice, organisation capability and vigilant attitude. Regular internal and external mandatory trainings are organised for medical staff to keep them abreast of the latest development in healthcare. From time to time, the Group identifies and sponsors its staff with high development potential to undertake further studies and professional training in prestigious academic institutions and participate in industry conventions. Medical teams also benefit from the experience and knowledge exchange during seminars and sharing sessions regularly held. The Group's staff are mandatorily assessed from time to time to ensure they meet the required standard of competence. Through various training and education programmes, the Group also aims to foster a proactive risk reporting culture among staff, which is important in the early detection of clinical failure and damage control.

The Group has adopted a Continuing Education and Training Management Policy (繼續教育培訓管理制度). The training system is supported by three major components:

- the science and education department is primarily responsible for training on clinical skills;
- the nursing department is primarily responsible for training on nursing and patient caretaking skills; and
- the human resources department is primarily responsible for comprehensive training on staff management capability, cultural values and technical skills.

### 3.4 培訓及發展

本集團提供系統培訓及教育計劃，以使員工能夠持續提供高質量的服務。該等計劃旨在裝備員工，使其具備彼等各自實踐領域的醫療原則及知識以及執業技能的堅實基礎，並培養高標準的實踐、組織能力及嚴謹態度。本集團為醫務人員組織定期的內部及外部強制性培訓，以使彼等了解醫療的最新發展。本集團會不時甄選出發展潛力大的員工及贊助彼等在著名學術機構進一步開展學習及專業培訓以及參加行業會議。醫療團隊亦從定期舉行的研討會及分享會上的經驗及知識交流中受益。本集團員工將不時接受強制考核，以確保彼等符合規定能力標準。通過各種培訓及教育計劃，本集團亦力圖在員工中培養主動風險報告文化，這對於及早發現臨床誤診及損害控制實屬重要。

本集團已採納《繼續教育培訓管理制度》。該培訓制度由三個主要組成部分支持：

- 科教部主要負責臨床技能的培訓；
- 護理部主要負責護理及照料病患技能的培訓；及
- 人力資源部主要負責員工管理能力、文化價值及技術技能的全面培訓。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The table below sets forth the number of training hours provided to the Group's staff for the years indicated:

下表載列於所示年度為本集團員工提供的培訓時數：

		Change 變動率	2017 二零一七年	2016 二零一六年
Number of participants	參與人次	—	21,450	21,453
Training man-hours (Hours)	培訓工時(小時)	+12.0%	200,484	179,011

### 3.5 Workplace health and safety

The Group highly values occupational safety and strives to eliminate potential workplace health and safety hazards. The Group maintains an internal audit and inspection program to ensure the safety of the hospital premises for patients, the public and staff. The aim of the audit process is to ensure that the workplace is continuously monitored and that deficiencies in relation to set standards are remedied. The Group ensures that each of its hospital departments is periodically inspected and audited for safety issues, such as medical treatment safety, environment safety and occupational safety. The Group actively encourages staff to report health and safety incidents and risks on a no repercussion basis, and the learning from proactive monitoring and findings from incident reviews is used to improve further and refine training programmes, policies and working practices. For the year ended 31 December 2017, the Group had, in all material respects, complied with applicable laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

### 3.5 工作場所健康及安全

本集團高度重視職業安全，努力消除潛在工作場所健康及安全危害。本集團維持內部審核及檢查制度，以確保醫院範圍內患者、公眾及員工的安全。審核過程旨在保證工作場所處於不斷的監控中，以及與設定標準有關的不足之處得到整改。本集團確定期檢查及審查醫院各科室的安全問題(如醫療安全、環境安全及職業安全)。本集團積極鼓勵員工按無反覆基準報告健康及安全事故及風險，而從主動監控中了解的情況及從事故回顧中發現的問題會用於進一步改善及完善培訓計劃、政策及工作實踐。截至二零一七年十二月三十一日止年度，本集團在關於提供安全工作環境及保障僱員免於職業危險的所有重大方面，符合及採用適用法律法規。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group conducts regular sanitisation to contain the potential spread of infectious diseases at its hospitals. The Group has established surveillance systems to closely monitor the prevalence of nosocomial infections at its hospitals and ensure that such incidents are maintained at a very low level in compliance with applicable standards. The Group also provides periodical occupational safety education and training to augment its staff's awareness of safety issues. The Group provides its staff with regular health assessment to monitor their overall health. In particular, the Group adopts stringent assessment protocols for its staff that are regularly exposed to high-risk environments such as radiation and clinical wastes to ensure their exposure is within acceptable safety limits. Such staff are provided with adequate protective gears and are regularly required to take days off to minimize the long term health effects of radiation. Each relevant staff is required to follow specific procedures and guidelines laid down by the hospital, including Medical Staff Occupational Exposure Protection and Reporting Policy. From time to time, the Group engages third party experts to assess the effectiveness of the hospitals' safety and protective measures.

The Group recognizes that medical violence has in recent years become a workplace safety hazard faced by many medical professionals in the PRC. In light of this, the Group has established internal guidelines and provided trainings to better prepare its staff in handling such situations, including a risk assessment of patient violence. The department of security is able to dispatch security officers experienced in handling incidents of medical violence. The Group also works closely with the police bureaus and law enforcement agencies who will be able to dispatch officers in short notice to the hospitals if necessary.

本集團進行定期消毒，控制傳染性疾病在醫院的潛在傳播。本集團已建立監測系統，密切監控其醫院的醫院感染現患率，確保此類事故維持在極低水平，以符合適用標準。本集團亦提供定期的職業安全教育及培訓，以增強員工的安全問題意識。本集團向員工提供定期健康評估以監控彼等的整體健康，尤其是，針對經常暴露於高風險環境(如輻射及臨床廢棄物)的員工，本集團採用嚴格的評估方案，以確保彼等面臨的風險在可接受安全限度內。該等員工獲提供充分保護裝置，並定期被要求休假數日以盡量降低輻射的長期健康影響。各名相關員工均須遵守醫院制定的具體程序及指引，包括《醫務人員執業暴露防護與報告制度》。本集團會不時聘請第三方專家評估醫院安全及保護措施的有效性。

本集團認識到醫療暴力近年來已成為中國許多醫務專業人員面臨的工作場所安全危害。有鑒於此，本集團已制定內部指引並提供培訓，以使員工更好做好準備處理有關情況，包括患者暴力風險評估。保衛科能夠調派在處理醫療暴力事件方面經驗豐富的安保人員。在必要情況下，本集團亦會與警察局及執法機構密切合作，彼等將能在接到通知後短時間內向醫院派遣人員。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The table below sets forth key health and safety information for the years indicated:

下表載列於所示年度的主要健康及安全資料：

		2017 二零一七年	2016 二零一六年
Number of staff contracting infections due to occupation	因職業接觸感染員工人數	–	–
Number of staff deaths due to occupation	因職業死亡員工人數	–	–
Number of staff disabilities due to occupation	因職業殘疾員工人數	–	1
Number of man-days lost due to occupation related injuries or illness	因職業相關傷病損失工日天數	18.0	15.5

#### 4. SERVICE QUALITY

As embodied in the Group's motto "Empathic • Virtuous Medical Practice" (蒼生為念 • 厚德載醫), the Group adopts a patient-centric approach in treating all patients, the well-being of whom form the core of its values. The Group places a high priority on providing patients with consistently high quality service and support, which is crucial to its long-term success. The Group provides patient care in an ethical manner, and at the best possible quality, taking into consideration patient safety, patients' satisfaction and service efficiency.

##### 4.1 Patient satisfaction and complaints

The Group's hospitals have a dedicated customer service department to collect and gauge patient feedbacks. The customer service department is an important component in ensuring that patient experience is positive through proactive outreach and responsive communication. The table below sets forth key operating data of the Group's customer service for the years indicated:

		Change 變動率	2017 二零一七年	2016 二零一六年
Number of patients served	服務患者人次	+44.3%	79,054	54,786
Customer service man hours	客服人工時數	+43.0%	2,582,508	1,805,880

#### 4. 服務質量

誠如本集團宗旨「蒼生為念 • 厚德載醫」所體現者，本集團在為所有患者治療時採取以患者為中心的方式，患者安康是其價值核心。本集團高度重視為患者提供一貫的優質服務與支持，這對其長期成功至關重要。考慮到患者安全、患者滿意度及服務效率，本集團以合乎道德的方式、以盡可能好的質量為患者提供護理。

##### 4.1 患者滿意度及投訴

本集團的醫院設有專責客戶服務部以收集及計量患者反饋。通過主動延伸服務及積極應答溝通，客戶服務部是確保患者體驗積極的重要組成部分。下表載列於所示年度本集團客戶服務的主要經營數據：

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The hospitals continuously review and streamline patient registration process and provide regular staff customer-service training. The hospitals also conduct patient satisfaction surveys. Such results serve to establish a baseline to monitor changes in patient experience and satisfaction in specific area of service delivery. These surveys primarily include:

- call back interviews with inpatients, outpatients and physical examination patients;
- surveys delivered through short messaging services;
- on-site questionnaires; and
- comments collection boxes.

The Group also cooperates with third parties to conduct comprehensive surveys and analytical studies from time to time.

The subjective nature of the healthcare industry means that the Group occasionally receives patient complaints in the ordinary course of business. The Group has implemented a standardised customer complaint management at each of its hospitals 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 patients. The Group generally classifies patient complaints in three major categories of importance: (i) critical complaints, which may involve deficiencies in clinical quality resulting in adverse effects to patients, medical disputes attracting media attention and intervention from regulatory authorities, extremely poor service attitude, verbal abuses or assaults on patients, or any complaints regarding medical ethics; (ii) regular complaints, which may involve general service attitude, environment, accommodation, hospital or inter-departmental processes resulting in inconvenience to patients, billing error, repeated assessment, pricing or lack of communication or language skills; and (iii) immaterial complaints, which may involve mere service recommendations or trivial comments, or complaints that are frivolous, vexatious or are primarily attributable to the patients' individual condition.

醫院會持續檢討並簡化患者掛號流程，並提供定期員工客戶服務培訓。醫院亦會進行患者滿意度調查。有關結果用於建立監控特定服務提供領域內患者體驗及滿意度變化的基準。該等調查主要包括：

- 電話回訪住院病人、門診病人及體檢病人；
- 通過短信服務進行調查；
- 現場問卷調查；及
- 意見收集箱。

本集團亦會不時與第三方合作進行全面調查及分析研究。

醫療行業的主觀性意味著本集團在日常業務過程中會不時收到患者投訴。本集團已在其各家醫院實施標準化客戶投訴管理，以快速、準確及全面收集患者反饋、解決患者關切、持續改善臨床流程及最終向患者提供最高水準的服務。本集團一般將患者投訴分為三大重要類別：(i) 重大投訴，該等投訴可能涉及導致對患者產生不利影響的臨床質量缺陷、引發媒體關注及監管部門干預的醫療糾紛、服務態度極其惡劣、對患者進行辱罵或攻擊或涉及醫德的任何投訴；(ii) 一般投訴，該等投訴可能涉及一般服務態度、環境、住宿、醫院或院內科室間流程給患者帶來的不便、計費錯誤、重複檢查、定價或缺乏溝通或語言技巧；及(iii) 非重要投訴，該等投訴可能僅涉及服務建議或瑣碎評論，或屬無聊、無理取鬧或主要歸因於患者個人狀況的投訴。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The table below sets forth the number of each category of complaints received by the Group for the years indicated:

下表載列於所示年度本集團收到的各類投訴數目：

		Change 變動	2017 二零一七年	2016 二零一六年
Number of critical complaints	重大投訴	+30.8%	34	26
Number of regular complaints	一般投訴	-19.4%	108	134
Number of immaterial complaints	非重要投訴	+2.6%	467	455
Total	總計	-1.0%	609	615

Patients may lodge a complaint by mail, telephone, touch-screen terminals or in person. The Group has dedicated facilities to record the complaint process on a confidential basis to safeguard the interests of all parties involved and ensure that the complaint processes are conducted fairly with proper records. The hospitals have a complaint office, a unit led by a highly experienced hospital manager and dedicated to the management of patient complainants. The complaint office acts as the complainant point of contact, explains the complaint process to the complainants, directs patient complaints to appropriate departments and governance committees for detailed investigation and root-cause analysis, conducts in-depth fact-finding, proactively oversees and manages the complaint processes, coordinates and communicates with the parties involved, accurately records all relevant findings on a confidential basis and formulates the appropriate replies to the complainants. All initial complaints and views will be handled and responded to directly by the complaint office. The Group is committed to resolving all patient complaints in the shortest period of time, or on the spot, if possible, though resolution of critical complaints generally requires a longer period of time. For critical complaints involving clinical safety or possible health implications, the Group proactively takes immediate actions to prevent and minimise adverse effects on patients. The hospital policy mandates every complaint to be properly lodged and processed through the system and prohibits staff from reaching a private settlement with the complainants, which may potentially place the hospital in a disadvantaged situation if such complaints were to escalate further.

患者可通過郵件、電話、觸摸屏終端或親自提交投訴。本集團有專門設施記錄投訴過程，過程保密，以保護所有參與各方的利益及確保投訴過程公平進行並獲妥善記錄。醫院設有投訴辦公室，由經驗豐富的醫院管理者領導及專門負責管理患者投訴。投訴辦公室用作投訴人聯絡點、向投訴人說明投訴流程、指導患者向適當科室及治理委員會投訴以進行詳細調查及根由分析、進行深入事實認定、積極監督及管理投訴流程、與所涉各方進行協調及溝通、以保密方式準確記錄所有相關結果及妥善回覆投訴人。所有初步投訴及意見將由投訴辦公室直接處理及回覆。儘管解決重大投訴一般耗時較長，但本集團仍致力於在最短時間內解決所有患者投訴，或當場解決(如可能)。對於涉及臨床安全或可能健康影響的重大投訴，本集團將立即積極採取行動防止或盡量減少對患者的不利影響。醫院政策要求每一項投訴都通過該系統妥善提交及處理，且禁止員工與投訴人達成私下和解，因該等投訴進一步升級或會令醫院處於不利位置。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group regards patient complaint management as an important component for the continuous improvement of clinical safety and quality. The Group treats each of the patients' complaints seriously and regards them as the best source for improvement. Complaint reports are regularly reported to senior management for review. For every patient complaint, the Group is committed to understanding its fact pattern and root cause, ascertaining the responsible parties and areas of improvement. The hospitals organise a monthly complaints analysis meeting to identify improvement areas in clinical processes, make recommendations and ensure the relevant administrative and clinical departments implement the necessary improvements promptly. In addition, the hospitals organise a quarterly complaints sharing session on the root cause of the complaints, improvement processes implemented and lessons learnt with a view to cultivating a sense of vigilance among staff.

For critical complaints that may escalate into medical disputes, the complaint office will notify the medical dispute contingency task force, headed by the director and senior management of the hospital, to initiate the medical dispute process involving a highly coordinated effort of various units of the hospital. In 2017, most of the complaints were resolved amicably with only a few of them escalated into medical disputes. In 2017, 17 medical disputes cases (2016: 15) were materialized during the year.

本集團將患者投訴管理視作持續改善臨床安全及質量的重要組成部分。本集團認真處理每項患者投訴，並視之為改進的最佳途徑。投訴報告會定期上報高級管理層審閱。本集團致力於理解每項患者投訴的事實情況及根本原因，確定責任方及有待改進之處。醫院每月組織投訴分析會以發現臨床過程中有待改進之處，提出建議及確保相關行政及臨床部門立即實施必要改進措施。此外，醫院每季度就投訴根由、所實施改進程序及所吸取教訓組織投訴交流會，以在員工間培養警惕意識。

對於可能升級為醫療糾紛的重大投訴，投訴辦公室將通知醫院董事及高級管理層領導的醫療糾紛應急管理小組，啟動醫療糾紛程序，由醫院各單位高度協同努力進行處理。二零一七年，大部分投訴得到友善解決，僅有數起升級為醫療糾紛。二零一七年，年內出現17個個案(二零一六年：15個個案)醫療糾紛案件。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 4.2 Service quality management

The Group's hospitals adopt a comprehensive service quality management system consisting of the following key components:

- structure – the availability of clinical resources, including medical equipment, hospital governance structure, human resources, bed to staff ratio, clinical objectives, practice guidelines and standards;
- process – the clinical processes, including whether clinical procedures are conducted according to the relevant specifications, work flow and nosocomial infections; and
- outcome – patient's well-being after receiving service, including efficacy of treatment, recovery progress, health conditions, satisfaction and complications arising from treatments.

The service quality management system has a wide scope. In addition to monitoring the quality of diagnosis (whether it is accurate, comprehensive and prompt), the quality of treatment (whether it is effective, prompt, thorough and of a reasonable duration), nosocomial infections control and clinical deficiency (whether resulting injuries, harm or pain to patients that could otherwise be avoided), the system also monitors clinical efficiency, reasonableness of medical fees, the input-output relationship of applied medical techniques, systematic services and continuum and community feedback. Under this system, each hospital department is given quantifiable service quality targets to achieve and parameters to monitor. Service quality management and improvement is a continuous process. Any deficiency, once identified, will be handled promptly with appropriate level of supervision.

### 4.2 服務質量管理

本集團的醫院採取全面服務質量管理體系，包括以下主要組成部分：

- 結構 – 臨床資源可用程度，包括醫療設備、醫院治理結構、人力資源、床位與員工比率、臨床目標、實踐指引及標準；
- 環節 – 臨床程序，包括臨床手術是否按照相關規範進行、工作流程及醫院感染；及
- 結果 – 患者接受服務後康復情況，包括治療功效、恢復過程、健康狀況、滿意度及治療引起的併發症。

服務質量管理體系範圍廣泛。除監控診斷質量(診斷是否準確、周全、快速)、治療質量(治療是否有效、快速、徹底及期間合理)、醫院感染控制及臨床缺陷(是否對患者產生本來可以其他方式避免的傷害、損害或疼痛)外，該體系亦監控臨床療效、醫療費用合理性、所使用醫療技術投入產出關係、系統化服務及連續性及社區反饋。在該體系下，醫院各科室獲提供須達到的可量化服務質量目標及監控參數。服務質量管理及改進是一個持續的過程。任何缺陷一經發現，即會以適當監督級別迅速處理。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

High standard of clinical governance maintains the Group's inpatient fatality rate consistent with the risks inherent in hospital operations and industry. As the Group increases its intake of patients with critical conditions and/or require specialized and complex emergency procedures that carry higher risks of unfavourable clinical outcome, its inpatient fatality rate may increase. The table below sets forth the Group's inpatient fatality rate for the years indicated:

		Change 變動率	2017 二零一七年	2016 二零一六年
Total number of inpatient deaths	住院病人死亡總數	+3.1%	298	289
% of total inpatients	佔住院病人總數的百分比	-0.02 b.p.	0.49%	0.51%

高標準臨床管理使本集團的住院病人死亡率與醫院運營及行業的固有風險保持一致。隨著本集團增加接收重症患者及／或需要專門且複雜緊急手術並帶有較高不利臨床結果風險的患者，其住院病人死亡率或會增長。下表載列於所示年度本集團的住院病人死亡率：

### 4.3 Patient privacy protection

The Group's hospitals have a dedicated medical records management department to handle patients' medical records. The hospitals strictly adhere to applicable laws and regulations in relation to patient privacy, including Guangdong Province Medical Records Writing and Management Specifications and Healthcare Institutions Medical Records Management Rules. The hospitals have stringent protocols on the creation, maintenance, reviewing and copying, sealing or unsealing and preservation of patient medical records. These protocols are also design to ensure that the records are not accidentally accessed, processed, erased, lost or used without authorization. Patient medical records are generally kept for 15 years. Before access to the relevant medical records is granted, patients or their families will need to produce the original of the patient's identity documents and a signed consent letter. The medical administration department is responsible for overseeing and auditing medical records management.

### 4.3 患者隱私保護

本集團的醫院設有專責醫案管理科來處理患者的醫療記錄。醫院嚴格遵守與患者隱私有關的適用法律法規，包括《廣東省病歷書寫和管理規範》及《醫療機構病歷管理規定》。醫院對患者醫療記錄的創建、維護、審閱與複製、密封或拆封及保存，訂有嚴格規程。該等規程亦旨在確保有關記錄不會意外被查閱、處理、清除、丟失或未經授權使用。患者醫療記錄通常保存15年。在獲准查閱相關醫療記錄前，患者或其家屬將須出示患者身份證件原件及簽名同意書。醫務部負責監督及審核醫案管理。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group also promotes patient privacy awareness among staff by conducting regular training and sharing sessions. Hospital staff are sensitive to patient privacy and place additional emphasis on protecting patient privacy during every aspect of the clinical processes. Save as required by applicable laws and regulations, patient information can only be released with consent.

Each of the Group's hospitals has an information technology department responsible for reviewing and implementing data protection measures in accordance with relevant laws and regulations. The hospitals' resources that store and manage patient data are physically disconnected from internet access points to prevent external leakage and tampering activities. The hospitals strictly adhere to grade three security requirements under the Administrative Measures for the Graded Protection of Information Security. The hospitals' network security, system security and database security are reviewed from time to time and are comprehensively audited at least once every year to ensure the required standards are met.

The hospitals have formulated policies for privacy data administration which sets out the overall responsibilities and procedures to ensure that all users adhere to defined standards. The hospitals have promulgated internal instructions setting out specific procedures regarding the handling of documents containing patient data. Staff are also required to observe the hospitals' internal instructions on the security of computer systems (including storage, processing, transmission and management of classified information, data encryption and physical security of computer systems). Violation of the above requirements will result in disciplinary actions. The hospitals provide regular updates and trainings to staff on data protection to cultivate their data protection awareness. Staff who need to have access to sensitive data are also required to enter into a confidential undertaking with respect to any patient data, operational, financial and other sensitive information that they may come across.

本集團亦通過進行定期培訓及分享會，提高員工的患者隱私意識。醫院員工對患者隱私保持敏感，並在臨床過程的各個方面格外重視保護患者隱私。除適用法律法規所規定者外，患者資料僅會在徵得同意後發佈。

本集團各家醫院均設有信息技術部，負責根據相關法律及法規審閱及實施數據保護措施。醫院儲存及管理患者數據的資源與互聯網接入點物理斷連，以防止出現外洩及篡改行為。醫院嚴格遵守《信息安全等級保護管理辦法》的第三級安全規定。醫院的網絡安全、系統安全及數據庫安全會不時受到審查及至少每年全面審核一次，以確保符合規定標準。

醫院已制定隱私數據管理政策，載明全面責任及程序以確保所有用戶遵守界定標準。醫院已發佈內部指引，載明處理載有患者數據文件的具體程序。員工亦須遵守醫院有關電腦系統安全(包括儲存、處理、傳輸及管理機密資料、數據加密及電腦系統的實體安全)的內部指引。違反上述規定將處以紀律處分。醫院定期向員工提供有關數據保護的最新資料及培訓，以培養其數據保護意識。需要訪問敏感數據的員工亦須就任何患者數據、經營、財務及其可能接觸的其他敏感資料訂立保密承諾。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

The hospitals implement strong access controls to information. The degree of access and control the staff has to sensitive information is determined by reference to the relevance to their role, their post and/or seniority and is reviewed from time to time. Any unnecessary or obsolete access rights will be revoked immediately. All network actions are recorded on the systems and continuously monitored for any irregularity. In the event of an information security breach, such records will enable the hospitals to carry out detailed investigations and damage control.

For the year ended 31 December 2017, the Group had, in all material respects, complied with applicable laws and regulations that have a significant impact on the Group relating to patient privacy.

#### 4.4 Suppliers

The Group's suppliers primarily consist of agents and distributors of pharmaceuticals, medical consumables and medical equipment. The Group seeks to manage inventory risks by maintaining adequate inventories and building strong relationships directly with suppliers. Suppliers are cautiously selected for quality, reputation, price, product and service offerings and delivery capability. The Group routinely assesses its 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 undertakes reasonable due diligence of its suppliers' qualifications, including:

- suppliers are required to provide all relevant qualification documents and licenses for inspection;
- the procurement department is responsible for verifying the genuineness, validity and scope of the qualification documents and licenses;

醫院對資料訪問實施嚴格控制。員工對敏感資料的訪問程度及控制權乃參考其角色、職位及／或資歷的相關性而定，並經不時審核。任何不必要或過時訪問權限將被立即收回。所有網絡行動將錄入系統並將持續監控任何異常情況。倘出現違反信息安全的情況，有關記錄將使醫院能進行詳盡調查及損害控制。

截至二零一七年十二月三十一日止年度，本集團已於患者私隱的所有重大方面，符合及採取適用法律法規。

#### 4.4 供應商

本集團的供應商主要包括藥品、醫療耗材及醫療設備的代理商及經銷商。本集團力求通過保持充足存貨及直接與供應商建立牢固關係，來管理存貨風險。本集團根據質量、聲譽、價格、產品及服務種類以及交付能力慎重甄選供應商。本集團定期評估供應商的表現、信譽，重新確定彼等的資質(如GMP及／或GSP證書(倘適用))並確保供應商的合規狀態及質量。本集團會對供應商資質展開合理盡職調查，包括：

- 供應商須提供所有相關資質文件及許可證備查；
- 採購部負責核證資質文件及許可證的真實性、有效性及範圍；

# Environmental, Social and Governance Report

## 環境、社會及管治報告

- the qualification documents and licenses will be provided to the relevant departments, including warehouse, medical equipment department and pharmacy department for the relevant staff to take note of the source of the supplies and their qualifications; and
- the suppliers shall promptly produce any updates or changes to the qualification documents and licenses.

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, thereby safeguarding the quality of the supplies.

The Group has an internal rating system for its suppliers, which can broadly be classified into:

- (i) excellent suppliers: the Group should increase purchase volume, and maintain stable relationship with, these suppliers;
- (ii) mediocre suppliers: the Group should gradually reduce purchase volume with, and pay closer scrutiny on, these suppliers; and
- (iii) poor suppliers: these suppliers are blacklisted and the Group should no longer purchase from them. These suppliers typically include those who do not comply with the purchase agreement, have questionable reputation, always misrepresent the product price, do not deliver the required quantity at the required time, deliver supplies with inferior quality, or show no improvement despite repeated warnings.

- 資質文件及許可證將會提供予相關科室，包括倉庫、設備科及藥劑科，以使相關員工記錄供應商原始資料及其資質；及
- 供應商應及時出示資質文件及許可證的任何更新或變動。

本集團已採取嚴格政策禁止供應商接觸及向醫生提供回扣以招攬業務。倘任何供應商被發現違規，本集團會立即終止業務關係。本集團相信，這種做法會盡量減少出現腐敗行為的風險，從而保證供應品質量。

本集團就供應商設有內部評級制度，可大致分類為：

- (i) 優秀供應商：本集團將增加向該等供應商的採購量並與其保持穩定關係；
- (ii) 普通供應商：本集團將逐漸減少向該等供應商的採購量並對其進行更嚴密審查；及
- (iii) 不理想供應商：該等供應商會被列入黑名單，本集團將不再向其採購。該等供應商通常包括不遵守採購協議、聲譽有問題、經常歪曲產品價格、未在規定時間交付規定數量、交付供應品質量低劣或多次警告仍未改進的供應商。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group recognizes that purchasing products with reduced environmental and human health impacts is vital to sustainable healthcare. The Group is exploring various ways to achieve “environmentally preferable purchasing” (“EPP”), an act of purchasing products whose environmental impacts have been considered and found to be less damaging to the environment and human health when compared to competing products. EPP may be feasible to achieve overall cost saving and waste reduction while meeting the needs of patients. The Group has begun its EPP efforts with a few carefully targeted purchasing changes, and if feasible, will expand the scope of environmental purchasing to select as many environmentally sound, healthy and safe products as a hospital can use. The Group believes that EPP may become an important part of the process toward sustainable operations. Downstream corrections of environmental or occupational health issues are generally more costly – in terms of money, labor, technical complexity, and adverse publicity – than prevention through EPP. By carefully selecting products, a hospital may achieve:

- a significant reduction in overall impact on the environment, cost reduction with lower purchase prices or changes that reduce or eliminate waste disposal, hazardous waste, and/or the need for worker safety measures;
- a healthier environment for patients and staff through reduced exposure to hazardous substance; and
- opportunities for positive publicity and promotion.

本集團意識到採購對環境及人類健康影響較低的產品對可持續醫療發展至關重要。本集團不斷探索各種途徑，以實現「環保採購」(「EPP」)，一種所購產品在環境影響方面被視為且獲證實為對環境及人類健康的破壞作用低於競爭產品的採購行為。EPP在滿足病人需求同時實現整體成本節約及減少垃圾方面不失為可行之策。本集團的EPP努力始於對精選目標採購作出些許調整，如可行，將會擴大環保採購範圍，甄選出醫院所能使用的盡可能多的環保、健康及安全產品。本集團認為EPP會成為邁向可持續經營之路的重要組成部分。環保及職業健康問題的事後糾正—在金錢、勞工、技術複雜程度、不利的公眾形象方面—較之於通過EPP進行預防常常須付出更加昂貴的代價。在挑選產品中謹慎行事，醫院可：

- 大大降低對環境的整體影響、以較低的採購價格或較小的價格波動來減少成本，這可減少或消除廢物及有害物質的處理及／或減少員工安全措施需要；
- 通過減少有害物質的曝光為病人及員工營造更加健康的環境；及
- 創造正面宣傳及推廣的機會。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Any implementation of EPP is expected to be gradual, and may require substantial changes to purchasing and clinical configuration of the hospital. The Group will comprehensively assess the long-term benefits of EPP, clinical feasibility and business considerations when making any purchasing changes.

In addition to the purchase of pharmaceuticals, medical consumables and medical equipment, the Group also relies on various vendors for engineering and renovation services at the hospital premises from time to time. The Group uses its best efforts to ensure that these vendors are properly qualified and will take all appropriate measures to protect the environment both inside and outside the work site and limit harmful effects to the public and property due to wastes, pollution, noise and other nuisances caused by the engineering work. These vendors are expected to satisfy the applicable requirements under the Labor Law of the PRC and the Labor Contract Law of the PRC and provide the workers with adequate social security and benefits under the relevant laws. The Group pays close attention on the engineering work and may from time to time engage third-party supervision to ensure that the engineering work meets the applicable national engineering specifications and standards and environmental protection.

#### 4.5 Anti-bribery and corruption risks

The PRC government has recently enhanced its anti-bribery efforts to prevent improper payments and other benefits received by doctors, staff and hospital administrators in connection with the procurement of pharmaceutical and medical supplies and the provision of healthcare services. In addition, Grade A Class III hospitals in the PRC, such as the Group's Kanghua Hospital, are subject to particularly stringent requirements, including as part of the criteria for such ratings, requiring all such hospitals to (i) implement internal controls and risk management measures addressing bribery and corruption risks; and (ii) undergo annual inspections from relevant regulatory authorities as to their anti-bribery and corruption status. The Group has implemented the following policies and procedures to address potential bribery and corruption incidents:

實施任何EPP預期均將循序漸進，且可能需要醫院的採購及臨床配置作出重大改變。在作出採購變動時，本集團將綜合評估EPP的長期裨益、臨床可行性及業務代價。

除採購醫藥、醫療耗材及醫療設備外，本集團亦需要不同供應商不時為醫院場所進行工程及翻新服務。本集團竭力確保該等供應商屬適當合格，並將採取一切必要措施保護施工場地內外環境，限制因工程施工產生的廢物、污染物、噪音及其他危害對公眾及物業造成的有害影響。該等供應商須遵守《中華人民共和國勞動法》及《中華人民共和國勞動合同法》的適用規定，根據有關法律為其工人提供充足的社會保障及福利。本集團密切關注工程施工並可能不時委聘第三方監理，確保工程符合適用國家工程規格及標準，滿足環保要求。

#### 4.5 反賄賂及腐敗風險

中國政府近期已增強其反賄賂力度，防止醫生、員工及醫院行政人員在採購藥品和醫療用品及提供醫療服務時收取不正當款項及其他利益。此外，中國的三級甲等醫院（如本集團的康華醫院）須遵守的要求尤為嚴格，包括（作為有關評級標準的一部分）要求所有相關醫院（i）實施防範賄賂及腐敗風險的內部控制及風險管理措施；及（ii）接受相關監管機構就其反賄賂及腐敗狀況進行的年度檢查。本集團已實施以下政策及程序，防範潛在賄賂及腐敗事件：

# Environmental, Social and Governance Report

## 環境、社會及管治報告

- an anti-bribery function at the Group level led by the chief financial officer of the Company. This function is in charge of developing the overall framework of anti-bribery and corruption policies and procedures and providing guidance and supervision towards implementing them across every aspect of the Group's operations. Each of the Group's hospitals will immediately report any suspected incidents of bribery and corruption to the chief financial officer of the Company, who will then carry out any further investigations if necessary and determine the appropriate course of action. From time to time, the Group provides training to its staff and updates on recent anti-bribery and corruption issues and practices as they arise;
- the Group has in place a robust whistle blower programme accessible by staff and business partners, including a dedicated hotline and an email address, to receive reports of alleged corruption on a no-repercussion basis, with the option of anonymity. The Group has established a zero-tolerance policy towards staff accepting any form of bribes. Such policy is included in the staff handbook and code of conduct. Any of the staff found in breach of anti-bribery and corruption policy will be dismissed. The Group also takes appropriate measures to discourage patients from offering any form of payment or gift to staff for better or priority services, including displaying the relevant policies and laws in prominent places in the hospital premises;
- 本集團層面設有反賄賂職能，由本公司首席財務官領導。該職能負責制定反賄賂及腐敗政策及程序的整體框架，對在本集團經營各個方面的政策及程序實施進行指導及監管。本集團各醫院將即時向本公司首席財務官報告任何疑似賄賂及腐敗事件，首席財務官其後將於必要時進行任何進一步調查並確定合適的行動方案。本集團會不時向員工提供培訓及提供最近出現的反賄賂及反腐敗問題及實踐的最新情況；
- 本集團設立穩健的舉報制度，員工及業務夥伴均可透過專線及電郵地址舉報，我們按無彈回基準接獲指稱腐敗的報告，舉報者可匿名。本集團對員工收取任何形式的賄賂採取零容忍政策。該政策載於員工手冊及行為準則。任何員工一經發現違反本集團的反賄賂及反腐敗政策將會被解僱。本集團亦採取適當的措施勸阻病人為獲得更好或優先服務而向本集團的員工提供任何形式的付款或禮品，包括在醫院顯眼位置展示相關政策及法律；

# Environmental, Social and Governance Report

## 環境、社會及管治報告

- the Group has close oversight over every aspect of the procurement processes. The Group has established a systematic multi-tier approval process involving various departments, dedicated governance committees and management for different categories of procurement. The procurement processes are segregated and no particular individual or department has excessive authority, control or influence, thereby minimising the risk of corruption or abuse. Before engaging in any business relationship with a new supplier, the Group conducts due diligence to obtain reasonable understanding of its background and its connection with the Group, including how such supplier was referred to the Group in the first place. The Group requires its suppliers to agree to anti-bribery and corruption provisions in the supply agreements. In particular, suppliers are prohibited from soliciting business with the hospital staff directly. Any violation will result in the Group's immediate business termination with such suppliers; and
- as part of the Group's key clinical governance, the Pharmaceutical Administration and Therapeutics Committee at each of the Group's hospitals regularly reviews drug prescription patterns. Any unreasonable or inexplicable irregularities or red flags indicative of a deliberate attempt to substantially increase the prescription of certain drugs will be promptly reported and investigated.
- 本集團密切監察採購流程。本集團已設立涉及多個部門、專責管理委員會及各類採購管理的系統性多層審批流程。我們的採購流程為分離式，不會出現個別人士或部門的權力、控制權或影響過大，因此可最大限度降低腐敗或濫用職權的風險。與新供應商建立任何業務關係前，本集團進行盡職調查，以合理掌握其背景及其與本集團的關係，包括該供應商首次引薦給本集團的方式。本集團要求供應商同意我們供應協議中的反賄賂及反腐敗條文。尤其是，禁止供應商直接向我們的醫院員工招攬業務。一旦違反，本集團將立即終止與該等供應商的業務；及
- 作為本集團臨床管理的一個關鍵部分，本集團各家醫院的藥事管理與藥物治療學委員會將定期審查藥物處方模式。任何不合理或無法解釋的違規行為或危險信號表示蓄意試圖在處方中大幅增加若干藥物將被立即上報及接受調查。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

In line with requirements under applicable PRC laws and regulations, the Group has established a strict “no red packet policy” for medical professionals not to personally accept any form of payment or advantages from patients in return for more favourable treatments. The Group requires all healthcare professionals to report to management of all instances of red packets offered by patients. The table below sets forth the number and monetary amount of red packets rejected by the healthcare professionals for the years indicated:

		Change 變動	2017 二零一七年	2016 二零一六年
Number of red packets rejected	拒收紅包數目	+9.3%	224	205
Total monetary amount involved (RMB)	所涉總金額(人民幣元)	+12.8%	157,650	139,730

For the year ended 31 December 2017, the Group had, in all material respects, complied with applicable laws and regulations that have a significant impact on the Group relating to bribery and corruption.

根據適用中國法律及法規的規定，本集團已為我們的醫務人員制定嚴格的「拒收紅包政策」，不得私下收取患者為換取更為有利治療而提供的任何形式的款項或好處。本集團規定所有醫務人員須向管理層報告患者提供紅包的一切情況。下表載列所示年度我們醫務人員拒收的紅包數目及金額：

截至二零一七年十二月三十一日止年度，本集團已於貪污與腐化的所有重大方面，符合及採取適用法律法規。

### 5. COMMUNITY BENEFIT PROGRAMMES

As encompassed in the motto “Empathic • Virtuous Medical Practice” (蒼生為念 • 厚德載醫), the Group regards social contribution as one of its core values. The Group prides itself on being a socially responsible private hospital operator. The Group demonstrates its commitment to community service through organized and sustainable community benefit programmes primarily providing: (i) free and discounted care to those unable to afford healthcare; and (ii) services or education designed to improve community health and increase access to healthcare. These programmes are purposely designed to create meaningful impact by responding to identified community needs, as opposed to being random acts of kindness.

### 5. 社區福利計劃

誠如我們的辦院宗旨「蒼生為念 • 厚德載醫」所包含者，本集團將社會貢獻視為其核心價值觀之一。本集團以作為對社會負責的民營醫院運營商而感到自豪。本集團透過有組織及可持續的社區福利計劃致力於社區服務，主要提供(i)向無力支付醫療費用的群體提供免費及優惠保健服務；及(ii)旨在改善社區健康及增強醫療便利的服務或教育。該等計劃的設計目的在於滿足經識別的社區需求而非隨意行善來實現更具意義的影響。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group has implemented a comprehensive framework for planning, delivering and reporting its community benefit efforts, including the following elements:

- sustainable infrastructure – the Group has fostered a culture that supports its community benefit initiatives and has in place operational elements that sustain the community benefit programmes, such as clinical resources, staff, budget and supporting policies and procedures;
- plan for community benefit – through regular communication with public health organizations and the community, the Group continuously assesses and prioritizes community health needs and develops community benefit programmes accordingly;
- account for community benefit – the Group has established effective administrative and accounting processes to account for and report community benefit to its stakeholders; and
- evaluate community benefit programmes – the Group assesses the quality, effectiveness and impact of the relevant programmes and activities.

本集團已實施一個規劃、履行及報告其社區福利工作的綜合框架，當中包括以下要素：

- 可持續基礎設施 – 本集團已營造出支持其社區福利倡議的文化並已配備可持續發展社區福利計劃的作業要素，如臨床資源、人員、預算以及支持政策及程序；
- 社區福利計劃 – 透過與公眾衛生機構及社區的定期溝通，本集團持續評估醫療需求並確立其優先次序，制定相應社區福利計劃；
- 社區福利問責 – 本集團已制定有效的管理及問責程序，對其持份者負責並向其報告社區福利事宜；及
- 社區福利計劃評估 – 本集團評估相關計劃及活動的質量、效果及影響。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

In 2017, the Group organized numerous volunteer programmes and free clinics, with a focus primarily on children and elderly people with limited health awareness and/or access to affordable and adequate healthcare. The free clinics also penetrated remote areas where basic healthcare resources are scarce. The table below sets forth certain data of the Group's community benefit efforts for the years indicated:

二零一七年，本集團組織大量志願者項目及免費會診，重點對象是健康意識較差及／或難以享受支付得起的醫療服務或其醫療服務不足的兒童及長者。免費會診亦深入基本醫療資源匱乏的偏遠山區。下表載列本集團截至以下年度所開展社區福利工作的若干數據：

		Change 變動	2017 二零一七年	2016 二零一六年
<b>Volunteer activities</b>	<b>參與義工活動</b>			
Number of volunteer activities	義工活動次數	-49.5%	161	319
Number of staff participants	參與員工人次	-32.2%	408	602
Total number of volunteer man-hours	參與義工活動人員時數	-26.0%	2,481	3,352
<b>Free clinics</b>	<b>免費會診</b>			
Number of free clinics	免費會診次數	-26.8%	227	310
Number of staff participants	參與員工人次	-44.4%	336	604
Estimated number of patients served	所服務患者估計人次	-25.1%	9,590	12,802
Total number of free clinic man-hours	免費會診總工時	-52.5%	1,083	2,282
Total amount of compensation provided to staff for participating in free clinics (RMB)	向參與免費會診的員工提供的報酬總額(人民幣元)	-90.7%	2,800	30,200

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### THE STOCK EXCHANGE'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

#### A. Environmental

### 聯交所《環境、社會及管治報告指引》內容索引

#### A. 環境

		KPI 關鍵績效 指標
<b>Aspect A1: Emissions</b>		
<b>層面 A1：排放物</b>		
Types of emissions and respective emissions data 排放物種類及相關排放數據	The Group's hospital operations are not a significant source of greenhouse gas emission 本集團的醫院運營並非溫室氣體排放的重大來源	A1.1 A1.2
Greenhouse gas emission in total 溫室氣體總排放量		
Total hazardous and non-hazardous waste produced and intensity 所產生有害及無害廢棄物總量及密度	Wastewaters produced: 326,587 tons (2016: 358,743 tons) 所產生廢水：326,587 噸(二零一六年：358,743 噸) Hazardous solid wastes produced: 427,343kg (2016: 365,880kg) 所產生有害固體廢棄物：427,343 公斤 (二零一六年：365,880 公斤) Domestic wastes produced: 1,920,000kg (2016: 1,825,000kg) 所產生生活廢棄物：1,920,000 公斤 (二零一六年：1,825,000 公斤)	A1.3 A1.4
Measures to mitigate emissions and results achieved 減低排放量的措施及所得成果	The Group's hospital operations are not a significant source of greenhouse gas emission 本集團的醫院運營並非溫室氣體排放的重大來源	A1.5

# Environmental, Social and Governance Report

## 環境、社會及管治報告

		KPI 關鍵績效 指標
<p>Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved</p> <p>描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果</p>	<p><i>Handling</i> <i>處理</i></p> <p>Wasterwaters and hazardous solid wastes: handled by qualified contractors licensed by environmental authorities 廢水及有害固體廢棄物：由獲環境部門許可的合資格承包商處理</p> <p>Domestic wastes: handled by eligible contractors through tendering 生活廢棄物：由中標的合格承包商處理</p> <p><i>Reduction initiatives</i> <i>減低產生量的措施</i></p> <p>Domestic wastes: segregation and recycling; promoting staff awareness and paper-less office initiatives; reuse of components in decommissioned equipment and furniture 生活廢棄物：分離及回收；提高員工意識及省紙辦公措施；重複利用退役設備及裝置的組件</p> <p>Wastewaters and hazardous wastes: production of these wastes is integral to clinical activities and maintaining a high clinical standard and environment sanitation. The Group currently considers it is not feasible to reduce the production of these wastes without compromising clinical standards, which are of overriding importance 廢水及有害廢棄物：進行診療工作必定會產生廢棄物，我們保持高臨床標準及環境衛生標準。本集團目前認為減少該等廢棄物生產量不可避免令診療標準打折，而診療標準至為重要，故減排並不切實可行</p>	AI.6

# Environmental, Social and Governance Report

## 環境、社會及管治報告

		KPI 關鍵績效 指標
<b>Aspect A2: Use of Resources</b>		
<b>層面 A2：資源使用</b>		
Direct and/or indirect energy consumption by type 按類型劃分的直接及／或間接能源耗量	Electricity: 29,733,765 kw/hr (2016: 29,087,860 kw/hr) 電：29,733,765 千瓦時（二零一六年：29,087,860 千瓦時）	A2.1
Water consumption in total 總耗水量	Water consumption: 688,282 tons (2016: 836,998 tons) 耗水量：688,282 噸（二零一六年：836,998 噸）	A2.2
Energy use efficiency initiatives and results achieved 能源使用效益計劃及所得成果	<i>Efficiency improving initiatives</i> <i>效益提升計劃</i> Use of energy efficient light source, water heating, air-conditioning and equipment; staff awareness; regular audit of energy usage and inspection of energy demanding processes 使用能效高的光源、水暖、空調及設備；提高員工意識； 定期審核能源使用及檢查能源需求程序  <i>Results achieved</i> <i>所得成果</i> Energy consumption per gross floor area was decreased by 5.4% despite 10.8% growth in revenue and strong business growth 總樓面面積的能源耗量減少 5.4%，而收益增長 10.8% 且 業務增長強勁  The Group will continue to monitor the effectiveness of the initiatives on a long term basis 本集團將繼續長期監控計劃的成效	A2.3 A2.4

# Environmental, Social and Governance Report

## 環境、社會及管治報告

KPI  
關鍵績效  
指標

<p>Water efficiency improving initiatives and results achieved 提升用水效益計劃及所得成果</p>	<p><i>Efficiency improving initiatives</i> <i>效益提升計劃</i></p> <p>Leak detection and repair; use of efficient and low flow plumbing fixtures; motion sensor-activated faucets and flow control, waterless medical vacuum pumps; use full loads in sanitizers, sterilisers and laundry washing machines 洩漏檢測及維修；使用高效、低流量管道裝置；自動感應水龍頭及流量控制、醫療無水真空泵；在滿載時使用消毒器、殺菌器及洗衣機</p>	
	<p><i>Results achieved</i> <i>所得成果</i></p> <p>Water consumption decreased significantly in 2017 due to repair of leakage in an underground pipe that occurred in 2016 and the installation of more than 1,500 high-efficiency waterheads at Kanghwa Hospital. The Group will continue to monitor the effectiveness of the initiatives on a long term basis 耗水量於二零一七年大幅下降是由於二零一六年出現的地下管道漏水情況已維修及在康華醫院安裝超過1,500個高效水龍頭所致。本集團將繼續長期監控計劃的成效</p>	
<p>Total packaging material used for finished products 製成品所用包裝材料的總量</p>	<p>The Group's hospital operations do not involve significant use of packaging materials 本集團的醫院營運並不涉及大量使用包裝材料</p>	A2.5

### Aspect A3: The Environment and Natural Resources

#### 層面 A3：環境及天然資源

<p>The significant impacts of activities on the environment and natural resources and the actions taken to manage them 業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動</p>	<p>The Group had no significant impact on the environment and natural resources during 2017 本集團於二零一七年對環境及天然資源並無重大影響</p>	A3.1
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# Environmental, Social and Governance Report

## 環境、社會及管治報告

B. Social

B · 社會

Employment and Labour Practices 僱傭及勞工常規		KPI 關鍵績效 指標
<b>Aspect B1: Employment</b> <b>層面 B1：僱傭</b>		
Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類型、年齡組別 及地區劃分的僱員總數	As of 31 December 2017: 截至二零一七年十二月三十一日：  Total of number of staff of the Group: 2,476 (2016: 2,448) 本集團的員工總數：2,476 人(二零一六年：2,448 人)  – by nature of work – 按工作性質劃分  Doctors: 696 (2016: 694) 醫生：696 人(二零一六年：694 人)  Other medical, administrative and support staff: 1,780 (2016: 1,754) 其他醫療、行政及支援的員工：1,780 人 (二零一六年：1,754 人)  – by gender – 按性別劃分  Male: 748 (2016: 783) 男性：748 人(二零一六年：783 人)  Female: 1,728 (2016: 1,665) 女性：1,728 人(二零一六年：1,665 人)	B1.1
Employee attrition rate 僱員流失比率	Attrition rate: 21.6% (2016: 34.2%) 流失比率：21.6%(二零一六年：34.2%)	B1.2

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規	KPI 關鍵績效 指標
Aspect B2: Health and Safety 層面 B2：健康與安全	
Relating to providing a safe working environment and protecting employees from occupational hazards 有關提供安全工作環境 及保障僱員避免職業性危害	In 2017: 二零一七年： Number of staff contacting infections due to occupation: 0 (2016: 0) 因職業接觸感染的員工數目：0人(二零一六年：0人)  Number of staff deaths: 0 (2016: 0) 員工死亡數目：0人(二零一六年：0人)  Number of staff disabilities due to occupation: 0 (2016: 1) 因職業殘疾的員工數目：0人(二零一六年：1人)  Number of man-days lost due to occupation related injuries or illness: 18 (2016: 15.5) 因職業相關傷害或疾病導致的工傷誤工天數： 18天(二零一六年：15.5天)  Health and safety measures adopted: 已採納的健康與安全措施：  Regular audit and inspection of operating premises; 定期審核及檢查經營處所； proactive risk reporting culture among staff; 在員工間形成主動報告氛圍； continuous learning from health and safety incidents and improvement of processes; 持續從健康與安全事故中學習經驗並改善程序； regular staff health and exposure assessment; 定期進行員工健康及風險評估； provision of adequate protective gears; 提供足夠的護具； third party inspection and assessment; and 第三方檢查及評估；及 adequate support to handle incidents of medical violence 給予足夠支持以處理醫療暴力事件

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規	KPI 關鍵績效 指標
<b>Aspect B3: Development and Training</b> <b>層面 B3：發展及培訓</b>	
Policies on improving employees' knowledge and skills for discharging duties at work 有關提升僱員履行工作職責的知識及技能的政策	In 2017: 二零一七年： Number of participants in training and development programmes: 21,450 (2016: 21,453) 參加培訓及發展項目的員工人次： 21,450人(二零一六年：21,453人)  Total number of training man-hours: 200,484 (2016: 179,011) 培訓總工時：200,484小時(二零一六年：179,011小時)
Description of training activities 描述培訓活動	The Group has a comprehensive Continuing Education and Training Management Policy 本集團設有全面的繼續教育培訓管理制度  Training activities include training on clinical skills; nursing and patient caretaking skills; and comprehensive training on staff management capability, cultural values and technical skills 培訓活動包括臨床技能、護理及病人看護技能的培訓；以及對員工管理能力、文化價值及技術技能的全面培訓



# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規		KPI 關鍵績效 指標
<b>Aspect B4: Labour Standards</b> 層面 B4：勞工準則		
Employment practices to avoid child and forced labour 防止童工或強制勞工的招聘慣例	<p>The Group stringently complies with all national and local laws, including the Labor Law of the PRC and the Labor Contract Law of the PRC;</p> <p>本集團嚴格遵守一切國家及地方法律，包括《中華人民共和國勞動法》及《中華人民共和國勞動合同法》；</p> <p>The Group conducts background checks and reasonable due diligence on job applicants; and</p> <p>本集團對職位申請人進行背景調查及合理盡職審查；及</p> <p>labour unions are established to protect the rights and interests of staff</p> <p>設立工會以保障員工權利及利益</p>	B4.1
Steps taken to eliminate such practices when discovered 在發現違規情況時消除有關情況所採取的步驟	<p>During 2017, the Group had no non-compliance in this respect</p> <p>於二零一七年，本集團並無此方面的不合規情況</p>	B4.2
<b>Aspect B5: Supply Chain Management</b> 層面 B5：供應鏈管理		
Policies on managing environmental and social risks of the supply chain 管理供應鏈的環境及社會風險政策	<p>The Group does not have a supply chain business</p> <p>本集團並無設有供應鏈業務</p> <p>It has a stringent criteria in selecting suppliers and conducts reasonable due diligence to ensure that its suppliers are appropriately qualified and licensed</p> <p>其在篩選供應商方面設有嚴格標準並進行合理盡職審查以確保供應商擁有適當的資格及牌照</p> <p>The Group will continuously assess the feasibility of “environmentally preferable purchasing” (EPP)</p> <p>本集團將持續評估「環保採購」(EPP) 的可行性</p>	B5

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規		KPI 關鍵績效 指標
<b>Aspect B6: Product Responsibility</b> <b>層面 B6：產品責任</b>		
Percentage of total products sold or shipped subject to recalls for safety and health reasons 已售或已運送產品總數中因安全與健康理由而須回收的百分比	Not applicable to the Group's hospital operations 不適用於本集團的醫院營運	B6.1
Number of products and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法	In 2017: 二零一七年： Number of critical complains: 34 (2016: 26) 嚴重投訴數目：34次(二零一六年：26次)  Number of regular complaints: 108 (2016: 134) 經常投訴數目：108次(二零一六年：134次)  Number of immaterial complaints: 467 (2016: 455) 輕微投訴數目：467次(二零一六年：455次)  The Group's hospitals have a comprehensive complaint management system. In 2017, most of the complaints were resolved amicably with only a few of them escalated into medical disputes. 本集團的醫院設有全面的投訴管理系統。二零一七年，大部分投訴已獲和解，僅有少數升級為醫療糾紛。	B6.2
Practices relating to observing and protecting intellectual property rights 與維護及保障知識產權有關的慣例	The Group's hospital operations do not involve a significant degree of intellectual property rights 本集團的醫院營運並無涉及重大程度的知識產權	B6.3

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規		KPI 關鍵績效 指標
Quality assurance process and recall procedures	<p>The Group's hospitals have a comprehensive service quality management system consisting of structure, process and outcome. It has a wide scope covering every aspect of operations. Dedicated customer service department collects and gauges patient feedback and ensures that patient experience is positive through proactive outreach and responsive communication.</p>	B6.4
質量檢定過程及產品回收程序	<p>本集團的醫院設有包括架構、程序及結果在內的全面服務質量管理系統，其範圍廣闊，涵蓋營運的每個方面。專責客戶服務部門收集及計量患者反饋，並透過主動拓展及積極溝通確保患者有良好體驗。</p>	
Consumer data protection and privacy policies, how they are implemented and monitored	<p>Patient medical records are kept in strict compliance with applicable laws and regulations. The Group has stringent protocols on accessing these records. The medical administration department is responsible for overseeing and auditing medical records management.</p>	B6.5
消費者資料保障及私隱政策，以及相關執行 及監察方法。	<p>患者醫療記錄乃嚴格遵守適用法律法規來保存。本集團設有獲取該等記錄的嚴格規程。醫務部負責監察及審核醫療記錄管理。</p> <p>The Group's hospitals maintain a certain level of information security infrastructure and implement strong access controls to information. Regular audits on the infrastructure are carried out to ensure relevant standards are met.</p> <p>本集團醫院維持一定程度的信息安全基礎設施及實施對獲取資料的嚴格控制。將會對基礎設施進行定期審核以確保符合相關標準。</p> <p>Staff are trained to be vigilant and sensitive about patient privacy. Policies and guidelines are implemented to create working processes that safeguard patient privacy.</p> <p>員工獲培訓須對患者隱私保持警惕及敏感。已實行政策及指引以設立保障患者隱私的工作流程。</p>	

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規	KPI 關鍵績效 指標
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### Aspect B7: Anti-corruption

#### 層面 B7：反貪污

<p>Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering</p> <p>有關防止賄賂、勒索、欺詐及洗黑錢的政策及遵守對發行人有重大影響的相關法律及規例</p>	<p>Policies and procedures include:</p> <ul style="list-style-type: none"> <li>• anti-bribery function at Group level;</li> <li>• whistle blower programmes;</li> <li>• close oversight over procurement processes;</li> <li>• drug prescription patterns; and</li> <li>• no red packet policy</li> </ul> <p>政策及程序包括：</p> <ul style="list-style-type: none"> <li>• 本集團層面的反賄賂職能；</li> <li>• 舉報制度；</li> <li>• 密切監察採購流程；</li> <li>• 藥物處方模式；及</li> <li>• 拒收紅包政策</li> </ul>	B7
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# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規	KPI 關鍵績效 指標
Aspect B8: Community Investment 層面 B8：社區投資	
Focus areas of contribution 專注貢獻範疇	<p>In 2017, the Group organized numerous volunteer programmes and free clinics, with a focus primarily on children and elderly people with limited health awareness and/or access to affordable and adequate healthcare. The free clinics also penetrated remote areas where basic healthcare resources are scarce.</p> <p>二零一七年，本集團組織多次義工服務及免費會診，主要集中於健康意識淡薄及／或難以獲得可負擔及足夠醫療保健的兒童及老人。免費會診亦深入到基礎醫療資源稀缺的偏遠地區。</p>
Resources contributed 所動用資源	<p>In 2017: 二零一七年：</p> <p>Number of volunteer man-hours: 2,481 (2016: 3,352) 參與義工活動人員時數：2,481 小時(二零一六年：3,352 小時)</p> <p>Number of free clinic man-hours: 1,083 (2016: 2,282) 免費會診工時數目：1,083 小時(二零一六年：2,282 小時)</p> <p>Total amount of compensation provided to staff for participating in free clinics: RMB2,800 (2016: RMB30,200) 向參與免費會診的員工提供的報酬總額： 人民幣 2,800 元(二零一六年：人民幣 30,200 元)</p>

# Directors, Supervisors and Senior Management

## 董事、監事及高級管理層

### DIRECTORS

#### Executive Directors

**Mr. WANG Junyang**, aged 35, 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 11 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 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**，35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11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 47, 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 11 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 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.

**Mr. WONG Wai Hung Simon**, aged 29, 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 7 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.

**陳旺枝先生**，47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11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。

**王偉雄先生**，29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。王先生擁有約七年的醫院管理經驗。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 47, is an executive Director. Ms. Wang is primarily responsible for the overall financial management and capital investment of the Group. Ms. Wang has approximately 20 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 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**，47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20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 67, 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 41 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**，67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41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 69, 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 33 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. Mr. Yeung left his positions at both Adventist Hospitals in December 2015.

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.

#### 獨立非執行董事

**楊銘灃先生**，69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33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。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。

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。

## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

Dr. CHEN Keji, aged 87, 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 61 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 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).

陳可冀醫生，87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61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、博士生導師及副院長。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中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博士稱號，於二零一零年獲澳門科技大學醫學榮譽博士稱號。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藥質量研究國家重點實驗室學術委員會主任，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。

## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

**Mr. CHAN Sing Nun**, aged 43, 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 19 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, and director of A2Z Hotel Equipment Limited, a company that is principally engaged in tableware trading. Victory Logistic Company Limited had been deregistered and wound up on January 6, 2017 under Section 751 of the Companies Ordinance. 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.

陳星能先生，43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19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。陳先生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，及A2Z Hotel Equipment Limited(一家主要從事餐具貿易的公司)的董事。勝記物流有限公司已於2017年1月6日根據公司條例第751條取消註冊及解散。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。陳先生於一九九八年自香港城市大學畢業，獲專業會計高級文憑。

# Directors, Supervisors and Senior Management

## 董事、監事及高級管理層

### SUPERVISORS

**Mr. CHEN Shaoming**, aged 39, 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 11 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 34, 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 10 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**，39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11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**，34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10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 54, 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 20 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.

### SENIOR MANAGEMENT

**Dr. TIAN Kege**, aged 63, 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 26 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 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.

**王炳枝先生**，54 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 20 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。

### 高級管理層

**田可歌醫生**，63 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 26 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」。田醫生於一九八三年八月畢業於第二軍醫大學及取得醫學學士學位，及於一九九八年七月取得醫學碩士學位。彼於二零零五年九月取得婦產科主任醫師資格。

## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

**Dr. JIA Guoliang**, aged 74, 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 48 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 (心內科主治醫生), 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**，74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48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治醫生、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。彼擔任多家醫學協會會員及醫學期刊編輯部成員。除於一九九六年十二月獲國家科學技術委員會授予三等科技進步獎外，賈醫生就其在軍隊醫學研究項目上所作貢獻獲中國人民解放軍總後勤部授予超過18項獎項。賈醫生於二零零五年三月分別獲得中國介入心臟病學終生成就獎及中華醫學會所授予的特別貢獻獎。賈醫生持續積極推進其在心血管保健方面的工作。其近期聘用情況包括於二零一三年擔任中華醫學會心血管病學分會的顧問、於二零一四年擔任中國醫師協會心血管內科醫師分會的會員及於二零一六年擔任中華老年心腦血管病雜誌編輯部顧問。賈醫生具備主任醫師資格。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 50, 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 26 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 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.

**李志偉醫生**，50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26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。



## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

**Ms. LIN Yan**, aged 55, 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 33 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 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 42, 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 12 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.

**林岩女士**，55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33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**，42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12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 43, 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 13 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**，43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13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 39, is a chief financial officer and a joint company secretary of the Company. Mr. Wong has more than 15 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 46, 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 24 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**，39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15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**，46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24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 since 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 GEM of the Hong Kong Stock Exchange (stock code: 8070) and the company secretary of Sheung Moon Holdings limited, a company listed on the GEM of the Hong Kong Stock Exchange (stock code: 8523) 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) respectively 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**自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。

彼現時分別為僑洋國際控股有限公司（一間於香港聯交所GEM上市的公司，股份代號：8070）及常滿控股有限公司（一間於香港聯交所GEM上市的公司，股份代號：8523）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 163 to 243, which comprise the consolidated statement of financial position as at 31 December 2017, 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 2017, 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 ("HKSA") 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163頁至第243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二零一七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 貴集團於二零一七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 MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

### 關鍵審計事項

關鍵審計事項為本行的專業判斷，認為對本期間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 4 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4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 to check for the status of the media disputes and the completeness for the medical dispute list;
- 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；
- 安排訴訟搜索以檢查醫療糾紛的狀況、醫療糾紛名單的完整性；
- 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；

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTER (Cont'd)

#### Key audit matter

#### 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 RMB503,000 made as disclosed in note 20 to the consolidated financial statements, the management of the Group believes that the final result of other medical disputes with total claims of RMB7,143,000 as at 31 December 2017 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，或者無法可靠地估計該金額，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20所披露就該等糾紛的撥備人民幣503,000元外，貴集團管理層認為，於二零一七年十二月三十一日，總索賠額為人民幣7,143,000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。

### 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

- Discussing with the management of the Group and 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 provision and the disclosure under contingent liabilities.
- 
- 參照類似案件的先例，與貴集團管理層及法律顧問討論尚未了結的醫療糾紛的估計結果；
  - 評估或有負債的撥備及披露的充分性。

# 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 this matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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 Faith Corazon Del Rosario.

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong  
15 March 2018

### 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。

德勤·關黃陳方會計師行  
執業會計師  
香港  
二零一八年三月十五日

# 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 2017

截至2017年12月31日止年度

			2017	2016
			二零一七年	二零一六年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Revenue	收益	5	1,389,169	1,240,390
Cost of revenue	收益成本		(1,058,293)	(943,479)
Gross profit	毛利		330,876	296,911
Other income	其他收入	6	32,694	22,953
Other expenses, gains and losses	其他開支、收益及虧損	7	(18,500)	(4,900)
Administrative expenses	行政開支		(126,994)	(109,042)
Finance costs	融資成本	8	—	(7,449)
Profit before taxation	除稅前溢利	9	218,076	198,473
Income tax expenses	所得稅開支	12	(56,937)	(52,786)
Profit and total comprehensive income for the year	年內溢利及全面收入總額		161,139	145,687
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		156,592	141,260
– non-controlling interests	– 非控股權益		4,547	4,427
			161,139	145,687
Earnings per share (RMB cents):	每股盈利(人民幣分)：	14		
Basic	基本		46.8	53.8
Diluted	攤薄		N/A 不適用	53.8

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2017

於2017年12月31日

			2017	2016
			二零一七年	二零一六年
		Notes	RMB' 000	RMB' 000
		附註	人民幣千元	人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	434,109	360,997
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備所付按金		76,456	29,940
Available-for-sale investments	可供出售投資	16	16,275	—
Other receivables	其他應收款項	18	5,000	—
			<b>531,840</b>	<b>390,937</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	17	44,524	43,226
Accounts and other receivables	應收賬款及其他應收款項	18	214,508	190,486
Available-for-sale investments	可供出售投資	16	543,025	—
Restricted bank balances	受限制銀行結餘	19	14,700	34,955
Bank balances and cash	銀行結餘及現金	19	383,796	936,374
			<b>1,200,553</b>	<b>1,205,041</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Accounts and other payables	應付賬款及其他應付款項	20	412,586	386,359
Amounts due to a shareholder	應付一名股東款項	21	925	3,179
Tax payables	應付稅項		29,483	31,397
			<b>442,994</b>	<b>420,935</b>
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>757,559</b>	<b>784,106</b>
<b>Net assets</b>	<b>資產淨值</b>		<b>1,289,399</b>	<b>1,175,043</b>

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2017

於2017年12月31日

			2017	2016
			二零一七年	二零一六年
		Note	RMB' 000	RMB' 000
		附註	人民幣千元	人民幣千元
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	24	334,394	334,394
Reserves	儲備		930,830	821,021
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,265,224	1,155,415
Non-controlling interests	非控股權益		24,175	19,628
<b>Total equity</b>	<b>權益總額</b>		<b>1,289,399</b>	<b>1,175,043</b>

The consolidated financial statements on pages 163 to 243 were approved and authorised for issue by the board of directors on 15 March 2018 and are signed on its behalf by:

第163至243頁的綜合財務報表已於二零一八年三月十五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 2017

截至2017年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital	Share premium	Capital reserve	Statutory reserve	(Accumulated losses) retained earnings (累計虧損) 保留盈利	Sub-Total	Non-controlling interests	Total
		RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元
		(note) (附註)							
At 1 January 2016	於二零一六年一月一日	250,000	—	53,394	—	(71,847)	231,547	15,201	246,748
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	145,687
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	—	865,170
Cost of issuance of H shares	發行H股的成本	—	(86,650)	—	—	—	(86,650)	—	(86,650)
Exercise of over-allotment option	行使超額配股權	394	3,694	—	—	—	4,088	—	4,088
<b>At 31 December 2016</b>	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	1,175,043
Profit and total comprehensive income for the year	年內溢利及全面收入總額	—	—	—	—	156,592	156,592	4,547	161,139
Dividend	股息	—	—	—	—	(46,783)	(46,783)	—	(46,783)
Transfers	轉撥	—	—	—	16,120	(16,120)	—	—	—
<b>At 31 December 2017</b>	於二零一七年十二月三十一日	334,394	698,214	53,394	28,464	150,758	1,265,224	24,175	1,289,399

Note:

According to the relevant laws in the People's Republic of China ("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.

附註：

根據中華人民共和國(「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 2017

截至2017年12月31日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Operating activities</b>	<b>經營活動</b>		
Profit before taxation	除稅前溢利	218,076	198,473
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	49,600	41,488
Finance costs	融資成本	—	7,449
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)
Unrealised exchange loss (gain)	未變現的匯兌虧損(收益)	7,199	(5,636)
Bank and other interest income	銀行及其他利息收入	(11,584)	(4,452)
Income from available-for-sale investments	可供出售投資收入	(11,675)	—
Impairment loss recognised in respect of accounts receivables	就應收賬款確認的 減值虧損	3,513	226
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	247	318
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	255,376	227,282
Increase in inventories	存貨增加	(1,298)	(5,031)
Increase in accounts and other receivables	應收賬款及其他應收款項增加	(7,535)	(22,495)
Increase (decrease) in accounts and other payables	應付賬款及其他應付款項增加(減少)	26,227	(7,422)
Cash generated from operations	經營所得現金	272,770	192,334
PRC Enterprise Income Tax paid	已付中國企業所得稅	(58,851)	(36,911)
<b>Net cash generated from operating activities</b>	<b>經營活動所得現金淨額</b>	<b>213,919</b>	<b>155,423</b>
<b>Investing activities</b>	<b>投資活動</b>		
Advances to shareholders	向股東墊款	—	(117,363)
Placement of restricted bank balances	存放受限制銀行結餘	(1,534,459)	(35,977)
Purchase of available-for-sale investments	購買可供出售投資產品	(560,227)	—
Purchase of property, plant and equipment	購買物業、廠房及設備	(119,256)	(70,087)
Loans granted to a hospital (Note 18)	授予一間醫院的貸款(附註18)	(20,000)	(80,000)
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備支付的按金	(50,242)	(29,903)
Deposit paid for an investment	已付投資訂金	(5,000)	—
Withdrawal of restricted bank balances	提取受限制銀行結餘	1,554,714	9,926
Income received from available-for-sale investments	來自可供出售投資的收入	11,675	—
Interest received	已收利息	11,584	4,452
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	23	23
Advance to a related party	向一名關聯方墊款	—	(4,203)
Repayments from shareholders	股東還款	—	618,064
Withdrawal of pledged bank deposits	提取已質押銀行存款	—	50,000
Repayments from a related party	一名關聯方還款	—	8,365
<b>Net cash (used in) generated from investing activities</b>	<b>投資活動(所用)所得現金淨額</b>	<b>(711,188)</b>	<b>353,297</b>



# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2017

截至2017年12月31日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Financing activities</b>	<b>融資活動</b>		
Dividend paid	已付股息	(46,783)	—
Repayments to a shareholder	還款予股東	(2,254)	(104,541)
Interest paid	已付利息	—	(9,769)
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
Repayments of bank borrowings	償還銀行借款	—	(431,800)
Share issue expenses	股份發行開支	—	(86,650)
<b>Net cash (used in) generated from financing activities</b>	<b>融資活動(所用)所得現金淨額</b>	<b>(49,037)</b>	<b>326,498</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>現金及現金等價物(減少)增加淨額</b>	<b>(546,306)</b>	<b>835,218</b>
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	936,374	95,520
Effect of foreign exchange rate changes	匯率變動影響	(6,272)	5,636
<b>Cash and cash equivalents at end of the year, represented by bank balances and cash</b>	<b>年末現金及現金等價物， 即銀行結餘及現金</b>	<b>383,796</b>	<b>936,374</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017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 principally engaged in operation of hospitals, provision of hospital management services and sales of pharmaceutical products in the 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.

### 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」)在中國主要從事醫院經營，提供醫院管理服務及銷售藥品。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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

#### *Amendments to IFRSs that are mandatorily effective for the current year*

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time in the current year:

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 IFRS 12

國際財務報告準則第12號(修訂本)

Disclosure Initiative

披露計劃

Revenue from Contracts with Customers and Unrealised Losses

客戶合約收益及未變現虧損

As part of the Annual Improvements to IFRSs 2014 - 2016 Cycle

作為國際財務報告準則二零一四年至二零一六年週期年度

改進的一部份

Except as described below, the application of the above amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### **Amendments to IAS 7 Disclosure Initiative**

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

### 2. 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」)

#### *於本年度強制生效之國際財務報告準則修訂本*

於本年度，本集團首次應用以下國際會計準則委員會所頒佈的國際財務報告準則的修訂本：

除下文所述者外，於本年度應用上述國際財務報告準則的修訂本，對本集團本年度及過往年度的財務表現及狀況及／或綜合財務報表所載披露事項並無重大影響。

#### **國際會計準則第7號(修訂本)披露計劃**

本集團於本年度首次應用該等修訂。該等修訂規定實體提供披露，使財務報表使用者能評估融資活動產生的負債變動，包括現金及非現金變動。此外，倘該等金融資產的現金流量已計入融資活動的現金流量或未來現金流量將會計入融資活動的現金流量，則該等修訂亦要求披露金融資產的變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

#### Amendments to IAS 7 *Disclosure Initiative* (Cont’d)

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 22. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 22, the application of these amendments has had no impact on the Group’s consolidated financial statements.

### 2. 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）

#### 國際會計準則第7號（修訂本）披露計劃（續）

特別是，該等修訂規定就以下情況作出披露：(i) 融資現金流量的變動；(ii) 因取得或失去附屬公司或其他業務的控制權而產生的變動；(iii) 匯率變動的影響；(iv) 公平值變動；及(v) 其他變動。

有關該等項目期初及期末結餘的對賬載於附註22。根據修訂本的過渡條文，本集團並無披露去年的比較資料。除附註22的額外披露外，應用該等修訂並無對本集團綜合財務報表造成影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

#### *New and revised IFRSs and interpretation in issue but not yet effective*

The Group has not early applied the following new and revised 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

IFRS 17

國際財務報告準則第17號

IFRIC 22

國際財務報告詮釋委員會詮釋第22號

IFRIC 23

國際財務報告詮釋委員會詮釋第23號

Amendments to IFRS 2

國際財務報告準則第2號(修訂本)

Financial Instruments<sup>1</sup>

金融工具<sup>1</sup>

Revenue from Contracts with Customers and the related Amendments<sup>1</sup>

客戶合約收益及相關修訂<sup>1</sup>

Leases<sup>2</sup>

租賃<sup>2</sup>

Insurance Contracts<sup>4</sup>

保險合約<sup>4</sup>

Foreign Currency Transactions and Advance Consideration<sup>1</sup>

外幣交易及預付代價<sup>1</sup>

Uncertainty over Income Tax Treatments<sup>2</sup>

所得稅處理的不確定性<sup>2</sup>

Classification and Measurement of Share-based Payment Transactions<sup>1</sup>

股份為基礎付款交易的分類及計量<sup>1</sup>

### 2. 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及詮釋*

本集團尚未提早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及詮釋：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

*New and revised IFRSs and interpretation in issue but not yet effective (Cont’d)*

Amendments to IFRS 4

國際財務報告準則第4號(修訂本)

Amendments to IFRS 9

國際財務報告準則第9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 IAS 19

國際會計準則第19號(修訂本)

Amendments to IAS 28

國際會計準則第28號(修訂本)

Amendments to IAS 28

國際會計準則第28號(修訂本)

Amendments to IAS 40

國際會計準則第40號(修訂本)

Amendments to IFRSs

國際財務報告準則(修訂本)

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2021

### 2. 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及詮釋(續)*

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts<sup>1</sup>

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<sup>1</sup>

Prepayment Features with Negative Compensation<sup>2</sup>

提早還款特性及負補償<sup>2</sup>

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup>

投資者與其聯營公司或合營企業之間的資產出售或注資<sup>3</sup>

Plan Amendment, Curtailment or Settlement<sup>2</sup>

計劃修訂、削減或結算<sup>2</sup>

Long-term Interests in Associates and Joint Ventures<sup>2</sup>

聯營公司和合資企業的長期權益<sup>2</sup>

As part of the Annual Improvements to IFRS Standards 2014 - 2016 Cycle<sup>1</sup>

作為國際財務報告準則二零一四年至二零一六年週期年度改進的一部份<sup>1</sup>

Transfers of Investment Property<sup>1</sup>

轉讓投資物業<sup>1</sup>

Annual Improvements to IFRS Standards 2015-2017 Cycle<sup>2</sup>

國際財務報告準則二零一五年至二零一七年週期的年度改進<sup>2</sup>

<sup>1</sup> 於二零一八年一月一日或之後開始的年度期間生效

<sup>2</sup> 於二零一九年一月一日或之後開始的年度期間生效

<sup>3</sup> 於將確定的日期或之後開始的年度期間生效

<sup>4</sup> 於二零二一年一月一日或之後開始的年度期間生效

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 2. 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.

### 2. 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號引入金融資產與金融負債分類及計量的新規定、一般對沖會計以及有關金融資產的減值規定。

與本集團相關的國際財務報告準則第9號的主要規定為：

- 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須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的的業務模式持有的債務投資，及擁有純粹為支付本金及尚未償還本金利息的合約現金流的債務投資，一般於其後會計期末按攤銷成本計量。於目的為同時收取合約現金流及出售金融資產的業務模式中持有的債務工具，以及合約條款令於特定日期產生的現金流純粹為支付本金及尚未償還本金利息的債務工具，一般均以按公平值計入其他全面收益(「按公平值計入其他全面收益」)的方式計量。所有其他債務投資及股本投資於其後會計期末按公平值計量。此外，根據國際財務報告準則第9號，實體可作出不可撤回選擇於其他全面收益呈列股本投資(並非持作買賣)的其後公平值變動，而一般僅於損益內確認股息收入。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 2. 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.

### 2. 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)

- 就金融資產的減值而言，與國際會計準則第39號*財務工具：確認及計量*項下按已產生信貸虧損模式計算相反，國際財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損的變動入賬，以反映信貸風險自初始確認以來的變動。換言之，毋須再待發生信貸事件方確認信貸虧損。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

#### IFRS 9 *Financial Instruments* (Cont’d)

Based on the Group’s financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate the following potential impact on initial application of IFRS 9:

#### *Classification and Measurement:*

- Unlisted fund/portfolio investment fund/structured bank deposits classified as available-for-sale (“AFS”) investments carried at fair value (disclosed in note 16): the Group’s investments qualified for designation as measured at FVTOCI under IFRS 9, however, the Group plans not to elect the option for the designation and will measure these investments at fair value with subsequent fair value gains or losses to be recognised in profit or loss;
- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under IAS 39.

### 2. 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)

根據本集團截至二零一七年十二月三十一日的金融工具和風險管理政策，本公司董事預期首次應用國際財務報告準則第9號的潛在影響如下：

#### *分類及計量：*

- 分類為以公平值列賬的可供出售(「可供出售」)投資的非上市基金／證券投資基金／結構性銀行存款(如附註16所披露)：本集團的投資合資格指定為根據國際財務報告準則第9號按公平值計入其他全面收益計量，然而，本集團計劃不選擇指定的選項，並將按公平值計量該等投資，其後公平值收益或虧損將於損益中確認；
- 所有其他金融資產和金融負債將繼續按照目前根據國際會計準則第39號計量的相同基準進行計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

#### IFRS 9 *Financial Instruments* (Cont’d)

##### *Impairment*

In general, the directors of the Company anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of IFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would be slightly increased as compared to the accumulated amount recognised under IAS 39 mainly attributable to expected credit losses provision on trade receivables. Such further impairment recognised under expected credit loss model would reduce the opening retained profits and increase the deferred tax assets at 1 January 2018.

### 2. 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）

##### *減值*

一般而言，本公司董事預期應用國際財務報告準則第9號的預期信貸虧損模式將導致本集團於應用國際財務報告準則第9號後，就本集團按攤銷成本計量的金融資產以及其他須作出減值撥備的項目的尚未產生的信貸虧損提前撥備。

根據本公司董事的評估，倘若本集團須應用預期信貸虧損模式，則本集團於二零一八年一月一日將予確認的累計減值虧損金額將較根據國際會計準則第39號確認的累計金額略有增加，主要是由於應收賬款的預期信貸虧損撥備。按預期信貸虧損模式確認的進一步減值將減少於二零一八年一月一日的期初保留盈利並增加遞延稅項資產。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 2. 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

### 2. 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號為實體將自客戶合約產生的收益入賬制定單一全面模式。國際財務報告準則第15號生效後，將取代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*及相關詮釋的現有收益確認指引。

國際財務報告準則第15號的核心原則為，實體應確認收益，以說明實體按反映交換商品或服務預期所得代價的金額向客戶轉讓所承諾商品或服務。具體而言，該準則引入確認收益的五個步驟：

第一步：識別與客戶訂立的合約

第二步：識別合約中的履約責任

第三步：釐定交易價

第四步：將交易價分配至合約中的履約責任

第五步：於實體完成履約責任時(或就此)確認收益

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 2. 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 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.

### 2. 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，實體於完成履約責任之時(或就此)確認收益，即於特定履約責任相關貨品或服務的「控制權」移交客戶時。國際財務報告準則第15號已就特殊情況的處理方法加入更明確的指引。此外，國際財務報告準則第15號要求更詳盡的披露。

二零一六年，國際會計準則委員會發出國際財務報告準則第15號的澄清，內容有關履約責任的識別、委託人相對代理人的考慮因素以及許可授權的應用指引。

本公司董事預期將來應用國際財務報告準則第15號可能會導致更多披露，然而，本公司董事預期應用國際財務報告準則第15號不會對相關報告期間所確認的收益的時間性及金額產生重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

#### 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.

IFRS 16 distinguishes lease 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.

### 2. 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

國際財務報告準則第16號就識別租賃安排和出租人和承租人的會計處理引入全面的模式。國際財務報告準則第16號將於生效時取代國際會計準則第17號租賃及相關詮釋。

國際財務報告準則第16號根據所識別的資產是否由客戶控制而區分租賃和服務合同。就承租人會計而言，經營租賃和融資租賃的區分已予剔除，取而代之的模式是承租人對所有租賃必須確認使用權資產和相應負債，但短期租賃和低價值資產的租賃除外。

使用權資產按成本進行初始計量，並隨後按成本(某些例外情況除外)減去累計折舊和減值虧損計量，並對租賃負債的任何重新計量進行調整。租賃負債最初是以該日未支付的租賃付款額的現值計量。隨後，因應利息和租賃付款以及租賃修訂的影響等而對租賃負債進行調整。此外，由於國際會計準則第17號下的經營租賃付款以經營現金流量呈列，故現金流量分類亦將受到影響；而根據國際財務報告準則第16號模式，租賃付款將分拆為本金及利息部分，並將以融資現金流量呈列。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

#### IFRS 16 Leases (Cont’d)

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.

As at 31 December 2017, the Group as lessee has non-cancellable operating lease commitments of RMB270,719,000 as disclosed in note 25. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, 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.

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.

### 2. 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)

相對於承租人會計，國際財務報告準則第16號實質上沿用國際會計準則第17號的出租人會計規定，並繼續要求出租人將租賃劃分為經營租賃或融資租賃。

此外，國際財務報告準則第16號規定作出廣泛披露。

於二零一七年十二月三十一日，本集團(作為承租人)持有不可撤銷的經營租賃承擔人民幣270,719,000元(如附註25所披露)。初步評估顯示該等安排將符合租賃的定義。應用國際財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，除非其符合低價值或短期租賃的條件。

本公司董事預期，應用國際財務報告準則的其他修訂及詮釋將不會對本集團的綜合財務報表構成重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. 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 Hong Kong 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*.

### 3. 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，綜合財務報表載有香港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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. 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.

### 3. 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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Basis of consolidation (Cont'd)

The Group 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 Group obtains control over the subsidiary and ceases when the Group 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 Group gains control until the date when the Group 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.

### 3. 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，本集團重估其是否控制投資對象。

附屬公司綜合入賬於本集團取得對附屬公司的控制權時開始，並於本集團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集團取得附屬公司控制權的日期起直至本集團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 2017

截至2017年12月31日止年度

### 3. 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.

### 3. 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列特定準則時，確認收益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. 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.

Revenue from sales of pharmaceutical products is recognised when the pharmaceutical products are delivered and titles have passed.

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.

### 3. 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。

銷售藥品的收益於藥品付運及其所有權轉移時確認。

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 2017

截至2017年12月31日止年度

### 3. 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.

### 3. 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

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. 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 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

### 3. 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)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### Financial assets

The Group's financial assets are classified as available-for-sale ("AFS") financial assets and 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.

##### AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. The Group designated certain items as AFS financial assets on initial recognition of those items.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each report period.

### 3. 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可供出售投資以及貸款及應收款項，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。

##### 可供出售金融資產

可供出售金融資產乃指定為可供出售或並未分類為貸款及應收款項、持有至到期投資或按公平值計入損益的金融資產的非衍生工具。本集團在初步確認該等項目時將若干項目指定為可供出售金融資產。

對沒有活躍市場所報市價及公平值不能可靠計量的可供出售股本投資，於各報告期末按成本減已識別減值虧損計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### Financial assets (Cont'd)

##### 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, 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.

##### 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.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 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、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。

##### 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。

對於可供出售股本投資，證券的公平值大幅或長期下降低於其成本被視為減值的客觀證據。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

#### Financial assets (Cont'd)

#### Impairment of loans and receivables (Cont'd)

For all other financial assets 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.

For financial assets carried at amortised cost, 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.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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.

### 3. 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)

對於所有其他金融資產的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。

就按攤銷成本列賬的金融資產而言，已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之間的差額。

就按成本列賬的金融資產而言，減值虧損金額乃按資產賬面值與按相似金融資產當前市場回報率貼現的估計未來現金流量現值之間的差額計量。該減值虧損於其後期間將不會轉回。

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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### Financial assets (Cont'd)

##### Impairment of loans and receivables (Cont'd)

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.

##### 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 and amount due to a shareholder are subsequently measured at amortised cost, using the effective interest method.

### 3. 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)

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。

##### 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及應付一名股東款項)其後採用實際利率法按攤銷成本計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. 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).

### 3. 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)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. 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.

### 3. 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的現金產生單位，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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. 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

All borrowing costs are recognised in profit or loss in the period in which they are accrued.

#### 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.

### 3. 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

所有借貸成本於其產生期間於損益內確認。

#### 政府補貼

政府補貼直至有合理保證本集團將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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. 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).

### 3. 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 3. 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 are recognised in profit or loss.

### 3. 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make 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.

#### 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.

#### *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 RMB44,524,000 (2016: RMB43,226,000) as at 31 December 2017. No impairment loss on the above amounts was recognised during the year.

Details of the Group's inventories are set out in note 17.

### 4. 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3)時，本公司董事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。

#### 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。

#### *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。於二零一七年十二月三十一日，存貨的賬面值為約人民幣44,524,000元(二零一六年：人民幣43,226,000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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

##### Key sources of estimation uncertainty (Cont'd)

###### *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 RMB95,037,000 (net of allowance for doubtful debts of approximately RMB7,668,000) as at 31 December 2017 (2016: carrying amount of approximately RMB87,036,000 net of allowance for doubtful debts of approximately RMB4,155,000).

Details of the Group's accounts receivables are set out in note 18.

#### 4. 估計不確定因素的主要來源(續)

##### 估計不確定因素的主要來源(續)

###### *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。於二零一七年十二月三十一日，應收賬款的賬面值為約人民幣95,037,000元（扣除呆賬撥備約人民幣約7,668,000元）（二零一六年：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）。

本集團應收賬款的詳情載於附註18。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### 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 RMB503,000 (2016: RMB477,000) has been provided and included in accounts and other payables by the Group as at 31 December 2017. 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.

### 4. 估計不確定因素的主要來源(續)

#### 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，本集團於二零一七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503,000元(二零一六年：人民幣477,000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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of hospital services, provision of hospital management services and sales of pharmaceutical products.

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.

During the year ended 31 December 2017, the Group has commenced a new operation of sales of pharmaceutical products. The Group's operating segments are classified as (i) Inpatient healthcare services; (ii) Outpatient healthcare services; (iii) Physical examination services; (iv) Hospital management services; and (v) Sales of pharmaceutical products. 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.   |
| (v) Sales of pharmaceutical products: | Sales of pharmaceutical products to patients of the Group's hospitals and outside customers.   |

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.

### 5. 收益及分部資料

本集團主要從事醫院經營、提供醫院管理服務及銷售藥品。

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。

截至二零一七年十二月三十一日止年度，本集團已開展銷售藥品新業務。本集團的經營分部分為(i)住院醫療服務；(ii)門診醫療服務；(iii)體檢服務；(iv)醫院管理服務；及(v)銷售藥品。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。                        |
| (v) 銷售藥品：    | 銷售醫藥產品予本集團醫院的病人及外部客戶。                     |

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 5. 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 2017

		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	Sale of pharmaceutical products 銷售藥品 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	816,937	491,056	70,816	3,135	7,225	1,389,169
Segment profit	分部溢利	132,405	155,070	40,790	1,424	1,187	330,876
Other income	其他收入						32,694
Other expenses, gains and losses	其他開支、收益及虧損						(18,500)
Other unallocated expenses	其他未分配開支						(126,994)
Profit before taxation	除稅前溢利						218,076

Note: Sales of pharmaceutical products stated in 2017 only.

### 5. 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：

截至二零一七年十二月三十一日止年度

(note)  
(附註)

附註：銷售藥品僅於二零一七年列示。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

#### Segment revenues and results (Cont'd)

Year ended 31 December 2016

### 5. 收益及分部資料(續)

#### 分部收益及業績(續)

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
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

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 3. 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.

於兩個年度皆無分部間銷售。

經營分部的會計政策與附註3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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 5. 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 (except for available-for-sale investment) 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.

### 6. OTHER INCOME

Bank and other interest income	銀行及其他利息收入
Income from available-for-sale investments	可供出售投資收入
Government subsidies (note)	政府補貼(附註)
Rental income	租金收入
Imputed interest income arising from amount due from a shareholder	應收一名股東款項所產生的 估算利息收入
Others	其他

Note: The government subsidies represented the subsidies on medical seminars and forums with no special conditions attached. The amount for the year ended 31 December 2017 included an one-off government subsidiary of RMB2,000,000 in connection with the successful listing of the Company in 2016.

### 5. 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(可供出售投資除外)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。

### 6. 其他收入

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Bank and other interest income	11,584	4,452
Income from available-for-sale investments	11,675	—
Government subsidies (note)	2,432	500
Rental income	4,457	4,580
Imputed interest income arising from amount due from a shareholder	—	10,584
Others	2,546	2,837
	<b>32,694</b>	<b>22,953</b>

附註：政府補貼指無附帶特殊條件的醫療講座及座談會產生的成本的補貼。截至二零一七年十二月三十一日止年度的金額包括就二零一六年本公司成功上市而提供的一次性政府補貼人民幣2,000,000元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 7. OTHER EXPENSES, GAINS AND LOSSES

### 7. 其他開支、收益及虧損

		2017	2016
		二零一七年	二零一六年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Impairment loss on accounts receivables	應收賬款減值虧損	(3,513)	(226)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	(247)	(318)
Net exchange (loss) gain	匯兌收益(虧損)淨額	(14,740)	6,399
Listing expenses recognised in profit or loss	於損益內確認的上市開支	—	(10,755)
		<b>(18,500)</b>	<b>(4,900)</b>

### 8. FINANCE COSTS

### 8. 融資成本

		2017	2016
		二零一七年	二零一六年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Interest on bank borrowings	銀行借款利息	—	7,449

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 9. PROFIT BEFORE TAXATION

### 9. 除稅前溢利

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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' emoluments (Note 10)	董事薪酬(附註10)	3,287	1,153
Other staff costs:	其他員工成本：		
Salaries and allowances	薪金及津貼	313,406	260,998
Retirement benefit schemes contributions	退休福利計劃供款	14,359	13,076
Total staff costs	員工總成本	331,052	275,227
Depreciation of property, plant and equipment	物業、廠房及設備折舊	49,600	41,488
Research and development expenditure	研發開支	1,094	745
Operating lease rentals in respect of hospitals	與醫院有關的經營租賃租金	26,356	22,906
Auditors' remuneration	核數師酬金	2,195	2,326
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)	646,517	606,510

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 10. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS

Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung, Simon, Ms. Wang Aiqin and Mr. Lv Yubo were the directors of the Group for both years. 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.

Mr. Yeung Ming Lai, Dr. Chen Keji and Mr. Chan Sing Nun were the independent non-executive directors of the Group for both years.

### 10. 董事，行政總裁及監事酬金

於兩個年度王君揚先生、陳旺枝先生、王偉雄先生、王愛勤女士及呂玉波先生為本集團董事。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。

於兩個年度楊銘澧先生、陳可冀醫生及陳星能先生為本集團獨立非執行董事。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 10. 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:

### 10. 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：

		Fees	Salaries and allowances	Retirement benefit schemes contributions	Total
		袍金	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
<b>For the year ended</b>	<b>截至二零一七年</b>				
<b>31 December 2017</b>	<b>十二月三十一日止年度</b>				
Executive director:	執行董事：				
Mr. Wang Junyang	王君揚先生	360	—	—	360
Mr. Chen Wangzhi	陳旺枝先生	360	792	38	1,190
Mr. Wong Wai Hung, Simon	王偉雄先生	360	—	—	360
Ms. Wang Aiqin	王愛勤女士	360	90	12	462
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. Yeung Ming Lai	楊銘灃先生	240	—	—	240
Dr. Chen Keji	陳可冀醫生	240	—	—	240
Mr. Chan Sing Nun	陳星能先生	240	—	—	240
Supervisor:	監事：				
Mr. Chen Shaoming	陳少明先生	—	—	—	—
Mr. Wang Shaofeng	王少鋒先生	—	181	14	195
Mr. Wang Bingzhi	王炳枝先生	—	—	—	—
		2,160	1,063	64	3,287

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 10. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (Cont'd)

### 10. 董事，行政總裁及監事酬金(續)

		Fees	Salaries and allowances	Retirement benefit schemes contributions	Total
		袍金	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. Yeung Ming Lai	楊銘澧先生	140	—	—	140
Dr. Chen Keji	陳可冀醫生	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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 10. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (Cont'd)

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as director of the Company.

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.

### 10. 董事，行政總裁及監事酬金(續)

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。

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。

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### II. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2016: none) of them was director of the Company for the year ended 31 December 2017 whose emoluments are included in note 10. The emoluments of the remaining four (2016: five) highest paid individuals are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	5,305	1,979
Performance related incentive payments	表現相關獎勵付款	1,235	3,702
Retirement benefit schemes contributions	退休福利計劃供款	54	38
		<b>6,594</b>	<b>5,719</b>

Their emoluments were within the following bands:

彼等的酬金介乎以下範圍：

		Number of employees 僱員人數	
		2017 二零一七年	2016 二零一六年
Nil to HK\$1,000,000	零至1,000,000港元	—	3
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	2	1
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	—
HK\$2,500,001 to HK\$3,000,000	2,500,001 港元至 3,000,000 港元	—	1
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	1	—

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 for both years.

於兩個年度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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 12. INCOME TAX EXPENSES

### 12. 所得稅開支

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current tax:	即期稅項：		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)	57,348	47,882
(Over) underprovision in respect of prior years	往年(超額撥備)撥備不足	(411)	603
		<b>56,937</b>	48,485
Deferred tax (note 23)	遞延稅項(附註23)	—	4,301
		<b>56,937</b>	52,786

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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	218,076	198,473
Tax at PRC EIT rate of 25%	按25%的中國企業所得稅率繳稅	54,519	49,618
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	3,380	7,125
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(151)	(4,160)
Utilisation of deductible temporary difference previously not recognised	動用過往未確認可扣減暫時差額	(400)	(400)
(Over) underprovision in respect of prior years	往年(超額撥備)撥備不足	(411)	603
Income tax expenses	所得稅開支	<b>56,937</b>	52,786

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 13. DIVIDENDS

Final dividend for the year ended 31 December 2016 of RMB14 cents per share amounting to approximately RMB46,783,000 in aggregate was declared and paid by the Company during the year ended 31 December 2017.

Subsequent to the end of the reporting period, final dividend of RMB16 cents per share amounting to approximately RMB53,503,000 in aggregate has been proposed by the directors of the Company which is subject to approval by the shareholders in the forthcoming annual general meetings.

### 14. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

### 13. 股息

於截至二零一七年十二月三十一日止年度，本公司宣派及派付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，約合共人民幣46,783,000元。

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16分，約合共人民幣53,503,000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。

### 14. 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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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 earnings per share	用於計算每股盈利的本公司擁有人應佔年度溢利	156,592	141,260
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of basic (2016: basic and diluted) earnings per share	用於計算每股基本盈利的普通股加權平均數 (二零一六年：基本及攤薄)	334,394,000	262,426,814

No diluted earnings per shares was presented as there was no potential ordinary share outstanding for the year ended 31 December 2017.

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.

截至二零一七年十二月三十一日止年度並無呈列每股攤薄盈利，原因是本年並無發行在外的潛在普通股。

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，因為它是反攤薄的。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Leasehold improvement	Medical equipment	Office equipment	Motor vehicles	Construction in progress	Total
		租賃裝修	醫療設備	辦公設備	汽車	在建工程	總計
		RMB'000	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	人民幣千元
<b>COST</b>	<b>成本</b>						
At 1 January 2016	於二零一六年一月一日	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
Additions	添置	10,510	54,532	14,165	51	43,724	122,982
Disposals	出售	—	(6,119)	(1,340)	(678)	—	(8,137)
Transfer	轉讓	77,089	—	—	—	(77,089)	—
At 31 December 2017	於二零一七年十二月三十一日	254,167	384,535	95,237	11,007	66,321	811,267
<b>DEPRECIATION</b>	<b>折舊</b>						
At 1 January 2016	於二零一六年一月一日	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
Provided for the year	年內撥備	12,832	28,958	6,953	857	—	49,600
Eliminated on disposal	出售時對銷	—	(6,025)	(1,288)	(554)	—	(7,867)
At 31 December 2017	於二零一七年十二月三十一日	67,227	249,204	52,760	7,967	—	377,158
<b>CARRYING VALUES</b>	<b>賬面值</b>						
At 31 December 2017	於二零一七年十二月三十一日	186,940	135,331	42,477	3,040	66,321	434,109
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

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 15. 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%

### 16. AVAILABLE-FOR-SALE INVESTMENTS

Unlisted fund (note i)	非上市基金(附註i)	16,275	—
Portfolio investment fund (note ii)	證券投資基金(附註ii)	51,185	—
Structured bank deposits (note iii)	結構性銀行存款(附註iii)	491,840	—
		559,300	—
Analysed as:	分析為：		
Current	流動	543,025	—
Non-current	非流動	16,275	—
		559,300	—

Notes:

- (i) The unlisted fund represents investment in an equity security of an unlisted company in the PRC and is measured at fair value.
- (ii) The Group invested into a portfolio investment fund with a fund manager in Hong Kong for investment returns. The portfolio includes a mixture of cash and shares which are primarily listed in Hong Kong and is measured at fair value.
- (iii) The Group invested into structured deposits with a bank in the PRC for investment returns. Majority of these structured deposits are with maturities of less than six months and the principal is generally renewed when matured.

### 15. 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%

### 16. 可供出售投資

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Unlisted fund (note i)	16,275	—
Portfolio investment fund (note ii)	51,185	—
Structured bank deposits (note iii)	491,840	—
	559,300	—
Analysed as:		
Current	543,025	—
Non-current	16,275	—
	559,300	—

附註：

- (i) 非上市基金指於中國一家私人公司的權益證券投資，乃按公平值計量。
- (ii) 本集團通過投資於由香港一名基金經理管理的證券投資基金賺取投資回報。該投資組合包括現金與主要在香港上市股份的組合，並按公平值計量。
- (iii) 本集團通過投資於一家中國銀行的結構性存款賺取投資回報。大部份結構性存款的到期日少於六個月，本金一般於到期時重續。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 17. INVENTORIES

### 17. 存貨

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Pharmaceutical products	藥品	29,661	28,733
Consumables and others	耗材及其他	14,863	14,493
		<b>44,524</b>	<b>43,226</b>

### 18. ACCOUNTS AND OTHER RECEIVABLES

### 18. 應收賬款及其他應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Accounts receivables	應收賬款	95,037	87,036
Prepayments to suppliers	預付供應商款項	5,267	19,260
Deposit paid for an investment (note i)	已付投資訂金(附註i)	5,000	—
Loan receivables (note ii)	應收貸款(附註ii)	100,000	80,000
Interest receivables	應收利息	6,066	514
Others	其他	8,138	3,676
Total accounts and other receivables	應收賬款及其他應收款項總額	<b>219,508</b>	<b>190,486</b>
Analysed as:	分析為：		
Current	流動	214,508	190,486
Non-current	非流動	5,000	—
		<b>219,508</b>	<b>190,486</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 18. ACCOUNTS AND OTHER RECEIVABLES (Cont'd)

Notes:

- (i) During the year ended 31 December 2017, an amount of RMB5,000,000 was paid by the Group to a vendor who is an independent third party, for a potential acquisition. Such deposit is refundable upon the unsuccessful of acquisition or will use to offset the remaining acquisition consideration. Further details of the acquisition are set out in note 34.
- (ii) In June 2016, a wholly-owned subsidiary of the Company granted an unsecured loan of RMB50,000,000 to Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd (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 had made the first drawdown of RMB30,000,000 in the same month. In January 2017, the Managed Hospital had made the second drawdown of the unsecured loan facility of RMB20,000,000. The Loans provided to the Managed Hospital are interest bearing at a fixed rate of 0.42% per month and repayable within twelve month form the end of the reporting period. During the year ended 31 December 2017, the above loan and tranches of loans were renewed upon maturity at a fixed rate of 0.42% per month and repayable within twelve months from the end of the reporting period.

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 or 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.

### 18. 應收賬款及其他應收款項(續)

附註：

- (i) 截至二零一七年十二月三十一日止年度，本集團就潛在收購向為獨立第三方的一名賣方支付金額人民幣5,000,000元，有關訂金可於收購未成功時退還或將用於抵銷餘下收購代價。有關此項收購的進一步詳情載於附註34。
- (ii) 於二零一六年六月，本公司全資附屬公司向重慶康華眾聯心血管病醫院有限公司(「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。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。提供給管理醫院的貸款按照固定利率每月0.42%計息，並須於報告期末起計十二個月內償還。於截至二零一七年十二月三十一日止年度內，上述貸款及貸款批次於屆滿時按每月0.42%的固定利率續期，並須於報告期末起計十二個月內償還。

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或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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 18. ACCOUNTS AND OTHER RECEIVABLES (Cont'd)

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:

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 30 days	30天以內	71,637	69,770
31 to 90 days	31至90天	14,379	11,148
91 to 180 days	91至180天	4,102	2,647
181 to 365 days	181至365天	2,802	2,351
Over 365 days	超過365天	2,117	1,120
		<b>95,037</b>	<b>87,036</b>

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 RMB9,021,000 (2016: RMB6,118,000) as at 31 December 2017, 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.

### 18. 應收賬款及其他應收款項(續)

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:

	2017	2016
	二零一七年	二零一六年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Within 30 days	71,637	69,770
31 to 90 days	14,379	11,148
91 to 180 days	4,102	2,647
181 to 365 days	2,802	2,351
Over 365 days	2,117	1,120
	<b>95,037</b>	<b>87,036</b>

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二零一七年十二月三十一日總賬面值分別約為人民幣9,021,000元(二零一六年: 人民幣6,118,000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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 18. ACCOUNTS AND OTHER RECEIVABLES (Cont'd)

The following is an aged analysis of accounts receivables based on the transaction date which are past due but not impaired:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
91 to 180 days	91至180天	4,102	2,647
181 to 365 days	181至365天	2,802	2,351
Over 365 days	超過365天	2,117	1,120
		<b>9,021</b>	<b>6,118</b>

### Movement in the allowance for doubtful debts

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At the beginning of the year	於年初	4,155	3,929
Impairment loss recognised on receivables	就應收款項確認的減值虧損	3,513	226
At the end of the year	於年末	<b>7,668</b>	<b>4,155</b>

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)

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：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
91 to 180 days	4,102	2,647
181 to 365 days	2,802	2,351
Over 365 days	2,117	1,120
	<b>9,021</b>	<b>6,118</b>

### 呆賬撥備變動

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At the beginning of the year	4,155	3,929
Impairment loss recognised on receivables	3,513	226
At the end of the year	<b>7,668</b>	<b>4,155</b>

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 19. BANK BALANCES AND CASH/RESTRICTED BANK BALANCES

Bank balances carried interest at prevailing market rates which range from 0% to 3.8% (2016: from 0.30% to 0.455%) per annum as at 31 December 2017.

Restricted bank balances represented (i) deposits required by Dongguan Social Insurance Bureau which are 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 which range from 0.30% to 0.35% (2016: from 0.30% to 0.41%) per annum as at 31 December 2017.

### 19. 銀行結餘及現金／受限制銀行結餘

銀行結餘按市場利率計息，於二零一七年十二月三十一日，年利率介乎0%至3.8%(二零一六年：年利率介乎0.30%至0.455%)。

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。於二零一七年十二月三十一日，受限制銀行結餘按介乎0.30%至0.35%(二零一六年：介乎0.30%至0.41%)的固定年利率計息。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 20. ACCOUNTS AND OTHER PAYABLES

### 20. 應付賬款及其他應付款項

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Accounts payables	應付賬款	275,622	274,119
Accrued expenses	應計開支	68,919	50,965
Construction payables	應付建設費	16,241	18,166
Receipt in advance	預收款項	41,824	30,924
Other tax payables	其他應付稅項	3,979	2,815
Provision for medical dispute claims	醫療糾紛索償撥備	503	477
Others	其他	5,498	8,893
Other payables	其他應付款項	136,964	112,240
<b>Total accounts and other payables</b>	<b>應付賬款及其他應付款項總額</b>	<b>412,586</b>	<b>386,359</b>

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：

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Within 30 days	30天以內	69,988	98,452
31 to 90 days	31至90天	92,977	79,907
91 to 180 days	91至180天	76,910	69,859
180 to 365 days	180至365天	20,565	7,459
Over 365 days	超過365天	15,182	18,442
		<b>275,622</b>	<b>274,119</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 20. 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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At the beginning of the year	於年初	477	2,365
Provision for the year	年內撥備	808	323
Utilisation of the provision	動用撥備	(782)	(2,211)
At the end of the year	於年末	503	477

### 21. AMOUNT DUE TO A SHAREHOLDER

The amount represents amount due to Dongguan Kanghua Investment Group Co., Ltd. ("Kanghua Group") The amount is non-trade nature, unsecured, interest-free and repayable on demand.

### 20. 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：

### 21. 應付一名股東款項

該金額為應付東莞市康華投資集團有限公司(「康華集團」)的款項。該款項屬非貿易性質、無抵押、免息及須按要求償還。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 22. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

### 22. 融資活動產生的負債對賬

下表詳述本集團融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量已或未來現金流量將在本集團綜合現金流量表中分類為融資活動現金流量的負債。

		Amount due to shareholders 應付一名 股東款項 RMB' 000 人民幣千元	Bank borrowings 銀行借款 RMB' 000 人民幣千元	Interest payable 應付利息 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2016	於二零一六年一月一日	104,541	341,800	2,320	448,661
Financing cash flows (Note)	融資現金流量(附註)	(104,541)	(341,800)	(9,769)	(456,110)
<i>Non-Cash Changes</i>					
Finance costs	融資成本	—	—	7,449	7,449
Listing expense paid on behalf of the Group	代表集團所支付的上市費用	3,179	—	—	3,179
At 31 December 2016	於二零一六年十二月三十一日	3,179	—	—	3,179
Financing cash flows (Note)	融資現金流量(附註)	(2,254)	—	—	(2,254)
At 31 December 2017	於二零一七年十二月三十一日	925	—	—	925

Note: The cash flows from amount due to a shareholder and bank borrowings make up the net amount of proceeds and repayments in the consolidated statement of cash flows.

附註：應付一名股東款項及銀行貸款的現金流量構成綜合現金流量表中的所得款項淨額及還款額。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 23. DEFERRED TAX ASSETS

The following are the deferred tax assets recognised and movements thereon during the year:

		Tax losses	Other deductible temporary difference 其他可扣減 暫時差額	Total
		RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於二零一六年一月一日	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 and 31 December 2017	於二零一六年十二月三十一日 及二零一七年十二月三十一日	—	—	—

At 31 December 2017, the Group had unused tax losses of approximately RMB9,838,000 (2016: RMB889,000) available for offset against future profits. No deferred tax asset was recognised in respect of the tax losses of RMB9,838,000 (2016: RMB889,000) as realisation of the related tax benefit through the future taxable profit is not probable (2016: nil). 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 2017, the Group has deductible temporary difference amounted to approximately RMB667,000 (2016: RMB2,269,000). No deferred tax asset was recognised in respect of the deductible temporary difference of RMB667,000 (2016: RMB2,269,000) due to unpredictable profit stream.

### 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：

於二零一七年十二月三十一日，本集團擁有未動用稅項虧損約人民幣9,838,000元(二零一六年：人民幣889,000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9,838,000元(二零一六年：人民幣889,000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(二零一六年：無)。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。

於二零一七年十二月三十一日，本集團擁有可扣減暫時差額分別約人民幣667,000元(二零一六年：人民幣2,269,000元)。由於不可預知的溢利來源，並無就可扣減暫時差額人民幣667,000元(二零一六年：人民幣2,269,000元)確認遞延稅項資產。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 24. SHARE CAPITAL

The Company was established as a limited liability company in the PRC on 30 January 2002.

Details of the movements of share capital of the Company are as follows:

		Number of domestic shares 內資股 數目 '000 千股	Number of H shares H股 數目 '000 千股	Share Capital 股本 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	250,000	—	250,000
Issue of ordinary shares upon listing (note i)	於上市後發行普通股 (附註i)	—	84,000	84,000
Issue of ordinary share upon exercise of over-allotment options (note ii)	於行使超額配股權後 發行普通股(附註ii)	—	394	394
At 31 December 2016 and 31 Decemeber 2017	於二零一六年十二月三十一日 及二零一七年十二月三十一日	250,000	84,394	334,394

Notes:

- (i) 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).
- (ii) 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).

附註：

- (i) 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(相等於人民幣約778,520,000元)。
- (ii) 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(相等於人民幣約4,088,000元)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 25. OPERATING LEASES

#### The Group as lessee

As at 31 December 2017, 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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	26,386	24,660
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	125,355	117,154
Over five years	五年以上	118,978	153,566
		<b>270,719</b>	<b>295,380</b>

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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Rental income	租金收入	4,457	4,580
Less: Outgoings	減：支出	—	—
		<b>4,457</b>	<b>4,580</b>

### 25. 經營租賃

#### 本集團作為承租人

於二零一七年十二月三十一日，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：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	26,386	24,660
In the second to fifth years inclusive	125,355	117,154
Over five years	118,978	153,566
	<b>270,719</b>	<b>295,380</b>

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：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Rental income	4,457	4,580
Less: Outgoings	—	—
	<b>4,457</b>	<b>4,580</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	53	63
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	73	4
		<b>126</b>	<b>67</b>

The properties generate rental yield of 3% on an ongoing basis (2016: 3%) which have non-cancellable operating leases with contract terms of one to three years (2016: 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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	53	63
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	73	4
		<b>126</b>	<b>67</b>

該等物業以持續基準賺取的租金回報率為3%(二零一六年：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(二零一六年：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

		<b>82,848</b>	49,004
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### 26. 資本承擔

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		<b>82,848</b>	49,004

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 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:

Name of related companies 關聯公司名稱	Relationship 關係	Nature of transactions 交易性質	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Kanghua Group 康華集團	Shareholder 股東	Rental expense 租金開支	22,969	19,741
		Interest income 利息收入	—	10,584
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	3,387	3,165
		Consultancy fee 諮詢費	—	150
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)	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	n/a 不適用	7,806
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)				
東莞市菁盛園林工程有限公司 東莞市菁盛園林工程有限公司	Company controlled by Xingye Group 由興業集團控制的公司	Landscape maintenance expense 園林綠化維護開支	33	231
東莞市東成石材有限公司 東莞市東成石材有限公司	Company controlled by Xingye Group 由興業集團控制的公司	Purchase of construction materials 購買建築材料	1,151	672
東莞市海月建設發展有限公司 東莞市海月建設發展有限公司	Company controlled by Kanghua Group 由康華集團控制的公司	Landscape engineering and maintenance service 園林綠化工程及 維護服務	620	3,332

### 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：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 27. RELATED PARTY DISCLOSURES (Cont'd)

Note: 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.

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 RMB39,000 (2016: RMB100,000) for the year ended 31 December 2017.

#### Compensation of key management personnel

Key management includes directors and supervisors. The remuneration of directors and other members of key management during the year was as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Fees	袍金	2,160	660
Salaries and allowances	薪金及津貼	1,063	455
Retirement benefit schemes contributions	退休福利計劃供款	64	38
		3,287	1,153

### 27. 關聯方披露(續)

附註：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。

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二零一七年十二月三十一日止年度約為人民幣39,000元(二零一六年：人民幣100,000元)。

#### 主要管理人員薪酬

主要管理層包括董事及監事。年內，董事及主要管理層其他成員的薪酬如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 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 interests 分配至非控股權益的溢利		Accumulated non-controlling interests 累計非控股權益	
		2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
				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
Renkang Hospital 仁康醫院	PRC 中國	43%	43%	4,547	4,427	24,175	19,628

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。

		2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元
Current assets	流動資產	64,386	47,892
Non-current assets	非流動資產	139,663	149,330
Current liabilities	流動負債	(147,828)	(151,576)
Equity attributable to owners of the Company	本公司擁有人應佔權益	32,046	26,018
Non-controlling interests of Renkang Hospital	仁康醫院非控股權益	24,175	19,628

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 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)

		2017	2016
		二零一七年	二零一六年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Revenue	收益	214,600	199,351
Other income	其他收入	361	669
Total expenses	總開支	(204,386)	(189,725)
Profit and total comprehensive income for the year	年內溢利及全面收入總額	10,575	10,295
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	6,028	5,868
- non-controlling interests	— 非控股權益	4,547	4,427
		10,575	10,295
Net cash inflow from operating activities	經營活動所得淨現金流入	43,534	22,234
Net cash (outflow) inflow from investing activities	投資活動所得淨現金(流出)流入	(6,951)	138,782
Net cash outflow from financing activities	融資活動所得淨現金流出	(22,370)	(160,758)
Net cash inflow	淨現金流入	14,213	258



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 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 20, the management of the Group believes that the final result of other medical disputes with total claims of RMB7,143,000 (2016: RMB11,254,000) as at 31 December 2017 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 amount due to a shareholder disclosed in note 21, net of cash and cash equivalents and equity attributable to owners 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20所披露就此等糾紛作出的撥備外，本集團管理層相信於二零一七年十二月三十一日，涉及人民幣7,143,000元(二零一六年：人民幣11,254,000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21應付一名股東款項(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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 31. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

		2017	2016
		二零一七年	二零一六年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
<b>Financial assets</b>	<b>金融資產</b>		
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)	611,277	1,142,403
Available-for-sale investments	可供出售投資	559,300	—
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	324,459	324,399

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, accounts and other receivables, bank balances and cash, restricted bank balances, accounts and other payables and amount due to a shareholder. 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 19) due to the fluctuation of the prevailing market interest rate.

### 31. 金融工具

#### (a) 金融工具的類別

		2017	2016
		二零一七年	二零一六年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
<b>Financial assets</b>	<b>金融資產</b>		
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)	611,277	1,142,403
Available-for-sale investments	可供出售投資	559,300	—
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	324,459	324,399

#### (b) 金融風險管理目標及政策

本集團的主要金融工具包括可供出售投資、應收賬款及其他應收款項、銀行結餘及現金、受限制銀行結餘、應付賬款及其他應付款項及應付一名股東款項。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（請參閱附註19）有關的現金流量利率風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 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 and restricted bank balances (see notes 18 and 19 for details).

As the interest rate risks on these amounts are insignificant, no interest rate risk sensitivity analysis is presented.

##### 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)

本集團亦面對與應收貸款及受限制銀行結餘有關的公平值利率風險(詳情請參閱附註18及19)。

由於這些金額的利率風險微不足道，因此並未呈現利率風險敏感度分析。

##### 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 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 2017 and 2016 are as follows:

		Liabilities		Assets	
		負債		資產	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		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
HK\$	港元	1,432	3,610	101,245	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 2017, 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 RMB3,960,000 (2016: 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)

於二零一七年及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。

於二零一七年十二月三十一日，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3,960,000元(二零一六年：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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 31. FINANCIAL INSTRUMENTS (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (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.

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.

Other than the concentration of credit risk on liquid funds and available-for-sale-investments which are deposited with several banks and financial institutions with high credit ratings, 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

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。

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。

除存放在幾間高信用評級銀行及金融機構的流動資金及可供出售投資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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017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

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. 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。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

For year ended 31 December 2017

截至2017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	1 - 3 months 1至3個月	3 months to 1 year 3個月 至1年	Total undiscounted cash flows 未貼現現金 流量總額	Carrying amount 賬面值
		%	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
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>						
Accounts and other payables	應付賬款及其他應付款項	—	323,534	—	—	323,534	323,534
Amount due to a shareholder	應付一名股東款項	—	925	—	—	925	925
			<b>324,459</b>	<b>—</b>	<b>—</b>	<b>324,459</b>	<b>324,459</b>
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>						
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
			<b>324,399</b>	<b>—</b>	<b>—</b>	<b>324,399</b>	<b>324,399</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 31. FINANCIAL INSTRUMENTS (Cont'd)

#### (c) Fair value

Other than the financial assets carried at fair value as detailed in the following table, the directors of the Company consider that the carrying amounts of other financial instruments that are recorded at amortised cost in these consolidated financial statements approximate their fair values.

Financial assets	金融資產	Fair values	Fair value	Valuation techniques
		as at 31	as at 31	
		December	December	Fair value
		2017	2016	hierarchy
		於	於	公平值架構
		二零一七年	二零一六年	估值技巧及
		十二月	十二月	主要輸入數據
		三十一日	三十一日	
		的公平值	的公平值	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
Unlisted fund	非上市基金	16,275	—	Level 2 第二級 Quoted price from a financial institution 報價來自金融機構
Portfolio investment fund	證券投資基金	51,185	—	Level 2 第二級 Quoted price from a financial institution 報價來自金融機構
Structured bank deposits	結構性銀行存款	491,840	—	Level 2 第二級 Quoted price from a financial institution 報價來自金融機構

There was no transfer amongst Levels 1, 2 and 3 in both periods.

於兩個期間內，第一級、第二級及第三級工具之間並無轉撥。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 32. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2017 and 2016 are as follows:

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment/operation 註冊成立/ 成立/營運地點及日期	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
		2017	2016	2017	2016	
		二零一七年	二零一六年	二零一七年	二零一六年	
<i>Directly held</i> 直接持有						
Dongguan Kanghua Hospital Co., Ltd.* (Note) 東莞康華醫院 有限公司(附註)	The PRC 15 September 2005 中國 二零零五年九月十五日	Registered capital RMB350,000,000 註冊資本 人民幣 350,000,000 元	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
Dongguan Renkang Hospital Co., Ltd.* (Note) 東莞仁康醫院 有限公司(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	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	Registered capital RMB11,000,000 註冊資本 人民幣 11,000,000 元	100%	100%	Provision of hospital management services 提供醫院管理服務
Kanghua Healthcare Management (HK) Company 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	Ordinary shares HK\$10,000 普通股 10,000 港元	100%	100%	Provision of management services 提供管理服務
東莞市康華醫藥 有限公司 (Note) 東莞市康華醫藥 有限公司(附註)	The PRC 14 April 2017 中國 二零一七年四月十四日	Registered capital RMB5,000,000 註冊資本 人民幣 5,000,000 元	n/a 不適用	100%	n/a 不適用	Sales of pharmaceutical products 藥品銷售

### 32. 附屬公司資料

本公司於二零一七年及二零一六年十二月三十一日的附屬公司資料如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 32. PARTICULARS OF SUBSIDIARIES (Cont'd)

### 32. 附屬公司資料(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment/operation 註冊成立/ 成立/營運地點及日期	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
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	
東莞康華醫療產業投資 基金有限公司 (Note)	The PRC 15 June 2017	Registered capital RMB100,000,000	n/a 不適用	100%	n/a 不適用	Inactive 暫無業務
東莞康華醫療產業投資 基金有限公司(附註)	中國 二零一七年六月十五日	註冊資本 人民幣 100,000,000 元				
東莞康華養老服務管理 有限公司 (Note)	The PRC 9 August 2017	Registered capital RMB10,000,000	n/a 不適用	100%	n/a 不適用	Inactive 暫無業務
東莞康華養老服務管理 有限公司(附註)	中國 二零一七年八月九日	註冊資本 人民幣 10,000,000 元				
<i>Indirectly held</i>						
<i>間接持有</i>						
東莞仁康養老服務 有限公司 (Note)	The PRC 27 September 2017	Registered capital RMB5,000,000	n/a 不適用	100%	n/a 不適用	Inactive 暫無業務
東莞仁康養老服務 有限公司(附註)	中國 二零一七年九月二十七日	註冊資本 人民幣 5,000,000 元				
東莞康華養老服務 有限公司 (Note)	The PRC 7 November 2017	Registered capital RMB5,000,000	n/a 不適用	100%	n/a 不適用	Inactive 暫無業務
東莞康華養老服務 有限公司(附註)	中國 二零一七年十一月七日	註冊資本 人民幣 5,000,000 元				

\* English translated name is for identification purposes only.

\* 英文譯名僅供識別。

Note: The subsidiaries are wholly-domestic owned enterprise with limited liability established in the PRC.

附註：附屬公司為於中國成立的有限責任境內全資企業。

None of the subsidiaries had issued any debt securities at the end of the year.

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 2017

截至2017年12月31日止年度

### 33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 33. 本公司財務狀況表

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investment in subsidiaries	於附屬公司的投資	418,596	308,596
Other receivables	其他應收款項	5,000	—
		<b>423,596</b>	<b>308,596</b>
<b>Current assets</b>	<b>流動資產</b>		
Amount due from a subsidiary	應收一間附屬公司款項	55,895	38
Other receivables	其他應收款項	68,013	402
Available-for-sale investments	可供出售投資	451,840	—
Restricted bank balances	受限制銀行結餘	2,634	25,017
Bank balances and cash	銀行結餘及現金	162,698	758,526
		<b>741,080</b>	<b>783,983</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款項	3,266	4,857
Amount due to a shareholder	應付一名股東款項	682	2,938
Amount due to a subsidiary	應付一間附屬公司款項	10,459	10,459
		<b>14,407</b>	<b>18,254</b>
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>726,673</b>	<b>765,729</b>
<b>Net assets</b>	<b>資產淨值</b>	<b>1,150,269</b>	<b>1,074,325</b>
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	334,394	334,394
Reserves (note)	儲備(附註)	815,875	739,931
<b>Total equity</b>	<b>權益總額</b>	<b>1,150,269</b>	<b>1,074,325</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

### 33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

Note: Movement of the company's reserves are as follows:

		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) retained earnings (累計虧損) 保留盈利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	—	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	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
Profit and total comprehensive income for the year	年內溢利及全面收入總額	—	—	—	122,727	122,727
Dividend	股息	—	—	—	(46,783)	(46,783)
Transfers	轉讓	—	—	473	(473)	—
At 31 December 2017	於二零一七年十二月三十一日	698,214	53,394	473	63,794	815,875

### 33. 本公司財務狀況表(續)

附註： 本公司的儲備變動如下：

### 34. EVENT AFTER REPORTING PERIOD

On 4 December 2017, the Company announced a possible acquisition of certain healthcare, rehabilitation and training business in Anhui Province, the PRC. On 13 March 2018, 東莞康華康復醫療投資有限公司 (“Kanghua Investment”) a wholly-owned subsidiary of the Company, entered into an equity transfer and capital injection agreement pursuant to which Kanghua Investment agreed to acquire 57% equity interest in 安徽樺霖醫療投資有限公司 (“Anhui Hualin”) by way of (i) the equity transfer of the 49.71% equity interest into Anhui Hualin from 五蓮鑫匯網絡科技合夥企業(有限合夥), an independent third party, to Kanghua Investment at a consideration of RMB58.66 million; and (ii) RMB20 million capital injection to Anhui Hualin by Kanghua Investment. Upon Completion, Anhui Hualin will become a non-wholly-owned subsidiary of the Company.

The Group had paid RMB5,000,000 to 五蓮鑫匯網絡科技合夥企業(有限合夥) during the year ended 31 December 2017 as a refundable deposit.

### 35. 報告期後事項

於二零一七年十二月四日，本公司宣佈可能在中國安徽省收購若干醫療、康復及培訓業務。於二零一八年三月十三日，本公司的全資附屬公司東莞康華康復醫療投資有限公司(「康華投資」)訂立股權轉讓及注資協議，據此，康華投資同意收購安徽樺霖醫療投資有限公司(「安徽樺霖」)57%股權，按以下方式進行：(i) 五蓮鑫匯網絡科技合夥企業(有限合夥)(獨立第三方)以人民幣58.66百萬元的代價將安徽樺霖49.71%股權轉讓予康華投資；及(ii) 康華投資向安徽樺霖注資人民幣20百萬元。於完成後，安徽樺霖將成為本公司的非全資附屬公司。

截至二零一七年十二月三十一日止年度，本集團已向五蓮鑫匯網絡科技合夥企業(有限合夥)支付可退還訂金人民幣5,000,000元。

# Financial Summary

## 財務概要

		For the year ended 31 December 截至十二月三十一日止年度				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		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
<b>RESULTS</b>	<b>業績</b>					
Revenue	收益	1,389,169	1,240,390	1,063,702	985,108	858,874
Profit before taxation	除稅前溢利	218,076	198,473	148,818	135,212	124,742
Income tax expenses	所得稅開支	(56,937)	(52,786)	(29,854)	(27,445)	(15,629)
Profit for the year	年內溢利	161,139	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	156,592	141,260	118,847	102,237	107,309
Non-controlling interests	非控股權益	4,547	4,427	117	5,530	1,804
		161,139	145,687	118,964	107,767	109,113

# Financial Summary

## 財務概要

As at 31 December

於十二月三十一日

		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		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
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	總資產	1,732,393	1,595,978	1,105,920	1,885,024	1,821,598
Total liabilities	總負債	(442,994)	(420,935)	(859,172)	(1,746,656)	(1,738,150)
		<b>1,289,399</b>	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	1,265,224	1,155,415	231,547	123,284	73,894
Non-controlling interests	非控股權益	24,175	19,628	15,201	15,084	9,554
		<b>1,289,399</b>	1,175,043	246,748	138,368	83,448

Notes:

附註：

- (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.
- (iii) The financial information of year 2013 to 2015 was extracted from the accountants' report dated 27 October 2016.
- (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。
- (iii) 二零一三年至二零一五年的財務資料摘錄自日期為二零一六年十月二十七日的會計報告。

# Definitions

## 釋義

Articles 「章程」	the articles of association of the Company, as amended, modified or supplemented from time to time 本公司採納並不時修訂、修改或補充的公司章程
Audit Committee 「審核委員會」	the audit committee of the Board 董事會審核委員會
AGM 「股東週年大會」	the annual general meeting of the Company for the year 2017 to be convened and held on 8 June 2018 本公司將於二零一八年六月八日召開及舉行的二零一七年度股東週年大會
Board of Directors or Board 「董事會」	the board of Directors of the Company 本公司董事會
Company 「本公司」	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) 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 「企業管治守則」	the Corporate Governance Code contained in Appendix 14 to the Hong Kong Listing Rules 香港上市規則附錄十四所載的《企業管治守則》
Controlling Shareholders 「控股股東」	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 Ai Qin and Xingda Property as a group of Controlling Shareholders of the Company, and each of them, a “Controlling Shareholder” 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) 「董事」	the director(s) of the Company 本公司董事或任何一位董事
Domestic Share(s) 「內資股」	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 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

<p>“Group” or “we” or “our” 「本集團」或「我們」</p>	<p>the Company and its subsidiaries 本公司及其附屬公司</p>
<p>Guangdong HFPC  「廣東省衛計委」</p>	<p>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</p>
<p>H Share(s)  「H股」</p>	<p>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</p>
<p>“HK\$” or “Hong Kong dollars” 「港元」</p>	<p>Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣</p>
<p>Hong Kong 「香港」</p>	<p>the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區</p>
<p>Hong Kong Listing Rules  「香港上市規則」</p>	<p>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</p>
<p>Hong Kong Stock Exchange 「香港聯交所」</p>	<p>The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司</p>
<p>Huaxin Building  「華心樓」</p>	<p>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</p>
<p>Kangdi Enterprise  「康帝實業」</p>	<p>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</p>



## Definitions

### 釋義

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
Kanghua 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
「康華眾聯心血管病醫院」	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
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 「提名委員會」	the nomination committee of the Board 董事會提名委員會
Non-Competition Undertaking 「不競爭承諾」	the non-competition undertaking dated 11 October 2016 provided by the Controlling Shareholders in favour of the Company 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
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 「中國公司法」	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 「建議末期股息」	the proposed final dividend distribution plan of RMB16 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 48 to 49 of this annual report 如本年報第48至49頁「股息」一節所述，建議末期股息派發計劃每股人民幣16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 2017 截至二零一七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 「仁康醫院」	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 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%

## Definitions

### 釋義

Renkang Hospital Lease Agreement 「仁康醫院租賃協議」	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 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 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 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) 「股份」	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) 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) 「股東」	holder(s) of the Share(s) 股份持有人
“subsidiary” or “subsidiaries” 「附屬公司」	has the meaning ascribed thereto in the Companies Ordinance (Chapter 622 of the laws of Hong Kong) 具有香港法例第622章《公司條例》賦予該詞的含義
“substantial shareholder(s)” 「主要股東」	has the meaning ascribed thereto in the Hong Kong Listing Rules 具有香港上市規則賦予該詞的含義
“Supervisor(s)” 「監事」	the members of the Supervisory Committee 監事會成員
“Supervisory Committee” 「監事會」	the Company’s supervisory committee established pursuant to the PRC Company Law 本公司根據中國公司法設立的監事會

“Tongli Enterprise”	<p>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)</p>
「同力實業」	<p>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</p>
Wang Family	<p>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</p>
「王氏家族」	<p>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</p>
Xingda Property	<p>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</p>
「興達物業」	<p>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8.22%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</p>

## Definitions

### 釋義

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
%	percentage ratio
%	百分比比率



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