



# 和美醫療控股有限公司

## HARMONICARE MEDICAL HOLDINGS LIMITED

(Incorporated under the laws of the Cayman Islands with limited liability)  
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1509



**2018**

ANNUAL REPORT  
年報

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## CORPORATE INFORMATION

### 公司資料

#### DIRECTORS

##### Executive Directors:

Mr. Lin Yuming (Chairman and President)  
Mr. Fang Zhifeng (Vice President) (*resigned on 31 July 2020*)  
Mr. Zhao Xingli (*resigned on 14 June 2020*)  
Mr. Yang Guo (Chief Executive Officer) (*appointed on 11 August 2020*)  
Mr. Wei Rongda (Vice President) (*appointed on 11 August 2020*)

##### Non-executive Directors:

Mr. Lin Yuguo  
Mr. Qiu Jianwei  
Mr. Xu Jun

##### Independent Non-executive Directors:

Mr. Kong Aiguo (*resigned on 24 August 2020*)  
Ms. Fang Lan  
Mr. Cai Jiangnan  
Ms. Hsu Wai Man Helen (*appointed on 24 August 2020*)

#### AUDIT COMMITTEE

Ms. Fang Lan (Chairman)  
Mr. Kong Aiguo (*resigned on 24 August 2020*)  
Mr. Cai Jiangnan  
Mr. Qiu Jianwei  
Ms. Hsu Wai Man Helen (*appointed on 24 August 2020*)

#### REMUNERATION COMMITTEE

Ms. Hsu Wai Man Helen (Chairman) (*appointed on 24 August 2020*)  
Mr. Cai Jiangnan  
Mr. Lin Yuguo  
Ms. Fang Lan  
Mr. Zhao Xingli (*resigned on 14 June 2020*)  
Mr. Kong Aiguo (Chairman) (*resigned on 24 August 2020*)

#### 董事

##### 執行董事：

林玉明先生 (主席兼總裁)  
方志鋒先生 (副總裁)  
(於2020年7月31日辭任)  
趙興力先生 (於2020年6月14日辭任)  
楊國先生 (執行總裁)  
(於2020年8月11日獲委任)  
魏榮達先生 (副總裁)  
(於2020年8月11日獲委任)

##### 非執行董事：

林玉國先生  
邱建偉先生  
徐軍先生

##### 獨立非執行董事：

孔愛國先生 (於2020年8月24日辭任)  
方嵐女士  
蔡江南先生  
徐慧敏女士 (於2020年8月24日獲委任)

#### 審核委員會

方嵐女士 (主席)  
孔愛國先生 (於2020年8月24日辭任)  
蔡江南先生  
邱建偉先生  
徐慧敏女士 (於2020年8月24日獲委任)

#### 薪酬委員會

徐慧敏女士 (主席) (於2020年8月24日獲委任)  
蔡江南先生  
林玉國先生  
方嵐女士  
趙興力先生 (於2020年6月14日辭任)  
孔愛國先生 (主席) (於2020年8月24日辭任)

**NOMINATION COMMITTEE**

Mr. Lin Yuming (Chairman)  
 Ms. Fang Lan  
 Mr. Cai Jiangnan  
 Mr. Kong Aiguo (*resigned on 24 August 2020*)  
 Mr. Xu Jun  
 Ms. Hsu Wai Man Helen (*appointed on 24 August 2020*)

**AUTHORIZED REPRESENTATIVES**

Ms. Cheung Yuet Fan  
 Mr. Lin Yuming

**JOINT COMPANY SECRETARIES / COMPANY SECRETARY**

Mr. Chen Wei (*resigned on 29 September 2020*)  
 Ms. Cheung Yuet Fan (*appointed on 28 May 2018*)

**HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN CHINA**

No. A2 Xiaoguan Beili  
 Beiyuan Road  
 Chaoyang District  
 Beijing  
 China

**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Level 54  
 Hopewell Centre  
 183 Queen's Road East  
 Hong Kong

**REGISTERED OFFICE**

Cricket Square  
 Hutchins Drive  
 PO Box 2681, Grand Cayman  
 KY1-1111, Cayman Islands

**提名委員會**

林玉明先生 (主席)  
 方嵐女士  
 蔡江南先生  
 孔愛國先生 (於2020年8月24日辭任)  
 徐軍先生  
 徐慧敏女士 (於2020年8月24日獲委任)

**授權代表**

張月芬女士  
 林玉明先生

**聯席公司秘書 / 公司秘書**

陳偉先生 (於2020年9月29日辭任)  
 張月芬女士 (於2018年5月28日獲委任)

**總部及中國主要營業地點**

中國  
 北京  
 朝陽區  
 北苑路  
 小關北里甲2號

**香港主要營業地點**

香港  
 皇后大道東183號  
 合和中心  
 54樓

**註冊地址**

Cricket Square  
 Hutchins Drive  
 PO Box 2681, Grand Cayman  
 KY1-1111, Cayman Islands

## CORPORATE INFORMATION (CONTINUED)

### 公司資料 (續)

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

#### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

#### AUDITOR

ZHONGHUI ANDA CPA Limited  
Certified Public Accountants  
Unit 701-3 & 8, Citicorp Centre  
18 Whitfield Road, Causeway Bay  
Hong Kong

#### LEGAL ADVISER

Fangda Partners  
26/F., One Exchange Square  
8 Connaught Place, Central  
Hong Kong

#### 開曼群島主要股份過戶登記處

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681, Grand Cayman  
KY1-1111, Cayman Islands

#### 香港股份登記及過戶分處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心54樓

#### 核數師

中匯安達會計師事務所有限公司  
執業會計師  
香港  
銅鑼灣威非路道18號  
萬國寶通中心701-3&8室

#### 法律顧問

方達律師事務所  
香港  
中環康樂廣場8號  
交易廣場一期26樓



## CORPORATE INFORMATION (CONTINUED)

### 公司資料 (續)

#### PRINCIPAL BANKER

ICBC Co., Ltd.  
Beijing Zuo'anmen Branch  
1/F., Building 27  
Panjiayuan Nanli  
Chaoyang District  
Beijing  
China

#### STOCK CODE

01509

#### COMPANY WEBSITE

[www.hemeiyi.com](http://www.hemeiyi.com)

#### 主要往來銀行

中國工商銀行股份有限公司  
北京左安門支行  
中國  
北京  
朝陽區  
潘家園南里  
27號樓1層

#### 股份代號

01509

#### 公司網站

[www.hemeiyi.com](http://www.hemeiyi.com)

## CHAIRMAN'S STATEMENT

### 主席報告

31 December 2018, Annual Report

Dear shareholders:

On behalf of the Board of Directors of Harmonicare, I would like to express my sincere gratitude to all shareholders as well as members of the community for their support to the Group. Since its listing, the Group has been taking an active approach to expanding its strategic network across core cities through self-built, cooperative establishment as well as merge and acquisition. As at 31 December 2018, the Group has a total of 14 hospitals in 9 tier-1 and tier-2 cities, and three hospitals are under planning with our active efforts. In the year 2018, we witnessed a challenging domestic economic and market environment, and the Group also experienced numerous challenges and difficulties. However, through proactive exploration, enhanced corporate operation and management, we successfully maintained our reputation in the market and secured steady development.

In 2018, private obstetrics and gynecology medical industry was under intensified competition in the short term due to a decline in the number of newborns in China and a rise in various costs and expenses. During the year, the Group continued to advance the medical technology, operation capability and service quality of its affiliated hospitals and to enhance customer satisfaction, while continuing to push ahead with the construction projects of newly built hospitals for the purpose of laying a solid foundation for its future development. Benefiting from the increasing number of hospitals, the Group recorded an increase in the number of patient visits and newborns as compared with 2017. Nevertheless, various factors, such as high administrative expenses incurred by some new hospitals which entered the later stage of establishment, losses recorded by newly merged and acquired hospitals, some original hospitals and from investment in associates, also had a negative impact on the results of the Group.

In the future, the Group will adjust and optimize the structure of its operation and business, strengthen synergy among and growth potential of its businesses. The Group will take multiple reform initiatives while remaining committed to offering quality medical services. We will consolidate our capabilities in various disciplines and constantly introduce quality medical resources to enhance our medical service; expand marketing channels and enhance brand building to reinforce our competitiveness in the market; optimize allocation of human resources and strictly control various costs and expenses to enhance profitability. Meanwhile, the Group will actively explore and enhance strategic integration and synergy with the industry to achieve win-win outcomes.

2018年12月31日，年報

尊敬的各位股東：

本人謹代表和美醫療董事會對全體股東及社會各界對本集團的支持致以誠摯感謝！上市以來，本集團通過自建、合作建設及並購等方式，積極在重點城市進行戰略佈局。在2018年12月31日，本集團已在9個一二線城市運營14間醫院，另有3間醫院正在積極籌建中。2018年是中國經濟市場環境較具挑戰性的一年，本集團也經受多重考驗，我們通過積極探索、加強企業經營管理，維護市場聲譽得以維持穩定發展。

2018年，在全國出生人口下降的情況下，各項成本不斷攀升，使得私立婦產醫療行業短期內面臨的市場競爭加劇。本年度，集團一方面持續提升下屬醫院的醫療技術、運營能力及服務水平，提升客戶滿意度；另一方面，繼續推進新建醫院的工程項目，為未來發展奠定良好基礎。得益於醫院數量的不斷增加，本集團2018年總就診人次及新生嬰兒數量均較2017年有所增長。但部分新醫院籌建後期行政費用較大，新併購醫院、部分原有醫院及對聯營公司投資錄得虧損等因素，亦給集團業績造成負面影響。

未來，本集團將對營運及業務架構進行調整及優化，提升各業務的協同效應和增長潛力。集團將在堅持提供高品質的醫療服務的同時，採取多重改革措施。我們將加強學科建設，不斷引入優質醫療資源以提高醫療服務水平；拓展營銷渠道，加強品牌建設，以提升市場競爭力；完善人力資源配置，嚴格控制各項成本費用，以提升盈利能力。同時，集團將積極探索，加強戰略整合與行業協同，實現合作共贏。

We will face up to challenges and embrace visionary thinking, continue to explore the potential of private ob-gyn and paediatrics health service sector, consolidate our leading position in high-end chain ob-gyn and paediatrics hospitals and create value for shareholders and the community. On behalf of the Board of Directors, I would like to extend my sincere gratitude to all shareholders, business partners and customers for their firm support, and to all employees for their persistent efforts to promote the development of the Group.

**Lin Yuming**  
*Chairman*

Beijing, 8 January 2021

我們將直面挑戰，著眼長遠，繼續深耕私立婦兒健康服務領域，鞏固高端連鎖婦兒醫院品牌領導者地位，為股東及社會創造價值。本人謹代表董事會，對各位股東、業務夥伴及客戶的堅定支持，以及我們全體員工對本集團發展做出的不懈努力，致以最誠摯的感謝！

主席  
**林玉明**

北京，2021年1月8日



# FINANCIAL SUMMARY

## 財務概要

IN ACCORDANCE WITH INTERNATIONAL  
FINANCIAL REPORTING STANDARDS

根據國際財務報告準則

|   |              | For the year ended 31 December<br>截至12月31日止年度 |           |           |           |           |
|---|--------------|---|-----------|-----------|-----------|-----------|
|   |              | 2018  | 2017      | 2016      | 2015      | 2014      |
|   |              | 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>CONSOLIDATED RESULTS</b>                       | <b>綜合業績</b>  |   |           |           |           |           |
| Revenue   | 收益           | 1,014,990                                     | 924,151   | 859,701   | 909,362   | 935,839   |
| (Loss) profit before tax                          | 稅前(虧損)利潤     | (749,533)                                     | 33,947    | 123,886   | 141,967   | 139,327   |
| Income tax expense                                | 所得稅開支        | (35,858)                                      | (4,509)   | (26,615)  | (31,566)  | (34,198)  |
| (Loss) profit for the year                        | 年內(虧損)利潤     | (785,211)                                     | 29,438    | 97,271    | 110,401   | 105,129   |
| Other comprehensive income                        | 其他全面收入       | 138   | 42        | 228       | —         | —         |
| Total comprehensive (expense) income for the year | 年內全面(開支)收入總額 | (785,073)                                     | 29,480    | 97,499    | 110,401   | 105,129   |
| Attributable to:                                  | 以下人士應佔:      |   |           |           |           |           |
| Owners of the Company                             | 本公司擁有人       | (725,161)                                     | 27,436    | 95,936    | 106,173   | 103,379   |
| Non-controlling interests                         | 非控股權益        | (59,912)                                      | 2,044     | 1,563     | 4,228     | 1,750     |
|   |              | (785,073)                                     | 29,480    | 97,499    | 110,401   | 105,129   |
| <b>ASSETS AND LIABILITIES</b>                     | <b>資產及負債</b> |   |           |           |           |           |
| Total assets                                      | 總資產          | 1,210,205                                     | 1,827,120 | 1,683,575 | 1,628,061 | 384,821   |
| Total liabilities                                 | 總負債          | (532,034)                                     | (245,012) | (300,194) | (217,096) | (484,319) |
|   |              | 678,171                                       | 1,582,108 | 1,383,381 | 1,410,965 | (99,498)  |
| Equity attributable to                            | 以下人士應佔權益     |   |           |           |           |           |
| Owners of the Company                             | 本公司擁有人       | 561,042                                       | 1,354,105 | 1,389,098 | 1,408,909 | (97,279)  |
| Non-controlling interests                         | 非控股權益        | 117,129                                       | 228,003   | (5,717)   | 2,056     | (2,219)   |



## RESULTS

For the year ended 31 December 2018, the Group recorded a revenue of approximately RMB1,014,990,000 (2017: approximately RMB924,151,000), representing an increase of about 9.8% compared to that of 2017. The Group's loss attributable to owners of the Company was approximately RMB725,299,000 as compared to a gain attributable to owners of the Company of RMB27,394,000 in 2017. Gross profit margin was approximately 38.8% as compared to 46.3% in last year.

For 2018, due to the increase of the number of hospitals, the Group recorded a revenue higher than 2017, but administrative costs generated from some newly constructed hospitals which were in the later stage of preparation were much higher for 2018 as compared with the 2017. Further, as more hospitals were running at a loss, additional impairment losses on various assets and provision for onerous leases were made in the year ended 31 December 2018. As a result, the net loss attributable to owners of the Company amounted to RMB725.30 million for the year ended 31 December 2018, as compared with the net profit attributable to owners of the Company of RMB27.39 million for the year ended 31 December 2017.

## 業績

截至2018年12月31日止年度，本集團錄得收益約人民幣1,014,990,000元（2017年：約人民幣924,151,000元），較2017年的收益增長約9.8%。本公司擁有人應佔本集團虧損約為人民幣725,299,000元，而於2017年本公司擁有人應佔收益為人民幣27,394,000元。毛利率約為38.8%，而去年則為46.3%。

2018年，由於醫院數目增加，本集團錄得收益高於2017年，惟2018年於籌備後期的若干新籌建醫院產生的行政成本較高於2017年。此外，由於較多醫院經營虧損，各項資產額外減值虧損及虧損性租賃撥備於截至2018年12月31日止年度作出。因此，截至2018年12月31日止年度，本公司擁有人應佔淨虧損為人民幣7.2530億元，而截至2017年12月31日止年度，本公司擁有人應佔淨利潤為人民幣0.2739億元。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

#### BUSINESS OVERVIEW AND OUTLOOK

##### Business Overview for 2018

Year 2018 is the third year since the implementation of the “two-child policy” in China. As the cost of living continues to rise, the fertility desire of the age-appropriate population declines, and the birth rate shows a downward trend. According to data released by the National Bureau of Statistics, the number of newborns in China in 2018 was 15.23 million, representing an 11.6% decrease compared to 17.23 million in 2017. In recent years, capital has been entering the private maternity medical industry and the number of medical institutions has been continuing to increase. These dual factors put many market participants under pressure.

By the end of 2018, the Group had operated a total of 14 mid to high-end ob-gyn and pediatrics specialty hospitals in 9 first and second-tier cities in China, with a total number of 748 operating beds. Moreover, Wuxi HarMoniCare Hospital, Zhengzhou HarMoniCare Hospital and Xiamen HarMoniCare Hospital were in the preparation stage. Benefiting from the increasing number of hospitals, during 2018, the number of newborns in the Group reached 10,856, representing an increase of 2.8% year-on-year. The total number of outpatient visits provided by hospitals of the Group reached 667,244 in the full year (2017: 625,470), representing a 6.7% increase year-on-year; the total number of inpatient visits provided by hospitals of the Group reached 25,643 (2017: 25,556), representing a 0.3% increase year-on-year. The average charge per diagnosis and treatment was RMB1,408.9 (2017: RMB1,363.7), representing an increase of 3.3% year-on-year. Nantong Hemeijia Hospital and Beijing Baizwan HarMoniCare Hospital that were consolidated into the Group in August 2017 and April 2018, respectively, are included in the above figures.

In 2018, the Group faced many challenges. Although it benefited from an increase in the number of hospitals and overall income growth, the costs of operation continued to rise, leading to a significant reduction in the profit level of the Group's original hospitals, coupled with higher upfront costs in some new hospital projects, such as the newly acquired Beijing Baizwan HarMoniCare Hospital and Hibaby. Further losses were contributed to additional impairment of various assets and provision for onerous leases as more and more hospitals were running into operating losses in 2018. As a result, the Group suffered a significant overall loss for the year ended 31 December 2018.

#### 業務回顧及展望

##### 2018年業務回顧

2018年是我國「全面兩孩」生育政策實施的第三年。由於生活成本不斷攀升，適齡人口生育慾望降低，而出生率表現出下行趨勢。根據國家統計局發佈的數據，2018年國內出生人口為1,523萬人，較2017年1,723萬人減少11.6%。近年來，資本不斷進入私立婦產醫療行業，醫療機構數量持續增加。眾多市場參與人於該等雙重因素下飽受壓力。

2018年底，本集團在國內9個一二線城市總共擁有14家中高端婦兒專科醫院，運營床位總數748張。此外，無錫和美醫院、鄭州和美醫院及廈門和美醫院處於籌建階段。獲益於醫院數量的增長，本集團於2018年新生兒數量達致10,856人，同比增長2.8%。本集團醫院於全年度提供門診總數達667,244人次（2017年：625,470人次），同比增長6.7%；本集團醫院提供住院總數達25,643人次（2017年：25,556人次），同比增長0.3%。每次診療平均收費人民幣1,408.9元（2017年：人民幣1,363.7元），同比增長3.3%。於2017年8月及2018年4月分別併入本集團的南通和美醫院及北京百子灣和美醫院已包含於上述數字。

於2018年，本集團面臨重重挑戰。儘管其獲益於醫院數目增長及整體收入提高，但是經營成本持續攀升，導致本集團原有醫院利潤水平大幅下跌，加之若干新醫院項目（如新收購的北京百子灣和美醫院及凱貝姆）較高的預付成本。由於越來越多的醫院於2018年產生經營虧損，就各項資產的額外減值及虧損性租賃的撥備導致進一步的虧損。因此，本集團於截至2018年12月31日止年度蒙受嚴重的全面虧損。



We recognize that in the increasingly competitive environment, we need to constantly improve aspects such as the Group's management and control, talent mechanism, brand building and transformation of old hospitals. At the end of 2018, Shenzhen HarMoniCare Hospital of the Group was involved in the "gene-edited baby" incident, which resulted in a large number of negative reports from the media and had a huge impact on the Company's brand image. The Company conducted an internal review and verification on this incident, made clarifications immediately and actively sought investigation from public security organs. At present, Shenzhen Municipal Health Commission has found out that the ethics review letter alleged by the media to have been issued by Shenzhen HarMoniCare Hospital was a forgery. After the incident, the Group focused on strengthening the internal review of the implementation of the relevant systems so as to root out the occurrence of adverse events in the future and maintain the Group's brand reputation.

In 2018, the Group advanced the preparatory work for each new hospital as planned. The jointly established Wuxi HarMoniCare Hospital, with a construction area of about 11,500 square meters and 50 registered beds, had obtained the medical institution practice license in December 2018 and plans to start trial operation in the near future. The Group's self-built Zhengzhou HarMoniCare Hospital has a planned construction area of about 14,800 square meters and 150 registered beds. It had obtained the medical institution practice license in January 2019 and plans to start trial operation in the near future. The construction of the new hospital area of Nantong Hemeijia Hospital is also progressing steadily. Currently, the construction of the above-ground part of the main building is underway. It is expected that the new hospital area will be put into trial operation in 2021. The new portion of the hospital, with a planned gross construction area of approximately 80,000 square meters and 400 planned beds, will be built into a Grade III specialty hospital featuring obstetrics and gynaecology. All new hospitals of the Group adhere to the international Joint Commission International ("JCI") standard as the preparation standard, and will provide customers with high-quality personalized medical experience by creating an intelligent medical system.

For 2018, the Group's upstream and downstream industrial chain business proceeded as planned. The Group has carried out medical cosmetology services in three of its hospitals. Meanwhile, the Group's newly acquired subsidiary, Hibaby, is going to set up four Hibaby maternal and infant health centers in Qingdao, Wuxi and Nanchang. As they are in the early stage of operation, they have not yet generated profits. We believe that the postpartum maternal and infant health services and the medical beauty services have great market potential and are part of the important strategic extended layout of the Group in the industrial chain.

我們認為，在競爭愈演愈烈的環境下，我們需不斷改善本集團各方面，如管理及管控、人才機制、品牌建設以及舊醫院轉型。2018年底，本集團深圳和美醫院涉及一場「基因編輯嬰兒」意外事件，導致大量媒體負面報導並對本公司品牌形象產生巨大影響。本公司就該意外事件進行內部審查及核證，並立即做出澄清且積極配合公共安全機關的調查。目前，深圳市衛生健康委員會已查明，媒體聲稱深圳和美醫院已發佈的倫理審查函屬偽造。於該意外事件後，本集團專注加強相關系統實施的內部審查，以杜絕日後不利事件的發生並維持本集團品牌聲譽。

於2018年，本集團按計劃就各新醫院推進籌建工作。共同建設的無錫和美醫院，建築面積約11,500平方米，擁有50個註冊床位，且已於2018年12月獲取醫療機構執業許可證並計劃於不久的將來開始試營運。本集團自建的鄭州和美醫院擁有計劃建築面積約14,800平方米，150個註冊床位。其已於2019年1月獲取醫療機構執業許可證並計劃於不久的將來開始試營運。南通和美家醫院新醫院區域的建設亦在穩步進行。目前，主要樓宇地上部分建設正在進行。新醫院區域預期將於2021年試營運。新醫院部分的計劃總建築面積約為80,000平方米，計劃床位400張，將建成三級婦產專科醫院。本集團所有新醫院均遵守作為籌建標準的國際Joint Commission International ("JCI")標準，並將通過創造智能醫療系統為客戶提供優質個性化醫療體驗。

2018年，本集團上下游工業鏈業務按計劃進行。本集團已於其醫院中的三所醫院開展醫療美容服務。同時，本集團新收購附屬公司凱貝姆將於青島、無錫及南昌設立四個凱貝姆母嬰護理中心。由於該等中心處於早期經營階段，因此並無產生利潤。我們相信產後母嬰護理服務及醫療美容服務市場發展空間極大，為本集團於產業鏈戰略拓展的重要佈局的一部分。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

#### Industry Outlook

Since the implementation of the “two-child policy” in China, the number of births has shown a trend of decline for two consecutive years. The reasons are as follows: on the one hand, the number of women of reproductive age continues to decrease; on the other hand, affected by the increase of living costs, the fertility desire is low. The aging trend of the population and the decline of the birth population have become important challenges faced by China. At the same time, a series of policies to guarantee fertility will be implemented in early 2019. In the Interim Measures for Special Additional Deduction for Individual Income Tax, children’s education expenses are included in the special deduction for fixed deduction. In response to the high cost of preschool education, the General Office of the State Council also issued policies to effectively guide and regulate. We believe that in the future, the government will fully relax the family planning restrictions and introduce various measures to encourage more births. Although the decrease in the number of births leads to the decline in the total market demand of the maternity and children’s medical industry, more and more people are willing to experience high-end medical services due to the upgrading of consumption and the higher requirements of the younger generation for service quality. Although in the short term, the Group faces increasing market competition, the large-scale operation and long-term accumulation of brand advantage will help the Group obtain a more favorable competitive position. In this context, the Group maintains a cautiously optimistic view on the future development of the private maternity medical service market in first and second-tier cities.

#### The Group’s Strategy

In 2019, the Group will strive to ensure the stable development of its existing hospitals, gradually restore the profit margin, and take measures to reduce the impact of the new hospitals on the Group’s overall profit as soon as possible so as to maximize the interests of shareholders. Our strategies include:

- strictly control medical safety, maintain brand reputation, and safeguard its rights and interests against counterfeit brands in the market;
- strengthen operation controls, strengthen the Group’s operation assessment of the affiliated hospitals, optimize the incentive and supervision systems, and improve the human resource management and talent development plans;

#### 行業展望

自我國實施「全面兩孩」生育政策以來，出生人數已連續兩年呈下降趨勢。原因如下：一方面，女性育齡人數繼續減少；另一方面，受生活成本增加的影響，生育慾望較低。我國面臨人口老齡化趨勢及出生人口下降的重大挑戰。與此同時，我國將於2019年初實施一系列政策確保生育。在《個人所得稅專項附加扣除暫行辦法》中，子女教育費用已包括在固定減免的專項扣除中。為應對學前教育的高額費用，國務院辦公廳亦發佈了有效指導及規範政策。我們認為，政府日後將充分放寬對計劃生育的限制，並採取各種措施鼓勵生育。儘管出生人數的減少導致婦兒醫療行業的市場總需求下降，但由於消費的增長及年輕一代對服務質量的更高要求，越來越多的人願意體驗高端醫療服務。儘管短期內，本集團面臨日益激烈的市場競爭，但大規模經營及長期積累的品牌優勢將幫助本集團獲得更有利的競爭地位。在此背景下，本集團對一二線城市私人孕婦醫療服務市場的未來發展持審慎樂觀的態度。

#### 集團策略

2019年，本集團在力求保證現有醫院穩定發展，逐步恢復利潤率，並採取措施盡可能減小新醫院對本集團整體利潤的影響，從而實現股東利益最大化。我們的策略包括：

- 嚴格管控醫療安全、維護品牌聲譽，並維護權益，抵制市場假冒品牌；
- 加強運營管控，提高本集團附屬醫院的經營評估。優化激勵和監管體制，完善人力資源管理和人才發展計劃；



- transform business model, expand marketing channels, adhere to word-of-mouth marketing, and reduce advertising expenses;
  - strengthen the business guidance on newly built hospitals and newly acquired hospitals, utilize the successful operation experience of the original hospitals, reduce the financial impact of newly built hospitals on the Group as a whole, strengthen the operation management of newly acquired hospitals, improve the synergistic effect between each hospital and the Group, and realize resource sharing;
  - adjust the asset structure, dispose of the assets of mid-end hospitals which do not conform to the strategic planning and hospitals with losses, and concentrate resources to strengthen the competitive advantages of core hospitals; and
  - strengthen the layout and extension of the upstream and downstream industrial chain to enrich and expand the business areas of the Group. Actively carry out business in the fields of assisted reproduction, maternity centers, postpartum rehabilitation and medical cosmetology, and provide all-round services of maternal and child health care.
- 轉變業務模式、拓展營銷渠道、堅持口碑營銷、並減少廣告開支；
  - 加強新建醫院以及新收購醫院的業務指導，利用原有醫院的成功經營經驗，降低新建醫院對本集團整體的財務影響，加強新收購醫院的運營管理，提高各家醫院與本集團的協同效應，實現資源共享；
  - 調整資產結構、出售不符合策略規劃的中型醫院資產及經營虧損的醫院資產，並集中資源增強核心醫院的競爭優勢；及
  - 加強上下游產業鏈的佈局與延伸，豐富及擴大本集團業務領域。積極開展輔助生殖、月子中心、產後康復及醫療美容等領域業務，以及提供婦兒醫療健康的全方位服務。

#### EMOLUMENT POLICY

As at 31 December 2018, the Group had 3,983 employees (2017: 3,724 employees). The remuneration policy and packages are reviewed annually by the management and the Remuneration Committee. The Group remunerates its employees based on their performance, work experience and the prevailing market rate. The remuneration packages include basic salary, double pay, commission, insurance and mandatory provident fund. The Group has adopted a share option scheme and a restricted share incentive scheme to provide incentives or rewards to eligible participants for their contribution or potential contribution to the Group.

#### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, the total cash and bank balances of the Group were approximately RMB133,846,000 (2017: approximately RMB466,995,000). The cash and bank balances consisted majority in Renminbi.

#### 薪酬政策

於2018年12月31日，本集團擁有3,983名僱員(2017年：3,724名僱員)。薪酬政策及組合由管理層及薪酬委員會每年進行檢討。本集團按僱員之工作表現、工作經驗及現行市價釐定僱員薪酬。薪酬組合包括基本薪金、雙薪、佣金、保險及強制性公積金。本集團已採納購股權計劃及限制性股份激勵計劃，以向合資格參與者就彼等對本集團之貢獻或潛在貢獻提供激勵或獎勵。

#### 流動資金及財務資源

於2018年12月31日，本集團的現金及銀行結餘總額約為人民幣133,846,000元(2017年：約人民幣466,995,000元)。現金及銀行結餘大多數為人民幣。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

As at 31 December 2018, the Group had total assets of approximately RMB1,210,205,000 (2017: approximately RMB1,827,120,000) and total liabilities of approximately RMB532,034,000 (2017: approximately RMB245,012,000). As at 31 December 2018, the current ratio was 1.02 (2017: 5.20), calculated on the basis of current assets of approximately RMB395,615,000 (2017: approximately RMB875,087,000) over current liabilities of approximately RMB387,108,000 (2017: approximately RMB168,377,000).

The Group's borrowings amounted to approximately RMB102,166,000 (2017: Nil). The Group's borrowings are denominated in Renminbi, bearing fixed interest rates. The Group's gearing ratio, being the ratio of the total debts to total assets, was 8.44% (2017: Nil).

#### USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds the Company obtained from the issuance of new shares through the Global Offering are approximately RMB1,127 million (equivalent to approximately HK\$1,427 million upon listing) after excluding the underwriting fees and relevant expenses, and as at 31 December 2018, the unutilized balance of net proceeds of approximately RMB114.5 million were deposited in the bank account of the Group.

The net proceeds from the Global Offering have been and will be utilized in accordance with the intended uses as disclosed in the Prospectus of the Company and subsequently revised announcements issued by the Company dated 16 June 2017, 25 October 2017 and 23 November 2017. The unutilized balance of net proceeds of approximately RMB114.5 million consisted of approximately RMB89.8 million to be used in establishing new hospitals in Xiamen, Zhengzhou, Nanjing, Hangzhou, Suzhou and Fuzhou and approximately RMB24.7 million to be used in acquiring new hospitals.

於2018年12月31日，本集團的總資產約為人民幣1,210,205,000元(2017年：約人民幣1,827,120,000元)，總負債約為人民幣532,034,000元(2017年：約人民幣245,012,000元)。於2018年12月31日，流動比率為1.02(2017年：5.20)，乃按流動資產約人民幣395,615,000元(2017年：約人民幣875,087,000元)除以流動負債約人民幣387,108,000元(2017年：約人民幣168,377,000元)而計算得出。

本集團的借款約為人民幣102,166,000元(2017年：零)。本集團的借款以固定利率的人民幣計值。本集團的槓桿比率(即債務總額與總資產比率)為8.44%(2017年：零)。

#### 全球發售所得款項用途

本公司在全球發售中發行新股份之所得款項淨額(經扣除包銷費用及相關開支後)約為人民幣11.27億元(於上市時候相當於約14.27億港元)，而於2018年12月31日未動用所得款項淨額結餘約人民幣11.45億元乃存於本集團的銀行賬戶。

全球發售所得款項淨額經已及將會根據本公司的招股章程及本公司分別於2017年6月16日、2017年10月25日及2017年11月23日刊發的隨後修訂的公告所披露的計劃用途運用。未動用所得款項淨額結餘約人民幣11.45億元包括將用於在廈門、鄭州、南京、杭州、蘇州及福州建設新醫院的約人民幣0.898億元及將用於收購新醫院的約人民幣0.247億元。

#### CHARGE ON ASSETS

As at 31 December 2018, the Group with a total net book value of approximately RMB20,610,000 were charged as collateral for the Group's borrowings (31 December 2017: approximately RMB Nil).

#### EVENTS AFTER THE REPORTING PERIOD

(a) **Disposal of the 92% equity interest of Shenzhen HarMoniCare Hospital**

On 28 April 2019, Guiyang HarMoniCare Hospital, a wholly-owned subsidiary of the Company, as vendor (the "Vendor"), and HarMoniCare Medical Management and Beijing He An Da Management Consulting Co., Ltd. (the "Beijing HAD"), as creditors, entered into the disposal agreement with Shenzhen Renzheng Medical Management Co., Ltd., as purchaser, pursuant to which the purchaser agreed to acquire the 92% equity interests in Shenzhen Harmonicare Hospital from the Vendor for a total consideration of RMB63,000,000 (including a cash consideration of RMB1,000,000 and the purchaser agreed to settle an amount of RMB62,000,000 of outstanding debts owed by Shenzhen HarMoniCare Hospital to the creditors).

#### 資產抵押

於2018年12月31日，本集團賬面淨值總額約人民幣20,610,000元已就本集團借款押記作抵押物(2017年12月31日：約人民幣零元)。

#### 報告期後事項

(a) **出售深圳和美醫院92%的股權**

於2019年4月28日，本公司全資附屬公司貴陽和美醫院作為賣方(「賣方」)、和美醫療管理及北京合安達管理諮詢有限公司(「北京合安達」)(作為債權人)與深圳仁正醫療管理有限公司(作為買方)訂立出售協議，據此，買方同意向賣方以總代價人民幣63,000,000元(包括現金代價人民幣1,000,000元且買方同意向債權人結清深圳和美醫院的未償還債務人民幣62,000,000元)收購深圳和美醫院92%的股權。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

#### (b) Disposal of the entire equity interest of three subsidiaries

On 24 July 2019, Guiyang HarMoniCare Hospital, a wholly-owned subsidiary of the Company, as vendor, and HarMoniCare Medical Management, as creditor, entered into the disposal agreement with Zhenjiang Kelida Information Technology Service Center (limited partnership), as purchaser, pursuant to which the purchaser agreed to acquire the entire equity interests of each of Wuhan Modern Obstetrics and Gynecology Hospital Co., Ltd., Chongqing Wanzhou HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. and Chongqing Dushi Liren Hospital Co., Ltd. (collectively, the "Target Companies") from the vendor for a total consideration of RMB22,000,000 (including a cash consideration of RMB2,200,000 and the purchaser agreed to settle an amount of RMB19,800,000 of outstanding debts owed by the Target Companies to the creditor).

#### (c) Resumption Guidance

The Company announced that there would be a delay in the release of the 2018 Annual Results and despatch of its 2018 Annual Report. Such a delay was due to the Company requiring time to negotiate on and approve the proposed settlement of Hibaby and consider implications, if any, on its financial statements, and to provide the former auditors of the Company, Deloitte Touche Tohmatsu ("Deloitte"), with further information in connection with the foregoing when available. The equity transfer agreement was given to Deloitte, for their consideration near to the finalization of the 2018 Annual Results in March 2019. An audit committee meeting was convened on 26 March 2019 and it was resolved that the Company would be preparing to engage an independent internal control consultant to review the internal control procedures of the Company. There were additional steps that Deloitte would need to take before signing off on the 2018 Annual Results, and it was expected that the Company would not be able to (1) publish the 2018 Annual Results on or before 31 March 2019; and (2) despatch the 2018 Annual Report to the Shareholders on or before 30 April 2019 (the "Delay").

#### (b) 出售三間附屬公司之全部股權

於2019年7月24日，本公司全資附屬公司貴陽和美醫院（作為賣方）及和美醫療管理（作為債權人）與鎮江科力達信息科技服務中心（有限合夥）（作為買方）訂立出售協議，據此，買方同意向賣方以總代價人民幣22,000,000元（包括現金代價人民幣2,200,000元且買方同意向債權人結清目標公司的未償還債務人民幣19,800,000元）收購武漢現代婦產醫院有限公司、重慶萬州和美婦產醫院有限公司及重慶都市麗人醫院有限公司（統稱「目標公司」）的全部股權。

#### (c) 復牌指引

本公司宣佈將延遲刊發2018年年度業績及寄發其2018年年報。延遲乃由於本公司需時進行談判及批准凱貝姆的建議和解及考慮對其財務報表的影響（如有），以及於取得有關資料時向本公司前任核數師德勤•關黃陳方會計師行（「德勤」）提供有關上述事項的進一步資料。股權轉讓協議已向德勤呈交，以便其在2019年3月於2018年年度業績最終確定之前進行考慮。審核委員會於2019年3月26日召開會議，議決本公司將準備委聘獨立內部控制顧問檢討本公司之內部控制程序。德勤在簽署2018年年度業績之前需採取其他行動，預計本公司無法(1)於2019年3月31日或之前刊發2018年年度業績；及(2)於2019年4月30日或之前向股東寄發2018年年報（「延遲」）。



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

On 15 May 2019, the Company received a letter from the Stock Exchange, in which the Stock Exchange stated the following resumption guidance for the Company ("Resumption Guidance"):

- (i) publish all outstanding financial results and address any audit modifications;
- (ii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal control and procedures to comply with the Listing Rules; and
- (iii) announce all material information for the Company's shareholders and other investors to appraise the Company's position.

Consequently, the Audit Committee engaged BDO Financial Services Limited ("BDO") as an independent internal control consultant to independently review (the "Initial IC Review") certain internal control procedures of the Company. The scope of the Initial IC Review included an independent assessment of the internal control systems of the Group, covering the transaction process of the Equity Transfer, anti-fraud management, the administration of contracts and seals, the management of fund and investment; and the management of cash and payment during the period of 1 January 2018 to 31 March 2019, the results of which were published by the Company in its announcement dated 25 March 2020.

On 17 July 2020, the Company appointed Netis Advisory Limited ("Netis") as its internal control consultant (the "Internal Control Consultant") to conduct a comprehensive review (the "Comprehensive IC Review") of the Group's internal control procedures which will cover all of the Group's significant subsidiaries and to the extent practicable, its major associated companies, for the period between 1 January 2018 and 31 July 2020 in order to comprehensively evaluate the Group's internal control systems. Netis issued a draft Comprehensive IC Review report (the "Comprehensive IC Review Report") containing its findings of the review and internal control recommendations. The Company has since implemented the internal control recommendations in accordance with the draft Comprehensive IC Review Report in consultation with Netis. The Audit Committee reviewed the

於2019年5月15日，本公司收到聯交所函件，其中聯交所向本公司提出以下復牌指引（「復牌指引」）：

- (i) 刊發所有尚未刊發的財務業績及處理任何審核修訂；
- (ii) 進行獨立內部控制審查，並證明本公司設有充足內部控制及程序以符合上市規則；及
- (iii) 公佈所有重大資料以供本公司股東及其他投資者評估本公司的狀況。

因此，審核委員會委聘德豪財務顧問有限公司（「德豪」）為獨立內部控制顧問以獨立審查（「初步內部控制審查」）本公司若干內部控制程序。初步內部控制審查範圍包括獨立評估本集團內部控制系統，涵蓋股權轉讓交易過程、反舞弊管理、合約及公章管理、資金及投資管理以及於2018年1月1日至2019年3月31日止期間的現金及付款管理，而審查結果刊發於本公司日期為2020年3月25日之公告。

於2020年7月17日，本公司已委聘弘信顧問有限公司（「弘信」）為其內部控制顧問（「內部控制顧問」），以對本集團由2018年1月1日至2020年7月31日止期間的內部控制程序（將涵蓋本集團所有主要附屬公司及（在可行情況下）其主要聯營公司）進行全面審查（「全面內部控制審查」），以對本集團的內部控制系統進行全面評估。弘信已刊發載有其審查結果及內部控制建議的草擬全面內部控制審查報告（「全面內部控制審



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

draft Comprehensive IC Review Report and agreed with its findings and internal control recommendations in a meeting of the Audit Committee attended by Netis. The final Comprehensive IC Review Report was issued on 3 December 2020. For more details regarding the Initial IC Review, the Comprehensive IC Review, the Resumption Guidance and the resumption progress, please refer to the announcements of the Company dated 12 June 2019, 28 June 2019, 3 July 2019, 31 July 2019, 29 September 2019, 31 October 2019, 31 March 2020, 30 June 2020, 17 July 2020, 30 September 2020, 4 December 2020, 4 January 2021 and 8 January 2021.

#### (d) Others

Reference are made to announcements of the Company dated 21 November 2019, 15 June 2020, 2 July 2020 and 16 October 2020. Terms used hereinafter shall have the same meaning as defined in the announcements.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the years ended 31 December 2018 and 2017.

### DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2018, none of the Directors, the controlling shareholders or their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

查報告J)。本公司已諮詢弘信根據草擬全面內部控制審查報告執行內部控制建議。審核委員會於弘信出席的審核委員會會議中審閱草擬全面內部控制審查報告並同意其結果及內部控制建議。最終全面內部控制審查報告已於2020年12月3日刊發。有關初步內部控制審查、全面內部控制審查、復牌指引及復牌進度的更多詳情，請參閱本公司日期為2019年6月12日、2019年6月28日、2019年7月3日、2019年7月31日、2019年9月29日、2019年10月31日、2020年3月31日、2020年6月30日、2020年7月17日、2020年9月30日、2020年12月4日、2021年1月4日及2021年1月8日之公告。

#### (d) 其他

茲提述本公司日期為2019年11月21日、2020年6月15日、2020年7月2日及2020年10月16日之公告。本年報所採用的詞彙與該等公告所界定者具有相同涵義。

### 購買、出售或贖回本公司上市證券

截至2018年及2017年12月31日止年度，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。

### 董事及控股股東於競爭業務之權益

截至2018年12月31日止年度，董事、控股股東或彼等各自聯繫人概無參與任何直接或間接與本集團業務構成競爭或可能構成競爭的業務或於其中擁有權益。

#### FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

#### THE COMPANY AND AUDIT COMMITTEE'S VIEW ON THE DISCLAIMER OF AUDIT OPINION

The Board and Audit Committee have reviewed the Disclaimer of Opinion as set out in the Independent Auditor's Report, and are confident that the Group will have sufficient liquidity to finance its operations for the next twelve months and therefore is of the view that the Group would be able to continue its businesses and operations as a going concern and the qualification issues will be fully resolved in due course as follows:

**I. Limited accounting books and records of subsidiary disposed**

As disclosed in the Company's announcement dated 28 April 2019, the Group disposed 92% equity interest in Shenzhen HarMoniCare Hospital. Upon the completion of such disposal, the management of the Company (the "Management") ceased to involve in the management of Shenzhen HarMoniCare Hospital. When the Company's auditor performed their audit which covered the financial information of Shenzhen HarMoniCare Hospital before the disposal date (i.e. 30 May 2019), the new management of the Shenzhen HarMoniCare Hospital refused to co-operate with our auditors, which resulted to such a scope limitation qualification by our auditors.

However, since Shenzhen HarMoniCare Hospital had already been disposed by the Group in 2019, such qualification is limited to the period on or before 30 May 2019. In other words, such qualification shall not have impact to the Company's consolidated financial position as at 31 December 2019 and any consolidated profit and loss period starting from 31 December 2019.

#### 末期股息

截至2018年12月31日止年度，董事會不建議派付末期股息(2017年：無)。

#### 本公司及審核委員會對核數師無法發表意見之意見

董事會及審核委員會已審閱獨立核數師報告中所載的無法發表意見，並有信心本集團將有足夠的流動資金來為未來十二個月的經營提供資金，因此認為本集團將能夠按持續經營基準繼續其業務及營運並將適時全面解決保留意見事宜：

**I. 已出售附屬公司之有限會計賬簿及記錄**

誠如本公司日期為2019年4月28日的公告所披露，本集團出售深圳和美醫院92%的股權。該出售事項完成後，本公司管理層(「管理層」)不再涉足深圳和美醫院的管理。於本公司核數師進行涵蓋深圳和美醫院於出售日期(即2019年5月30日)前財務資料的審核時，深圳和美醫院的新管理層拒絕與我們的核數師合作，從而導致我們核數師的範圍限制保留意見。

然而，由於本集團已於2019年出售深圳和美醫院，該保留意見僅限於2019年5月30日或之前的期間。換言之，該保留意見不會對本公司於2019年12月31日的綜合財務狀況以及自2019年12月31日起的任何綜合損益期產生影響。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

#### 2. Limited accounting books and records of the Hibaby Group

The Group acquired additional 48.53% equity interest in Hibaby on 8 November 2018 (the "Acquisition"), which turned Hibaby Group from an investment in associated companies to an investment in subsidiaries and Hibaby Group's financial information was consolidated to the Company's consolidated financial statements starting from 8 November 2018. However, the Group was unable to complete its payment for the Acquisition when our auditors were performing their audit work, which resulted that the sellers of the 48.53% equity interest in Hibaby (the "Vendors") withheld certain accounting records and evidences related to Hibaby Group until the Group fully paid for its Acquisition. As a consequence, our auditors qualified for a scope limitation related to the financial information of Hibaby Group.

The Management is currently actively negotiating with the Vendors at this moment, and it is expected that the Company will settle the Acquisition consideration and regain all accounting records of Hibaby Group in the first quarter of 2021. Therefore, the Management expects that such qualification will not have impact in the financial year ending 31 December 2021, if not earlier.

#### 3. Property, plant and equipment and land use right

Nearly all our hospitals were running at a loss, in particular, during the COVID-19 pandemic. Therefore, our auditors were concerned on the carrying value of our property, plant and equipment and land use rights, the amount of impairment and corresponding effects on depreciation during the periods of their audit.

The Management is in the process of disposing all hospitals which are unlikely to regain profitability in a short period of time while adding new scope of services in order to improve profitability of all remaining hospitals. By doing so, the Management expects that all hospitals within the Group shall become profitable by the end of 2021. As such, the Management believes that such qualification shall cease to carry forward on and beyond 31 December 2021.

#### 2. 凱貝姆集團之有限會計賬簿及記錄

本集團於2018年11月8日收購凱貝姆額外48.53%股權(「收購」)，這使凱貝姆集團由於聯營公司的投資轉變為附屬公司的投資，而凱貝姆集團的財務資料自2018年11月8日起獲合併至本公司的綜合財務報表。然而，於我們的核數師進行審核工作時，本集團無法完成收購的付款，致使凱貝姆48.53%股權的賣方(「賣方」)保留與凱貝姆集團有關的若干會計記錄及憑證，直至本集團為收購付清費用。因此，我們的核數師因與凱貝姆集團財務資料相關的範圍限制保留意見。

管理層目前正積極與賣方進行磋商，預計本公司將於2021年第一季度結清收購代價並重新獲得凱貝姆集團的所有會計記錄。因此，管理層預期該保留意見不會對截至2021年12月31日止財政年度或更早產生影響。

#### 3. 物業、廠房及設備以及土地使用權

我們的所有醫院幾乎均處於虧損狀態，尤其是在新冠病毒疫情期間。因此，我們的核數師在審核期間關注我們物業、廠房及設備以及土地使用權的賬面值、減值金額以及對折舊的相應影響。

管理層正出售所有不太可能於短期內恢復盈利能力的醫院，同時增加新的服務範圍以提高所有餘下醫院的盈利能力。通過這種做法，管理層預計，本集團旗下所有醫院將於2021年年底前盈利。因此，管理層認為，該保留意見將於2021年12月31日及之後停止延續。

#### 4. Goodwill and other intangible assets

The amount qualified by the auditors were mainly consisted of RMB4 million goodwill and RMB44 million other intangible assets related to Nantong Hemeijia Hospital and RMB7.4 million other intangible assets related to Beijing Baizhuan. Since both hospitals ran into operating losses starting in 2019, our auditors were concerned on valuation of such assets.

The Management is in the process of disposing Nantong Hemeijia Hospital and is expected to complete by the 1st half of 2021. Once the disposal of Nantong Hemeijia Hospital is completed, such qualification related to Nantong Hemeijia Hospital shall cease to have carried forward impact in our consolidated financial statements. Further, based on the latest operating data, the Management believes that Beijing Baizhuan shall be profitable for the year ending 31 December 2021, which can then justify the carrying value of its intangible assets. In other words, the Management is confident that such qualification shall cease to have impact to our consolidated financial position as at 31 December 2021 and profit and loss for any period starting from 31 December 2021.

#### 5. Financial assets at fair value through profit or loss and contingent consideration receivables

This qualification related to RMB165 million financial assets held by the Group against Wuxi HarMoniCare Hospital and RMB11 million contingent consideration receivables from the minority interest in Nantong Hemeijia Hospital.

#### 4. 商譽及其他無形資產

核數師持保留意見的金額主要包括與南通和美家醫院有關的商譽人民幣0.04億元及其他無形資產人民幣0.44億元以及有關北京百子灣的其他無形資產人民幣0.074億元。由於兩家醫院自2019年開始均出現經營虧損，我們的核數師關注此類資產的估值。

管理層正出售南通和美家醫院，預計將於2021年上半年完成。一旦南通和美家醫院的出售完成，有關南通和美家醫院的相關保留意見將不再對我們的綜合財務報表產生影響。此外，根據最新經營數據，管理層相信，北京百子灣將於2021年12月31日止年度實現盈利，從而證明其無形資產的賬面值屬合理。換言之，管理層有信心該保留意見將不再對我們於2021年12月31日的綜合財務狀況及自2021年12月31日起的任何綜合損益期產生影響。

#### 5. 按公平值計入損益之金融資產及應收或然代價

該保留意見與本集團持有的對無錫和美醫院金融資產人民幣1.65億元及應收南通和美家醫院少數股東的或然代價人民幣0.11億元有關。



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

For the financial assets held by the Group, it is an amount due from Wuxi HarMoniCare Hospital, a new obstetrics and gynecology hospital owned by independent third party. This receivable allows the Group to convert into equity of Wuxi HarMoniCare Hospital and becomes the controlling shareholder of Wuxi HarMoniCare Hospital. The Management is in the process of disposing such financial assets to independent third parties at this moment and will consider to exercise its rights to convert such financial assets into equity of Wuxi HarMoniCare Hospital should the Management fails to dispose such financial assets in the next few months. Regardless of the outcome as described above, such financial assets shall cease to exist in the Group in 2021 and therefore, the Management believes that the qualification related to financial asset shall not carry forward to Company's consolidation financial position as at 31 December 2021 and profit or loss for any period starting from 31 December 2021.

Similarly to goodwill as described in 4 above, upon the disposal of Nantong Hemeijia Hospital as described above, this qualification related to contingent receivables shall not carry forward to Company's consolidation financial position as at 31 December 2021 and profit or loss for any period starting from 31 December 2021.

#### 6. Trade receivable

This qualification is related to trade receivable in the books of Tai He Tang. The Management is confident that the Group should be able to collect the full amount of the trade receivable on or before 31 December 2021.

#### 7. Prepayment, deposits and other receivables, other long-term assets and loan receivables

This qualification is related to RMB15 million in the books of Nantong Hemeijia Hospital and RMB4.6 million in the books of HarMoniCare Medical Management. Since the Management are in the process of disposing Nantong Hemeijia Hospital, therefore upon the disposal of Nantong Hemeijia Hospital, the qualification related to Nantong Hemeijia Hospital trade receivables shall not carry forward to Company's consolidation financial position as at 31 December 2021 and profit or loss for any period starting from 31 December 2021.

就本集團持有的金融資產而言，該款項為應收無錫和美醫院（由獨立第三方擁有的新婦產醫院）。該應收款項使本集團可轉換為無錫和美醫院的股權，並成為無錫和美醫院的控股股東。管理層目前正將此類金融資產出售予獨立第三方，倘管理層未能在接下來數月內出售此類金融資產，則將考慮行使其權利將此類金融資產轉換為無錫和美醫院的股權。無論上述結果如何，該金融資產將於2021年不再存在於本集團，因此，管理層認為，與金融資產相關的保留意見不會結轉至本公司於2021年12月31日的綜合財務狀況以及自2021年12月31日起的任何損益期。

與上述4所述商譽相似，如上所述於出售南通和美家醫院後，與應收或然款項有關的保留意見不再結轉至本公司於2021年12月31日的綜合財務狀況以及自2021年12月31日起的任何損益期。

#### 6. 貿易應收款項

該保留意見與太和堂賬簿中的貿易應收款項有關。管理層相信，本集團將能夠於2021年12月31日或之前悉數收回該貿易應收款項。

#### 7. 預付款、按金及其他應收款項、其他長期資產以及應收貸款

該保留意見與南通和美家醫院賬簿中的人民幣0.15億元及和美醫療管理賬簿中的人民幣0.046億元有關。由於管理層正出售南通和美家醫院，因此，於出售南通和美家醫院後，與南通和美家醫院貿易應收款項有關的保留意見不再結轉至本公司於2021年12月31日的綜合財務狀況以及自2021年12月31日起的任何損益期。



Further, the portion related to HarMoniCare Medical Management was related to a cooperation with an independent third party to set up a new IVF facilities in the Jiangxi province and the Group originally invested RMB36 million. This co-operation had been ceased in 2018 and RMB31 million had been refunded as of today. The Management is confident that the Group should be able to receive the full amount of RMB4.6 million on or before 31 December 2021.

#### 8. Deferred tax assets and liabilities

This qualification exists due to the tax effect on other qualifications as described above. Therefore, once the other qualifications described above are resolved, this qualification will also be resolved. Therefore, the Management is confident that this qualification shall not have impact on the financial position as at 31 December 2021 and profit or loss for any period starting from 31 December 2021.

#### 9. Provision for onerous contracts

This qualification is related to various long term non-cancellable leases contracts for lease commitments as at 31 December 2018. However, upon the adoption of new accounting standards on lease accounting in 2019 by the Group, all future lease commitments shall be recognized as liabilities and therefore, such provision for onerous contracts is no longer necessary. In other words, such qualification will not have any impact to our Company's consolidated financial position as at 31 December 2019 and profit or loss for any period starting from 31 December 2019.

#### 10. Contingent liabilities

The Group is facing a number of litigation claims, which mainly represented by the litigation claims for unpaid acquisition consideration of Hibaby and unpaid construction and service contracts by the Group due to lack of funding in certain operations.

For all the cases related to Hibaby, the Management is confident to settle all the claims in the first quarter of 2021, and therefore, the Management believes the qualification related to Hibaby shall have no carried forward effect to the financial statements for the year ending 31 December 2021, if not earlier.

此外，與和美醫療管理有關的部分涉及在江西省與獨立第三方合作設立新IVF設施，而本集團初步投資人民幣0.36億元。是次合作已於2018年停止且截至今日人民幣0.31億元已歸還。管理層相信，本集團將能夠於2021年12月31日或之前悉數收取款項人民幣0.046億元。

#### 8. 遞延稅項資產及負債

由於上述其他保留意見的稅收影響，存在此保留意見。因此，一旦上述其他保留意見獲解決，該保留意見亦將得以解決。因此，管理層有信心該保留意見不會對於2021年12月31日的財務狀況及自2021年12月31日起的任何損益期產生影響。

#### 9. 虧損性合約撥備

該保留意見與於2018年12月31日的各種長期不可撤銷租賃合約的租賃承擔有關。然而，於本集團於2019年採納租賃會計的新會計準則後，所有日後租賃承擔均應確認為負債，因此，有關虧損性合約撥備不再需要。換言之，該保留意見對本公司於2019年12月31日的綜合財務狀況及自2019年12月31日起的任何損益期概無任何影響。

#### 10. 或然負債

本集團面臨眾多訴訟申索，主要是由於若干業務缺乏資金而導致本集團對凱貝姆的收購代價未付賬款以及建築及服務合約未付賬款的訴訟申索。

對於所有有關凱貝姆的情況，管理層有信心於2021年第一季度解決所有索賠，因此，管理層認為有關凱貝姆的保留意見不會對截至2021年12月31日止年度或更早的財務報表產生結轉影響。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層討論及分析 (續)

For all other cases, as those cases are related to loss making subsidiaries to be disposed by the Group in 2021, the Management is confident that such qualification shall be removed as of 31 December 2021 and profit and loss for any period starting from 31 December 2019.

#### II. Material uncertainty related to going concern

The directors of the Company have prepared the consolidated financial statements based on going concern on the assumptions and measures that:

- (a) The Group is actively disposing certain subsidiaries including but not limited to Nantong Hemeijia Hospital. The management of the Group is confident that such disposals would generate at least RMB150 million cash inflow to the Group and significantly reduce overall capital commitments of the Group in 2021;
- (b) The management has ceased or delayed nearly all construction of new hospitals and new investments until the Group's net current liabilities situation is resolved;
- (c) The Group applies cost control measures in cost of sales, administrative expenses and capital expenditures; and
- (d) The Group is also maximising its sale effort and implementing comprehensive policies to improve operating cash flows.

The Audit Committee has reviewed the Disclaimer of Opinion and the basis thereof. The Management has reviewed the impact of the Disclaimer of Opinion and the action plan above. There was no disagreement between the views of the Audit Committee and the Management in respect of (i) the Disclaimer Opinion, and (ii) the Company's plan to address the Disclaimer of Opinion above.

對於所有其他情況，由於該等情況與本集團將於2021年出售的虧損附屬公司有關，管理層有信心該保留意見將於截至2021年12月31日及自2019年12月31日起的任何損益期移除。

#### II. 有關持續經營的重大不確定因素

本公司董事基於以下假設及措施，已按持續經營基準編製綜合財務報表：

- (a) 本集團正積極出售若干附屬公司，包括但不限於南通和美家醫院。本集團管理層有信心，該等出售事項將為本集團產生至少人民幣1.50億元的現金流入，並大幅減少本集團於2021年的整體資本承擔；
- (b) 管理層已停止或延遲幾乎所有新醫院建設及新投資，直至本集團的流動負債淨額狀況得到解決；
- (c) 本集團於銷售成本、行政開支及資本支出方面採用成本控制措施；及
- (d) 本集團亦竭力銷售及實施全面的政策以改善經營現金流量。

審核委員會已審閱無法發表意見及其基礎。管理層已審閱無法發表意見之影響及上述行動計劃。審核委員會與管理層就(i)無法發表意見，及(ii)本公司解決上述無法發表意見之計劃之意見並無分歧。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理人員

#### DIRECTORS

##### Executive Directors

**Mr. Lin Yuming (林玉明)**, aged 51, founder of our Group, is the chairman of the Board, an executive Director and the president of our Company, mainly responsible for overall strategic planning and business development of our Group. He is also the chairman of the Nomination Committee. Mr. Lin joined our Group in December 2005. He served as the general manager of Shanxi Modern Hospital from August 2003 to July 2004, and the executive director and general manager of Beijing Modern Woman Hospital Investment Management Co., Ltd. (北京現代女子醫院投資管理有限公司) from July 2004 to March 2012, both mainly responsible for general management and operation of the two hospitals. He established Bosheng Medical and has served as its chairman and president since December 2007, mainly responsible for general management and operation of Bosheng Medical. Mr. Lin has also served as the executive director of some other members of the Group, such as (i) Wuhan Modern Hospital since December 2005, (ii) Guangzhou Woman Hospital since July 2008; (iii) Chongqing Wanzhou HarMoniCare Hospital since March 2009; (iv) Guiyang HarMoniCare Obstetrics and Gynecology Hospital since May 2009; (v) Chongqing Fuling HarMoniCare Hospital since June 2009; (vi) Fuzhou Modern Hospital since January 2010; (vii) Shenzhen HarMoniCare Hospital since July 2010; (viii) Guiyang HarMoniCare Hospital since March 2011; (ix) Beijing HarMoniCare Hospital since June 2011; (x) Chongqing Dushi Liren Hospital since August 2013; and (xi) Chongqing Modern Hospital since April 2014. Mr. Lin studied law at Central China Normal University from March 2008 to January 2010 and obtained a bachelor's degree in business management in July 2012 through online education. Mr. Lin is the sole director of Homecare and the brother of Mr. Lin Yuhua and Mr. Lin Yurong, each is our substantial Shareholder. Mr. Lin is also the brother of Mr. Lin Yuguo, our non-executive Director.

#### 董事

##### 執行董事

**林玉明先生**，51歲，本集團創始人，擔任本公司董事會主席、執行董事兼總裁，主要負責本集團整體策略規劃及業務發展。彼亦為提名委員會主席。林先生於2005年12月加入本集團。彼於2003年8月至2004年7月擔任山西現代醫院總經理，2004年7月至2012年3月擔任北京現代女子醫院投資管理有限公司執行董事兼總經理，主要負責兩間醫院的綜合管理及營運。彼創立博生醫療並自2007年12月起擔任其主席兼總裁，主要負責博生醫療的綜合管理及營運。林先生亦為本集團若干其他成員公司的執行董事，包括(i)武漢現代醫院(自2005年12月起)；(ii)廣州女子醫院(自2008年7月起)；(iii)重慶萬州和美醫院(自2009年3月起)；(iv)貴陽和美婦產醫院(自2009年5月起)；(v)重慶涪陵和美醫院(自2009年6月起)；(vi)福州現代醫院(自2010年1月起)；(vii)深圳和美醫院(自2010年7月起)；(viii)貴陽和美醫院(自2011年3月起)；(ix)北京和美醫院(自2011年6月起)；(x)重慶都市僑人醫院(自2013年8月起)；及(xi)重慶現代醫院(自2014年4月起)。林先生於2008年3月至2010年1月就讀於華中師範大學法律專業，並於2012年7月通過線上教育獲得工商管理學士學位。林先生為我們的主要股東Homecare的唯一董事及主要股東林玉華先生及林玉榮先生的胞弟。林先生亦為我們的非執行董事林玉國先生的胞兄。

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員 (續)

**Mr. Yang Guo (楊國)**, aged 37, is an executive Director and the Chief Executive Officer of our Company since August 2020. He has more than 15 years of working experience. Mr. Yang worked as a vice president and chief executive officer responsible for strategy formulation and operation management of Beijing Century Yaolan Network Technology Co., Ltd. (北京世紀搖籃網絡技術有限公司) successively. Then he served as a vice president responsible for assisting the chairman of the group in participating in post-investment management and innovative integration of group cluster companies of Shanghai Tianyi Investment (Group) Co., Ltd. (上海天億投資(集團)有限公司) and acted as a chief executive officer responsible for strategy formulation and operation management of Chengdu Tiandiwang Information Technology Co., Ltd. (成都天地網信息科技有限公司), which was held by Shanghai Tianyi Investment (Group) Co., Ltd. (上海天億投資(集團)有限公司). Mr. Yang graduated from Jilin University (吉林大學) with a bachelor's degree in engineering and from China Europe International Business School (中歐國際工商學院) with a master's degree in business administration. Mr. Yang was a director of Bencao Zhenxuan (Chengdu) Network Technology Co., Ltd. (本草珍選(成都)網絡科技有限公司), a company established in the People's Republic of China and engaged in the internet business, which was deregistered in June 2020 due to voluntary cessation of its business. Mr. Yang confirmed that the company was solvent at the time of it being deregistered and there was no wrongful act on his part leading to such deregistration and he is not aware of any actual or potential claim that has been or will be made against him as a result of the deregistration, and that his involvement in the above company was part and parcel of his services as a director of such company and that no misconduct or misfeasance had been involved in the deregistration of such company.

**楊國先生**，37歲，自2020年8月起擔任本公司執行董事及執行總裁。彼有超過15年工作經驗。楊先生先後為北京世紀搖籃網絡技術有限公司副總裁和首席執行官，負責公司戰略制定及運營管理，之後為上海天億投資(集團)有限公司副總裁，負責協助集團董事長參與集團集團公司的投資後管理及創新整合，並擔任上海天億投資(集團)有限公司旗下的成都天地網信息科技有限公司首席執行官，負責公司戰略制定及運營管理。楊先生畢業於吉林大學，並取得工學學士學位及畢業於中歐國際工商學院，並取得工商管理碩士學位。楊先生在本草珍選(成都)網絡科技有限公司任職董事，該公司於中華人民共和國成立及從事互聯網業務，並於2020年6月因自願終止業務而註銷。楊先生確認，該公司於註銷之時屬有償付能力及本身並無行事不當以致該註銷，且彼並不知悉因註銷而已或將面對任何實際或潛在申索，且其參與上述公司為其擔任該公司董事的不可或缺的一部份及在註銷該公司中並無涉及任何不當行為或不法行為。



## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員 (續)

**Mr. Wei Rongda (魏榮達)**, aged 37, is an executive Director and a vice president of our Company since August 2020. He is currently the general manager of the operation management department of the Group. Mr. Wei joined Shanxi Modern Woman Hospital (山西現代婦產醫院) in March 2005 and was the general manager of Weihai Modern Woman Hospital (威海現代婦產醫院) from April 2008 to December 2012. Mr. Wei acted as the general manager of Heilongjiang HarMoniCare Hospital (黑龍江和美婦產醫院), a subsidiary of the Group from December 2012 to July 2020, and a district general manager of the Group who was in charge of the operation management of Heilongjiang HarMoniCare Hospital (黑龍江和美婦產醫院), Wuhan Modern Hospital (武漢現代醫院) and Wuxi HarMoniCare Hospital (無錫和美醫院) from September 2018 to July 2020, and began to serve as the general manager of the operation management department of the Group from July 2020. Mr. Wei holds a master's degree in project management from China University of Geosciences (中國地質大學). Ms. Zhang Jinghua (張敬華), the spouse of Mr. Wei, is the sister of Ms. Zhang Qinghua (張慶華), who is the spouse of Mr. Lin Yuming (the chairman, an executive director and president of the Company).

#### Non-executive Directors

**Mr. Lin Yuguo (林玉國)**, aged 48, is the brother of Mr. Lin Yuming and a non-executive Director. He is also a member of the Remuneration Committee. Mr. Lin joined our Group in July 2014 and has served as a director of HarMoniCare Management since July 2014. He also serves as a director of Honeycare International Investment Limited, our substantial Shareholder. Mr. Lin is the organizer of Changsha Liren Obstetrics and Gynecology Hospital (長沙麗人婦產醫院) since March 2007. Mr. Lin has served as a director of Bosheng Medical since December 2007. He has also served as the chairman of the board of Shanghai Mayo Hospital Investment Co., Ltd. (上海美奧醫院投資管理有限公司) since August 2008, mainly responsible for the general management of the company. Mr. Lin obtained a certificate of completion in modern hospital management from PKU-HKUST ShenZhen-HongKong Institution in May 2006. Mr. Lin also obtained an executive master of business administration degree from Fudan University in January 2010.

**魏榮達先生**，37歲，自2020年8月起擔任本公司執行董事及副總裁。彼現為本集團運營管理部總經理。魏先生於2005年3月入職山西現代婦產醫院及於2008年4月至2012年12月為威海現代婦產醫院總經理。魏先生於2012年12月至2020年7月出任本集團之附屬公司黑龍江和美婦產醫院總經理，於2018年9月至2020年7月為本集團片區總經理，分管黑龍江和美婦產醫院、武漢現代醫院及無錫和美醫院運營管理工作，及於2020年7月開始出任本集團運營管理部總經理。魏先生持有中國地質大學工程管理碩士學位。魏先生的配偶張敬華女士為張慶華女士(本公司主席、執行董事兼總裁林玉明先生的配偶)的姐妹。

#### 非執行董事

**林玉國先生**，48歲，林玉明先生的胞弟，為非執行董事。彼亦為薪酬委員會成員。林先生於2014年7月加入本集團，並自2014年7月起擔任和美醫療管理的董事。彼亦為我們的主要股東Honeycare International Investment Limited的董事。林先生自2007年3月起為長沙麗人婦產醫院的舉辦者。林先生自2007年12月起擔任博生醫療董事。彼自2008年8月起同時擔任上海美奧醫院投資管理有限公司的董事長，主要負責公司的綜合管理。林先生分別於2006年5月及2010年1月獲得北京大學香港科技大學深圳研修院現代醫院管理結業證書及復旦大學行政工商管理碩士學位。

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員 (續)

**Mr. Qiu Jianwei (邱建偉)**, aged 44, is a non-executive Director and a member of the Audit Committee. Mr. Qiu had been the assistant general manager of the Direct Investment Department of Taikang Assets Management Co., Ltd. and the investment director of Taikang Community Investment Company Limited ("Taikang Community") since he joined Taikang Life Insurance Company Limited ("Taikang") in 2002. Mr. Qiu has been the director of TK Harmony Limited since November 2016, the vice president and chief investor officer of Taikang Healthcare Investment Holdings Limited since April 2018 to December 2019, the general manager of TaiKang Healthcare Fund Management Co. Ltd since December 2018 and the chief executive officer of Taikang Community since December 2019, mainly responsible for the investment in and operation management of commercial real estate, high-end elderly communities, tertiary hospitals, specialist chain medical institutions, reform of private hospitals and other projects in the first and second tier core cities in China such as Beijing, Shanghai, Guangzhou, Shenzhen, Sanya, Suzhou, Nanjing, Chengdu, Wuhan, Hangzhou, Nanchang, Xiamen, Shenyang, Changsha, Nanning, Hefei, Wenzhou and Kunming, respectively, which cover an aggregated area of approximately 4 million m<sup>2</sup> with a total investment of over RMB70 billion. Mr. Qiu was graduated in Beijing Normal University and obtained a bachelor's degree in international economics. He is also a postgraduate of Finance of the Research Institute of The People's Bank of China. Mr. Qiu holds the Certification of Fund Professional of Asset Management Association of China and has become a member representative of Shanghai Insurance Exchange since 5 December 2016.

**邱建偉先生**，44歲，本公司非執行董事及審核委員會成員。自2002年加入泰康人壽保險有限責任公司（「泰康」）以來歷任泰康資產管理有限責任公司直接投資部助理總經理和泰康之家投資有限公司（「泰康之家」）投資總監。邱先生自2016年11月起擔任TK Harmony Limited的董事、自2018年4月起至2019年12月擔任泰康健康產業投資控股有限公司副總裁兼首席投資官、自2018年12月起擔任泰康健康產業基金管理有限公司總經理以及自2019年12月起擔任泰康之家執行總裁，主理北京、上海、廣州、深圳、三亞、蘇州、南京、成都、武漢、杭州、南昌、廈門、沈陽、長沙、南寧、合肥、溫州及昆明等全國一、二線核心城市的商業不動產、高端養老社區、三級醫院、專業連鎖醫療機構的投資及經營管理、私立醫院改革及其他項目，涵蓋總面積約4,000,000平方米，投資總額逾人民幣700億元。邱先生畢業於北京師範大學取得國際經濟學學士學位，並為中國人民銀行研究生部金融學研究生。邱先生持有中國證券投資基金業協會的基金從業資格證，並於2016年12月5日起為上海保險交易所的會員代表。

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員 (續)

**Mr. Xu Jun (徐軍)**, aged 52, is a non-executive Director and a member of the Nomination Committee. Mr. Xu is the managing director/person-in-charge of Strategic Equity Investment Department of Taikang Assets Management Co., Ltd. since April 2016 and is responsible for strategic equity investment. He has been appointed as a director of Sichuan He Fu Yi Group Company Limited (四川和福醫頤集團股份有限公司) since September 2016, a director of TK Harmony Limited since November 2016, a legal person and director of Beijing Tongtai Glory Enterprise Management Company Limited (北京通泰輝煌企業管理有限公司) since April 2017 to March 2019, a director of Beijing Jinsong Dental Hospital Investment Management Company Limited (北京勁松口腔醫院投資管理有限公司) from August 2017 to October 2019, a director of TaiKang Healthcare Fund Management Co. Ltd since December 2018, a director of TK Healthcare Investment Limited since April 2019, a director and legal representative of Shanghai Shengxu Health Management Consulting Co., Ltd\* (上海昇煦健康管理諮詢有限公司) since July 2019, a director of Shanghai Jiaoteng Medical Management Co., Ltd. (上海蛟騰醫療管理有限公司) since March 2020, a director of TK Dental Limited since July 2020 and a director of Dingdang Medicine (Beijing) Technology Co., Ltd. (叮噹快藥科技集團有限公司) since September 2020. Mr. Xu was a senior analyst of Exis Consulting Company in New York, United States of America from February 1995 to March 1997 responsible for the analysis of bonds in emerging markets; director of Bank Paribas in New York, United States of America from April 1997 to May 2002 responsible for bonds and foreign exchange business; deputy general manager of First-Trust Fund Management in Shanghai from October 2002 to May 2004 responsible for investment research; general manager of China Region of Principal Financial Group from June 2004 to October 2005 responsible for the group's business in China; deputy general manager of the headquarters of CCB Principal Asset Management, Beijing from November 2005 to January 2010 responsible for financial engineering and risk management etc.; general manager of China Region of Ashmore Investment Management Company from February 2010 to April 2016 responsible for the group's business in China. Mr. Xu was graduated in Shanghai Jiao Tong University and obtained a bachelor's degree in Applied Physics. He obtained a doctorate degree in Physics from Columbia University.

**徐軍先生**，52歲，本公司非執行董事及提名委員會成員。徐先生於2016年4月起獲委任為泰康資產管理有限責任公司戰略股權投資部董事總經理／部門負責人，負責戰略股權投資業務。彼於2016年9月起獲委任為四川和福醫頤集團股份有限公司董事；於2016年11月起獲委任為TK Harmony Limited董事；於2017年4月起至2019年3月擔任北京通泰輝煌企業管理有限公司法人及董事；自2017年8月至2019年10月獲委任為北京勁松口腔醫院投資管理有限公司董事；自2018年12月起擔任泰康健康產業基金管理有限責任公司董事；自2019年4月起擔任TK Healthcare Investment Limited董事；自2019年7月起擔任上海昇煦健康管理諮詢有限公司董事及法律代表；自2020年3月起擔任上海蛟騰醫療管理有限公司董事；自2020年7月起擔任TK Dental Limited董事以及自2020年9月起擔任叮噹快藥科技集團有限公司董事。徐先生於1995年2月至1997年3月為美國紐約Exis顧問公司高級分析師，負責新興市場債券的分析；於1997年4月至2002年5月為美國紐約百利銀行董事，負責債券、外匯等業務；於2002年10月至2004年5月為上海泰信基金副總經理，負責投資研究；於2004年6月至2005年10月為美國信安金融集團中國區總經理，負責集團的中國業務；於2005年11月至2010年1月為北京建信基金總部副總經理，負責金融工程、風險監控等；於2010年2月至2016年4月為英國安石投資管理公司中國區總經理，負責集團的中國業務。徐先生畢業於上海交通大學取得應用物理學學士學位，及於哥倫比亞大學取得物理學博士學位。

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員 (續)

#### Independent Non-executive Directors

**Ms. Fang Lan (方嵐)**, aged 50, joined our Group in March 2015 and is an independent non-executive Director. She is also the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. Prior to joining our Group, Ms. Fang is the chairman of the board of directors of Shanghai Krdream Consulting Co., Ltd. ("Shanghai Krdream") since August 2010, mainly responsible for overall management and operation. Ms. Fang served as the finance director of InBev Management (Shanghai) Co., Ltd. (英博企業管理(上海)有限公司) from June 2007 to June 2010, mainly responsible for financial management. Ms. Fang has also served as an independent director of Zhejiang Hexin Industry Group Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002343) from May 2014 to August 2015. Ms. Fang obtained a bachelor's degree in science from Oxford Brookes University in 2007. Ms. Fang obtained a Certified Public Accountant (CPA) certificate from the Shanghai Institute of Certified Public Accountants in December 2009, and an Associate of Chartered Certified Accountant (ACCA) certificate from the Association of Chartered Certified Accountants in March 2006. Ms. Fang also obtained a certificate of completion in independent director qualification training from the Shenzhen Stock Exchange in April 2014.

#### 獨立非執行董事

**方嵐女士**，50歲，於2015年3月加入本集團，為獨立非執行董事。彼亦為審核委員會主席及薪酬委員會及提名委員會成員。加入本集團前，方女士自2010年8月起擔任上海坤睿企業管理諮詢有限公司「上海坤睿」董事會主席，主要負責整體管理及營運。方女士於2007年6月至2010年6月擔任英博企業管理(上海)有限公司的財務總監，主要負責財務管理。方女士亦於2014年5月至2015年8月擔任深圳證券交易所上市公司浙江禾欣實業集團股份有限公司(證券代碼：002343)獨立董事。方女士於2007年取得牛津布魯克斯大學理學學士學位，於2009年12月取得上海註冊會計師協會的註冊會計師證書，2006年3月取得特許公認會計師公會的特許公認會計師證書。方女士亦於2014年4月取得深圳證券交易所獨立董事資格培訓結業證書。



## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員 (續)

**Mr. Cai Jiangnan (蔡江南)**, aged 63, joined our Group in March 2015, is an independent non-executive Director. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Prior to joining our Group, Mr. Cai assumed various positions including human services program planner, reimbursement analyst, and contract program coordinator at the Center for Health Information and Analysis at Massachusetts from April 1999 to June 2012. Mr. Cai has served as a full-time professor in economics and the director at the Centre for Healthcare Management and Policy of China Europe International Business School (中歐國際工商學院) since April 2012. Mr. Cai has also served as an independent director of Zhejiang Dian Diagnostics Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 300244), from May 2014 to September 2020 and an independent non-executive director of Shanghai Pharmaceuticals Holding Co., Ltd., a company listed on the HKEx (Stock code: 2607) and the Shanghai Stock Exchange (Stock code: 601607), since June 2016. Mr. Cai was appointed as an independent director and independent non-executive director of WuXi AppTec Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock code: 603259) and HKEx (Stock code: 2359) respectively, with effect from March 2017 and an independent director of Betta Pharmaceuticals Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 300558), since November 2019. Mr. Cai obtained a master's degree in economics from Fudan University in 1985 and a doctorate's degree in philosophy from Brandeis University in February 1997. Mr. Cai also obtained a certificate in training for senior management of public companies from the Shenzhen Stock Exchange in April 2014. He obtained a Sun Yefang Award in economic science paper in 1991 from Sun Yefang Foundation (孫冶方經濟科學基金會), and an Excellent Paper Award in Shanghai Federation of Social Science Associations Seventh Annual Academic Seminar from Shanghai Federation of Social Science Associations (上海市社會科學界聯合會) in 2009.

蔡江南先生，63歲，於2015年3月加入本集團，為獨立非執行董事。彼亦為審核委員會、薪酬委員會及提名委員會成員。加入本集團之前，蔡先生於1999年4月至2012年6月擔任麻塞諸塞州衛生資訊及分析中心(Center for Health Information and Analysis)多個職位，包括人類服務計劃設計者、補償額分析師及合約項目協調人。蔡先生自2012年4月起擔任中歐國際工商學院衛生管理與政策中心經濟系全職教授兼主任。蔡先生亦自2014年5月起至2020年9月擔任深圳證券交易所上市公司浙江迪安診斷技術股份有限公司(證券代碼：300244)獨立董事，及自2016年6月起擔任香港交易所上市公司(股份代號：2607)及上海證券交易所上市公司(證券代碼：601607)上海醫藥集團股份有限公司的獨立非執行董事。蔡先生自2017年3月起獲委任為上海證券交易所上市公司(證券代碼：603259)及聯交所上市公司(股份代號：2359)無錫藥明康德新藥開發股份有限公司獨立董事及獨立非執行董事以及自2019年11月起擔任深圳證券交易所上市公司貝達藥業股份有限公司(證券代碼：300558)獨立董事。蔡先生於1985年取得復旦大學經濟學碩士學位，於1997年2月取得布蘭迪斯大學哲學博士學位。蔡先生於2014年4月取得深圳證券交易所上市公司高級管理層培訓證書。彼於1991年取得孫冶方經濟科學基金會的孫冶方獎經濟科學論文獎，及於2009年取得上海市社會科學界聯合會的上海市社會科學界第七屆學術研討會最佳論文獎。

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員 (續)

**Ms. Hsu Wai Man Helen (徐慧敏)**, aged 50, is an independent non-executive Director of our Company since August 2020. She is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. She has over 20 years' experience in accounting. Ms. Hsu graduated from The Chinese University of Hong Kong with a bachelor's degree in business administration. Ms. Hsu had been working in Ernst & Young for 18 years and was a partner of Ernst & Young before she retired from the firm in February 2011. She is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants.

Ms. Hsu is currently an independent non-executive director of Richly Field China Development Limited (stock code: 0313), Perfect Shape Medical Limited (stock code: 1830), China Display Optoelectronics Technology Holdings Limited (stock code: 334) and Beijing Gas Blue Sky Holdings Limited (stock code: 6828), the shares of which are listed on the Main Board of the HKEx, and Perfect Optronics Limited (stock code: 8311), the shares of which are listed on GEM of the HKEx. Ms. Hsu was an independent non-executive director of BC Technology Group Limited (the shares of which are listed on the Main Board of the HKEx, stock code: 0863) from April 2012 to May 2018, and an independent non-executive director of Circle International Holdings Limited (the shares of which are listed on the National Stock Exchange of Australia (NSX), stock code: CCH) from September 2017 to May 2020.

**徐慧敏女士**，50歲，自2020年8月起擔任本公司獨立非執行董事。彼亦為薪酬委員會主席及審核委員會及提名委員會成員。彼擁有逾20年會計經驗。徐女士畢業於香港中文大學取得工商管理學士學位。徐女士曾在安永會計師事務所任職18年，於2011年2月退任安永會計師事務所的合夥人。彼為香港會計師公會資深會員及美國註冊會計師協會會員。

徐女士現為香港交易所主板上市的裕田中國發展有限公司(股份代號：0313)、必瘦站醫學美容有限公司(股份代號：1830)、華顯光電技術控股有限公司(股份代號：334)及北京燃氣藍天控股有限公司(股份代號：6828)和在香港交易所創業板上市的圓美光電有限公司(股份代號：8311)的獨立非執行董事。徐女士曾於2012年4月至2018年5月擔任BC科技集團有限公司(其股份於香港交易所主板上市，股份代號：0863)的獨立非執行董事，以及於2017年9月至2020年5月擔任Circle International Holdings Limited(其股份於澳洲證券交易所(NSX)上市，股份代號：CCH)的獨立非執行董事。

## SENIOR MANAGEMENT

For the biographical details of Mr. Lin Yuming, Mr. Yang Guo and Mr. Wei Rongda, please see “— Directors — Executive Directors”.

**Mr. Chen Longzhen (陳隆禎)**, aged 63, is the chief financial officer and a vice president of our Company since August 2020. Mr. Chen had been the acting chief financial officer of the Group from December 2019 to August 2020. Mr. Chen served as the finance manager of Shandong Huimin Huarun Textile Co., Ltd. (山東惠民華潤紡織有限公司) from December 1999 to October 2001. Mr. Chen successively served as an assistant of general manager and finance director of China Resources Jinhua Co., Ltd. (華潤錦華股份有限公司) (currently known as Skyworth Digital Co., Ltd. (創維數字股份有限公司)), listed on the Shenzhen Stock Exchange (stock code: 000810) from October 2001 to February 2004. Mr. Chen served as a finance director of Shandong Juli Co., Ltd. (山東巨力股份有限公司) (currently known as Weichai Heavy Machinery Co., Ltd. (濰柴重機股份有限公司)), listed on the Shenzhen Stock Exchange (stock code: 000880) from March 2004 to August 2005. Mr. Chen served as a finance director of Gaode Zhongcai Technology Co., Ltd. (高德中彩科技有限公司) from August 2006 to March 2008, and a finance director of Xiamen Tianwei Industrial Co., Ltd. (廈門天威實業有限公司) from March 2008 to May 2010. Mr. Chen served as a vice finance director and vice director in securities investment department of Bosheng Medical Investment Co., Ltd. (博生醫療投資股份有限公司) from June 2010 to February 2015, mainly responsible for management of finance, securities and investment. Mr. Chen served as the chief financial officer of the Group from March 2015 to August 2017, mainly responsible for general finance management of the Group. Mr. Chen obtained an associate degree in industry accounting from Shandong TV University (山東廣播電視大學) in July 1986, and studied in economics management at Shandong Cadres Correspondence University (山東幹部函授大學) from July 1994 to June 1997. Mr. Chen also obtained the qualification of senior accountant from Human Resources and Social Security Department of Shandong Province (山東省人力資源和社會保障廳) in November 1997.

## 高級管理人員

有關林玉明先生、楊國先生及魏榮達先生的簡歷詳情，請參閱「— 董事 — 執行董事」。

**陳隆禎先生**，63歲，自2020年8月起擔任本公司的財務總監及副總裁。陳先生自2019年12月至2020年8月擔任本集團代理財務總監。陳先生自1999年12月至2001年10月擔任山東惠民華潤紡織有限公司財務經理。陳先生自2001年10月至2004年2月先後擔任華潤錦華股份有限公司(現稱創維數字股份有限公司，於深圳證券交易所上市，證券代碼：000810)總經理助理及財務總監。陳先生自2004年3月至2005年8月擔任山東巨力股份有限公司(現稱濰柴重機股份有限公司，於深圳證券交易所上市，證券代碼：000880)財務總監。陳先生自2006年8月至2008年3月任高德中彩科技有限公司財務總監，自2008年3月至2010年5月擔任廈門天威實業有限公司財務總監。陳先生自2010年6月至2015年2月擔任博生醫療投資股份有限公司財務副總監及證券投資部門副總監，主要負責財務、證券及投資管理。陳先生於2015年3月至2017年8月擔任本集團的財務總監，主要負責本集團一般財務管理。陳先生於1986年7月獲得山東廣播電視大學工業會計大專文憑，於1994年7月至1997年6月在山東幹部函授大學學習經濟管理，亦於1997年11月取得山東省人力資源和社會保障廳高級會計師資格。

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高級管理人員 (續)

**Mr. Li Wenfeng (李文鳳)**, aged 65, joined our Group in January 2015, is the uncle of Mr. Lin Yuming and a vice president of our Company. Mr. Li has served as vice president of HarMoniCare Management since January 2015, mainly responsible for procurement and internal administration. Mr. Li served as deputy general manager of Shanxi Modern Hospital from August 2003 to December 2007, and the vice president of Bosheng Medical from December 2007 to December 2014, mainly responsible for management of logistics department, audit department, president's office, information department and medical management department. Mr. Li has also served as the supervisor of some other members of the Group, such as (i) Shanxi Wo De Investment since October 2009; (ii) Tai He Tang since April 2013; (iii) Chongqing Wanzhou HarMoniCare Hospital since December 2013; (iv) Chongqing Fuling HarMoniCare Hospital since December 2013; (v) Beijing HarMoniCare Hospital since December 2013; (vi) Guiyang HarMoniCare Obstetrics and Gynecology Hospital since August 2014; and (vii) Chongqing Modern Hospital since April 2014. Mr. Li has served as a director of Nantong Hemeijia Hospital, a member of the Group since July 2017. Mr. Li obtained a certificate of completion in modern hospital management from School of Continuing Education, Tsinghua University in September 2010.

**李文鳳先生**，65歲，於2015年1月加入本集團，為林玉明先生的舅舅，是本公司副總裁。李先生自2015年1月起擔任和美醫療管理的副總裁，主要負責採購和內部行政。李先生於2003年8月至2007年12月擔任山西現代醫院副總經理，由2007年12月至2014年12月起擔任博生醫療副總裁，主要負責管理物流部門、核數部門、總裁辦公室、信息部門及醫療管理部門。李先生亦為本集團若干其他成員公司的監事，包括(i)山西沃德投資(自2009年10月起)；(ii)太和堂(自2013年4月起)；(iii)重慶萬州和美醫院(自2013年12月起)；(iv)重慶涪陵和美醫院(自2013年12月起)；(v)北京和美醫院(自2013年12月起)；(vi)貴陽和美婦產醫院(自2014年8月起)；及(vii)重慶現代醫院(自2014年4月起)。李先生自2017年7月起擔任本集團成員公司南通和美家醫院的董事。李先生於2010年9月取得清華大學繼續教育學院現代醫院管理結業證書。



The Directors are pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2018.

#### PRINCIPAL ACTIVITIES

The Company, together with its subsidiaries, is mainly engaged in provision of high-quality healthcare services to women and children. Tai He Tang, our subsidiary, is engaged in distribution and sales of pharmaceuticals and medical devices (which include medical consumables) to associated companies and Independent Third Parties. The Company is an investment holding company and its subsidiaries are principally engaged in the healthcare industry specializing in ob-gyn and paediatrics.

A list of the Company's subsidiaries, together with their places of incorporation, principal activities and particulars of their issued shares/paid up capital, is set out in note 43 to the consolidated financial statements in this annual report.

#### BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on the Group's future business development and the financial and operational key performance indicators employed by the Directors in measuring the performance of our business are set out in the sections headed "Chairman's Statement" on pages 6 to 7 of this annual report, "Financial Summary" on page 8 of this annual report, and "Management Discussion and Analysis — Business Overview and Outlook" on pages 10 to 13 of this annual report. The financial risk management objectives and policies of the Group are set out in note 6 to the consolidated financial statements in this annual report. Significant events that have an effect on the Group subsequent to the financial year ended 31 December 2018 are set out in note 45 to the consolidated financial statements in this annual report. Besides, principal risks and uncertainties faced by the Group, key relationship between the Group and its employees, customers and suppliers, environmental policies of the Group and compliance with the relevant laws and regulations which have significant impact are set out below.

董事欣然提呈本年報以及本集團截至2018年12月31日止年度的經審核綜合財務報表。

#### 主要業務

本公司連同其附屬公司主要從事為婦女兒童提供高品質的醫療健康服務以及我們的附屬公司太和堂向聯營公司及獨立第三方分銷及銷售藥品與醫療設施(包括醫療耗材)。本公司為一間投資控股公司,其附屬公司主要從事婦兒專科醫療健康行業。

本公司附屬公司列表連同其註冊成立地點、主要業務及其已發行股份/繳足股本之詳情載於本年報中的綜合財務報表附註43。

#### 業務審視

有關本集團年內業務的審視、對本集團未來業務發展的論述及董事於計量本集團業務表現時所使用的財務及經營關鍵表現指標載於本年報第6至7頁的「主席報告」、本年報第8頁之「財務概要」及本年報第10至13頁之「管理層討論及分析—業務回顧及展望」。本集團的財務風險管理目標及政策載於本年報中的綜合財務報表附註6。截至2018年12月31日止財政年度後發生並對本集團有影響的重大事件載於本年報中綜合財務報表附註45。此外,有關本集團面臨的主要風險及不明朗因素、本集團與其僱員、顧客及供應商的重要關係、本集團的環保政策以及有重大影響的相關法律及規例之遵守情況載列如下。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

#### Key Risks and Uncertainties

The Group's results and operations are subject to various factors with the key risks summarised below:

#### Reputation risk

Our business depends significantly on the soundness of our reputation. Failure to develop, maintain and enhance our reputation, or any negative publicity or allegations in the media against us, may adversely affect the level of market recognition of, and trust in, our services, and failure to properly manage our physicians' or other medical staff's clinical activities may expose us to medical disputes, which could result in a material adverse impact on our business, financial condition and results of operations. Our reputation and business may be harmed accordingly.

In order to effectively protect the reputation of the Group, our department responsible for publicity monitors around the clock and swiftly reacts to public opinions and information, and actively collects feedback from our customers and employees, with a view to protecting their benefits and legal rights. In addition, all of our hospitals implement The Procedures and Management on Complaints Handling to improve satisfaction of our customers. The Group has an Anti-Corruption Policy in place and relevant departments assess risk of corruption regularly.

At the end of 2018, Shenzhen HarMoniCare Hospital of the Group was involved in the "gene-edited baby" incident, which resulted in a large number of negative reports from the media and had a huge impact on the Company's brand image. The Company conducted an internal review and verification on this incident, made clarifications immediately and actively sought investigation from public security organs. At present, Shenzhen Municipal Health Commission has found out that the ethics review letter alleged by the media to have been issued by Shenzhen HarMoniCare Hospital was a forgery. After the incident, the Group focused on strengthening the internal review of the implementation of the relevant systems so as to root out the occurrence of adverse events in the future and maintain the Group's brand reputation.

#### 主要風險及不確定性因素

本集團的業績及業務運營受多個因素的影響，主要風險概述如下：

#### 聲譽風險

我們的業務主要倚賴本身良好的聲譽，未能建立、保持並提高聲譽或任何負面宣傳或媒體對我們的指控可能會使市場對我們服務的認可及信任程度產生不利影響，以及未能妥善管理醫師或其他醫療人員的診療工作可能令我們牽涉醫療糾紛，進而對我們的業務、財務狀況及經營業績產生重大不利影響。我們的聲譽及業務或會因此受損。

為有效保障本集團聲譽，我們負責處理公眾信息的工作部門輪值監測並及時應對相關輿論信息，積極收集客戶及員工反饋，保障客戶及員工的利益及合法權益。另外，各醫院均執行《客戶投訴處理管理程序》以提升客戶滿意度。本集團建立了《反舞弊管理制度》，定期組織相關部門開展舞弊風險排查。

2018年底，本集團深圳和美醫院涉及一場「基因編輯嬰兒」意外事件，導致大量媒體負面報導並對本公司品牌形象產生巨大影響。本公司就該意外事件進行內部審查及核證，並立即做出澄清且積極配合公共安全機關的調查。目前，深圳市衛生健康委員會已查明，媒體聲稱深圳和美醫院已發佈的倫理審查函屬偽造。於該意外事件後，本集團專注加強相關系統實施的內部審查，以杜絕日後不利事件的發生並維持本集團品牌聲譽。

### Customer risk

As we provide mid-to-high-end healthcare services, our business, financial condition and results of operations are subject to changes in patient preference, consuming power, consumer confidence index and general economic conditions in our respective markets.

Adhering to the customer-oriented principle, we actively satisfy our customers' demands for high-quality healthcare services by providing one-stop and variable services. Meanwhile, we collect the opinions and suggestions of our customers from various channels to improve the quality of our healthcare services. In the course of business operation, we conduct market analysis on existing and potential customers to fully understand the change of preference, consumption power and other indicators of customers.

### Talent risk

If we are unable to attract, train and retain a sufficient number of qualified physicians, management staff and other hospital personnel, our hospital operations could be materially and adversely affected. Please refer to the section headed "Staff" below for our policies regarding recruiting and retaining our staff members.

See the section headed "Staff" below for further details regarding the measures we undertake to attract, retain and develop talents.

### Key Relationships

The Group ardently believes that employees, customers and partners are key to our sustainable and stable development. We are committed to establishing a close relationship with our employees, enhancing cooperation with our partners and providing high-quality services to our customers so as to ensure the Group's sustainable development.

### 客戶風險

由於我們提供中高端醫療服務，我們的業務、財務狀況及經營業績受病人偏好變化、消費能力、消費者信心指數及各市場的整體經濟狀況影響。

我們秉承「一切以客戶為中心」的宗旨，通過提供一站式和差異化的服務，積極滿足客戶對高品質醫療服務的各项需求。同時透過多樣化的渠道徵詢客戶的意見和建議，不斷提升集團的醫療服務質量，並在業務經營中，對現有客戶及潛在的消費群體進行針對性的市場分析，以充分了解客戶的偏好、消費能力及各項指標的變化。

### 人才風險

若我們無法吸引、培訓及挽留足夠的合資格醫師、管理人員及其他醫務人員，我們醫院的業務可能會受到重大不利影響。有關我們招聘及挽留員工的政策，請參閱以下「員工」一節。

有關我們採取引進、僱用和培養人才措施之進一步詳情，請參照以下「員工」一節的描述。

### 重要關係

本集團深明員工、顧客和合作夥伴是我們持續穩定發展的關鍵。我們致力與員工建立緊密聯繫，與合作夥伴協力同心，為顧客提供優質的服務，以實現本集團的可持續發展。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

#### Staff

Our staff is regarded as one of the most important resources of the Group. The Group has been endeavouring to provide our staff with a fair and harmonious workplace where individuals with diverse cultural backgrounds are treated equally. We offer a competitive remuneration package and opportunities for career advancement based on employees' performance. The Group grants share options and share awards to outstanding employees to recognise and reward the employees who have contributed to the Group's development. The Group also provides our staff with regular trainings, including internal trainings and courses offered by professional organisations, so as to keep them abreast of the latest development of the Company, medical industry and various businesses.

#### Customers

In order to provide high-quality and safe medical services to customers, we strictly abide by the health policy for national medical and health industry and the international standards promulgated by the JCI and adhere to our "customer-oriented" service philosophy. We provide every patient with experienced medical staff and advanced technologies and facilities for diagnosis and treatment to best satisfy the medical needs of our customers. Meanwhile, we value feedback from customers and always seek to understand their thoughts through services feedback and customer satisfaction surveys. In addition, we also set up a customer service hotline to respond to any feedback and complaints from customers.

We generally do not extend any credit period to our patients. We allow a credit period of approximately 60 to 180 days for the hospital services provided to the patients which are settled by and due from medical and commercial insurance programs, and less than 90 days for the supply of pharmaceuticals and medical devices after issuing invoice. For an aging analysis of our trade receivable, please refer to note 29 to the consolidated financial statements in this annual report.

#### 員工

本集團視員工為最重要的資源之一，為員工提供公平和諧的工作環境，並提倡多元文化。本集團提供具競爭力的薪酬待遇，並根據員工的表現，提供不同的晉升機會。本集團向表現優秀的員工授予購股權及股份激勵，以表揚及獎勵對本集團的發展做出貢獻的員工。本集團為員工提供定期培訓，包括內部培訓和由專業機構提供的培訓課程，從而使員工對公司內部、醫療行業及各項業務的最新發展有所了解。

#### 客戶

為了給顧客提供優質安全的醫療服務，我們嚴格貫徹執行國家醫療衛生行業衛生政策和JCI國際標準，秉承顧客至上的服務理念，為每一位病人配備經驗豐富的醫護人員，運用先進的診療技術及設備，最大程度的滿足客戶的醫療需求。同時，我們非常重視顧客的意見，因此透過服務反饋和顧客滿意度調查了解他們的想法。此外，我們亦設立客戶服務熱線，用於處理顧客反饋和投訴。

我們通常不對病人延長信貸期，但病人以醫療及商業保險計劃支付醫療服務可獲約60至180天的信貸期，而開具發票後供應藥品及醫療設施有少於90天的信貸期。有關貿易應收款項的賬齡分析，請參閱載於本年報中的綜合財務報表附註29。



## Suppliers

We firmly believe that our suppliers are equally important in providing high-quality medical services. When selecting suppliers, we consider, among other things, their product range, pricing, reputation, service quality and delivery schedule. We require our suppliers to obtain requisite licenses and permits to operate their business, such as business licenses and GMP Certificates and/or GSP Certificates. We proactively communicate with our suppliers to ensure they are committed to delivering high-quality and high-standard medical equipment and drugs, and adopt a centralised procurement system to better control the quality of the medical supplies. We clearly state our professional integrity and specify various requirements including regulatory compliance, anticorruption and other business ethics in each contract we entered into with our suppliers.

Trade payables represent outstanding amounts due to our suppliers and other third parties. Trade payables are non-interest bearing. For an aging analysis of our trade payables, please refer to note 32 to the consolidated financial statements in this annual report.

## Environmental Policies

We are subject to various PRC laws, rules and regulations with regard to environmental matters, including hospital sanitation, disease control, disposal of medical waste, and discharge of wastewater, pollutants and radioactive substances. We have established systems and procedures in place concerning environmental protection, such as requiring all our hospitals to engage qualified service providers to dispose of medical waste and radioactive substances. For further details regarding various environmental policies applicable to us and our compliance measures, please refer to the Company's 2018 Environmental, Social and Governance Report. During the Review Period, our businesses were in compliance with all the relevant laws and regulations with regard to environmental protection in all material aspects.

## 供應商

我們堅信若要提供優質的醫療服務，供應商的角色亦同樣重要。在甄選供應商時，我們會考慮（其中包括）供應商的業務種類、價格、聲譽、服務質量及交貨時間，我們要求供應商取得營業執照及GMP認證及／或GSP認證等彼等經營業務必要的牌照及許可。我們積極與供應商溝通，以確保彼等提供高品質、高規格的醫療器械與藥品，並通過集中採購更好地控制醫療物資的質量。我們與供應商訂立合同時，均向合作方表述我們的職業操守，並明確各項要求，包括遵守法規、防止貪污賄賂等商業道德守則。

貿易應付款項指應付我們的供應商及其他第三方的款項。貿易應付款項為不計息，有關貿易應付款項的賬齡分析，請參閱載於本年報中的綜合財務報表附註32。

## 環保政策

我們須遵守多項有關環保事項的中國法律、規則及法規，包括醫院衛生、疾病防治、醫療廢物處理以及廢水、污染物及放射性物質排放。我們已制定環境保護相關制度、建立相關流程，如規定旗下所有醫院均委聘合格服務供應商處理醫療廢物及放射性物質。有關我們適用的環保政策以及我們的合規措施的進一步詳情，請參見本公司2018年環境、社會及管治報告。於回顧期間，我們的業務在所有重大方面均遵守環保相關法律及法規。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

#### Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in the PRC while the Company is a holding company incorporated in the Cayman Islands with its shares listed on the Main Board of the HKEx. Our establishments and operations accordingly should comply with relevant laws and regulations in the PRC, the Cayman Islands and Hong Kong. During the Review Period, our businesses were in compliance with all relevant laws and regulations in the PRC, the Cayman Islands and Hong Kong in all material aspects.

#### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2018 are set out in the section headed "Consolidated Statement of Profit or Loss and Other Comprehensive Income" on page 90 of this annual report.

The Board did not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: nil).

#### SHARE CAPITAL

Details of the movements in the share capital of the Company for the year ended 31 December 2018 are set out in note 37 to the consolidated financial statements in this annual report.

#### RESERVES

Details of the movements in the reserves of the Group for the year ended 31 December 2018 are set out in the section headed "Consolidated Statement of Changes in Equity" on pages 93 to 94 of this annual report.

#### DISTRIBUTABLE RESERVES

Under the Companies Law of the Cayman Islands, and subject to the provisions of the Articles of Association, the share premium account of the Company may be applied for distribution to shareholders provided that immediately following the date on which the distribution is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

As at 31 December 2018, the aggregate amount of distributable reserves, being share premium less accumulated loss of the Company was RMB576,983,000 (2017: share premium plus retained profits was approximately RMB1,304,462,000).

#### 遵守法律及法規

本集團的業務主要由本公司於中國內地的附屬公司開展，而本公司為於開曼群島註冊成立的控股公司，且本公司股份於香港交易所主板上市。因此，我們的成立及運營須遵守中國內地、開曼群島及香港的有關法律及法規。於回顧期間，我們的業務在所有重大方面均已遵守中國內地、開曼群島及香港的有關法律及法規。

#### 業績及股息

本集團截至2018年12月31日止年度的業績載於本年報第90頁的「綜合損益及其他全面收益表」一節。

董事會不建議派付截至2018年12月31日止年度末期股息(2017年：無)。

#### 股本

本公司截至2018年12月31日止年度的股本變動詳情載於本年報中的綜合財務報表附註37。

#### 儲備

本集團截至2018年12月31日止年度的儲備變動詳情載於本年報第93至94頁的「綜合權益變動表」一節。

#### 可分派儲備

根據開曼群島公司法及在章程細則條文的規限下，本公司的股份溢價賬可供分派給股東，惟緊隨建議分派日期後，本公司能於日常業務過程中支付到期債務。

於2018年12月31日，本公司的可分派儲備(即股份溢價減累計虧損)總額為人民幣576,983,000元(2017年：股份溢價及保留利潤約人民幣1,304,462,000元)。

**PROPERTY, PLANT AND EQUIPMENT**

Details of the movements in the Group's property, plant and equipment during the Review Period are set out in note 19 to the consolidated financial statements in this annual report.

**FINANCIAL SUMMARY**

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out in the section headed "Financial Summary" on page 8 of this annual report.

**DONATIONS**

Charitable and other donations made by the Group during the Review Period amounted to RMB42,177 (2017: RMB62,000).

**PLEDGE OF ASSETS**

As at 31 December 2018, the Group with a total net book value of approximately RMB20,610,000 were charged as collateral for the Group's borrowings (31 December 2017: approximately RMB Nil).

**MAJOR CUSTOMERS AND SUPPLIERS**

During the year ended 31 December 2018, no individual patient has contributed over 5% of our total revenue. During the Review Period, our five largest customers were corporate customers engaged in the supply of pharmaceuticals and medical devices business, who in aggregate contributed to less than 5% of our revenue during the Review Period.

Purchases from the Group's five largest suppliers in aggregate accounted for approximately 10.9% (2017: 19.9%) of the total purchases of the Group for the Review Period and purchases from the largest supplier accounted for approximately 8.73% (2017: 9.6%) of our total purchases.

To the best knowledge of the Directors, none of the Directors or any of their close associates (as defined in the Listing Rules) or Shareholders that owned more than 5% of the issued Shares had any direct or indirect interest in the five largest customers or the five largest suppliers of the Group during the Review Period.

**物業、廠房及設備**

於回顧期間本集團物業、廠房及設備的變動詳情載於本年報中的綜合財務報表附註19。

**財務概要**

本集團於過去五個財政年度的業績以及資產和負債概要載於本年報第8頁的「財務概要」一節。

**捐贈**

本集團於回顧期間作出之慈善及其他捐贈為人民幣42,177元(2017年：人民幣62,000元)。

**資產抵押**

於2018年12月31日，本集團賬面淨值總額約人民幣20,610,000元已就本集團借款押記作抵押物(2017年12月31日：約人民幣零元)。

**主要客戶及供應商**

截至2018年12月31日止年度，概無單個病人佔我們收益總額的5%以上。於回顧期間，我們的五大客戶為藥品及醫療設施供應業務的企業客戶，合共貢獻我們回顧期間收益比例低於5%。

向本集團五大供貨商的採購額合共佔本集團於回顧期間的採購總額約10.9%(2017年：19.9%)，以及向最大供貨商的採購額佔我們採購總額的約8.73%(2017年：9.6%)。

據董事所深知，於回顧期間，概無董事或彼等之任何緊密聯繫人(定義見上市規則)或擁有5%以上已發行股份的股東直接或間接擁有本集團的五大客戶或五大供貨商的權益。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

#### DIRECTORS

The Directors during the Review Period and up to the date of this Directors' Report are as follows:

##### Executive Directors

Mr. Lin Yuming (*Chairman and President*)

Mr. Fang Zhifeng (*Vice President*) (*resigned on 31 July 2020*)

Mr. Zhao Xingli (*resigned on 14 June 2020*)

Mr. Yang Guo (*Chief Executive Officer*) (*appointed on 11 August 2020*)

Mr. Wei Rongda (*Vice President*) (*appointed on 11 August 2020*)

##### Non-executive Directors

Mr. Lin Yuguo

Mr. Qiu Jianwei

Mr. Xu Jun

##### Independent Non-executive Directors

Mr. Kong Aiguo (*resigned on 24 August 2020*)

Ms. Fang Lan

Mr. Cai Jiangnan

Ms. Hsu Wai Man Helen (*appointed on 24 August 2020*)

In accordance with article 84(1) of the Articles of Association, Mr. Lin Yuming, Mr. Xu Jun, Mr. Qiu Jianwei and Ms. Fang Lan, who have held their offices as directors for more than three years, as well as Mr. Lin Yuguo and Mr. Cai Jiangnan, shall retire as Directors at the forthcoming AGM, and Mr. Yang Guo, Mr. Wei Rongda and Ms. Hsu Wai Man Helen, who were appointed by the Board during the Review Period, shall hold office only until the forthcoming AGM pursuant to article 83(3) of the Articles of Association. All of the above retiring Directors are eligible for re-election and will offer themselves for re-election thereat.

#### 董事

於回顧期間及截至本董事會報告日期的董事如下：

##### 執行董事

林玉明先生 (*主席兼總裁*)

方志鋒先生 (*副總裁*)

(*於2020年7月31日辭任*)

趙興力先生 (*於2020年6月14日辭任*)

楊國先生 (*執行總裁*)

(*於2020年8月11日獲委任*)

魏榮達先生 (*副總裁*)

(*於2020年8月11日獲委任*)

##### 非執行董事

林玉國先生

邱建偉先生

徐軍先生

##### 獨立非執行董事

孔愛國先生 (*於2020年8月24日辭任*)

方嵐女士

蔡江南先生

徐慧敏女士 (*於2020年8月24日獲委任*)

根據章程細則第84(1)條，林玉明先生、徐軍先生、邱建偉先生及方嵐女士 (已擔任董事職務超過三年) 以及林玉國先生和蔡江南先生須於應屆股東週年大會上退任董事職務。而根據章程細則第83(3)條，楊國先生、魏榮達先生及徐慧敏女士於回顧期間內獲董事會委任，因而彼等應擔任職務直至應屆股東週年大會為止。所有上述退任董事均符合資格重選並願意於應屆股東週年大會上膺選連任。



### THE BIOGRAPHY OF THE DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and the senior management of the Company are set out in the section headed "Directors and Senior Management" on pages 25 to 34 of this annual report.

### SERVICE CONTRACTS OF THE DIRECTORS

Each of the executive Directors has entered into a three-year service contract with the Company, subject to termination before expiry by either party giving not less than one month notice in writing to the other.

Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years and shall be terminable by either party giving not less than one month notice in writing to the other.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

### REMUNERATION OF THE DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and the five highest paid individuals in the Group are set out in note 16 to the consolidated financial statements in this annual report.

### EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2018, the Group had 3,983 employees (31 December 2017: 3,724), of which 3,948 employees (31 December 2017: 3,689) were involved in the general hospital services and management sector and 35 employees (31 December 2017: 35) in the supply of pharmaceuticals and medical devices sector. The remuneration policy and packages are reviewed annually by the management and the Remuneration Committee. The Group remunerates its employees based on their performance, work experience and the prevailing market rate. The remuneration packages include basic salary, double pay, commission, insurance and mandatory provident fund. The Group has adopted the Share Option Scheme and the Restricted Share Incentive Scheme to provide incentives or rewards to eligible participants for their contribution or potential contribution to the Group.

### 董事及高級管理人員簡歷

本公司董事及高級管理人員簡歷詳情載於本年報第25至34頁的「董事及高級管理人員」一節。

### 董事服務合約

每名執行董事皆與本公司訂立為期3年的服務合約，但任何一方可透過提前至少一個月向另一方發出書面通知在期滿前終止服務合約。

每名非執行董事及獨立非執行董事皆與本公司訂立初步為期3年的委任書，但任何一方可透過提前至少一個月向另一方發出書面通知終止委任書。

概無擬於應屆股東週年大會上膺選連任的董事已與本集團任何成員公司訂立僱主若不支付賠償金(法定賠償除外)則不得於一年內終止的服務合約。

### 董事酬金及五位最高薪人士

董事酬金及本集團五位最高薪人士的詳情載於本年報中的綜合財務報表附註16。

### 僱員和薪酬政策

截至2018年12月31日，本集團擁有3,983名僱員(2017年12月31日：3,724名)，其中3,948名僱員(2017年12月31日：3,689名)涉及一般醫院服務及管理領域，35名僱員(2017年12月31日：35名)涉及藥品及醫療器械供應領域。薪酬政策及組合由管理層及薪酬委員會每年進行檢討。本集團按僱員之工作表現、工作經驗及現行市價釐定僱員薪酬。薪酬組合包括基本薪金、雙薪、佣金、保險及強制性公積金。本集團已採納購股權計劃及限制性股份激勵計劃，以向合資格參與者就彼等對本集團之貢獻或潛在貢獻提供激勵或獎勵。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

The Group also organises professional and vocational trainings to its employees.

The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

#### INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company believes that all of the independent non-executive Directors are independent in accordance with the guidelines set out in the Listing Rules.

#### NON-COMPETITION UNDERTAKINGS

As disclosed in the Prospectus, Mr. Lin Yuming and Homecare, our then Controlling Shareholders, have undertaken to the Company in a deed of non-competition that, subject to and except as mentioned in the Prospectus, they would not, and would procure that none of their associates (other than any member of the Group) will directly or indirectly engage in any business which, directly or indirectly, competes or may compete with the Group's business in the PRC or any other places in which the Group carries on business. Each of them has confirmed in writing to the Company of their compliance with the deed of non-competition for disclosure in this annual report during the year ended 31 December 2018. No new business opportunity was informed by them as at 31 December 2018.

The independent non-executive Directors have reviewed the implementation of the deed of non-competition and are of the view that the non-competition undertakings have been complied with by Mr. Lin Yuming and Homecare for the year ended 31 December 2018.

本集團亦為僱員組織專業性和職業性的培訓。

董事酬金由薪酬委員會審閱，並經董事會批准。於釐定董事酬金時會考慮有關董事的經驗、職責及責任、所貢獻的時間、本公司的經營業績及現行市場情況。

#### 獨立非執行董事的獨立性

本公司已經根據上市規則第3.13條收到每名獨立非執行董事就其獨立性而作出的年度確認函。本公司認為，根據上市規則所載的指引，全體獨立非執行董事皆為獨立人士。

#### 不競爭承諾

如招股章程所披露，當時的控股股東林玉明先生及Homecare已於不競爭契據中向本公司承諾，在招股章程所述者規限下及除該等所述者外，彼等將不會及將促使彼等之聯繫人（除本集團任何成員公司外）不會於中國或本集團開展業務所在的任何其他地方從事任何直接或間接與本集團業務構成競爭或可能構成競爭的業務。彼等已各自向本公司書面確認，彼等於截至2018年12月31日止年度已遵守本年報所披露的不競爭契據。於2018年12月31日，彼等並無知會新業務機會。

獨立非執行董事已審閱不競爭契據的落實情況，並認為林玉明先生及Homecare於截至2018年12月31日止年度已遵守不競爭承諾。

**DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

Saved as disclosed in this annual report, as of 31 December 2018, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the business of the Group.

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS**

As at 31 December 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

**Long positions in Shares**

| Name of Director<br>董事姓名                                  | Nature of interest<br>權益性質                   | Number of Shares held<br>持有股份數目 | Approximate percentage<br>of shareholding<br>持股概約百分比% |
|---|--|---------------------------------|---|
| Mr. Lin Yuming <sup>(Note)</sup><br>林玉明先生 <sup>(附註)</sup> | Interest of controlled corporation<br>受控法團權益 | 218,252,390                     | 28.78   |

Note:

These Shares are held by Homecare, the 100% equity interest of which is owned by Mr. Lin Yuming. Therefore, Mr. Lin Yuming is deemed to be interested in these Shares.

**董事於競爭業務中之權益**

除本年報所披露者外，截至2018年12月31日，概無董事或彼等各自之聯繫人從事任何與本集團業務構成競爭或可能構成競爭的業務，或於其中擁有任何權益。

**董事及主要行政人員於本公司或其相聯法團之股份、相關股份及債券之權益及淡倉**

於2018年12月31日，董事及本公司最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有(a)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聯交所（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(b)記錄於按證券及期貨條例第352條須存置之登記冊內；或(c)根據標準守則須知會本公司及聯交所之權益及淡倉如下：

**於股份的好倉**

附註：

該等股份由Homecare持有，而林玉明先生擁有該公司100%股權，因此，林玉明先生被視為擁有該等股份的權益。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

Save as disclosed above, as at 31 December 2018, so far as is known to the Directors or chief executive of the Company, none of the Directors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

#### SHARE OPTION SCHEME

The Share Option Scheme was conditionally adopted pursuant to a resolution passed by the Shareholders on 9 June 2015, and became effective on the Listing Date.

##### 1. Purpose

The purpose of the Share Option Scheme is to provide an incentive or reward for Eligible Participants (defined below) for their contribution or potential contribution to the Company and/or any of its Subsidiaries.

##### 2. Eligible participants

Subject to and in accordance with the provisions of the Share Option Scheme and the Listing Rules, the Board may at its sole discretion grant options to any full-time or part-time employees of the Company, its subsidiaries or any entities in which the Group holds any equity interest, including (a) any executive and non-executive directors (including independent non-executive directors) of the Company, its subsidiaries or invested entities, (b) any executives (including president, senior vice president, vice president of the Group), central management (including general manager, director, deputy general manager and deputy director), management of president's office (including officer and deputy officer), department managers of divisions under respective centres, general managers and department managers of commercial management companies, senior management (including general manager and deputy general manager) of project companies and persons holding managerial positions of respective departments of the Company, its subsidiaries or invested entities.

除上述披露者外，於2018年12月31日，據董事或本公司最高行政人員所知，概無董事或本公司最高行政人員於本公司或其相聯法團之股份、相關股份及債券中擁有(a)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聯交所(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權益及淡倉)；或(b)須記錄於按證券及期貨條例第352條存置之登記冊內；或(c)根據標準守則須知會本公司及聯交所之權益或淡倉。

#### 購股權計劃

購股權計劃於2015年6月9日根據股東通過之決議案獲有條件採納，並於上市日期生效。

##### 1. 目的

購股權計劃旨在激勵或獎勵為本公司及／或其任何附屬公司作出貢獻或可能作出貢獻的合資格參與者(定義見下文)。

##### 2. 合資格參與者

根據購股權計劃和上市規則的條文，董事會可全權酌情將購股權授予本公司、其附屬公司或本集團持有任何股權的任何實體的任何僱員(全職或兼職)，包括(a)本公司、其附屬公司或投資公司的任何執行董事與非執行董事(包括獨立非執行董事)、(b)本公司、其附屬公司或投資公司的任何行政人員(包括本集團總裁、高級副總裁、副總裁)、中心管理層(包括總經理、總監、副總經理、副總監)、總裁辦管理層(包括主任、副主任)、各中心下屬部分部門經理、商業管理公司總經理及部門經理、項目公司高層管理人員(包括總經理、副總經理)及部門經理崗位的任職人員。



**3. Life of the Share Option Scheme**

The Share Option Scheme shall be valid for a period of six years from 9 June 2015.

**4. Total number of Shares available for issue**

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not, in aggregate, exceed 76,722,908, being 10% of the total issued Shares as of the Listing Date (without taking into account the partial exercise of the over-allotment option) representing 10.12% of the total issued shares as at the date of this annual report. As at the date of this annual report, there is no outstanding share options of the Share Option Scheme.

**5. Maximum entitlement of each participant**

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of options granted to any participant (including exercised and outstanding options) under the Share Option Scheme in any 12-month period up to the date of grant shall not exceed 1% of the total Shares in issue.

**6. Offer period and amount payable for options**

An offer of the grant shall remain open for acceptance by the eligible participant for a period of not more than 15 days from the date on which it is made. A nominal consideration of HK\$1.00 is payable upon acceptance of the grant of option which the Company has subsequently waived.

**7. Minimum period for which an option must be held before it can be exercised**

The minimum period during which an option must be held before it can be exercised in accordance with the terms of the Share Option Scheme shall be one year after the date on which the option is granted. The Board may in its absolute discretion impose further restrictions on the exercise of the option.

**3. 購股權計劃的期限**

購股權計劃的期限為自2015年6月9日起為期六年。

**4. 可發行股份總數**

於根據購股權計劃將予授出的所有購股權獲行使後可能發行的股份最高數目，合共不得超過76,722,908股股份，即於上市日期已發行股份總數的10%（不計及部分行使超額配股權）佔於本年報日期已發行股份總數10.12%。於本年報日期，購股權計劃項下無未行使購股權。

**5. 各參與者可獲授權益的上限**

除非獲股東批准，否則於截至授出日期止任何12個月期間，於根據購股權計劃授予任何參與者的購股權（包括已行使及尚未行使的購股權）獲行使後已發行及將予發行的股份總數不得超過已發行股份總數的1%。

**6. 提呈期及購股權的應付金額**

提呈授出購股權可由提呈日期起計不多於15日之期間供合資格參與者接納。於接納授出購股權時應支付名義代價1.00港元而本公司其後已經豁免該代價。

**7. 行使購股權前必須持有的最短期限**

根據購股權計劃條款行使購股權前必須持有的最短期限為購股權授出之日起計一年。董事會可全權酌情對購股權的行使施加進一步限制。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

#### 8. Period within which the Shares must be taken up

Subject to the discretion of the Board who may impose restrictions on the exercise of the option, any option may be exercised one year after the date on which the option is granted and shall expire on the earlier of the last day of (i) a six-year period from the date of such grant; and (ii) the expiration of the Share Option Scheme.

#### 9. Basis of determining the subscription price

The price per Share at which a grantee may subscribe for Shares upon exercise of an option (the "Exercise Price") shall be a price determined by the Board but in any event shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date on which the option is granted (must be a business day);
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which the option is granted; while if the Company has been listed for less than five business days, the new issue price shall be regarded as the closing price for the business day in any period prior to the listing; and
- (iii) the nominal value of the Share.

No options were outstanding pursuant to the Share Option Scheme as at 31 December 2018. Options previously granted pursuant to the Share Option Scheme were all lapsed and have been cancelled by the Company during the year ended 31 December 2017.

#### 8. 須認購股份之期限

任何購股權可於購股權授出之日起計一年後行使，直至(i)授出之日起計滿六年期間；及(ii)購股權計劃屆滿之日(以較早者為準)為止，惟董事會可酌情對購股權的行使施加限制。

#### 9. 認購價釐定基準

承授人因行使購股權而認購股份的每股股份價格(「行使價格」)應由董事會決定，但在任何情況下不得低於以下最高者：

- (i) 在授予購股權日期(必須為營業日)股份在聯交所日報表上的收市價；
- (ii) 緊接授予購股權日期前五個營業日在聯交所日報表上的收市價之平均價；如本公司已上市不足五個營業日，新發行價應作為上市前任何期間營業日的收市價；及
- (iii) 股份的面值。

截至2018年12月31日，本公司並無根據購股權計劃尚未行使的購股權。截至2017年12月31日止年度，先前根據購股權計劃授出的購股權已全部失效，並已被本公司取消。

**RESTRICTED SHARE INCENTIVE SCHEME**

On 21 December 2017, the RSI Scheme of the Company was approved and adopted by the Board.

**(1) Purpose**

The purpose of the RSI Scheme are (i) to recognise and motivate the key management personnel and persons who made special contribution to the Company; (ii) to enhance the value of the Company and further align the interests of the selected participants directly with those of the shareholders of the Company through ownership of Shares; and (iii) to help the Company to retain the selected participants in attaining the long-term business goals of the Company.

**(2) Eligible Persons**

Pursuant to the RSI Scheme, the Board may, from time to time, in its sole and absolute discretion, select eligible persons to be selected participant(s) (the "RSI Participants") after taking into various factors as they deem appropriate and determine the number and the price of award shares to be awarded to each selected participant. Eligible persons shall cover key management personnel (including the directors and mid-level and senior management, core experts and core employees), and persons who made special contribution to the Group.

**(3) Administration**

The RSI Scheme shall be subject to the administration of the Board and the Trustee (as defined below) in accordance with rules of the RSI Scheme and the trust deed in respect of the appointment of the Trustee for the administration of the RSI Scheme. The Board may act through the authorised representatives of the Company to give instructions or notices to the Trustee on matters in connection with the operation and administration of the RSI Scheme and the trust. The Company has appointed The Core Trust Company Limited as the trustee (the "Trustee") to assist with the administration and vesting of award shares granted pursuant to the RSI Scheme. The Trustee shall hold the Shares under the RSI Scheme and any economic benefits to be derived from such Shares in accordance with the RSI Scheme Rules and the terms of the trust deed.

**限制性股份激勵計劃**

於2017年12月21日，本公司的限制性股份激勵計劃獲董事會批准及採納。

**(1) 目的**

限制性股份激勵計劃之目的乃(i)認可並激勵本公司主要管理人員及對本公司作出特別貢獻的人士；(ii)增加本公司的價值及透過股份擁有權進一步將激勵對象的利益與本公司股東的利益直接連成一線；及(iii)幫助本公司挽留激勵對象達成本公司的長期業務目標。

**(2) 合資格人士**

根據限制性股份激勵計劃，董事會經考慮各項因素後可能不時全權酌情挑選其認為合適之合資格人士作為激勵對象（「**限制性股份激勵對象**」），並釐訂授予各激勵對象的獎勵股份數目和價格。合資格人士應覆蓋主要管理人員（包括董事及中高級管理層、核心專家、核心僱員）及對本集團作出特別貢獻的人士。

**(3) 行政管理**

根據有關委派受託人管理限制性股份激勵計劃的限制性股份激勵計劃規則及信託契據，限制性股份激勵計劃須由董事會及受託人（定義見下文）管理。董事會可透過本公司授權代表就限制性股份激勵計劃及信託之營運及行政事宜向受託人發出指示或通知。本公司已委任匯聚信託有限公司為受託人（「**受託人**」）協助及歸屬根據限制性股份激勵計劃授出的獎勵股份。受託人應根據限制性股份激勵計劃持有股份，並根據限制性股份激勵計劃規則及信託契據的條款持有源自有關股份的任何經濟利益。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

#### (4) Maximum Limit

The Board shall not make any further award of award shares which will result in the aggregate number of award shares awarded by the Board throughout the duration of the RSI Scheme to exceed 5% of the total number of issued Shares of the Company as at 21 December 2017.

#### (5) Operation

The Board may, from time to time, in its sole and absolute discretion, select the RSI Participants after taking into account various factors as they deem appropriate and determine the number and the price of the award shares to be awarded to each RSI Participant.

Pursuant to the RSI Scheme Rules, the Board shall cause to pay the Trustee the purchase price and the related expenses from the Group's internal resources for the grant of the award shares and the Trustee shall apply the purchase price to purchase from the open market all of the award shares to be awarded under the RSI Scheme and shall hold such award shares until they are vested to the RSI Participants in accordance with the RSI Scheme, the Trust Deed and/or terms of specific grants. For the avoidance of doubt, all Shares purchased as aforesaid shall only be used for allocation to the RSI Participants in accordance with the RSI Scheme rules.

#### (6) Restrictions

No award shall be made to RSI Participants, no payment for the purchase of Shares shall be made to the Trustee and no directions or recommendation to acquire Shares shall be given to the Trustee under the RSI Scheme where any Director is in possession of unpublished inside information in relation to the Company or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

#### (4) 上限

董事會不應進一步授出任何獎勵股份，致使董事會於整段限制性股份激勵計劃期間授出的獎勵股份總數超過本公司於2017年12月21日已發行股份總數的5%。

#### (5) 運作

董事會經考慮各項因素後可能不時全權酌情挑選其認為合適之限制性股份激勵對象，並釐訂各限制性股份激勵對象的獲授予獎勵股份的數目和價格。

根據限制性股份激勵計劃規則，董事會可就授出獎勵股份使用本集團的內部資源向受託人支付購買價格及相關開支，而受託人應將購買價格用於自公開市場購買所有根據限制性股份激勵計劃而將予授出的獎勵股份，並應持有該等獎勵股份，直至該等股份按限制性股份激勵計劃、信託契據及／或具體授出的條款歸屬至相關限制性股份激勵對象為止。為免生疑，所有上述購買股份應根據限制性股份激勵計劃規則僅用於分配予限制性股份激勵對象。

#### (6) 限制

在任何董事擁有有關本公司的尚未公開的內幕資料或任何上市規則及不時適用的法律的守則或規定禁止董事進行交易的情況下，概不會根據限制性股份激勵計劃向限制性股份激勵對象作出獎勵，且概不會向受託人支付購買股份的款項，亦不會向受託人作出收購股份的指示或建議。



(7) Vesting and Lapse

A RSI Participant shall be entitled to receive the award shares held by the Trustee in accordance with the vesting schedule. Details of the vesting schedule, vesting conditions and terms of lapse of the grant will be stipulated in individual award letters to be sent to the RSI Participants by the Company.

(8) Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the trust including but not limited to the award shares.

(9) Duration and Termination

The RSI Scheme shall be effective from the 21 December 2017 and shall continue in full force and effect for a term of 10 years or such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any RSI Participant.

(10) Alteration of the RSI Scheme

The RSI Scheme may be altered in any respect from time to time by a resolution of the Board provided that such alteration shall not affect any subsisting rights of any RSI Participants.

As at 31 December 2018, an aggregate of 37,858,000 Shares were held by the RSI Trustee, representing approximately 4.99% of the Shares in issue as at the date of this annual report, which is also the number of Shares available for grant under RSI Scheme. As at the date of this annual report and during the year ended 31 December 2018, no award shares has been awarded or agreed to be awarded under the RSI Scheme, nor has any awarded shares been cancelled.

(7) 歸屬及失效

限制性股份激勵對象應有權收取由受託人根據歸屬時間表持有的獎勵股份。歸屬時間表、歸屬條件以及獎勵的失效條款詳情將於本公司將向限制性股份激勵對象發出的個別獎勵函件中規定。

(8) 投票權

受託人不得就以信託形式持有之任何股份（包括但不限於獎勵股份）行使投票權。

(9) 年期及終止

限制性股份激勵計劃應自2017年12月21日起生效，且應繼續於10年年期間或董事會釐定提早終止的日期具充分效力及作用，惟有關終止不會影響任何限制性股份激勵對象之任何存續權利。

(10) 修改限制性股份激勵計劃

董事會可不時以決議案對限制性股份激勵計劃作出任何方面的修改，惟有關修改不得影響任何限制性股份激勵對象的任何存續權利。

於2018年12月31日，限制性股份激勵受託人持有合共37,858,000股股份，相當於在本年報日期已發行股份約4.99%且亦為限制性股份激勵計劃項下可授出的股份數目。於本年報日期及截至2018年12月31日止年度，概無獎勵股份已經或同意將根據限制性股份激勵計劃授出，亦概無任何獎勵股份被註銷。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

#### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2018, so far as was known to any Director or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO.

#### Long positions in Shares

| Name of Shareholder<br>股東姓名 / 名稱  | Nature of interest<br>權益性質                   | Number of<br>Shares held<br>持有股份數目 | Approximate<br>percentage of<br>shareholding<br>持股概約百分比% |
|---|--|------------------------------------|--|
| Homecare <sup>(1)</sup>   | Beneficial owner<br>實益擁有人                    | 218,252,390                        | 28.78  |
| Ms. Zhang Qing Hua <sup>(2)</sup><br>張慶華女士 <sup>(2)</sup>                                     | Interest of spouse<br>配偶權益                   | 218,252,390                        | 28.78  |
| Honeycare International Investment Limited  | Beneficial owner<br>實益擁有人                    | 61,824,518                         | 8.15   |
| TK Harmony <sup>(3)</sup>   | Beneficial owner<br>實益擁有人                    | 78,621,620                         | 10.37  |
| Shanghai Taiyuan <sup>(3)</sup><br>上海泰源 <sup>(3)</sup>  | Interest of controlled corporation<br>受控法團權益 | 78,621,620                         | 10.37  |
| Beijing Taikang Investment Management Co., Ltd. <sup>(3)</sup><br>北京泰康投資管理有限公司 <sup>(3)</sup> | Interest of controlled corporation<br>受控法團權益 | 78,621,620                         | 10.37  |
| Taikang Assets Management Co., Ltd. <sup>(3)</sup><br>泰康資產管理有限責任公司 <sup>(3)</sup>             | Interest of controlled corporation<br>受控法團權益 | 78,621,620                         | 10.37  |
| Taikang Life Insurance Co., Ltd. <sup>(3)</sup><br>泰康人壽保險有限責任公司 <sup>(3)</sup>                | Interest of controlled corporation<br>受控法團權益 | 78,621,620                         | 10.37  |
|   | Beneficial owner<br>實益擁有人                    | 121,875,507                        | 16.07  |
| Taikang Insurance Group Inc. <sup>(3)</sup><br>泰康保險集團股份有限公司 <sup>(3)</sup>                    | Interest of controlled corporation<br>受控法團權益 | 200,497,127                        | 26.44  |
| Harmony Care <sup>(4)</sup>   | Beneficial owner<br>實益擁有人                    | 53,669,975                         | 7.08   |
| Mr. Lin Yuhua <sup>(4)</sup><br>林玉華先生 <sup>(4)</sup>  | Interest of controlled corporation<br>受控法團權益 | 53,669,975                         | 7.08   |
| Mr. Lin Yurong <sup>(4)</sup><br>林玉榮先生 <sup>(4)</sup>   | Interest of controlled corporation<br>受控法團權益 | 53,669,975                         | 7.08   |

#### 主要股東於本公司股份及相關股份之權益及淡倉

於2018年12月31日，據董事或本公司主要行政人員所知，以下人士（不包括董事及本公司主要行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露或記錄於本公司根據證券及期貨條例第336條規定須存置之登記冊內之權益及／或淡倉。

#### 於股份的好倉

## Notes:

1. Homecare is wholly owned by Mr. Lin Yuming.
2. Ms. Zhang Qing Hua is the wife of Mr. Lin Yuming and is therefore deemed to be interested in the Shares that Mr. Lin Yuming is interested.
3. TK Harmony is directly wholly-owned by Shanghai Taiyuan which is in turn owned as to 99.99% by Taikang Life Insurance Co., Ltd. which is owned as to 100% by Taikang Insurance Group Inc. Beijing Taikang Investment Management Co., Ltd. is the General Partner of Shanghai Taiyuan and is owned as to 80% by Taikang Assets Management Co., Ltd. which is in turn owned as to 99.41% by Taikang Insurance Group Inc. Therefore, each of Shanghai Taiyuan, Beijing Taikang Investment Management Co., Ltd., Taikang Assets Management Co., Ltd., Taikang Life Insurance Co., Ltd. and Taikang Insurance Group Inc. is deemed to be interested in the Shares held by TK Harmony and Taikang Insurance Group Inc. is deemed to be interested in the Shares held by Taikang Life Insurance Co., Ltd.
4. As far as was known to the Directors, Harmony Care is owned as to 63.05% by Mr. Lin Yurong and 36.95% by Mr. Lin Yuhua. Therefore, each of Mr. Lin Yurong and Mr. Lin Yuhua is deemed to be interested in the Shares held by Harmony Care.

Other than as disclosed above, as at 31 December 2018, the Directors have not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which shall be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept pursuant to Section 336 of the SFO.

## 附註：

1. Homecare由林玉明先生全資擁有。
2. 張慶華女士為林玉明先生的配偶，因此被視為於林玉明先生擁有權益的股份中擁有權益。
3. TK Harmony由上海泰源直接全資擁有，而上海泰源由泰康人壽保險有限責任公司擁有99.99%權益。泰康人壽保險有限責任公司又由泰康保險集團股份有限公司擁有100%權益。北京泰康投資管理有限公司為上海泰源的普通合夥人，並由泰康資產管理有限責任公司擁有80%權益，而泰康資產管理有限責任公司由泰康保險集團股份有限公司擁有99.41%權益。因此，上海泰源、北京泰康投資管理有限公司、泰康資產管理有限責任公司、泰康人壽保險有限責任公司及泰康保險集團股份有限公司各自均被視為於TK Harmony所持有股份中擁有權益，而泰康保險集團股份有限公司被視為於泰康人壽保險有限責任公司所持有股份中擁有權益。
4. 據董事所知，Harmony Care由林玉榮先生與林玉華先生分別持有63.05%及36.95%權益。因此，林玉榮先生與林玉華先生各自被視為於Harmony Care所持有之股份中擁有權益。

除上述披露者外，於2018年12月31日，董事並無知悉任何人士（不包括董事或本公司主要行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露或記載於根據證券及期貨條例第336條規定須存置之登記冊內的權益或淡倉。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

#### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the Share Option Scheme and the Restricted Share Incentive Scheme, at no time during the year ended 31 December 2018 was the Company or any of its subsidiaries or fellow subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in or debentures of the Company or any other body corporate.

#### DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, no transaction, arrangement or contract of significance subsisted in which a Director or an entity connected with a Director was materially interested, whether directly or indirectly, during or at the end of the Review Period.

#### CONNECTED TRANSACTIONS

During the Review Period, there was no connected transaction of the Group which has to be disclosed in accordance with the Listing Rules.

Related party transactions that occurred during the Review Period, as set out in Note 42 to the consolidated financial statements in this annual report, also fall under the definition of connected transactions under Chapter 14A of the Listing Rules and are fully exempt from shareholders' approval, annual review and all disclosure requirements.

#### MANAGEMENT CONTRACTS

The Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Group during the Review Period.

#### DIRECTORS' PERMITTED INDEMNITY PROVISION

Under the Articles of Association, every Director or officer of the Company acting in relation to any of the affairs of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs and damages which he may incur or sustain in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

#### 董事收購股份或債權證的權利

除於購股權計劃及限制性股份激勵計劃項下所披露者外，於截至2018年12月31日止年度任何時間，本公司或其任何附屬公司或同系附屬公司概無訂立任何安排令董事可透過收購本公司或任何其他法團之股份或債權證而獲益。

#### 董事於重大交易、安排或合約的權益

除本年報所披露者外，於回顧期間內或期末，概無董事或與董事有關連的實體，於仍然存續的重大交易、安排或合約中直接或間接擁有重大權益。

#### 關連交易

於回顧期間內，本集團概無根據上市規則須予披露之關連交易。

本年報中的綜合財務報表附註42所載於回顧期間發生之關聯方交易亦符合上市規則第14A章所界定之關連交易，並獲完全豁免遵守股東批准、年度審閱及所有披露規定。

#### 管理合約

本公司於回顧期間內概無與任何個人、公司或法人團體訂立管理或處理本集團任何業務的全部或任何重大部分的任何合約。

#### 董事的獲准許彌償條文

根據章程細則，凡就本公司任何事務而行使的各董事或本公司高級人員可獲本公司資產及利潤作為彌償，使其不會因於或就履行其職責過程中或與此有關的其他原因而引致或遭受的任何訴訟、費用及損害而蒙受損害。本公司已就本集團董事及高級人員投購適當的董事及高級人員責任保險。



## EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme and the Restricted Share Incentive Scheme as disclosed on pages 46 to 51 of this annual report, no equity-linked agreements were entered into by the Company, or existed during the Review Period.

## EVENTS AFTER THE REVIEW PERIOD

- (a) Disposal of the 92% equity interest of Shenzhen Harmonicare Hospital

On 28 April 2019, Guiyang HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. (the "Guiyang HarMoniCare Hospital"), a wholly-owned subsidiary of the Company, as vendor (the "Vendor"), and HarMoniCare Medical Management and Consulting Co., Ltd. (the "HarMoniCare Medical Management") and Beijing He An Da Management Consulting Co., Ltd. (the "Beijing HAD"), as creditors, entered into the disposal agreement with Shenzhen Renzheng Medical Management Co., Ltd., as purchaser, pursuant to which the purchaser agreed to acquire the 92% equity interests in Shenzhen Harmonicare Hospital from the Vendor for a total consideration of RMB63,000,000 (including a cash consideration of RMB1,000,000 and the purchaser agreed to settle an amount of RMB62,000,000 of outstanding debts owed by Shenzhen Harmonicare Hospital to the creditors).

- (b) Disposal of the entire equity interest of three subsidiaries

On 24 July 2019, Guiyang HarMoniCare Hospital, a wholly-owned subsidiary of the Company, as vendor, and HarMoniCare Medical Management, as creditor, entered into the disposal agreement with Zhenjiang Kelida Information Technology Service Center (limited partnership), as purchaser, pursuant to which the purchaser agreed to acquire the entire equity interests of each of Wuhan Modern Obstetrics and Gynecology Hospital Co., Ltd., Chongqing Wanzhou HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. and Chongqing Dushi Liren Hospital Co., Ltd. (collectively, the "Target Companies") from the vendor for a total consideration of RMB22,000,000 (including a cash consideration of RMB2,200,000 and the purchaser agreed to settle an amount of RMB19,800,000 of outstanding debts owed by the Target Companies to the creditor). The disposal of Chongqing Wanzhou HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. and Chongqing Dushi Liren Hospital Co., Ltd. were completed in August 2019.

## 股權掛鈎協議

除本年報第46頁至51頁所披露的購股權計劃及限制性股份激勵計劃外，本公司於回顧期間內並無訂立或訂有任何股權掛鈎協議。

## 回顧期間後事項

- (a) 出售深圳和美醫院92%的股權

於2019年4月28日，本公司全資附屬公司貴陽和美婦產醫院有限公司（「貴陽和美醫院」）（作為賣方）（「賣方」）、和美醫療管理諮詢有限公司（「和美醫療管理」）及北京合安達管理諮詢有限公司（「北京合安達」）（作為債權人）與深圳仁正醫療管理有限公司（作為買方）訂立出售協議，據此，買方同意向賣方以總代價人民幣63,000,000元（包括現金代價人民幣1,000,000元且買方同意向債權人結清深圳和美醫院的未償還債務人民幣62,000,000元）收購深圳和美醫院92%的股權。

- (b) 出售三間附屬公司之全部股權

於2019年7月24日，本公司全資附屬公司貴陽和美醫院（作為賣方）及和美醫療管理（作為債權人）與鎮江科力達信息科技服務中心（有限合夥）（作為買方）訂立出售協議，據此，買方同意向賣方以總代價人民幣22,000,000元（包括現金代價人民幣2,200,000元且買方同意向債權人結清目標公司的未償還債務人民幣19,800,000元）收購武漢現代婦產醫院有限公司、重慶萬州和美婦產醫院有限公司及重慶都市儷人醫院有限公司（統稱「目標公司」）的全部股權。重慶萬州和美婦產醫院有限公司及重慶都市儷人醫院有限公司之出售已於2019年8月完成。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

#### (c) Resumption Guidance

The Company announced that there would be a delay in the release of the 2018 Annual Results and despatch of its 2018 Annual Report. Such a delay was due to the Company requiring time to negotiate on and approve the proposed settlement of Hibaby and consider implications, if any, on its financial statements, and to provide the former auditors of the Company, Deloitte Touche Tohmatsu ("Deloitte"), with further information in connection with the foregoing when available. The equity transfer agreement was given to Deloitte, for their consideration near to the finalization of the 2018 Annual Results in March 2019. An audit committee meeting was convened on 26 March 2019 and it was resolved that the Company would be preparing to engage an independent internal control consultant to review the internal control procedures of the Company. There were additional steps that Deloitte would need to take before signing off on the 2018 Annual Results, and it was expected that the Company would not be able to (1) publish the 2018 Annual Results on or before 31 March 2019; and (2) despatch the 2018 Annual Report to the Shareholders on or before 30 April 2019 (the "Delay").

On 15 May 2019, the Company received a letter from the HKEx, in which the HKEx stated the following resumption guidance for the Company ("Resumption Guidance"):

- (i) publish all outstanding financial results and address any audit modifications;
- (ii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal control and procedures to comply with the Listing Rules; and
- (iii) announce all material information for the Company's shareholders and other investors to appraise the Company's position.

#### (c) 復牌指引

本公司宣佈將延遲刊發2018年年度業績及寄發其2018年年報。延遲乃由於本公司需時進行談判及批准凱貝姆的建議和解及考慮對其財務報表的影響(如有)，以及於取得有關資料時向本公司前任核數師德勤•關黃陳方會計師行(「德勤」)提供有關上述事項的進一步資料。股權轉讓協議已向德勤呈交，以便其在2019年3月於2018年年度業績最終確定之前進行考慮。審核委員會於2019年3月26日召開會議，議決本公司將準備委聘獨立內部控制顧問檢討本公司之內部控制程序。德勤在簽署2018年年度業績之前需採取其他行動，預計本公司無法(1)於2019年3月31日或之前刊發2018年年度業績；及(2)於2019年4月30日或之前向股東寄發2018年年報(「延遲」)。

於2019年5月15日，本公司收到香港交易所函件，其中香港交易所向本公司提出以下復牌指引(「復牌指引」)：

- (i) 刊發所有尚未刊發的財務業績及處理任何審核修訂；
- (ii) 進行獨立內部控制審查，並證明本公司設有充足內部控制及程序以符合上市規則；及
- (iii) 公佈所有重大資料以供本公司股東及其他投資者評估本公司的狀況。

Consequently, the Audit Committee engaged BDO Financial Services Limited ("BDO") as an independent internal control consultant to independently review (the "Initial IC Review") certain internal control procedures of the Company. The scope of the Initial IC Review included an independent assessment of the internal control systems of the Group, covering the transaction process of the Equity Transfer, anti-fraud management, the administration of contracts and seals, the management of fund and investment; and the management of cash and payment during the period of 1 January 2018 to 31 March 2019, the results of which were published by the Company in its announcement dated 25 March 2020.

On 17 July 2020, the Company appointed Netis Advisory Limited ("Netis") as its internal control consultant (the "Internal Control Consultant") to conduct a comprehensive review (the "Comprehensive IC Review") of the Group's internal control procedures which will cover all of the Group's significant subsidiaries and to the extent practicable, its major associated companies, for the period between 1 January 2018 and 31 July 2020 in order to comprehensively evaluate the Group's internal control systems. Netis issued a draft Comprehensive IC Review report (the "Comprehensive IC Review Report") containing its findings of the review and internal control recommendations. The Company has since implemented the internal control recommendations in accordance with the draft Comprehensive IC Review Report in consultation with Netis. The Audit Committee reviewed the draft Comprehensive IC Review Report and agreed with its findings and internal control recommendations in a meeting of the Audit Committee attended by Netis. The final Comprehensive IC Review Report was issued on 3 December 2020.

因此，審核委員會委聘德豪財務顧問有限公司(「德豪」)為獨立內部控制顧問以獨立審查(「初步內部控制審查」)本公司若干內部控制程序。初步內部控制審查範圍包括獨立評估本集團內部控制系統，涵蓋股權轉讓交易過程、反舞弊管理、合約及公章管理、資金及投資管理以及於2018年1月1日至2019年3月31日止期間的現金及付款管理，而審查結果刊發於本公司日期為2020年3月25日之公告。

於2020年7月17日，本公司已委聘弘信顧問有限公司(「弘信」)為其內部控制顧問(「內部控制顧問」)，以對本集團由2018年1月1日至2020年7月31日止期間的內部控制程序(將涵蓋本集團所有主要附屬公司及(在可行情況下)其主要聯營公司)進行全面審查(「全面內部控制審查」)，以對本集團的內部控制系統進行全面評估。弘信已刊發載有其審查結果及內部控制建議的草擬全面內部控制審查報告(「全面內部控制審查報告」)。本公司已諮詢弘信根據草擬全面內部控制審查報告執行內部控制建議。審核委員會於弘信出席的審核委員會會議中審閱草擬全面內部控制審查報告並同意其結果及內部控制建議。最終全面內部控制審查報告已於2020年12月3日刊發。

## DIRECTORS' REPORT (CONTINUED)

### 董事會報告 (續)

For more details regarding the Initial IC Review, the Comprehensive IC Review, the Resumption Guidance and the resumption progress, please refer to the announcements of the Company dated 12 June 2019, 28 June 2019, 3 July 2019, 31 July 2019, 29 September 2019, 31 October 2019, 31 March 2020, 30 June 2020, 17 July 2020, 30 September 2020, 4 December 2020, 4 January 2021 and 8 January 2021. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

#### (d) Others

Reference are made to announcements of the Company dated 21 November 2019, 15 June 2020, 2 July 2020 and 16 October 2020. Terms used hereinafter shall have the same meaning as defined in the announcements.

### PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Articles of Association or the relevant laws of the Cayman Islands where the Company is incorporated which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

### CORPORATE GOVERNANCE

The Corporate Governance Report is set out on pages 60 to 80 of this annual report.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Review Period.

有關初步內部控制審查、全面內部控制審查、復牌指引及復牌進度的更多詳情，請參閱本公司日期為2019年6月12日、2019年6月28日、2019年7月3日、2019年7月31日、2019年9月29日、2019年10月31日、2020年3月31日、2020年6月30日、2020年7月17日、2020年9月30日、2020年12月4日、2021年1月4日及2021年1月8日之公告。本公司將適時作出進一步公告以知會公眾最新發展。

#### (d) 其他

茲提述本公司日期為2019年11月21日、2020年6月15日、2020年7月2日及2020年10月16日之公告。本文中採用的詞彙與該等公告所界定者具有相同涵義。

### 優先購股權

章程細則或本公司註冊成立地開曼群島相關法律並無載有優先購股權之規定，規定本公司須按比例向現有股東發售新股份。

### 企業管治

企業管治報告載於本年報第60至80頁。

### 購買、出售或贖回本公司上市證券

於回顧期間，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。



**SUFFICIENCY OF PUBLIC FLOAT**

Based on the information publicly available to the Company and to the best of the Directors' knowledge, information and belief, the Company has always maintained sufficient public float as required under the Listing Rules throughout the Review Period.

**TAX RELIEF AND EXEMPTION**

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

**AUDITOR**

Reference is made to the announcement of the Company dated 14 January 2020 in relation to Deloitte had tendered their resignation as the auditors of the Company with effect from 13 January 2020. Pursuant to the note under Rule 13.51(4) of the Listing Rules, the Company confirmed that the Deloitte had indicated in the Resignation Letter that there were no circumstances connected with their resignation which they considered ought to be brought to the attention of the Shareholders or creditors of the Company in addition to those mentioned in the said announcement. Also, the Board was not aware of any other matter that should be brought to the attention of the Shareholders or creditors of the Company regarding the resignation of Deloitte.

On 17 January 2020, the Company announced that ZHONGHUI ANDA CPA Limited ("ZHONGHUI ANDA") was appointed by the Board as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company. The consolidated financial statements in this annual report have been audited by ZHONGHUI ANDA. A resolution will be proposed for approval by Shareholders at the forthcoming AGM to re-appoint ZHONGHUI ANDA as the auditor of the Company.

On behalf of the Board

**Lin Yuming**

*Chairman, Executive Director and President*

Hong Kong, 8 January 2021

**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所深知、盡悉及確信，於回顧期間，本公司一直根據上市規則規定維持足夠的公眾持股量。

**稅務減免**

董事並不知悉任何因股東持有本公司上市證券而享有的稅務減免。

**核數師**

茲提述本公司日期為2020年1月14日之公告，內容有關德勤已辭任本公司核數師，自2020年1月13日起生效。根據上市規則第13.51(4)條項下附註，本公司確認，德勤已於辭任函中指出，除上述公告所提及的情況外，概無其他與其辭任有關的情況須提請股東或本公司債權人注意。此外，董事會亦未發現其他與德勤辭任有關的事項需敦請股東或本公司債權人留意。

於2020年1月17日，本公司宣佈，董事會委任中匯安達會計師事務所有限公司(「中匯安達」)為本公司核數師，任期直至本公司下屆股東週年大會結束為止。本年報中的綜合財務報表已經中匯安達審核。續聘中匯安達為本公司核數師之決議案將於應屆股東週年大會上提呈以供股東批准。

代表董事會

*主席、執行董事兼總裁*

**林玉明**

香港，2021年1月8日

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the principles as set out in the CG Code.

The Company has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

In the opinion of the Directors, throughout the year ended 31 December 2018, the Company has complied with all applicable code provisions as set out in the CG Code, save and except for code provision A.2.1 which states that the roles of chairman and chief executive should be separate and should not be performed by the same individual, details of which are set out in the section headed "Chairman and Chief Executive" in this corporate governance report.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct for securities transactions by the Directors.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2018.

The Company has also established Written Guidelines on terms no less exacting than the Model Code for securities transactions by employees who are likely to possess unpublished price-sensitive information of the Company. No incident of non-compliance of the Written Guidelines by the employees was noted by the Company.

### 企業管治常規

董事會致力維持高水平的企業管治標準。

董事會相信，良好的企業管治標準對本集團而言屬不可或缺的框架，以保障股東利益，提升企業價值，制定業務策略及政策以及提升透明度及問責性。

本公司已採納企業管治守則所載之原則。

本公司已根據企業管治守則制定一套政策及程序。該等政策及程序為提升董事會實施企業管治的能力以及加強對本公司的商業操守及事務進行適當監督奠定基礎。

董事認為，於截至2018年12月31日止年度，本公司一直遵守企業管治守則所載之所有適用守則條文，惟守則條文A.2.1條要求主席及行政總裁的角色必須分開，且不應由同一人擔任除外。有關詳情載於本企業管治報告「主席及行政總裁」一節。

### 證券交易的標準守則

本公司已採納標準守則作為其有關董事進行證券交易的行為守則。

本公司已向全體董事作出具體查詢，董事確認彼等於截至2018年12月31日止年度均一直遵守標準守則。

本公司亦已就可能擁有本公司未公佈之價格敏感資料的有關僱員進行證券交易制訂不比標準守則條款寬鬆的書面指引。本公司並無發現僱員違反書面指引的事件。

**BOARD OF DIRECTORS**

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board regularly reviews the contribution required from the Directors to perform their responsibilities to the Company, and whether the Directors are spending sufficient time performing them.

**Board Composition**

The Board currently comprises nine members as follows:

**Executive Directors**

- Mr. Lin Yuming (*Chairman, President and Chairman of the Nomination Committee*)  
 Mr. Fang Zhifeng (*resigned on 31 July 2020*)  
 Mr. Zhao Xingli (*resigned as an executive Director and a member of the Remuneration Committee on 14 June 2020*)  
 Mr. Yang Guo (*Chief Executive Officer*) (*appointed on 11 August 2020*)  
 Mr. Wei Rongda (*Vice President*) (*appointed on 11 August 2020*)

**Non-executive Directors**

- Mr. Lin Yuguo (*Member of the Remuneration Committee*)  
 Mr. Qiu Jianwei (*Member of the Audit Committee*)  
 Mr. Xu Jun (*Member of the Nomination Committee*)

**Independent Non-executive Directors**

- Mr. Kong Aiguo (*resigned as an independent non-executive Director and the Chairman of the Remuneration Committee and Member of the Audit Committee and the Nomination Committee on 24 August 2020*)  
 Ms. Fang Lan (*Chairman of the Audit Committee and Member of the Remuneration Committee and the Nomination Committee*)  
 Mr. Cai Jiangnan (*Member of the Audit Committee, the Remuneration Committee and the Nomination Committee*)  
 Ms. Hsu Wai Man Helen (*Chairman of the Remuneration Committee and Member of the Audit Committee and the Nomination Committee*) (*appointed on 24 August 2020*)

The biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 25 to 34 of this annual report. The relationships between the members of the Board are also disclosed under the same section.

**董事會**

本公司以行之有效的董事會為首，董事會監管本集團之業務、策略決策及表現並以本公司之最佳利益作出客觀決定。

董事會定期審閱各董事向本公司履行其職責時須作出之貢獻，及董事是否就履行有關職責付出足夠時間。

**董事會組成**

董事會現時由以下九名成員組成：

**執行董事**

- 林玉明先生 (*主席、總裁兼提名委員會主席*)  
 方志鋒先生 (*於2020年7月31日辭任*)  
 趙興力先生 (*於2020年6月14日辭任執行董事兼薪酬委員會成員*)  
 楊國先生 (*執行總裁*) (*於2020年8月11日獲委任*)  
 魏榮達先生 (*副總裁*) (*於2020年8月11日獲委任*)

**非執行董事**

- 林玉國先生 (*薪酬委員會成員*)  
 邱建偉先生 (*審核委員會成員*)  
 徐軍先生 (*提名委員會成員*)

**獨立非執行董事**

- 孔愛國先生 (*於2020年8月24日辭任獨立非執行董事兼薪酬委員會主席以及審核委員會及提名委員會成員*)  
 方嵐女士 (*審核委員會主席以及薪酬委員會及提名委員會成員*)  
 蔡江南先生 (*審核委員會、薪酬委員會及提名委員會成員*)  
 徐慧敏女士 (*薪酬委員會主席以及審核委員會及提名委員會成員*) (*於2020年8月24日獲委任*)

董事之履歷詳情載於本年報第25頁至第34頁之「董事及高級管理人員」一節。董事會成員之間的關係亦披露於該節。

#### Chairman and Chief Executive

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. In 2018, Mr. Lin Yuming was the chairman and chief executive officer of the Company. In view of Mr. Lin Yuming being one of the founders of the Group, and his responsibilities in corporate strategic planning and overall business development, the Board believed that it was in the interests of both the Group and the shareholders to have Mr. Lin Yuming taking up both roles for effective management and business development. The Board also met regularly on a quarterly basis to review the operation of the Group led by Mr. Lin Yuming. Accordingly, the Board believed that this arrangement will not impact on the balance of power and authorisations between the Board and the management of the Company. Having said that, as announced on 11 August 2020, Mr. Yang Guo is appointed as an executive director and chief executive officer of the Company, and the Group now is in compliance with the CG Code.

#### Independent Non-executive Directors

During the year ended 31 December 2018, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

#### Appointment and Re-election of Directors

Code provision A.4.1 of the CG Code stipulates that non-executive directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

#### 主席及行政總裁

企業管治守則之守則條文第A.2.1條規定主席及行政總裁的角色必須分開，且不應由同一人擔任。於2018年，林玉明先生為本公司主席兼行政總裁。基於林玉明先生為本集團創辦人之一，以及彼於企業策略規劃及整體業務發展的責任，董事會相信，由林玉明先生擔任兩個職位可促進有效管理及業務發展，符合本集團及股東的利益。董事會每季亦定期舉行會議檢討由林玉明先生領導的本集團營運。因此，董事會相信此安排將不會影響董事會與本公司管理層之間的權力及授權的平衡。儘管如此，誠如2020年8月11日所公佈，楊國先生獲委任為本公司執行董事兼執行總裁，因而本集團現時符合企業管治守則。

#### 獨立非執行董事

截至2018年12月31日止年度，董事會一直遵守上市規則有關規定，委任至少三名獨立非執行董事，佔董事會三分之一，其中一名獨立非執行董事須具備適當專業資格或會計或相關財務管理專業知識。

本公司已接獲各獨立非執行董事根據上市規則第3.13條所載之獨立性指引，有關彼之獨立性之年度書面確認書。本公司認為，全體獨立非執行董事均為獨立。

#### 董事委任及重選

企業管治守則之守則條文第A.4.1條規定，非執行董事之委任須有指定任期，並須接受重選，而守則條文第A.4.2條指出，所有獲委任填補臨時空缺之董事應在獲委任後之首次股東大會上接受股東重新選舉，且每位董事（包括按指定任期委任之董事）須至少每三年輪值退任一次。



Each of the executive Directors is appointed under a services contract and each of the non-executive Directors and independent non-executive Directors is appointed under a letter of appointment for a term of three years, which is subject to renewal upon expiry of the terms and terminable by either party by giving one month's written notice to the other party.

In accordance with the Articles of Association, all Directors are subject to retirement by rotation and re-election at the AGM at least once every three years. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting and any Director appointed by the Board as an addition to the Board shall hold office until the next following AGM after his/her appointment subject to re-election at such meeting.

As no annual general meeting of the Company was held since the last annual general meeting held on 12 June 2018, Mr. Lin Yuming, Mr. Xu Jun, Mr. Qiu Jianwei and Ms. Fang Lan, who have held their offices as directors for more than three years, will be subject to retirement by rotation at the forthcoming annual general meeting.

#### Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising its affairs. Directors take decisions objectively in the interests of the Company.

The Board directly, and indirectly through its committees, provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and 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.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

各執行董事根據服務合約獲委任，而各非執行董事及獨立非執行董事根據委任函獲委任，服務年期為期三年，於任期屆滿後可予續期，且可由任何一方向另一方發出一個月書面通知予以終止。

根據章程細則，全體董事均須至少每三年在股東週年大會上輪值退任及膺選連任。任何獲董事會委任以填補臨時空缺的董事將任職至彼獲委任後首屆股東大會，而任何獲董事會委任加入董事會的新增董事將任職至彼獲委任後下屆股東週年大會，屆時彼等將須於有關大會上膺選連任。

由於本公司於2018年6月12日舉行上屆股東週年大會後並無舉行股東週年大會，因此林玉明先生、徐軍先生、邱建偉先生及方嵐女士已擔任董事職務超過三年，故彼等將須於應屆股東週年大會上輪值退任。

#### 董事會及管理層之職責、問責及貢獻

董事會負責領導及控制本公司；並共同負責指導及監管本公司之事務。董事以本公司之利益作出客觀決定。

董事會直接及間接透過其委員會指導管理層，其工作包括制定策略及監察管理層推行策略、監督本集團營運及財務表現，以及確保本集團設有良好的內部監控及風險管理系統。

全體董事（包括非執行董事及獨立非執行董事）均為董事會帶來多種領域之寶貴業務經驗、知識及專長，使其高效及有效地運作。

獨立非執行董事負責確保對本公司作出高水平的監管匯報並於董事會內提供制衡作用，務求有效行使對企業行動及營運的獨立判斷。

全體董事均可全面並及時獲得本公司所有資料以及要求高級管理層提供服務及意見。在適當情況下董事可要求尋求獨立專業意見，以向本公司履行其職責，費用由本公司承擔。

董事須向本公司披露彼等擔任之其他職務之詳情，而董事會定期審閱各董事向本公司履行其職責時須作出之貢獻。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

#### Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易（特別是涉及利益衝突者）、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理之職責則轉授予管理層。

#### 董事之持續專業發展

董事應及時了解監管的发展及變動以有效履行彼等的職責並確保彼等在具備全面資訊及切合所需之情況下對董事會作出貢獻。

各新委任董事將於其首次接受委任時接受正式及全面的入職介紹，以確保彼適當了解本公司的業務及營運並全面知悉上市規則及相關法律規定項下的董事責任及義務。

董事須參與合適的持續專業發展以發展並更新其知識及技能。本公司將在適當情況下為董事安排在內部舉辦簡介會並向董事發出相關主題的閱讀材料。本公司鼓勵全體董事出席相關培訓課程，有關費用由本公司支付。

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors for the year ended 31 December 2018 are summarized as follows:

董事於截至2018年12月31日止年度所收到有關董事職責及監管與業務發展的持續專業發展紀錄概述如下：

| Directors                                  | 董事    | Type of Training <sup>Note</sup><br>培訓類別 <sup>附註</sup> |
|--|-------|--|
| <b>Executive Directors</b>                 |       |  |
| Mr. Lin Yuming                             | 林玉明先生 | A & B A及B  |
| Mr. Fang Zhifeng                           | 方志鋒先生 | A & B A及B  |
| Mr. Zhao Xingli                            | 趙興力先生 | A  |
| <b>Non-executive Directors</b>             |       |  |
| Mr. Lin Yuguo                              | 林玉國先生 | A  |
| Mr. Qiu Jianwei                            | 邱建偉先生 | A  |
| Mr. Xu Jun                                 | 徐軍先生  | A  |
| <b>Independent Non-executive Directors</b> |       |  |
| Mr. Kong Aiguo                             | 孔愛國先生 | A & B A及B  |
| Ms. Fang Lan                               | 方嵐女士  | A  |
| Mr. Cai Jiangnan                           | 蔡江南先生 | A  |

Notes:

附註：

Types of Training

培訓類別

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

A: 出席培訓課程，包括（但不限於）簡報會、研討會、會議及工作坊

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

B: 閱覽相關新聞重點、報章、期刊、雜誌及相關刊物

Relevant reading materials including legal and regulatory update have been provided to the Directors for their reference and studying.

相關閱讀材料包括法律及監管最新資料已提供予董事以供彼等參考及學習。

Mr. Zhao Xingli and Mr. Fang Zhifeng have resigned as executive directors of the Company with effect from 14 June 2020 and 31 July 2020 respectively, and Mr. Kong Aiguo has resigned as an independent non-executive director of the Company with effect from 24 August 2020.

趙興力先生及方志鋒先生已辭任本公司執行董事，分別於2020年6月14日及2020年7月31日生效。孔愛國先生已辭任本公司獨立非執行董事，於2020年8月24日生效。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

#### BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing particular aspects of the Company's affairs. All Board committees are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website ([www.hemeiyl.com](http://www.hemeiyl.com)) and the website of HKEx ([www.hkexnews.hk](http://www.hkexnews.hk)) and are available to the Shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under "Board of Directors" in this corporate governance report.

#### Audit Committee

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

#### 董事委員會

董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監察本公司事務的特定領域。所有董事委員會均訂有書面職權範圍。董事委員會之職權範圍已登載於本公司網站([www.hemeiyl.com](http://www.hemeiyl.com))及香港交易所網站([www.hkexnews.hk](http://www.hkexnews.hk))，亦可應股東要求提供。

各董事委員會的大部分成員為獨立非執行董事，各董事委員會之主席及成員名單載於本企業管治報告「董事會」項下。

#### 審核委員會

審核委員會之職權範圍之嚴格程度不遜於企業管治守則所載之條款。

審核委員會之主要職責為協助董事會審閱財務資料及申報流程、風險管理及內部監控系統、內部審核功能的有效性、審核範圍及委任外部核數師，以及有關本公司僱員可就本公司財務申報、內部監控或其他事項可能發生不當之行為提請關注之安排。



The Audit Committee held two meetings to review the annual financial results and report in respect of the year ended 31 December 2017, the interim financial results and report in respect of the six months ended 30 June 2018, and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditors and relevant scope of works, and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors twice during the year ended 31 December 2018.

#### Remuneration Committee

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee met twice during the year ended 31 December 2018 to review and make recommendation to the Board on the remuneration policy and structure of the Company, the remuneration packages of the Directors and senior management and other related matters as well as the revision of terms of the service contracts of the executive Directors and letters of appointment of the non-executive Directors.

Details of the remuneration of the senior management by band are set out in note 16 to the consolidated financial statements in this annual report.

#### Nomination Committee

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

審核委員會舉行兩次會議，以審閱截至2017年12月31日止年度的年度財務業績及報告、截至2018年6月30日止六個月的中期財務業績及報告，以及有關財務匯報、經營及合規監控的重大問題、風險管理及內部監控系統以及內部審核功能的有效性、委任外部核數師及相關工作範圍，以及有關僱員可就可能發生不當之行為提請關注之安排。

於截至2018年12月31日止年度，審核委員會亦與外部核數師舉行兩次會議。

#### 薪酬委員會

薪酬委員會之職權範圍之嚴格程度不遜於企業管治守則所載之條款。

薪酬委員會之主要職能包括審閱個別執行董事及高級管理層的薪酬待遇、全體董事及高級管理層之薪酬政策及架構，並就此向董事會提供建議，以及設立透明的程序以完善有關薪酬政策及架構，從而確保概無董事或其任何聯繫人可參與釐定其自身之薪酬。

截至2018年12月31日止年度，薪酬委員會舉行兩次會議，以審閱及向董事會建議本公司之薪酬政策及架構，董事及高級管理層的薪酬待遇以及其他有關事項，以及修訂執行董事服務合約及非執行董事委任函的條款。

有關高級管理層薪酬等級之詳情載於本年報中的綜合財務報表附註16。

#### 提名委員會

提名委員會之職權範圍之嚴格程度不遜於企業管治守則所載之條款。

提名委員會之主要職責包括審閱董事會的組成、完善及制定提名及委任董事的相關程序、就董事委任及繼任計劃向董事會提供建議，以及評估獨立非執行董事的獨立性。

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's board diversity policy (the "**Board Diversity Policy**"). The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence, time commitment and other relevant criteria as set out in the director nomination policy adopted by the Company during 2018 (the "**Director Nomination Policy**") that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The Nomination Committee met once during the year ended 31 December 2018 to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for election at the AGM.

#### **Board Diversity Policy**

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile.

於評估董事會的組成時，提名委員會將考慮本公司董事會成員多元化政策（「**董事會成員多元化政策**」）所載有關董事會成員多元化的多個方面及因素。提名委員會將商討並協定達成董事會成員多元化之可計量目標（如必要），並向董事會提供建議，供其採納。

於物色及選定合適的董事人選時，提名委員會將於向董事會提供建議前考慮本公司於2018年採納的董事提名政策（「**董事提名政策**」）所載候選人之性格、資格、經驗、獨立性、須付出的時間及其他相關必要標準，以執行企業策略及達致董事會成員多元化（如適用）。

於截至2018年12月31日止年度，提名委員會舉行一次會議，以審閱董事會之架構、規模及組成以及獨立非執行董事的獨立性，並考慮將於股東週年大會參選之退任董事的資格。

#### **董事會成員多元化政策**

本公司已採納一項董事會成員多元化政策，當中載有達致董事會成員多元化的方法。本公司認同並深信多元化的董事會裨益良多，並視董事會層面日益多元化是維持本公司競爭優勢的關鍵元素。

根據董事會成員多元化政策，提名委員會將每年檢討董事會的架構、人數及組成，並在適當情況下向董事會就變動提出建議，以配合本公司的企業策略，並確保董事會維持平衡及多元化的組合。

In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, race, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

At present, the Nomination Committee considered that the Board is sufficiently diverse. The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Nomination Committee will review the Board Diversity Policy, as appropriate and on a regular basis, to ensure its effectiveness.

#### Director Nomination Policy

The Board has delegated its responsibilities to the Nomination Committee for identification and selection of candidates to stand for election as Directors. The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

就檢討及評估董事會的組成，提名委員會致力於所有層面達致多元化，並將考慮多個方面，包括但不限於性別、種族、年齡、文化及教育背景、專業資格、技能、知識以及行業及區域經驗。

本公司力求將與本公司業務增長有關的多元化觀點維持適當平衡，亦致力確保妥善安排各級（董事會以下）的招聘及遴選工作，以將各類候選人納入考慮範圍。

目前，提名委員會認為董事會已有充分的多元性。董事會將考慮設定可計量目標，以推行董事會成員多元化政策並不時檢討該等目標，確保其合適度及確定達致該等目標之進展。

提名委員會將在適當情況下定期檢討董事會成員多元化政策，以確保其成效。

#### 董事提名政策

董事會已授予提名委員會其職責以識別及遴選候選人進行董事選舉。本公司已採納董事提名政策，當中載有有關本公司董事提名及委任之遴選標準及程序以及董事會繼任計劃之考慮因素，旨在確保董事會擁有本公司所需及董事會可延續運作的各項技能、經驗及多元化觀點，且於董事會層面上具備適當的領導力。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, race, age (18 years or above), cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

董事提名政策載有評估建議候選人的適合性及可能對董事會帶來貢獻之因素，包括但不限於以下各項：

- 品格和誠信；
- 資歷，包括專業資格、技能、知識及有關本公司業務與公司策略的經驗；
- 在各方面的多元化，包括但不限於性別、種族、年齡（18歲或以上）、文化與教育背景、專業資格、技能、知識及行業及區域經驗；
- 根據上市規則，董事會需包括獨立非執行董事的要求以及獨立非執行董事候選人的獨立性；及
- 作為本公司董事會及／或董事委員會成員執行職務所投放的時間及相關權益。

董事提名政策亦載有於股東大會上遴選及委任新董事及重選董事的程序。

提名委員會將於適時檢討董事提名政策以確保其成效。



#### Corporate Governance Functions

The Board is responsible for performing the functions set out in code provision D.3.1 of the CG Code.

During the year ended 31 December 2018, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, compliance of the Model Code and the Written Guidelines, and the Company's compliance with the CG Code and disclosure in this corporate governance report.

#### 企業管治職能

董事會負責執行載於企業管治守則守則條文第D.3.1條的職能。

於截至2018年12月31日止年度，董事會已審閱本公司企業管治政策和常規、董事及高級管理層的培訓和持續職業發展與本公司遵守法律及法規規定的政策及常規、標準守則及書面指引的合規性，及本公司遵守企業管治守則及本企業管治報告的披露。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

#### ATTENDANCE RECORDS OF DIRECTORS

The attendance record of each Director at the Board and Board committee meetings and AGM of the Company held during the year ended 31 December 2018 is set out in the table below:

#### 董事之出席記錄

各董事出席本公司於截至2018年12月31日止年度舉行之董事會及董事委員會會議及股東週年大會之出席記錄載列於下表：

| Name of Director<br>董事姓名                              | Attendance/Number of Meetings<br>出席情況／會議次數 |                             |                                    |                                  |               |
|---|--|-----------------------------|------------------------------------|----------------------------------|---------------|
|   | Board<br>董事會                               | Audit<br>Committee<br>審核委員會 | Remuneration<br>Committee<br>薪酬委員會 | Nomination<br>Committee<br>提名委員會 | AGM<br>股東週年大會 |
| <i>Executive Directors</i><br>執行董事                    |  |                             |                                    |                                  |               |
| Mr. Lin Yuming<br>林玉明先生                               | 8/8  | N/A<br>不適用                  | N/A<br>不適用                         | 1/1                              | 1/1           |
| Mr. Fang Zhifeng<br>方志鋒先生                             | 7/8  | N/A<br>不適用                  | N/A<br>不適用                         | N/A<br>不適用                       | 1/1           |
| Mr. Zhao Xingli<br>趙興力先生                              | 8/8  | N/A<br>不適用                  | 2/2                                | N/A<br>不適用                       | 1/1           |
| <i>Non-executive Directors</i><br>非執行董事               |  |                             |                                    |                                  |               |
| Mr. Lin Yuguo<br>林玉國先生                                | 7/8  | N/A<br>不適用                  | 1/2                                | N/A<br>不適用                       | 1/1           |
| Mr. Qiu Jianwei<br>邱建偉先生                              | 5/8  | 1/2                         | N/A<br>不適用                         | N/A<br>不適用                       | 1/1           |
| Mr. Xu Jun<br>徐軍先生                                    | 8/8  | N/A<br>不適用                  | N/A<br>不適用                         | 1/1                              | 1/1           |
| <i>Independent Non-executive Directors</i><br>獨立非執行董事 |  |                             |                                    |                                  |               |
| Mr. Kong Aiguo<br>孔愛國先生                               | 8/8  | 2/2                         | 2/2                                | 1/1                              | 1/1           |
| Ms. Fang Lan<br>方嵐女士                                  | 8/8  | 2/2                         | 2/2                                | 1/1                              | 1/1           |
| Mr. Cai Jiangnan<br>蔡江南先生                             | 6/8  | 2/2                         | 1/2                                | 1/1                              | 1/1           |

Note:

Mr. Zhao Xingli and Mr. Fang Zhifeng have resigned as executive directors of the Company with effect from 14 June 2020 and 31 July 2020 respectively, and Mr. Kong Aiguo has resigned as an independent non-executive director of the Company with effect from 24 August 2020.

附註：

趙興力先生及方志鋒先生已辭任本公司執行董事，分別於2020年6月14日及2020年7月31日生效。孔愛國先生已辭任本公司獨立非執行董事，於2020年8月24日生效。

The attendance records of the following Directors at the relevant meetings by their alternates are set out below:

下列董事於相關會議的出席記錄(由彼等的替任人出席)載列如下:

| Name of Director<br>董事姓名  | Name of Alternate Director<br>替任董事姓名 | Board<br>董事會 | Number of Meetings<br>會議次數  |                                    |                                  |
|---------------------------|--------------------------------------|--------------|-----------------------------|------------------------------------|----------------------------------|
|                           |                                      |              | Audit<br>Committee<br>審核委員會 | Remuneration<br>Committee<br>薪酬委員會 | Nomination<br>Committee<br>提名委員會 |
| Mr. Lin Yuguo<br>林玉國先生    | Mr. Kong Aiguo<br>孔愛國先生              | 1/8          | N/A<br>不適用                  | 1/2                                | N/A<br>不適用                       |
| Mr. Qiu Jianwei<br>邱建偉先生  | Mr. Xu Jun<br>徐軍先生                   | 1/8          | N/A<br>不適用                  | N/A<br>不適用                         | N/A<br>不適用                       |
| Mr. Cai Jiangnan<br>蔡江南先生 | Ms. Fang Lan<br>方嵐女士                 | 1/8          | N/A<br>不適用                  | N/A<br>不適用                         | N/A<br>不適用                       |

Note:

Mr. Kong Aiguo has resigned as an independent non-executive director of the Company with effect from 24 August 2020.

附註:

孔愛國先生已辭任本公司獨立非執行董事，於2020年8月24日生效。

Apart from regular Board meetings, the Chairman also held a meeting with the non-executive Directors (including independent non-executive Directors) without the presence of executive Directors during the year ended 31 December 2018.

除定期舉行董事會會議外，於截至2018年12月31日止年度，主席亦與非執行董事(包括獨立非執行董事)舉行一次並無執行董事出席的會議。

Independent non-executive Directors and non-executive Directors have attended AGM to gain and develop a balanced understanding of the view of shareholders.

獨立非執行董事及非執行董事已出席股東週年大會，以對股東的意見有全面及公正的了解。

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

## 風險管理及內部監控

董事會承認其有關風險管理及內部監控系統，以及檢討其成效之責任。該等系統乃旨在管理而非消除未能達成業務目標之風險，且僅能就不會有重大失實陳述或損失作出合理而非絕對保證。

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

董事會有整體責任評估及釐定本公司為達成戰略目標所願承擔的風險性質及程度，並制訂及維持合適且有效之風險管理及內部監控系統。

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

審核委員會協助董事會領導管理層並監督其設計、執行及監控風險管理及內部監控系統。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

The Company has developed "Risk Management System", "Anti-Fraud Management System", "Internal Control Manual", etc., and carries out risk management according to relevant systems.

The Risk Control and Audit Department of the Company is responsible for organizing and implementing the development of the "Internal Control Manual" and conducting training and publicizing within the Group, and conducting targeted internal control evaluation of its subordinate units and preparing internal control evaluation reports to the management for review. It is also responsible for organizing, coordinating and supervising functional departments of the Company and business personnel of each unit to carry out risk identification and risk assessment in key business areas of healthcare industry, assess the possibility and effects of risks, and provide treatment plans and monitor risk management progress.

The Risk Control and Audit Department also conducts status assessment tests on major risk points of key business operations and major risk areas of key business matters in accordance with the Group's requirements; and reviews the control points in each process, analyzes the risks that may exist in each control point and describes control measures in detail. It performs audit regularly on all units and business departments, incorporates potential fraud risk points into regular audit and conducts extended investigations on the potential fraud risks existed in each unit; and evaluates and responds to key risk matters and reviews the development and implementation of relevant systems.

The Risk Control and Audit Department also assists in developing "Major Risk Management and Control Measures" and organizing relevant functional departments and units in our headquarter to conduct evaluation of the Company's major risks, follows up major risks and reports to the management in a timely manner. The units and departments that have encountered related risk matters should identify and analyze related risks through weekly meetings, monthly business meetings, ad hoc meetings etc. and actively take countermeasures to resolve existing risks.

Based on the "Internal Control Manual" and other guidance notes, the Risk Control and Audit Department conducts targeted internal control evaluation on the design and implementation of internal control of its subordinate units and issues internal control evaluation reports.

本公司已制定《風險管理制度》、《反舞弊管理制度》、《內部控制手冊》等，並根據相關制度執行風險管理工作。

本公司風控審計部負責組織並實施《內部控制手冊》的建立工作，在本集團範圍內進行培訓宣貫，有針對性對下屬單位開展內部控制評價工作，編製內部控制評價報告提交管理層審閱；同時負責組織並協調與督促本公司各職能部門及各單位業務人員，對醫療行業重點業務領域進行風險識別、風險評估，評估風險發生的可能性及影響程度，並提供處理方案及監察風險管理的進展情況。

風控審計部亦按照本集團要求，針對各關鍵業務環節主要風險點、重要業務事項重大風險領域進行流程現狀評估測試，針對各流程中的控制點進行梳理、對每個控制點中可能存在的風險進行分析，並詳細描述控制措施；定期對各單位及各業務部門開展審計工作，將潛在舞弊風險點融入到常規審計中，對各單位存在的潛在舞弊風險進行延伸排查；對關鍵風險事項進行評估及應對，並對相關制度的建立與執行情況進行審查。

風控審計部亦協助制定《重大風險管控措施》，組織總部相關職能部門、各單位對本公司重大風險進行評估，對重大風險進行跟進並及時匯報管理層。各單位及各部門遇到相關風險事項，通過周會、月度經營會議或臨時組織召開會議等形式對相關風險進行識別、分析並積極採取應對措施來解決存在的風險。

風控審計部依據《內部控制手冊》及其他指引附註，有針對性對下屬單位在內控設計及執行情況方面開展內控評價工作，並出具內部控制評價報告。



The Risk Control and Audit Department issues an "Internal Audit Report" on related areas to the Audit Committee every six months to review relevant matters, which includes summary of risk management and anti-fraud work, development and operation of internal control system and audit and other work etc.

All divisions conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted to confirm that control policies are properly complied with by each division.

The management, in coordination with division heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2018.

In view of the Delay, the Audit Committee engaged BDO as an independent internal control consultant to conduct the Initial IC Review on certain internal control procedures of the Company. The scope of the Initial IC Review included an independent assessment of the internal control systems of the Group, covering the transaction process of the Equity Transfer, anti-fraud management, the administration of contracts and seals, the management of fund and investment; and the management of cash and payment during the period of 1 January 2018 to 31 March 2019, the results of which were published by the Company in its announcement dated 25 March 2020.

風控審計部每六個月對相關領域出具《內部審核報告》向審核委員會呈報，檢討相關事項。內容包括風險管理及反舞弊工作概括、內部控制體系建設及運行情況、審計工作及其他工作等。

所有分部均定期進行內部監控評估以識別可能對本集團業務及多個方面(包括主要營運及財務流程、監管合規及信息安全)構成影響的風險。各分部已進行自我評估以確認其已妥為遵守監控政策。

管理層協同分部主管對出現風險的可能性進行評估、制定應對計劃、監控風險管理過程，並向審核委員會及董事會匯報所有評估結果及該系統的有效性。

管理層已向董事會及審核委員會確認於截至2018年12月31日止年度風險管理及內部監控系統的有效性。

鑒於延遲，審核委員會委聘德豪為獨立內部控制顧問以初步內部控制審查本公司若干內部控制程序。初步內部控制審查範圍包括獨立評估本集團內部控制系統，涵蓋股權轉讓交易過程、反舞弊管理、合約及公章管理、資金及投資管理以及於2018年1月1日至2019年3月31日止期間的現金及付款管理，而審查結果刊發於本公司日期為2020年3月25日之公告。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

Further, on 17 July 2020, the Company appointed Netis as the Internal Control Consultant to conduct the Comprehensive IC Review of the Group's internal control procedures which will cover all of the Group's significant subsidiaries and to the extent practicable, its major associated companies, for the period between 1 January 2018 and 31 July 2020 in order to comprehensively evaluate the Group's internal control systems. Netis issued a draft Comprehensive IC Review report containing its findings of the review and internal control recommendations. The Company has since implemented the internal control recommendations in accordance with the draft Comprehensive IC Review Report in consultation with Netis. The Audit Committee reviewed the draft Comprehensive IC Review Report and agreed with its findings and internal control recommendations in a meeting of the Audit Committee attended by Netis. The final Comprehensive IC Review Report was issued on 3 December 2020.

For more details regarding the Initial IC Review and the Comprehensive IC Review, please refer to the announcements of the Company dated 12 June 2019, 31 July 2019, 31 October 2019, 17 July 2020, 4 December 2020 and 8 January 2021.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2018, and considered that such systems after the adoption of all recommendations as suggested by Initial IC Review and Comprehensive IC Review are effective and adequate. The annual review also covered the financial reporting, internal audit function and staff qualifications, experiences and relevant resources.

Whistleblowing procedures are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has developed its disclosure policy which provides a general guide to the Directors, the Company's officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

此外，於2020年7月17日，本公司已委聘弘信為其內部控制顧問，以對本集團由2018年1月1日至2020年7月31日止期間的內部控制程序（將涵蓋本集團所有主要附屬公司及（在可行情況下）其主要聯營公司）進行全面內部控制審查，以對本集團的內部控制系統進行全面評估。弘信已刊發載有其審查結果及內部控制建議的草擬全面內部控制審查報告。本公司已諮詢弘信根據草擬全面內部控制審查報告執行內部控制建議。審核委員會於弘信出席的審核委員會會議中審閱草擬全面內部控制審查報告並同意其結果及內部控制建議。最終全面內部控制審查報告已於2020年12月3日刊發。

有關初步內部控制審查和全面內部控制審查的更多詳情，請參閱本公司日期為2019年6月12日、2019年7月31日、2019年10月31日、2020年7月17日、2020年12月4日及2021年1月8日之公告。

董事會在審核委員會的協助下參考管理層報告及內部審核結果對於截至2018年12月31日止年度的風險管理及內部監控系統（包括財務、經營及合規監控）進行審閱，並認為該等系統在採納所有由初步內部控制審查和全面內部控制審查的建議後，屬有效及充足。年度審閱範圍亦涵蓋財務報告、內部審核功能及員工資歷、經驗及相關資源。

本公司設有檢舉程序以便本公司僱員可以保密方式就本公司財務申報、內部監控或其他事項可能發生不當之行為提請關注。

本公司已制定披露政策，以向董事、本公司負責人員、高級管理層及相關僱員就處理保密資料、監控信息披露及回應查詢提供一般指引。本公司已執行監控程序以確保嚴格禁止未經授權獲取及使用內幕消息。

#### DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2018.

The Group incurred a loss of approximately RMB785,211,000 for the year ended 31 December 2018 and as at 31 December 2018, the capital commitments for acquisition of property, plant and equipment of the Group was approximately RMB258,301,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Save as disclosed above, Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 81 to 89 of this annual report.

#### 董事有關財務報表之責任

董事知悉彼等編製本公司於截至2018年12月31日止年度之財務報表之職責。

截至2018年12月31日止年度，本集團錄得虧損約人民幣785,211,000元。於2018年12月31日，本集團就收購物業、廠房及設備的資本承擔約為人民幣258,301,000元。該等狀況表明存在或會使本集團持續經營能力嚴重成疑之重大不確定因素。除上文所披露者外，董事並不知悉任何重大不確定因素涉及可能對本公司持續經營能力造成重大疑惑之事件或情況。

本公司獨立核數師有關彼等就財務報表之申報責任之陳述載於本年報第81至89頁之「獨立核數師報告」內。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

#### AUDITOR'S REMUNERATION

The remuneration paid to the external auditor of the Company, Zhonghui ANDA CPA Limited, for the year ended 31 December 2018 is set out below:

| Service Category<br>服務類別 |       | Fees Paid/Payable<br>已付／應付費用<br>RMB'000<br>人民幣千元 |
|--------------------------|-------|--|
| Audit Services           | 審核服務  | 2,230  |
| Non-audit Services       | 非審核服務 | —  |
|                          |       | 2,230  |

#### COMPANY SECRETARY

Mr. Chen Wei has resigned as a joint company secretary and vice president of the Company on 29 September 2020. Following Mr. Chen's resignation as a joint company secretary, Ms. Cheung Yuet Fan of Tricor Services Limited, external service provider, continues to serve as the company secretary of the Company since 29 September 2020.

Ms. Cheung was appointed as a joint company secretary in place of Ms. Siy Ling Lung following Ms. Siy's resignation as a joint company secretary on 28 May 2018.

Ms. Cheung's primary contact person at the Company is Mr. Chen Longzhen (Chief Financial Officer).

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters.

#### 核數師酬金

本公司就截至2018年12月31日止年度向本公司外部核數師中匯安達會計師事務所有限公司支付之酬金載列如下：

#### 公司秘書

陳偉先生已於2020年9月29日辭任本公司聯席公司秘書兼副總裁。於陳先生辭任聯席公司秘書後，外聘服務機構卓佳專業商務有限公司之張月芬女士自2020年9月29日起繼續擔任本公司之公司秘書。

於2018年5月28日，張女士獲委任為聯席公司秘書以接任施玲瓏女士於同日之辭任。

張女士於本公司之主要聯絡人士為陳隆禎先生(財務總監)。

全體董事均可就企業管治及董事會常規及事項獲公司秘書提供建議及服務。



## SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels.

To safeguard Shareholders' interests and rights, separate resolution will be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and HKEx after each general meeting.

### Convening an Extraordinary General Meeting

Pursuant to Article 58 of the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or the Companies Law of the Cayman Islands for putting forward proposals of new resolutions by Shareholders at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph to consider the business specified in the requisition. For proposing a person for election as a Director, please refer to the "Procedures for Shareholders to Propose a Person for Election as a Director" posted on the Company's website.

### Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

## 股東權利

本公司以多種溝通渠道與股東聯繫。

為保障股東權益及權利，本公司將就各重大個別事宜(包括選舉個別董事)於股東大會提呈獨立決議案。股東大會上提呈之所有決議案將根據上市規則進行投票表決，且投票表決之結果將於各股東大會結束後在本公司及香港交易所網站上刊載。

### 召開股東特別大會

根據章程細則第58條，於遞呈要求當日持有不少於本公司實繳股本(附有於本公司股東大會投票權利)十分之一的任何一名或以上的股東，有權於任何時間向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；該大會應於遞呈該要求後兩個月內舉行。倘於遞呈要求後二十一日內，董事會未有召開該大會，則遞呈要求人士可自行以同樣方式召開大會，而遞呈要求人士因董事會未有召開大會而產生的所有合理開支應由本公司向遞呈要求人士作出償付。

### 於股東大會上提呈建議

章程細則或開曼群島公司法並無載列任何有關股東在股東大會上提呈新決議案的條文。股東如欲動議決議案，可根據上段所載程序要求本公司召開股東大會以考慮要求中的指明事項。有關提名候選董事之事宜，請參閱本公司網站所登載之「股東提名候選董事的程序」。

### 向董事會作出查詢

向董事會作出任何查詢時，股東可向本公司發送書面查詢。本公司一般不會處理口頭或匿名查詢。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告 (續)

#### Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: No. A2 Xiaoguan Beili  
Beiyuan Road  
Chaoyang District, Beijing, China  
For the attention of Mr. Chen Longzhen  
Fax: 86 10 87766997  
Email: chenlongzhen@188.com/ir@hemeiyi.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

#### COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through AGMs and other extraordinary general meetings. At the AGM, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

During the year ended 31 December 2018, the Company has not made any changes to its Articles of Association. An up to date version of the Company's Articles of Association is available on the Company's website and HKEx's website.

#### POLICIES RELATING TO SHAREHOLDERS

The Company has in place a shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company has adopted a policy on payment of dividends pursuant to code provision E.1.5 of the CG Code that has become effective from 1 January 2019. The policy sets out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of dividends to the Shareholders.

#### 聯絡詳情

股東可將上文所述彼等的查詢或要求郵寄至以下地址：

地址：中華人民共和國北京朝陽區  
北苑路  
小關北里甲2號  
陳隆禎先生收  
傳真：86 10 87766997  
電郵：chenlongzhen@188.com/ir@hemeiyi.com

為免生疑，股東必須遞呈及寄送正式簽署的書面要求、通知或聲明或查詢（視情況而定）的正本至上述地址，並提供全名、聯絡詳情及身份證明文件，方告生效。股東資料可根據法律規定而予以披露。

#### 與股東及投資者溝通／投資者關係

本公司認為，與股東有效溝通對加強投資者關係及讓投資者了解本集團業務表現及策略相當重要。本公司致力維持與股東的持續溝通，尤其是透過股東週年大會及其他股東特別大會。董事或其代表（如適用）將於股東週年大會與股東會面並解答查詢。

於截至2018年12月31日止年度，本公司並無對其章程細則作出任何改動。本公司章程細則的最新版本可於本公司及香港交易所網站查閱。

#### 有關股東的政策

本公司已制定股東通訊政策以確保適當處理股東的意見及關切。本公司定期審閱該政策以確保其有效性。

本公司已根據自2019年1月1日起生效的企業管治守則守則條文第E.1.5採納有關派付股息的政策。該政策載列本公司就宣派、派付或分發股息予股東時擬應用的原則及指引。



TO THE SHAREHOLDERS OF HARMONICARE MEDICAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Harmonicare Medical Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 90 to 198, which comprise the consolidated statement of financial position as at 31 December 2018, 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.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

I. Limited accounting books and records of subsidiary disposed

As disclosed in note 45(a) to the consolidated financial statements, Shenzhen HarMoniCare Gynecology and Paediatrics Hospital Co., Ltd, a subsidiary of the Company (the "Shenzhen HariMoniCare Hospital") have been disposed subsequent to the year ended 31 December 2018. Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of Shenzhen HariMoniCare Hospital for the years ended 31 December 2018 and 2017, we were unable to carry out audit procedures to satisfy ourselves as to whether the following income and expenses for the years ended 31 December 2018 and 2017 and the assets and liabilities as at those dates, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements:

致和美醫療控股有限公司股東

(於開曼群島註冊成立之有限公司)

無法發表意見

本核數師(以下簡稱「我們」)已獲委聘審計列載於第90至198頁的和美醫療控股有限公司(以下簡稱「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2018年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們不會就 貴集團之綜合財務報表發表意見。由於我們報告內無法發表意見之基礎一節所述之事宜屬重大，故我們未能取得充分適當之審計憑證為該等綜合財務報表之審計意見提供基礎。我們認為，綜合財務報表在所有其他方面已遵照香港公司條例之披露規定妥為編製。

無法發表意見之基礎

I. 出售附屬公司之有限會計賬簿及記錄

誠如綜合財務報表附註45(a)所披露，貴公司附屬公司深圳和美婦兒科醫院有限公司(「深圳和美醫院」)已於截至2018年12月31日止年度後出售。由於截至2018年及2017年12月31日止年度有關深圳和美醫院之會計賬簿及記錄之證明文件及解釋不充足，我們未能開展審核程序，以令我們信納以下呈列於 貴集團綜合財務報表於截至2018年及2017年12月31日止年度的收入及開支以及於該等日期的資產及負債是否已於綜合財務報表中準確記錄及妥為入賬：

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告(續)

|   |               | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|---|---------------|-----------------------------------|-----------------------------------|
| <b>Income and expenses</b>                  | <b>收入及開支</b>  |                                   |                                   |
| Revenue                                     | 收益            | 75,893                            | 89,020                            |
| Cost of sales and services                  | 銷售及服務成本       | (57,522)                          | (49,731)                          |
| Gross profit                                | 毛利            | 18,371                            | 39,289                            |
| Other income                                | 其他收入          | 335                               | 1,071                             |
| Other gains and losses                      | 其他收益及虧損       | (37)                              | (17)                              |
| Selling and distribution expenses           | 銷售及分銷開支       | (38,205)                          | (36,514)                          |
| Administrative and other operating expenses | 行政及其他經營開支     | (12,004)                          | (10,623)                          |
| Impairment on various assets                | 各類資產減值        | (42)                              | -                                 |
| Loss for the year                           | 年內虧損          | (31,582)                          | (6,794)                           |
| <b>Assets and liabilities</b>               | <b>資產及負債</b>  |                                   |                                   |
| Property, plant and equipment               | 物業、廠房及設備      | 31,477                            | 26,922                            |
| Other intangible assets                     | 其他無形資產        | 117                               | 143                               |
| Rental deposits                             | 租金按金          | 2,712                             | 3,098                             |
| Other long-term assets                      | 其他長期資產        | 1,340                             | 3,500                             |
| Inventories                                 | 存貨            | 2,553                             | 1,883                             |
| Trade receivables                           | 貿易應收款項        | 1,015                             | 1,601                             |
| Prepayment, deposits and other receivables  | 預付款、按金及其他應收款項 | 2,375                             | 1,613                             |
| Cash and cash equivalents                   | 現金及現金等價物      | 437                               | 1,386                             |
| Trade payables                              | 貿易應付款項        | (511)                             | (690)                             |
| Other payables and accruals                 | 其他應付款項及應計費用   | (22,030)                          | (21,457)                          |
| Accrued rental expenses                     | 應計租金開支        | (12,674)                          | (15,145)                          |
| Net assets                                  | 資產淨值          | 6,811                             | 2,854                             |



2. Limited accounting books and records of the Hibaby Healthcare Co., Ltd. (“Hibaby”) and its subsidiaries (“Hibaby Group”)

As at 31 December 2017, the Group owned 49.47% of equity interest of Hibaby and recognised as associate which the Group has significant influence. On 8 November 2018, the Group, as the purchaser, entered into an equity transfer agreement with other shareholders of Hibaby, as the sellers, on acquisition of 48.53% of equity interests of Hibaby from other shareholders of Hibaby for cash consideration in aggregate of approximately RMB30,242,000 (the “Acquisition”). The Group holds 98% of equity interests of Hibaby upon the completion of acquisition. The Acquisition of 48.53% equity interests of Hibaby by the Group was accounted for the acquisition of subsidiaries in a business combination achieved in stages in the Group’s consolidated financial statement.

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) whether the carrying amount of interest in an associate of approximately RMB21,007,000 as at 31 December 2017 are fairly stated; and (ii) whether share of loss of an associate of approximately RMB1,991,000 and RMB2,967,000 respectively for the year ended 31 December 2018 and 2017 are properly stated.

Also, we have not been provided with sufficient evidence about the fair value of identifiable assets and liabilities of Hibaby Group arising from the acquisition of 48.53% equity interests of Hibaby at the date of acquisition and we were unable to evaluate whether the acquisition method has been appropriately applied on the acquisition and after acquisition. Further, we were unable to satisfy ourselves as to whether the income and expenses from acquisition date to 31 December 2018 and the following assets and liabilities as at 31 December 2018, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements:

2. 凱貝姆健康管理有限公司(「凱貝姆」)及其附屬公司(統稱「凱貝姆集團」)之有限會計賬簿及記錄

於2017年12月31日，貴集團擁有凱貝姆49.47%的股權，且確認為貴集團對其有重大影響的聯營公司。於2018年11月8日，貴集團(作為買方)與凱貝姆其他股東(作為賣方)訂立股權轉讓協議，自凱貝姆其他股東收購凱貝姆48.53%的股權，現金代價合共約人民幣30,242,000元(「收購」)。貴集團於完成收購後持有凱貝姆98%的股權。貴集團收購凱貝姆48.53%的股權於貴集團的綜合財務報表內入賬列作分階段達成業務合併的收購附屬公司。

我們未能取得充分及適當的審計憑證，以令我們信納(i)於2017年12月31日於聯營公司的權益賬面值約人民幣21,007,000元已公平呈列；及(ii)於截至2018年及2017年12月31日止年度應佔聯營公司虧損分別約人民幣1,991,000元及人民幣2,967,000元是否已妥為呈列。

此外，我們未能就來自於收購日期收購凱貝姆48.53%股權的凱貝姆集團可識別資產及負債公平值獲提供充分憑證，且我們無法評估是否就收購事項及於收購後適當應用收購法。此外，我們未能信納列賬於貴集團綜合財務報表的自收購日期至2018年12月31日的收入及開支以及以下於2018年12月31日的資產及負債是否已於綜合財務報表中準確記錄及妥為入賬。

# INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## 獨立核數師報告 (續)

From acquisition date to

31 December 2018

自收購日期至

2018年12月31日

RMB'000

人民幣千元

| Income and expenses                         | 收入及開支     |          |
|---|-----------|----------|
| Revenue                                     | 收益        | 5,757    |
| Cost of sales and services                  | 銷售及服務成本   | (8,072)  |
| Gross loss                                  | 毛利        | (2,315)  |
| Other income                                | 其他收入      | 1        |
| Selling and distribution expenses           | 銷售及分銷開支   | (1,626)  |
| Administrative and other operating expenses | 行政及其他經營開支 | (10,166) |
| Finance costs                               | 融資成本      | (4,484)  |
| Loss for the year                           | 年內虧損      | (18,590) |

2018

2018年

RMB'000

人民幣千元

| Assets and liabilities                      | 資產及負債         |          |
|---|---------------|----------|
| Property, plant and equipment               | 物業、廠房及設備      | 80,423   |
| Goodwill                                    | 商譽            | 18,425   |
| Other non-current assets                    | 其他非流動資產       | 5,000    |
| Inventories                                 | 存貨            | 406      |
| Trade receivables                           | 貿易應收款項        | 34       |
| Prepayments, deposits and other receivables | 預付款、按金及其他應收款項 | 49,471   |
| Cash and bank balances                      | 現金及銀行結餘       | 3,546    |
| Trade payables                              | 貿易應付款項        | (7,883)  |
| Other payables                              | 其他應付款項        | (15,658) |
| Other loans                                 | 其他貸款          | (23,700) |
| Net assets                                  | 資產淨值          | 110,064  |

**3. Property, plant and equipment and land use right**

Apart from the property, plant and equipment mentioned in points 1 and 2 above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the (i) carrying amount of the certain property, plant and equipment and land use right of approximately RMB257,283,000 and RMB116,713,000 respectively as at 31 December 2018 and of approximately RMB75,519,000 and RMB119,156,000 as at 31 December 2017 are fairly stated; (ii) whether provision for impairment losses on such property, plant and equipment and land use right of approximately RMB107,189,000 and RMBnil for the year ended 31 December 2018 are properly stated; (iii) whether provision for impairment losses on such property, plant and equipment and land use right of RMBnil and RMBnil respectively for the year ended 31 December 2017 are properly stated; (iv) whether the depreciation of property, plant and equipment and amortisation of land use right of approximately RMB8,162,000 and RMB2,443,000 respectively for the year ended 31 December 2018 are properly stated; and (v) the accuracy of the disclosures in relation to the property, plant and equipment and land use right.

**4. Goodwill and other intangible assets**

Apart from the goodwill and other intangible assets mentioned in points 1 and 2 above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) whether the carrying amount of the goodwill and other intangible assets of approximately RMB4,019,000 and RMB56,419,000 respectively as at 31 December 2018 and of approximately RMB72,981,000 and RMB45,812,000 as at 31 December 2017 are fairly stated; (ii) whether provision for impairment losses on goodwill and other intangible assets of approximately RMB68,962,000 and RMB135,199,000 respectively for the year ended 31 December 2018 are properly stated; (iii) whether provision for impairment losses on goodwill and other intangible assets of RMBnil and RMBnil respectively for the year ended 31 December 2017 are properly stated; (iv) whether the amortisation of other intangible assets of approximately RMB1,864,000 for the year ended 31 December 2018 are properly stated; and (v) the accuracy of the disclosures in relation to the goodwill and other intangible assets.

**3. 物業、廠房及設備以及土地使用權**

除上文第1及2點所述物業、廠房及設備外，我們未能取得充分及適當的審計憑證，以令我們信納(i)於2018年12月31日的若干物業、廠房及設備以及土地使用權的賬面值分別約人民幣257,283,000元及人民幣116,713,000元以及於2017年12月31日的約人民幣75,519,000元及人民幣119,156,000元已公平呈列；(ii)截至2018年12月31日止年度就相關物業、廠房及設備以及土地使用權減值虧損約人民幣107,189,000元及人民幣零元的撥備是否已妥為呈列；(iii)截至2017年12月31日止年度就相關物業、廠房及設備以及土地使用權減值虧損分別人民幣零元及人民幣零元的撥備是否妥為呈列；(iv)截至2018年12月31日止年度物業、廠房及設備折舊以及土地使用權攤銷分別約人民幣8,162,000元及人民幣2,443,000元是否已妥為呈列；及(v)有關物業、廠房及設備以及土地使用權的披露準確度。

**4. 商譽及其他無形資產**

除上文第1及2點所述商譽及其他無形資產外，我們未能取得充分及適當的審計憑證，以令我們信納(i)於2018年12月31日商譽及其他無形資產的賬面值分別約人民幣4,019,000元及人民幣56,419,000元以及於2017年12月31日的約人民幣72,981,000元及人民幣45,812,000元是否已公平呈列；(ii)截至2018年12月31日止年度就商譽及其他無形資產減值虧損分別約人民幣68,962,000元及人民幣135,199,000元的撥備是否已妥為呈列；(iii)截至2017年12月31日止年度就商譽及其他無形資產減值虧損分別為人民幣零元及人民幣零元的撥備是否已妥為呈列；(iv)截至2018年12月31日止年度其他無形資產攤銷約人民幣1,864,000元是否已妥為呈列；及(v)有關商譽及其他無形資產的披露準確度。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 獨立核數師報告 (續)

#### 5. Financial assets at fair value through profit or loss and contingent consideration receivables

Included in the consolidated financial statements were financial assets at fair value through profit or loss of approximately RMB165,845,000 and RMB99,723,000 as at 31 December 2018 and 2017 and contingent consideration receivables of approximately RMB10,990,000 as at 31 December 2018, which are measured based on valuation from an external valuer. In the absence of robust evidences for us to assess the appropriateness of the estimates, judgements and assumptions adopted in the valuation on the Group's financial assets at fair value through profit or loss and contingent consideration receivables, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to (i) the fair value measurement and recoverability of the financial assets at fair value through profit or loss and contingent consideration receivables as at 31 December 2018 and 2017; (ii) fair value change of financial assets at fair value through profit or loss of approximately RMB6,222,000 and RMB3,391,000 during the year ended 31 December 2018 and 2017 and fair value change of contingent consideration receivables of approximately RMB10,990,000 and RMBnil respectively for the year ended 31 December 2018 and 2017; and (iii) related disclosures of the fair value measurement in the consolidated financial statements.

#### 6. Trade receivables

Apart from the trade receivables mentioned in points 1 and 2 above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the (i) recoverability of and the carrying amount of the certain trade receivables of approximately RMB31,723,000 and RMB18,910,000 respectively as at 31 December 2018 and 2017 are fairly stated; and (ii) whether provision for impairment losses on above-stated trade receivables of RMBnil and RMBnil respectively for the year ended 31 December 2018 and 2017 are properly stated.

#### 5. 按公平值計入損益之金融資產及應收或然代價

於2018年及2017年12月31日在綜合財務報表列賬按公平值計入損益之金融資產分別約人民幣165,845,000元及人民幣99,723,000元以及於2018年12月31日的應收或然代價約人民幣10,990,000元乃根據外聘估值師估值計量。在我們缺少有力憑證以評估 貴集團按公平值計入損益之金融資產及應收或然代價的估值所採用的估計、判斷及假設適當性的情況下，我們未能取得充分及適當的審計憑證，以令我們信納(i)於2018年及2017年12月31日按公平值計入損益之金融資產以及應收或然代價的公平值計量及可回收性；(ii)截至2018年及2017年12月31日止年度按公平值計入損益之金融資產之公平值變動分別約人民幣6,222,000元及人民幣3,391,000元以及截至2018年及2017年12月31日止年度應收或然代價之公平值變動分別為約人民幣10,990,000元及人民幣零元；及(iii)綜合財務報表公平值計量的相關披露。

#### 6. 貿易應收款項

除上文第1及2點所述貿易應收款項外，我們未能取得充分及適當的審計憑證，以令我們信納(i)於2018年及2017年12月31日若干貿易應收款項的可回收性及賬面值分別約人民幣31,723,000元及人民幣18,910,000元已公平呈列；及(ii)上述截至2018年及2017年12月31日止年度就貿易應收款項之減值虧損分別為人民幣零元及人民幣零元的撥備是否已妥為呈列。



**7. Prepayment, deposits and other receivables, other long-term assets and loan receivables**

Apart from the prepayment, deposits and other receivables and other long-term assets mentioned in points 1 and 2 above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the (i) recoverability of and the carrying amount of the certain prepayment, deposits and other receivables of approximately RMB47,818,000 and RMB15,000,000 respectively and other long-term assets of approximately RMB4,600,000 as at 31 December 2018 and 2017 are fairly stated; and (ii) whether provision for impairment losses on certain prepayment, deposits and other receivables and loan receivables of approximately RMB116,465,000 and RMB6,500,000 respectively for the year ended 31 December 2018 are properly stated.

**8. Deferred tax liabilities**

We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the (i) the carrying amount of the deferred tax liabilities of approximately RMB35,417,000 and RMB33,555,000 respectively as at 31 December 2018 and 2017 respectively are fairly stated; and (ii) whether the income tax credit of approximately RMB28,837,000 for the year ended 31 December 2018 are properly stated.

**9. Provision for onerous contracts**

Due to the uncertainties in respect of the Group's financial position and financial performance during the year, we have been unable to obtain robust supportable evidence for us to assess whether the Group's various long term non-cancellable lease contracts of lease commitments of approximately RMB679,156,000 and RMB234,118,000 respectively as at 31 December 2018 and 2017 in relation to the Group's specialised hospital services are onerous contracts as defined under International Accounting Standard 37. If that executory lease contracts are onerous contracts, a provision is required to the extent for which the related unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

**7. 預付款、按金及其他應收款項、其他長期資產以及應收貸款**

除上文第1及2點所述預付款、按金及其他應收款項以及其他長期資產外，我們未能取得充分及適當的審計憑證，以令我們信納(i)於2018年及2017年12月31日的若干預付款、按金及其他應收款項的可回收性及賬面值分別約人民幣47,818,000元及人民幣15,000,000元以及其他長期資產的可回收性及賬面值約人民幣4,600,000元及已公平呈列；及(ii)截至2018年12月31日止年度就若干預付款、按金及其他應收款項以及應收貸款的減值虧損分別約人民幣116,465,000元及人民幣6,500,000元的撥備是否已妥為呈列。

**8. 遞延稅項負債**

我們未能取得充分及適當的審計憑證，以令我們信納(i)於2018年及2017年12月31日遞延稅項負債賬面值分別約人民幣35,417,000元及人民幣33,555,000元已公平呈列；及(ii)截至2018年12月31日止年度所得稅抵免約人民幣28,837,000元是否已妥為呈列。

**9. 虧損性合約撥備**

由於貴集團年內財務狀況及財務表現的不確定因素，我們未能取得有力支持憑證，以評估貴集團於2018年及2017年12月31日有關貴集團專科醫院服務租賃承擔分別約人民幣679,156,000元及人民幣234,118,000元的各項長期不可撤銷租賃合約是否為國際會計準則第37號所定義的虧損性合約。倘履行租賃合約為虧損性合約，則須按照履行合約項下責任的相關不可避免成本超出預期獲收的經濟利益的程度計提撥備。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 獨立核數師報告 (續)

#### 10. Contingent liabilities

No sufficient evidence has been provided to satisfy ourselves as to (i) the carrying amount of the provision for contingent liabilities and (ii) the existence and completeness of the disclosures of contingent liabilities as at 31 December 2018.

#### 11. Material uncertainty related to going concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately RMB785,211,000 for the year ended 31 December 2018. Also, as at 31 December 2018, the capital commitments for acquisition of property, plant and equipment of the Group was approximately RMB258,301,000.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcome that certain financing plans and measures as stated in note 2 of the consolidated financial statements to improve its consolidated financial position, to provide liquidity and cash flows. The consolidated financial statements do not include any adjustments that would result from the failure to fulfill the financing plans and measures. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements.

However, in view of the extent of the uncertainty relating to the successful outcome that certain financing plans and measures to improve its consolidated financial position, to provide liquidity and cash flows, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Any adjustments to the figures as described from points I to II above might have a significant consequential effect on the Group's consolidated financial performance and its consolidated cash flows for the year ended 31 December 2018 and 2017 and the consolidated financial position of the Group as at 31 December 2018 and 2017, and the related disclosures thereof in the consolidated financial statements.

#### 10. 或然負債

我們概無獲提供充分憑證，以令我們信納(i)或然負債撥備賬面值及(ii)於2018年12月31日的或然負債披露的存在性及完整性。

#### 11. 有關持續經營的重大不確定因素

謹請垂注綜合財務報表附註2，該附註提及 貴集團截至2018年12月31日止年度產生虧損約人民幣785,211,000元。此外，於2018年12月31日， 貴集團收購物業、廠房及設備的資本承擔約為人民幣258,301,000元。

該等狀況表明存在或會使 貴集團持續經營能力嚴重成疑之重大不確定因素。綜合財務報表已按持續經營基準編製，而基準有效性視乎於綜合財務報表附註2所述之為改善其綜合財務狀況以提供流動資金及現金流量的若干融資計劃及措施能否獲成功結果而定。綜合財務報表並不包括任何將會因未能達成融資計劃及措施而作出的調整。我們認為重大不確定因素已於綜合財務報表中充分披露。

然而，鑒於為改善其綜合財務狀況以提供流動資金及現金流量的若干融資計劃及措施能否獲成功結果有關的不確定程度，我們無法就與持續經營基準有關的重大不確定因素發表意見。

任何對上文第I至II點所述數字的調整均可能對 貴集團截至2018年及2017年12月31日止年度的綜合財務表現及其綜合現金流量、 貴集團於2018年及2017年12月31日的綜合財務狀況及於綜合財務報表就此的相關披露造成相應重大影響。

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

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board 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.

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

ZHONGHUI ANDA CPA Limited

*Certified Public Accountants*

**Pang Hon Chung**

Audit Engagement Director

Practising Certificate Number P05988

Hong Kong, 8 January 2021

#### 董事及治理層就綜合財務報表須承擔的責任

董事負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實董事認為編製綜合財務報表所必要的內部監控，以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。

於編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基準的會計法。

#### 核數師就審核綜合財務報表須承擔的責任

我們的責任是根據香港會計師公會(「香港會計師公會」)頒佈之香港核數準則對貴集團綜合財務報表進行審核，並出具核數師報告。然而，由於本報告無法發表意見之基礎一節所述之事項，我們無法取得足夠適當審核憑證，以就此等財務報表發表審核意見提供基礎。

我們根據香港會計師公會頒佈之專業會計師道德守則(「守則」)獨立於貴集團，我們亦已根據守則達致我們的其他道德責任。

中匯安達會計師事務所有限公司

*執業會計師*

**彭漢忠**

審計項目董事

執業牌照編號P05988

香港，2021年1月8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 2018  
截至2018年12月31日止年度

|  |                             | Notes<br>附註 | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|--|-----------------------------|-------------|-----------------------------------|-----------------------------------|
| <b>Revenue</b>   | <b>收益</b>                   | 8           | 1,014,990                         | 924,151                           |
| Cost of sales and services   | 銷售及服務成本                     |             | (621,388)                         | (496,548)                         |
| <b>Gross profit</b>  | <b>毛利</b>                   |             | 393,602                           | 427,603                           |
| Other income   | 其他收入                        | 10          | 7,812                             | 13,063                            |
| Other gains and losses, net  | 其他收益及虧損淨額                   | 11          | 18,602                            | (14,078)                          |
| Selling and distribution expenses                                      | 銷售及分銷開支                     |             | (300,023)                         | (242,422)                         |
| Administrative and other operating expenses                            | 行政及其他經營開支                   |             | (257,703)                         | (143,118)                         |
| Impairment losses on various assets                                    | 各項資產的減值虧損                   | 15          | (558,626)                         | (2,476)                           |
| Provision for onerous leases   | 虧損性租賃撥備                     | 34          | (41,337)                          | –                                 |
| Share of loss of associates  | 應佔聯營公司虧損                    |             | (6,460)                           | (4,625)                           |
| <b>Operating (loss)/profit</b>   | <b>營運(虧損)/利潤</b>            |             | (744,133)                         | 33,947                            |
| Finance costs  | 融資成本                        | 12          | (5,220)                           | –                                 |
| <b>(Loss)/profit before income tax</b>                                 | <b>除所得稅前(虧損)/利潤</b>         |             | (749,353)                         | 33,947                            |
| Income tax expense   | 所得稅開支                       | 14          | (35,858)                          | (4,509)                           |
| <b>(Loss)/profit for the year</b>                                      | <b>年內(虧損)/利潤</b>            | 15          | (785,211)                         | 29,438                            |
| <b>Other comprehensive income:</b>                                     | <b>其他全面收入：</b>              |             |                                   |                                   |
| <i>Item that may be reclassified to profit or loss:</i>                | <i>可能重新分類至損益之項目：</i>        |             |                                   |                                   |
| Share of other comprehensive income of associates                      | 應佔聯營公司其他全面收入                |             | 138                               | 42                                |
| <b>Total other comprehensive income for the year</b>                   | <b>年內其他全面收入總額</b>           |             | 138                               | 42                                |
| <b>Total comprehensive (loss)/income for the year</b>                  | <b>年內全面(虧損)/收入總額</b>        |             | (785,073)                         | 29,480                            |
| <b>(Loss)/profit for the year attributable to:</b>                     | <b>以下各方應佔年內(虧損)/利潤：</b>     |             |                                   |                                   |
| Owners of the Company  | 本公司擁有人                      |             | (725,299)                         | 27,394                            |
| Non-controlling interests  | 非控股權益                       |             | (59,912)                          | 2,044                             |
|  |                             |             | (785,211)                         | 29,438                            |
| <b>Total comprehensive (loss)/income for the year attributable to:</b> | <b>以下各方應佔年內全面(虧損)/收入總額：</b> |             |                                   |                                   |
| Owners of the Company  | 本公司擁有人                      |             | (725,161)                         | 27,436                            |
| Non-controlling interests  | 非控股權益                       |             | (59,912)                          | 2,044                             |
|  |                             |             | (785,073)                         | 29,480                            |
| <b>(Loss)/earnings per share</b>                                       | <b>每股(虧損)/盈利</b>            |             |                                   |                                   |
| Basic and diluted (RMB cents)  | 基本及攤薄(人民幣分)                 | 18          | (98.18)                           | 3.61                              |



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2018  
於2018年12月31日

|   |                           | Notes<br>附註 | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>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                  | 19          | 369,183                           | 300,784                           |
| Land use right  | 土地使用權                     | 20          | 116,713                           | 119,156                           |
| Goodwill  | 商譽                        | 21          | 22,444                            | 122,283                           |
| Other intangible assets   | 其他無形資產                    | 22          | 56,536                            | 136,180                           |
| Interests in associates   | 於聯營公司之權益                  | 23          | 7,465                             | 27,342                            |
| Rental deposits   | 租金按金                      |             | 11,921                            | 10,299                            |
| Deferred tax assets   | 遞延稅項資產                    | 36          | 2,595                             | 54,277                            |
| Financial assets at fair value through profit or loss ("FVTPL") | 按公平值計入損益(「按公平值計入損益」)之金融資產 | 24          | 165,845                           | 99,723                            |
| Contingent consideration receivables                            | 應收或然代價                    | 25          | 4,087                             | –                                 |
| Other long-term assets  | 其他長期資產                    | 26          | 57,801                            | 81,989                            |
|   |                           |             | <b>814,590</b>                    | <b>952,033</b>                    |
| <b>Current assets</b>   | <b>流動資產</b>               |             |                                   |                                   |
| Inventories   | 存貨                        | 27          | 33,746                            | 22,300                            |
| Contingent consideration receivables                            | 應收或然代價                    | 25          | 6,903                             | –                                 |
| Loan receivables  | 應收貸款                      | 28          | –                                 | 130,957                           |
| Trade receivables   | 貿易應收款項                    | 29          | 54,299                            | 46,295                            |
| Prepayment, deposits and other receivables                      | 預付款、按金及其他應收款項             | 30          | 166,821                           | 134,162                           |
| Amounts due from related parties                                | 應收關聯方款項                   | 42          | –                                 | 29,378                            |
| Time deposits   | 定期存款                      |             | –                                 | 45,000                            |
| Cash and cash equivalents                                       | 現金及現金等價物                  | 31          | 133,846                           | 466,995                           |
|   |                           |             | <b>395,615</b>                    | <b>875,087</b>                    |
| <b>Current liabilities</b>                                      | <b>流動負債</b>               |             |                                   |                                   |
| Trade payables  | 貿易應付款項                    | 32          | 33,056                            | 16,020                            |
| Other payables and accruals                                     | 其他應付款項及應計費用               | 33          | 261,487                           | 128,543                           |
| Amount due to a related party                                   | 應付關聯方款項                   | 42          | 1,225                             | 924                               |
| Tax payable   | 應付稅項                      |             | 14,332                            | 21,990                            |
| Other borrowings  | 其他借款                      | 35          | 32,770                            | –                                 |
| Provision   | 撥備                        | 34          | 44,238                            | 900                               |
|   |                           |             | <b>387,108</b>                    | <b>168,377</b>                    |
| <b>Net current assets</b>                                       | <b>流動資產淨值</b>             |             | <b>8,507</b>                      | <b>706,710</b>                    |
| <b>Total assets less current liabilities</b>                    | <b>總資產減流動負債</b>           |             | <b>823,097</b>                    | <b>1,658,743</b>                  |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

### 綜合財務狀況表 (續)

At 31 December 2018  
於2018年12月31日

|  |              | Notes<br>附註 | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|--|--------------|-------------|-----------------------------------|-----------------------------------|
| <b>Non-current liabilities</b>               | <b>非流動負債</b> |             |                                   |                                   |
| Accrued rental expenses                      | 應計租金開支       |             | 40,113                            | 28,710                            |
| Other borrowings                             | 其他借款         | 35          | 69,396                            | –                                 |
| Deferred tax liabilities                     | 遞延稅項負債       | 36          | 35,417                            | 47,925                            |
|  |              |             | 144,926                           | 76,635                            |
| <b>NET ASSETS</b>                            | <b>資產淨值</b>  |             | <b>678,171</b>                    | <b>1,582,108</b>                  |
| <b>Capital and reserves</b>                  | <b>資本及儲備</b> |             |                                   |                                   |
| Share capital                                | 股本           | 37          | 598                               | 598                               |
| Reserves                                     | 儲備           |             | 560,444                           | 1,353,507                         |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益   |             | 561,042                           | 1,354,105                         |
| Non-controlling interests                    | 非控股權益        |             | 117,129                           | 228,003                           |
| <b>TOTAL EQUITY</b>                          | <b>總權益</b>   |             | <b>678,171</b>                    | <b>1,582,108</b>                  |

The consolidated financial statements on pages 90 to 198 were approved and authorised for issue by the Board of Directors on 8 January 2021 and are signed on its behalf by:

第90至198頁之綜合財務報表乃經董事會於2021年1月8日批准及授權刊發並由以下董事代表簽署：

\_\_\_\_\_  
Director  
董事

\_\_\_\_\_  
Director  
董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2018  
截至2018年12月31日止年度

|  |                       | Attributable to owners of the Company<br>本公司擁有人應佔 |               |               |                        |              |                     |                           |                                     |           |                           |              |
|--|-----------------------|---|---------------|---------------|------------------------|--------------|---------------------|---------------------------|-------------------------------------|-----------|---------------------------|--------------|
|  |                       | Share capital                                     | Share premium | Other reserve | Treasury share reserve | Share option | Translation reserve | Statutory surplus reserve | Retained profits/(accumulated loss) | Sub-total | Non-controlling interests | Total equity |
|  |                       | 股本  | 股份溢價          | 其他儲備          | 庫存股份儲備                 | 購股權          | 兌換儲備                | 法定盈餘儲備                    | 保留利潤/(累計虧損)                         | 小計        | 非控股權益                     | 總權益          |
|  |                       | RMB'000   | RMB'000       | RMB'000       | 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                               | 人民幣千元     | 人民幣千元                     | 人民幣千元        |
|  |                       |   |               |               |                        |              | (note i)<br>(附註i)   | (note ii)<br>(附註ii)       |                                     |           |                           |              |
| <b>Balance at 1 January 2017</b>   | <b>2017年1月1日的結餘</b>   | 598   | 1,302,087     | (8,188)       | -                      | 4,656        | 228                 | 70,476                    | 19,241                              | 1,389,098 | (5,717)                   | 1,383,381    |
| Profit for the year  | 年內利潤                  | -   | -             | -             | -                      | -            | -                   | -                         | 27,394                              | 27,394    | 2,044                     | 29,438       |
| Other comprehensive income for the year  | 年內其他全面收入              | -   | -             | -             | -                      | -            | 42                  | -                         | -                                   | 42        | -                         | 42           |
| <b>Total comprehensive income for the year</b>                                   | <b>年內全面收入總額</b>       | -   | -             | -             | -                      | -            | 42                  | -                         | 27,394                              | 27,436    | 2,044                     | 29,480       |
| Appropriations   | 轉撥                    | -   | -             | -             | -                      | -            | -                   | 6,339                     | (6,339)                             | -         | -                         | -            |
| Dividends recognised as distribution   | 確認為分派的股息              | -   | (37,921)      | -             | -                      | -            | -                   | -                         | -                                   | (37,921)  | -                         | (37,921)     |
| Purchase of shares under Restricted Share Incentive Scheme                       | 根據限制性股份激勵計劃購買股份       | -   | -             | -             | (13,650)               | -            | -                   | -                         | -                                   | (13,650)  | -                         | (13,650)     |
| Reversal of equity-settled share-based payments                                  | 撥回以股權結算以股份為基礎的付款      | -   | -             | -             | -                      | (4,656)      | -                   | -                         | -                                   | (4,656)   | (52)                      | (4,708)      |
| Acquisition of non-controlling interest (note iii)                               | 收購非控股權益(附註iii)        | -   | -             | (6,202)       | -                      | -            | -                   | -                         | -                                   | (6,202)   | (885)                     | (7,087)      |
| Recognition of non-controlling interest Zhengzhou HarMoniCare Hospital (note iv) | 確認鄭州和美醫院的非控股權益(附註iv)  | -   | -             | -             | -                      | -            | -                   | -                         | -                                   | -         | 14,400                    | 14,400       |
| Acquisition of a non-wholly owned subsidiary                                     | 收購非全資附屬公司             | -   | -             | -             | -                      | -            | -                   | -                         | -                                   | -         | 217,881                   | 217,881      |
| Adjustments to non-controlling interest  | 非控股權益調整               | -   | -             | -             | -                      | -            | -                   | -                         | -                                   | -         | 332                       | 332          |
| <b>Balance at 31 December 2017</b>   | <b>2017年12月31日的結餘</b> | 598   | 1,264,166     | (14,390)      | (13,650)               | -            | 270                 | 76,815                    | 40,296                              | 1,354,105 | 228,003                   | 1,582,108    |
| <b>Balance at 1 January 2018</b>   | <b>2018年1月1日的結餘</b>   | 598   | 1,264,166     | (14,390)      | (13,650)               | -            | 270                 | 76,815                    | 40,296                              | 1,354,105 | 228,003                   | 1,582,108    |
| Loss for the year  | 年內虧損                  | -   | -             | -             | -                      | -            | -                   | -                         | (725,299)                           | (725,299) | (59,912)                  | (785,211)    |
| Other comprehensive income for the year  | 年內其他全面收入              | -   | -             | -             | -                      | -            | 138                 | -                         | -                                   | 138       | -                         | 138          |
| <b>Total comprehensive income/(loss) for the year</b>                            | <b>年內全面收入/(虧損)總額</b>  | -   | -             | -             | -                      | -            | 138                 | -                         | (725,299)                           | (725,161) | (59,912)                  | (785,073)    |
| Appropriations   | 轉撥                    | -   | -             | -             | -                      | -            | -                   | 2,180                     | (2,180)                             | -         | -                         | -            |
| Purchase of shares under Restricted Share Incentive Scheme                       | 根據限制性股份激勵計劃購買股份       | -   | -             | -             | (67,902)               | -            | -                   | -                         | -                                   | (67,902)  | -                         | (67,902)     |
| Increase capital from non-controlling interests                                  | 非控股權益增資               | -   | -             | -             | -                      | -            | -                   | -                         | -                                   | -         | 5,600                     | 5,600        |
| Acquisition of non-wholly owned subsidiaries (note 13)                           | 收購非全資附屬公司(附註13)       | -   | -             | -             | -                      | -            | -                   | -                         | -                                   | -         | (56,562)                  | (56,562)     |
| <b>Balance at 31 December 2018</b>   | <b>2018年12月31日的結餘</b> | 598   | 1,264,166     | (14,390)      | (81,552)               | -            | 408                 | 78,995                    | (687,183)                           | 561,042   | 117,129                   | 678,171      |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### 綜合權益變動表 (續)

For the year ended 31 December 2018  
截至2018年12月31日止年度

Notes:

- (i) Exchange differences arising on foreign currency translation of a foreign associate are recognised in other comprehensive income.
- (ii) According to the PRC Company Law and the Articles of Association of the PRC subsidiaries of the Group, these companies are required to transfer 10% of their respective after-tax profits, calculated in accordance with China Accounting Standards ("CASs"), to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The statutory surplus reserve can be utilised, upon approval of the relevant authorities, to offset accumulated losses or to increase registered capital of these companies, provided that such fund is maintained at a minimum of 25% of the registered capital.
- (iii) On 10 April 2017, Guiyang HarMoniCare Hospital acquired 3.5% non-controlling interest of Guiyang Modern Hospital at a consideration of RMB1,131,000. On 22 May 2017, Guiyang HarMoniCare Hospital acquired 3% non-controlling interest of Guangzhou Woman Hospital at a consideration of RMB2,620,000. On 27 May 2017, Guiyang HarMoniCare Hospital acquired 4.5% non-controlling interest of Chongqing Liren Hospital at a consideration of RMB2,486,000. The consideration with a total amounts of RMB6,237,000 was fully paid in October 2017.
- On 23 December 2017, Guiyang HarMoniCare Hospital acquired 3% non-controlling interest of Chongqing Wanzhou HarMoniCare Hospital at a consideration of RMB850,000. The amount of consideration payable for acquisition of non-controlling interest is RMB850,000.
- (iv) Zhengzhou HarMoniCare Hospital was set up on 1 March 2017 with injection of share capital amounting to RMB36,000,000, including non-controlling interest of RMB14,400,000.

附註：

- (i) 換算一間海外聯營公司之匯兌差額於其他全面收入內確認。
- (ii) 根據中國公司法及本集團中國附屬公司的組織章程細則，該等公司須將按中國公認會計準則（「中國公認會計準則」）計算之彼等各自稅後利潤的10%轉撥至法定盈餘儲備，直至儲備結餘達至其註冊資本的50%。經相關機構批准後，法定盈餘儲備可用於抵銷該等公司的累計虧損或增加註冊資本，惟該儲備不得低於註冊資本的25%。
- (iii) 於2017年4月10日，貴陽和美醫院收購貴陽現代醫院3.5%的非控股權益，代價為人民幣1,131,000元。於2017年5月22日，貴陽和美醫院收購廣州女子醫院3%的非控股權益，代價為人民幣2,620,000元。於2017年5月27日，貴陽和美醫院收購重慶麗人醫院4.5%的非控股權益，代價為人民幣2,486,000元。代價總額人民幣6,237,000元於2017年10月悉數支付。
- 於2017年12月23日，貴陽和美醫院收購重慶萬州和美醫院3%的非控股權益，代價為人民幣850,000元。收購非控股權益的應付代價金額為人民幣850,000元。
- (iv) 鄭州和美醫院於2017年3月1日成立，股本注資金額為人民幣36,000,000元，包括非控股權益人民幣14,400,000元。



# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2018  
截至2018年12月31日止年度

|  |                       | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|--|-----------------------|-----------------------------------|-----------------------------------|
| <b>Cash flows from operating activities</b>                      | <b>經營活動所得現金流量</b>     |                                   |                                   |
| (Loss)/profit before income tax                                  | 除所得稅前(虧損)/利潤          | (749,353)                         | 33,947                            |
| Adjustments for:   | 就以下各項作出調整：            |                                   |                                   |
| Depreciation of property, plant and equipment                    | 物業、廠房及設備折舊            | 70,605                            | 51,200                            |
| Amortisation of other intangible assets                          | 其他無形資產攤銷              | 11,758                            | 7,454                             |
| Amortisation of land use right                                   | 土地使用權攤銷               | 2,443                             | 1,019                             |
| Share of loss of associates                                      | 應佔聯營公司虧損              | 6,460                             | 4,625                             |
| Gain on disposal of interests in an associate                    | 出售一間聯營公司權益的收益         | -                                 | (60)                              |
| Loss on disposal of property, plant and equipment                | 出售物業、廠房及設備的虧損         | 553                               | 357                               |
| Impairment losses on property, plant and equipment               | 物業、廠房及設備之減值虧損         | 107,189                           | -                                 |
| Impairment losses on trade receivables                           | 貿易應收款項之減值虧損           | 2,015                             | 2,476                             |
| Impairment losses on prepayments, deposits and other receivables | 預付款、按金及其他應收款項之減值虧損    | 116,465                           | -                                 |
| Impairment losses on goodwill                                    | 商譽之減值虧損               | 189,978                           | -                                 |
| Impairment losses on intangible assets                           | 無形資產之減值虧損             | 135,199                           | -                                 |
| Impairment losses on loan receivables                            | 應收貸款之減值虧損             | 6,500                             | -                                 |
| Impairment losses on amount due from related parties             | 應收關聯方款項之減值虧損          | 1,280                             | -                                 |
| Provision for onerous leases and medical dispute claims          | 虧損性租賃及醫療糾紛索賠撥備        | 44,434                            | 358                               |
| Foreign exchange (gains)/losses                                  | 匯兌(收益)/虧損             | (222)                             | 20,336                            |
| Equity settled share-based payments                              | 以股權結算以股份為基礎的付款        | -                                 | (4,708)                           |
| Finance cost   | 融資成本                  | 5,220                             | -                                 |
| Interest income from bank deposits                               | 銀行存款之利息收入             | (1,321)                           | (8,301)                           |
| Interest income from loan receivables                            | 應收貸款利息收入              | (631)                             | (774)                             |
| Interest income from amounts due from an associate               | 應收一間聯營公司款項利息收入        | (3,454)                           | (539)                             |
| Fair value gain on contingent consideration receivables          | 應收或然代價的公平值收益          | (10,990)                          | -                                 |
| Net gain arising on financial assets at FVTPL                    | 按公平值計入損益之金融資產產生之收益淨額  | (6,222)                           | (3,391)                           |
| Net gain arising on bank financial products                      | 銀行理財產品之收益淨額           | (1,734)                           | (3,283)                           |
| <b>Operating cash flows before movements in working capital</b>  | <b>營運資金變動前的經營現金流量</b> | <b>(73,828)</b>                   | <b>100,716</b>                    |

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### 綜合現金流量表 (續)

For the year ended 31 December 2018  
截至2018年12月31日止年度

|   |                        | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Change in inventories   | 存貨變動                   | (6,860)                           | 3,639                             |
| Change in trade receivables                                   | 貿易應收款項變動               | (9,056)                           | (16,899)                          |
| Change in prepayment, deposits and other receivables          | 預付款、按金及其他應收款項變動        | (68,154)                          | (27,397)                          |
| Change in amounts due from related parties                    | 應收關聯方款項變動              | -                                 | (363)                             |
| Change in trade payables                                      | 貿易應付款項變動               | 7,165                             | (4,396)                           |
| Change in other payables and accruals                         | 其他應付款項及應計費用變動          | (146,671)                         | (13,324)                          |
| Change in amount due to a related party                       | 應付關聯方款項變動              | 301                               | 269                               |
| Change in rental deposits                                     | 租賃按金變動                 | 1,427                             | (999)                             |
| Change in accrued rental expenses                             | 應計租金開支變動               | 11,403                            | (1,657)                           |
| Payment in provision  | 撥備付款                   | (1,096)                           | (511)                             |
| Net cash (used in)/generated from operations                  | 經營(所用)/所得現金淨額          | (285,369)                         | 39,078                            |
| Income tax paid   | 已付所得稅                  | (20,944)                          | (29,525)                          |
| Interest received from bank deposits                          | 已收銀行存款之利息              | 1,321                             | 9,141                             |
| <b>Net cash (used in)/generated from operating activities</b> | <b>經營活動(所用)/所得現金淨額</b> | <b>(304,992)</b>                  | <b>18,694</b>                     |
| <b>Cash flows from investing activities</b>                   | <b>投資活動所得現金流量</b>      |                                   |                                   |
| Purchases of property, plant and equipment                    | 購置物業、廠房及設備             | (107,176)                         | (119,936)                         |
| Proceeds from disposal of property, plant and equipment       | 出售物業、廠房及設備所得款項         | 430                               | 176                               |
| Purchase of other intangible assets                           | 購置其他無形資產               | (2,513)                           | (1,189)                           |
| Purchase of bank financial products                           | 購入銀行理財產品               | (43,000)                          | (340,000)                         |
| Redemption of bank financial products                         | 贖回銀行理財產品               | 44,734                            | 343,283                           |
| Redemption of time deposits                                   | 贖回定期存款                 | 45,000                            | 70,000                            |
| Acquisition of investments in associates                      | 收購於聯營公司之投資             | (5,600)                           | (25,002)                          |
| Deposits for acquisitions of business                         | 收購業務的按金                | -                                 | (79,643)                          |
| Net cash inflow/(outflow) on acquisition of subsidiaries      | 收購附屬公司之現金流入/(流出)淨額     | 8,574                             | (25,084)                          |
| Capital contribution from non-controlling interests           | 非控股權益注資                | 5,600                             | 14,400                            |
| Loans to third parties  | 向第三方提供貸款               | -                                 | (120,957)                         |
| Repayment of loan from third parties                          | 第三方貸款償還                | 124,457                           | 5,000                             |
| Payments to acquire financial assets at FVTPL                 | 收購按公平值計入損益之金融資產付款      | (59,900)                          | (48,000)                          |
| Loans to associates   | 向聯營公司提供貸款              | (45,741)                          | (29,000)                          |
| Withdrawal of loan from an associate                          | 收回聯營公司貸款               | -                                 | 4,000                             |
| <b>Net cash used in investing activities</b>                  | <b>投資活動所用現金淨額</b>      | <b>(35,135)</b>                   | <b>(351,952)</b>                  |

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

### 綜合現金流量表 (續)

For the year ended 31 December 2018  
截至2018年12月31日止年度

|   |                              | 2018             | 2017             |
|---|------------------------------|------------------|------------------|
|   |                              | 2018年            | 2017年            |
|   |                              | RMB'000          | RMB'000          |
|   |                              | 人民幣千元            | 人民幣千元            |
| <b>Cash flows from financing activities</b>   | <b>融資活動所得現金流量</b>            |                  |                  |
| Consideration paid for acquisitions of non-controlling interest in subsidiaries           | 收購於附屬公司之非控股權益已付代價            | -                | (6,237)          |
| Dividends paid  | 已付股息                         | -                | (37,849)         |
| Interest paid on other borrowings   | 已付其他借款利息                     | (5,220)          | -                |
| Other borrowings raised   | 已籌集其他借款                      | 79,466           | -                |
| Repayments to related parties   | 還款予關聯方                       | -                | (69,598)         |
| Repayments to third parties   | 還款予第三方                       | -                | (4,000)          |
| Purchase of ordinary shares, including transaction costs                                  | 購入普通股，包括交易成本                 | (67,902)         | (13,650)         |
| <b>Net cash generated from/(used in) financing activities</b>                             | <b>融資活動所得/(所用) 現金淨額</b>      | <b>6,344</b>     | <b>(131,334)</b> |
| <b>Net decrease in cash and cash equivalents</b>  | <b>現金及現金等價物減少淨額</b>          | <b>(333,783)</b> | <b>(464,592)</b> |
| Effect of foreign exchange rate changes   | 匯率變動之影響                      | 634              | (20,409)         |
| <b>Cash and cash equivalents at beginning of the year</b>                                 | <b>年初現金及現金等價物</b>            | <b>466,995</b>   | <b>951,996</b>   |
| <b>Cash and cash equivalents at end of the year represented by bank and cash balances</b> | <b>年末現金及現金等價物 (指銀行及現金結餘)</b> | <b>133,846</b>   | <b>466,995</b>   |
| <b>Analysis of cash and cash equivalents</b>  | <b>現金及現金等價物分析</b>            |                  |                  |
| Bank and cash balances  | 銀行及現金結餘                      | 133,846          | 466,995          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### I. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 26 August 2014. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business is located in the PRC. The Company is an investment holding company and the Group are principally engaged in provision of specialised hospital services, especially in obstetrics and gynaecology and supply chain business in the PRC.

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with the effect from 7 July 2015.

Reference to the announcement dated on 1 April 2019, the trading of ordinary shares of the Company on the Stock Exchange has been suspended with effect from 1 April 2019 pending the publication of the annual results of the Group for the year ended 31 December 2018.

Reference to the announcement dated on 12 June 2019, the Company received a letter from the Stock Exchange on 15 May 2019 in relation to resumption guidance for the Company including (i) publish all outstanding financial results and address any audit modifications; (ii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal control and procedures to comply with the Listing Rules; and (iii) announce all material information for the Company's shareholders and other investors to appraise the Company's position. If the Company fails to remedy the issues causing the suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in the Shares by 30 September 2020, the Listing Department of the Stock Exchange will recommend the Listing Committee of the Stock Exchange (the "Listing Committee") to proceed with the cancellation of the Company's listing, subject to the Stock Exchange's right to impose a shorter specific remedial period under Rule 6.10 of the Listing Rules where appropriate.

### I. 一般資料

本公司於2014年8月26日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限責任公司。本公司註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，主要經營地點位於中國。本公司為投資控股公司，及本集團主要在中國從事提供專科醫院服務，尤其是婦產科及供應鏈業務。

於2015年7月7日，本公司之股份於香港聯合交易所有限公司（「聯交所」）上市。

茲提述日期為2019年4月1日之公告，本公司普通股已於2019年4月1日起於聯交所暫停買賣，以待刊發有關本集團截至2018年12月31日止年度的年度業績。

茲提述日期為2019年6月12日之公告，本公司於2019年5月15日收到一封聯交所函件，內容有關對本公司的復牌指引，包括：(i) 刊發所有尚未刊發的財務業績及處理任何審核修訂；(ii) 進行獨立內部控制審查，並證明本公司設有充足內部控制及程序以符合上市規則；及(iii) 公佈所有重大資料以供本公司股東及其他投資者評估本公司的狀況。倘本公司未能以聯交所滿意的方式補救引起暫停買賣的事宜及全面遵守上市規則並於2020年9月30日之前復牌，則聯交所上市部將建議聯交所上市委員會（「上市委員會」）開始將本公司除牌，惟聯交所所有權在適當情況下根據上市規則第6.10條指定較短具體補救限期。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### I. GENERAL INFORMATION (Continued)

On 26 November 2020, the Listing Committee considered the Company's resumption and listing status. The Company received a letter from the Stock Exchange dated 27 November 2020 stating that the Listing Committee has decided to cancel the Company's listing under Rule 6.01A of the Listing Rules (the "Delisting Decision"). It is indicated in the letter that unless the Company applies for a review of the Delisting Decision pursuant to Chapter 2B of the Listing Rules, the last day of listing of the Shares would be on 11 December 2020, and the listing of the Shares would be cancelled with effect from 9:00 a.m. on 14 December 2020.

The Company has submitted an application on 4 December 2020 requesting the Delisting Decision be referred to the Listing Review Committee for review.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise stated.

### 2. GOING CONCERN BASIS

The Group incurred a loss of approximately RMB785,211,000 for the year ended 31 December 2018 and as at 31 December 2018, the capital commitments for acquisition of property, plant and equipment of the Group was approximately RMB258,301,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have prepared the consolidated financial statements based on going concern on the assumptions and measures that:

- (a) The Group is actively disposing certain subsidiaries including but not limited to Nantong Hemeijia Hospital. The management of the Group is confident that such disposals would generate at least RMB150 million cash inflow to the Group and significantly reduce overall capital commitments of the Group in 2021;

### I. 一般資料(續)

於2020年11月26日，上市委員會對本公司復牌及上市地位進行了審議。本公司收到聯交所日期為2020年11月27日的信函，指出上市委員會已決定根據上市規則第6.01A條取消本公司的上市地位（「除牌決定」）。信函顯示，除非本公司根據上市規則第2B章申請覆核除牌決定，否則股份的最後上市日期為2020年12月11日，其股份的上市地位將自2020年12月14日上午九時正起取消。

本公司已於2020年12月4日提交申請，要求將除牌決定提呈至上市覆核委員會覆核。

綜合財務報表乃以人民幣（「人民幣」）呈列，人民幣亦為本公司之功能貨幣。除另有指明者外，所有數值已調整至最接近的千位數。

### 2. 持續經營基準

截至2018年12月31日止年度，本集團錄得虧損約人民幣785,211,000元。於2018年12月31日，本集團就收購物業、廠房及設備的資本承擔約為人民幣258,301,000元。該等狀況表明存在或會使本集團持續經營能力嚴重成疑之重大不確定因素。因此，本集團可能無法在正常的業務過程中變現其資產並清償其債務。本公司董事基於以下假設及措施，已按持續經營基準編製綜合財務報表：

- (a) 本集團正積極出售若干附屬公司，包括但不限於南通和美家醫院。本集團管理層有信心，該等出售事項將為本集團產生至少人民幣1.50億元的現金流入，並大幅減少本集團於2021年的整體資本承擔；

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 2. GOING CONCERN BASIS (Continued)

- (b) The management has ceased or delayed nearly all construction of new hospitals and new investments until the Group's net current liabilities situation is resolved;
- (c) The Group applies cost control measures in cost of sales, administrative expenses and capital expenditures;
- (d) The Group is also maximising its sale effort and implementing comprehensive policies to improve operating cash flows.

The directors of the Company have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 31 December 2018. After taking into account the above assumptions and measures, the directors of the Company consider that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2018 and believe that the Group will continue as a going concern and consequently have prepared the consolidated financial statements on a going concern basis.

### 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below.

### 2. 持續經營基準 (續)

- (b) 管理層已停止或延遲幾乎所有新醫院建設及新投資，直至本集團的流動負債淨額狀況得到解決；
- (c) 本集團於銷售成本、行政開支及資本支出方面採用成本控制措施；
- (d) 本集團亦竭力銷售及實施全面的政策以改善經營現金流量。

本公司董事已審閱本集團由管理層編製的現金流量預測。現金流量預測涵蓋自2018年12月31日起不少於十二個月期間。經計及上述假設及措施，本公司董事認為本集團將具備足夠的營運資金以撥付其營運所需，並於自2018年12月31日起計十二個月內能履行其到期財務責任以及相信本集團將保持持續經營，因而本集團已按持續經營基準編製綜合財務報表。

### 3. 採納新訂及經修訂國際財務報告準則

於本年度，本集團已採納所有與其業務有關並自2018年1月1日起會計年度生效由國際會計準則理事會（「國際會計準則理事會」）頒佈的新訂及經修訂國際財務報告準則（「國際財務報告準則」）。國際財務報告準則包括國際財務報告準則（「國際財務報告準則」）；國際會計準則（「國際會計準則」）；及詮釋。除下文所述外，採納此等新訂及經修訂國際財務報告準則並無導致本集團的會計政策、本集團財務報表的呈列以及本年度及過往年度所呈報的金額發生重大變動。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

#### IFRS 15 “Revenue from Contracts with Customers”

The Group had applied IFRS 15 in accordance with the transition provisions and methods not to restate comparative information for prior period and resulted in changes in the consolidated amounts reported in the consolidated financial statements as follows:

### 3. 採納新訂及經修訂國際財務報告準則(續)

#### 國際財務報告準則第15號「來自客戶合約的收入」

本集團已根據過渡條文及方法採用國際財務報告準則第15號，以不重列過往期間的比較資料，並使得於綜合財務報表呈報的綜合款項發生的變動如下：

1 January 2018

2018年1月1日

HK\$'000

千港元

|                                  |          |          |
|----------------------------------|----------|----------|
| Decrease in other payables       | 其他應付款項減少 | (75,173) |
| Increase in contract liabilities | 合約負債增加   | 75,173   |

The Group has not applied the new IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new IFRSs. Except for the following new IFRS 16 “Leases” to be effective from 1 January 2019, the Group expects that these IFRSs except for IFRS 16 “Leases” would have no material impact on its results of operations and financial position.

本集團未應用已頒佈但尚未生效的新訂國際財務報告準則。本集團已就該等新訂國際財務報告準則的影響進行評估。除以下新訂國際財務報告準則第16號「租賃」將於2019年1月1日生效外，本集團預計除國際財務報告準則第16號「租賃」外，該等國際財務報告準則將不會對其經營業績及財務狀況造成重大影響。

#### IFRS 16 “Leases”

##### *The Group as lessee*

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis.

#### 國際財務報告準則第16號「租賃」

##### *本集團作為承租人*

租賃於租賃資產可供本集團使用時確認為使用權資產及相應租賃負債。使用權資產按成本減累計折舊及減值虧損列賬。使用權資產於資產可使用年期與租賃期間之較短者內按撇銷成本之比率以直線基準計算折舊。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

#### IFRS 16 “Leases” (Continued)

##### *The Group as lessee (Continued)*

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group’s incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less.

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under IAS 17 “Leases”.

As at 31 December 2018, the Group has non-cancellable operating lease commitments in respect of premises leased for hospitals and offices amounted to RMB972 million as disclosed in note 40. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon the 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.

### 3. 採納新訂及經修訂國際財務報告準則 (續)

#### 國際財務報告準則第16號「租賃」(續) 本集團作為承租人 (續)

使用權資產按成本計量，該成本包括租賃負債之初始計量金額、預付租賃付款、初始直接成本及復原成本。租賃負債包括租賃付款以租賃內含利率（倘該利率可釐定，否則按本集團之增量借貸利率）貼現之淨現值。每項租賃付款均會在負債與融資成本之間分配。融資成本於租賃期間內於損益扣除，以產生租賃負債剩餘結餘的固定週期利率。

與短期租賃及低價值資產租賃相關的付款於租賃期內按直線基準在損益內確認為開支。短期租賃為初始租賃期限為12個月或以下的租賃。

於採納國際財務報告準則第16號時，本集團就先前已根據國際會計準則第17號「租賃」分類為「經營租賃」的租賃確認與其有關之使用權資產及租賃負債。

於2018年12月31日，誠如附註40所披露，本集團有關醫院及辦公場所租賃物業的不可撤銷經營租賃承擔為人民幣9.72億元。初步評估顯示此等安排符合租賃的定義。本集團在應用國際財務報告準則第16號時，將就所有此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。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB accounting and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under historical cost convention, as modified by the revaluation of financial assets at FVTPL and contingent consideration receivables which are carried at their fair values. The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 5 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

#### Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

### 4. 主要會計政策

綜合財務報表乃按照國際會計準則理事會頒佈之國際財務報告準則及聯交所證券上市規則及香港公司條例規定的會計及適用披露而編製。

該等綜合財務報表已按歷史成本慣例編製，惟就按公平值計入損益之金融資產以及應收或然代價的重新評估作出修訂並按其公平值入賬。編製符合國際財務報告準則的綜合財務報表須採用若干主要假設及估計。其亦要求董事於應用該等會計政策中行使其判斷。涉及重大判斷之範疇及對該等綜合財務報表屬重大之假設及估計之範疇於綜合財務報表附註5披露。

於編製該等綜合財務報表時應用之重大會計政策載於下文。

#### 綜合賬目

綜合財務報表包括本公司及其附屬公司截至12月31日止的財務報表。附屬公司指本集團擁有控制權之實體。當本集團因參與實體業務而承擔可變回報之風險或享有可變回報之權利，且能夠透過其對實體之權力影響該等回報時，則本集團控制該實體。當本集團之現有權利使其能夠於現時掌控相關業務（即對實體回報產生重大影響之業務）時，則本集團對該實體行使權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有之潛在投票權，以釐定其是否擁有控制權。潛在投票權僅於其持有人能夠實際行使該權利之情況下方會予以考慮。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Consolidation (Continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

### 4. 主要會計政策 (續)

#### 綜合賬目 (續)

附屬公司自其控制權轉移至本集團當日起綜合入賬，並自控制權終止當日起不再綜合入賬。

出售一間附屬公司(導致失去控制權)之收益或虧損指(i)出售代價的公平值連同於該附屬公司任何保留投資的公平值與(ii)本公司應佔該附屬公司資產淨值連同與該附屬公司有關之任何餘下商譽以及任何相關累計外幣換算儲備兩者間差額。

集團內部交易、結餘及未變現利潤均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已於有需要時作出變動，以確保與本集團所採納之政策貫徹一致。

非控股權益是指並非由本公司直接或間接擁有的附屬公司權益。非控股權益在綜合財務狀況表及綜合權益變動表的權益項目中列示。非控股權益在綜合損益及其他全面收益表呈列為本公司非控股股東及擁有人之間之年度損益及全面收益總額分配。

損益及其他全面收益的各項目歸屬予本公司擁有人及非控股股東，即使導致非控股權益出現虧絀結餘。

本公司於附屬公司之所有權權益之變動(不會導致失去控制權)作為權益交易(即與擁有人(以彼等之擁有人身份)進行之交易)入賬。控股及非控股權益之賬面值經調整以反映其於附屬公司相關權益之變動。非控股權益經調整之金額與已付或已收代價公平值之間之任何差額須直接於權益內確認並歸屬於本公司擁有人。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

#### 4. 主要會計政策(續)

##### 業務合併及商譽

收購法用於將業務合併中的收購附屬公司入賬。收購成本乃按所獲資產收購日期之公平值、所發行之權益工具、所產生之負債以及或然代價計量。收購相關成本於有關成本產生及接獲服務期間確認為開支。於收購時，附屬公司之可識別資產及負債均按其於收購日期之公平值計量。

收購成本超出本公司應佔附屬公司可識別資產及負債之公平淨值之差額乃列作商譽。本公司應佔可識別資產及負債之公平淨值超出收購成本之差額乃於綜合損益內確認為本公司應佔議價收購之收益。

倘分階段進行的業務合併中，過往所持有附屬公司之權益乃按收購日期之公平值重新計量，而由此產生之盈虧於綜合損益內確認。公平值加入至收購成本以計算商譽。

倘先前已持有之附屬公司之股權之價值變動已於其他全面收益內確認(例如按公平值計入其他全面收益之股本投資)，則於其他全面收益表確認之金額乃按在先前已持有之股權出售的情況下所須之相同基準確認。

商譽會每年進行減值測試或當事件或情況改變顯示可能減值時則更頻繁地進行減值測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損之計量方法與下文會計政策內所述之其他資產之計量方法相同。商譽之減值虧損於綜合損益內確認，且隨後不予撥回。就減值測試而言，商譽會被分配至預期因收購之協同效益而受惠之現金產生單位。

於附屬公司之非控股權益初步按非控股股東應該附屬公司於收購當日之可識別資產及負債之公平淨值比例計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

### 4. 主要會計政策 (續)

#### 聯營公司

聯營公司為本集團對其有重大影響力之實體。重大影響力指參與實體財務及營運決策之權力，而非控制或共同控制該等政策之制定。在評估本集團是否擁有重大影響力時，會一併考慮所持有的現時可行使或可轉換之潛在投票權（包括其他實體持有之潛在投票權）的存在及影響。於評估潛在投票權是否產生重大影響力時，不會考慮持有人行使或轉換該權利之意向及財政能力。

於一間聯營公司的投資按權益法於綜合財務報表內列賬，最初按成本確認。所收購聯營公司的可識別資產及負債按收購日期的公平值計量。收購成本超出本集團應佔聯營公司可識別資產及負債公平淨值的數額作為商譽入賬。商譽列入投資的賬面值，並於出現客觀憑證顯示該項投資已減值時於各報告期末與該項投資一併接受減值測試。本集團應佔可識別資產及負債公平淨值超出收購成本的差額於綜合損益內確認。

本集團應佔聯營公司的收購後利潤或虧損於綜合損益確認，而其應佔收購後儲備變動則於綜合儲備內確認。收購後之累計變動於投資之賬面值作出調整。倘本集團應佔聯營公司虧損相等於或多於其於聯營公司之權益（包括任何其他無抵押應收款），則本集團不進一步確認虧損，除非本集團已產生責任或代聯營公司付款。倘聯營公司其後錄得利潤，則本集團僅於其應佔利潤相等於其應佔未確認之虧損後，方會恢復確認其應佔之該等利潤。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Associates (Continued)

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### Foreign currency translation

##### (i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

##### (ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

### 4. 主要會計政策(續)

#### 聯營公司(續)

出售一家聯營公司(導致失去重大影響力)之收益或虧損指(i)出售代價的公平值連同於該聯營公司任何保留投資的公平值與(ii)本集團應佔該聯營公司資產淨值連同與該聯營公司有關之任何餘下商譽以及任何相關累計外幣換算儲備兩者間差額。倘於聯營公司的投資變成於合營企業的投資,本集團會繼續應用權益法且不會重新計量保留權益。

對銷本集團與其聯營公司間交易之未變現利潤乃以本集團於聯營公司之權益為限。除非交易提供憑證顯示所轉讓資產出現減值,否則未變現虧損亦予以對銷。聯營公司之會計政策已於有需要時作出變動,以確保與本集團所採納之政策貫徹一致。

#### 外幣換算

##### (i) *功能及呈列貨幣*

本集團各實體的財務報表所列項目,均以該實體營運所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表乃以本公司的功能及呈列貨幣人民幣呈列。

##### (ii) *各實體財務報表中的交易及結餘*

外幣交易於初步確認時採用於交易日期之現行匯率換算為功能貨幣。以外幣呈列的貨幣資產及負債按各報告期末之匯率換算。因此換算政策產生的收益及虧損均於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currency translation (Continued)

##### (iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### 4. 主要會計政策 (續)

#### 外幣換算 (續)

##### (iii) 綜合賬目時換算

本集團旗下所有實體之功能貨幣倘有別於本公司之呈列貨幣，則其業績及財務狀況須按以下方式換算為本公司之呈列貨幣：

- 各財務狀況表所示資產及負債按該財務狀況表日期的收市匯率換算；
- 收入及開支按平均匯率換算，除非此平均匯率不足以合理概約反映於交易日期現行匯率的累計影響，在此情況下，收入及開支則按交易日期的匯率換算；及
- 所有由此產生的匯兌差額於外幣換算儲備確認。

於綜合賬目時，因換算為海外實體投資淨額及借款而產生的匯兌差額於外幣換算儲備內確認。倘出售海外業務時，該等匯兌差額乃於綜合損益確認為出售之部分盈虧。

因收購海外實體而產生之商譽及公平值調整乃列作海外實體之資產及負債，並按收市匯率換算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

|   | Estimated useful lives<br>估計可使用年期   |
|---|---|
| Leasehold land and buildings<br>租賃土地及樓宇 | 10 – 30 years<br>10至30年   |
| Leasehold improvements<br>租賃物業裝修        | Over the shorter of the lease term and estimated useful lives up to 10 years<br>按租期與最長達10年的估計可使用年期中的較短者 |
| Medical equipments<br>醫療設施              | 10 years<br>10年   |
| Motor vehicles<br>汽車                    | 4 – 6 years<br>4至6年   |
| Furniture and fixtures<br>傢俱及裝置         | 3 – 6 years<br>3至6年   |

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

#### 4. 主要會計政策(續)

##### 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬。

僅在與項目相關的未來經濟利益有可能流入本集團並能夠可靠計量項目成本的情況下，其後成本方會計入資產賬面值或確認為獨立資產(如適用)。所有其他維修及維護成本於其產生期間在損益確認。

物業、廠房及設備於以下估計可使用年內以直線基準折舊：

剩餘價值、可使用年期及折舊方法於各報告期末進行檢討及調整(如適用)。

在建工程指在建樓宇以及待安裝廠房及機器，且按成本扣除減值虧損列賬。折舊於相關資產可供使用時開始計提。

出售物業、廠房及設備的收益或虧損指銷售所得款項淨額與有關資產賬面值兩者之間的差額，並於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Other intangible assets

##### *Other intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

##### *Other intangible assets acquired in a business combination*

Other intangible assets acquired in a business combination are medical licenses recognised separately from goodwill and are initially recognised at their fair value at the acquisition date.

Subsequent to initial recognition, other intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as other intangible assets that are acquired separately.

##### *Derecognition of other intangible assets*

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss when the asset is derecognised.

#### Leases

##### *The Group as lessee*

##### *Operating leases*

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

### 4. 主要會計政策 (續)

#### 其他無形資產

##### *單獨收購的其他無形資產*

單獨收購具有有限可使用年期的無形資產以成本減累計攤銷和任何累計減值虧損列賬。攤銷在其估計可使用年期按直線基準確認。估計可使用年期及攤銷方法在各報告期末檢討，估計任何變更之影響將按預先計提之基準入賬。

##### *於業務合併收購的其他無形資產*

於業務合併收購並獨立於商譽確認的其他無形資產為醫療執照，將按其收購日期的公平值初始確認。

於初始確認後，於業務合併收購的具有有限可使用年期的其他無形資產乃按成本減累計攤銷及任何累計減值虧損呈報，基準與單獨收購之其他無形資產相同。

##### *終止確認其他無形資產*

無形資產在出售時或預期使用或出售無法產生未來經濟利益時終止確認。無形資產終止確認產生的收益及虧損按出售所得款項淨額與資產賬面值之間的差額計量，並於資產終止確認時在損益確認。

#### 租賃

##### *本集團作為承租人*

##### *經營租賃*

資產所有權的絕大部分風險及回報不會轉移至本集團的租賃入賬列作經營租賃。租賃付款(扣除任何來自出租人的已收租賃優惠)於租期內按直線基準確認為開支。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method. The cost of finished goods comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

#### Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

### 4. 主要會計政策(續)

#### 存貨

存貨以成本與可變現淨值的較低者列賬。成本使用先進先出法釐定。製成品的成本包括原材料、直接勞工及所有生產經常性開支的適當部分以及(如適用)分包費用。可變現淨值按日常業務過程中之估計售價減估計完成成本及進行銷售估計所需成本計算。

#### 確認及終止確認金融工具

本集團於成為金融工具合約條文之訂約方時，在財務狀況表中確認金融資產及金融負債。

於收取資產現金流量之合約權利屆滿、本集團轉讓資產擁有權之絕大部分風險及回報，或本集團既無轉讓亦不保留資產擁有權之絕大部分風險及回報，但不保留資產之控制權時，本集團會終止確認金融資產。終止確認金融資產時，資產賬面值與已收代價總額間之差額會於損益中確認。

金融負債在相關合約訂明之責任解除、撤銷或屆滿時終止確認。已終止確認之金融負債賬面值與已付代價間之差額會於損益中確認。

#### 金融資產

倘屬於根據合約條款規定須於有關市場所規定期限內交付資產之購入或出售資產，則金融資產按交易日基準確認入賬及終止確認，並按公平值加直接應佔交易成本作初步確認，惟按公平值計入損益的投資則除外。收購按公平值計入損益的投資之直接應佔交易成本即時於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial assets (Continued)

Financial assets of the Group are classified under the following categories:

- Financial assets at amortised cost; and
  - Investments at fair value through profit or loss.
- (i) Financial assets at amortised cost
- Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:
- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
  - the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

- (ii) Investments at fair value through profit or loss
- Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

### 4. 主要會計政策 (續)

#### 金融資產 (續)

本集團之金融資產乃分類為以下類別：

- 按攤銷成本計量之金融資產；及
  - 按公平值計入損益之投資。
- (i) 按攤銷成本計量之金融資產
- 倘金融資產（包括貿易應收款項及其他應收款項）符合以下條件則歸入此分類：
- 持有資產的業務模式是為收取合約現金流量；及
  - 資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

該等資產其後使用實際利率法按攤銷成本減預期信貸虧損之虧損撥備計量。

- (ii) 按公平值計入損益之投資
- 除非本集團於初步確認時指定非持作買賣的股本投資為按公平值計入其他全面收益，則倘金融資產並不符合按攤銷成本計量的條件，亦不符合按公平值計入其他全面收益的債務投資的條件，則列入本類別。

按公平值計入損益之投資其後按公平值計量，而公平值變動產生的任何收益或虧損於損益確認。於損益確認的公平值收益或虧損為扣除任何利息收入及股息收入後的淨額。利息收入及股息收入於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

#### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

### 4. 主要會計政策(續)

#### 預期信貸虧損的虧損撥備

本集團確認按攤銷成本計量之金融資產的預期信貸虧損的虧損撥備。預期信貸虧損乃加權平均信貸虧損，並以發生相關違約風險的金額作為加權數值。

於各報告期末，本集團計量金融工具的虧損撥備，金額等於該金融工具預計年期內所有可能違約事件所產生貿易應收款項的預期信貸虧損（「全期預期信貸虧損」），或倘自初始確認後該金融工具的信貸風險大幅增加。

倘於報告期末，金融工具（貿易應收款項除外）的信貸風險自初始確認後並無大幅增加，本集團會按相等於反映該金融工具可能於報告期後十二個月內發生的違約事件所引致預期信貸虧損的全期預期信貸虧損部分的金額，計量該金融工具的虧損撥備。

於報告期末將虧損撥備調整至所需金額的預期信貸虧損或撥回金額，於損益中確認為減值收益或虧損。

#### 現金及現金等價物

就現金流量表而言，現金及現金等價物指銀行及手頭現金、於銀行及其他金融機構的活期存款，以及可以隨時兌換成已知數額現金及並無重大價值變動風險的短期高度流通投資。銀行透支按要項償還，並組成本集團現金管理的一部分，亦包括在現金及現金等價物內。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

#### Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### Trade and other payables

Trade and other payables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

### 4. 主要會計政策(續)

#### 金融負債及權益工具

金融負債及權益工具乃根據所訂立合約安排的內容及國際財務報告準則有關金融負債及權益工具之定義進行分類。權益工具指證明於扣減本集團之所有負債後於其資產中餘下權益之任何合約。就特定金融負債及權益工具採納之會計政策載列於下文。

#### 借款

借款初步按公平值扣除所產生交易成本確認，其後則以實際利率法按攤銷成本計量。

除非本集團有無條件權利，可將負債的償還日期押後至報告期後至少12個月，否則借款分類為流動負債。

#### 貿易及其他應付款項

貿易及其他應付款項初步按公平值確認，其後則以實際利率法按攤銷成本計量，除非貼現影響輕微，在該情況下按成本列賬。

#### 權益工具

本公司發行的權益工具按已收所得款項(扣除直接發行成本)確認。

#### 客戶合約收益

收益乃根據與客戶訂立的合約所訂明的代價參考慣常業務慣例計量以及不包括代表第三方收取的金額。對於客戶付款與承諾產品或服務轉移期間超過一年的合約，乃就顯著融資成分的影響對代價進行調整。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue from contracts with customers (Continued)

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

#### Other revenue

Interest income is recognised on a time-proportion basis using the effective interest method.

#### Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

### 4. 主要會計政策(續)

#### 客戶合約收益(續)

本集團通過將產品或服務的控制權轉移至客戶而履行履約責任時確認收益。視乎合約條款及適用於該合約的法律，履約責任可以在一段時間內或在某個時間點履行。倘若符合以下情況，履約責任將在一段時間內履行：

- 客戶同時獲得及消費本集團履約所提供的利益；
- 本集團履約會創造或加強客戶隨著創造或加強資產而控制的資產；或
- 本集團履約不會創造可由本集團另作他用的資產，且本集團對迄今完成的履約付款擁有可強制執行的權利。

倘若履約責任在一段時間內履行，收益乃參照履約責任圓滿完成的進展確認。否則，收益於客戶取得產品或服務控制權的時間點確認。

#### 其他收益

利息收入按時間比例基準，根據實際利率法確認入賬。

#### 政府補助

政府補助於可合理保證本集團將能符合其附帶條件，且可獲取有關補助時確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Employee benefits

##### (i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

##### (ii) *Pension obligations*

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

##### (iii) *Termination benefits*

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

#### Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

### 4. 主要會計政策 (續)

#### 僱員福利

##### (i) *僱員應享假期*

僱員應享年假及長期服務假期於賦予僱員時確認。截至報告期末已就僱員因所提供服務享有的年假及長期服務假期的估計負債作出撥備。

僱員應享之病假及產假於僱員休假時方可確認。

##### (ii) *退休金責任*

本集團向所有僱員適用之定額供款退休計劃供款。本集團及僱員向有關計劃作出之供款乃根據僱員之基本薪金的百分比計算。自損益扣除之退休福利計劃成本乃指本集團應付予基金之供款。

##### (iii) *離職福利*

離職福利於本集團不再能夠撤回提供該等福利及於本集團確認重組成本及參與支付離職福利之較早日期者予以確認。

#### 以股份為基礎之付款

本集團向若干董事、僱員及顧問發行以權益結算並以股份為基礎之付款。

向董事及僱員發行之以權益結算並以股份為基礎之付款乃按權益工具於授出日期之公平值計量(不包括非市場歸屬條件之影響)。公平值乃於以權益結算並以股份為基礎之付款的授出日期釐定，並根據本集團估計最終歸屬股份就非市場歸屬條件之影響作出調整後，於歸屬期間按以直線基準支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Share-based payments (Continued)

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

#### Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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.

### 4. 主要會計政策(續)

#### 以股份為基礎之付款(續)

向顧問發行以權益結算並以股份為基礎之付款按所提供服務之公平值計量，或如所提供服務之公平值無法可靠地計量，則按所授出權益工具之公平值計量。公平值乃按本集團獲得服務當日計量及確認為開支。

#### 借款成本

直接用於購買、興建或生產合資格資產(即需待頗長時間方可達致其擬定用途或出售之資產)之借款成本，一律撥充作為該等資產之部分成本，直至該等資產大致上可作擬定用途或出售為止。特定借款於用作合資格資產開支前之臨時投資所賺取之投資收入於合資格資本化之借款成本中扣減。

倘借入資金之一般目的及用途為獲取合資格資產，合資格資本化之借款成本金額則採用資本化率計算該項資產開支之方法釐定。資本化率為適用於本集團該期間未償還借款之借款成本的加權平均值(為獲得合資格資產之特別借款除外)。

所有其他借款成本均於產生期間在損益內確認。

#### 稅項

所得稅指即期稅項及遞延稅項之總和。

即期應付稅項按年內應課稅溢利計算。由於應課稅溢利不包括其他年度之應課稅或可扣減收入或開支項目，亦不包括毋須課稅或可扣減之項目，故與在損益確認的溢利不同。本集團即期稅項負債按報告期末已頒佈或實際已頒佈稅率計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation (Continued)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### 4. 主要會計政策 (續)

#### 稅項 (續)

遞延稅項乃就財務報表之資產及負債賬面值與計算應課稅溢利時作相應稅基用途之資產及負債賬面值兩者之間的差額確認。遞延稅項負債一般就所有應課稅暫時差額確認，而遞延稅項資產在很可能取得應課稅溢利而令可扣減暫時差額、未動用稅項虧損或未動用稅項抵免得以運用之情況下確認。如自商譽或於初步確認(業務合併者除外)交易之其他資產及負債時產生暫時差額不影響應課稅溢利或會計溢利，則有關資產及負債不予確認。

本集團會就附屬公司投資產生之應課稅暫時差額確認遞延稅項負債，惟如本集團能控制有關暫時差額之撥回，且暫時差額可能不會於可見未來撥回則除外。

遞延稅項資產之賬面值於各報告期末進行檢討，並在不可能再有足夠應課稅溢利以收回全部或部份遞延稅項資產時予以減少。

遞延稅項乃按於報告期末已頒佈或實際已頒佈之稅率，按預期於清償負債或變現資產期間應用之稅率計算。遞延稅項乃於損益中確認，惟倘遞延稅項與其他全面收益確認或直接於權益確認的項目有關時，則在此情況下亦會於其他全面收益或直接於權益確認。

遞延稅項資產及負債之計量反映本集團預期於報告期末收回或償還資產及負債賬面值產生之稅務後果。

當有可依法強制執行的權利將即期稅項資產與即期稅項負債抵銷，而其與同一稅務機構徵收的所得稅相關時，則可將遞延稅項資產與負債抵銷，且本集團擬按淨額基準結算其即期稅項資產及負債。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (A).

### 4. 主要會計政策(續)

#### 關聯方

在下列情況下，有關人士或實體為本集團關聯方。

(A) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本公司或本公司母公司主要管理層人員之成員。

(B) 倘符合下列任何條件，即實體與本集團有關聯：

- (i) 該實體與本公司屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
- (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
- (iii) 兩間實體均為同一第三方之合營企業。
- (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- (v) 該實體為本集團或與本集團有關聯之實體就僱員利益設立之離職福利計劃。倘本集團本身即為該計劃，則提供資助之僱主亦與本集團有關聯。
- (vi) 該實體受(A)所識別人士控制或受共同控制。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties (Continued)

(B) An entity is related to the Group if any of the following conditions applies:  
(Continued)

- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

#### Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

#### Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

### 4. 主要會計政策 (續)

#### 關聯方 (續)

(B) 倘符合下列任何條件，即實體與本集團有關聯：(續)

- (vii) 於(A)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。
- (viii) 該實體或實體屬其中一部分之集團之任何成員公司為向本公司或本公司之母公司提供主要管理層人員服務。

#### 分部匯報

經營分部及各分部項目於財務報表內呈報的金額，是根據定期提供予本集團最高行政管理層就資源分配及評估本集團不同行業之業務表現的財務資料中識別出來。

就財務報告而言，除非分部具備相似的經濟特徵及在產品及服務性質、生產過程性質、客戶類型或類別、用於分銷產品或提供服務的方法以及監管環境的性質方面相似，否則各個重大經營分部不會進行合算。個別非重大的經營分部，倘符合上述大部分標準，則可進行合算。

#### 資產減值

具有無限可使用年期或尚未可供使用之無形資產會每年進行減值檢討，並當發生事件或情況有變顯示可能無法收回賬面值時就減值進行檢討。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Impairment of assets (Continued)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and other intangible assets except goodwill, deferred tax assets, investments, inventories and receivables 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 any impairment loss. Where 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.

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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or 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 (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

#### 4. 主要會計政策(續)

##### 資產減值(續)

於各報告期末，本集團均會審閱其有形及其他無形資產(商譽、遞延稅項資產、投資、存貨及應收款項除外)之賬面值，以釐定是否有任何跡象顯示該等資產已出現減值虧損。如有任何有關減值跡象，則會估計資產之可收回金額，以釐定減值虧損之程度。如不可能估計個別資產之可收回金額，則本集團會估計資產所屬現金產生單位之可收回金額。

可收回金額為公平值減去出售成本及使用價值兩者中之較高者。於評估使用價值時，估計未來現金流量乃以稅前貼現率貼現至其現值以反映市場現時所評估之貨幣時間價值及資產特定風險。

倘資產或現金產生單位之可收回金額估計將少於其賬面值，則資產或現金產生單位之賬面值會減少至其可收回金額。減值虧損會即時於損益確認，除非有關資產乃按重估數額列賬則除外，在該情況下，減值虧損會被視為重估減幅。

倘減值虧損其後撥回，則資產或現金產生單位之賬面值會增加至經修訂估計可收回金額，惟按此所增加之賬面值不得高於假設過往年度並無就資產或現金產生單位確認減值虧損而原應已釐定(扣除攤銷或折舊)之賬面值。所撥回之減值虧損會即時於損益確認，除非有關資產乃按重估款額列賬則除外，在該情況下，所撥回之減值虧損會被視為重估增幅。

##### 撥備及或然負債

如果本集團目前須就已發生的事件承擔法定或推定責任，並可能需要流出經濟利益以清償有關責任，且可作出可靠估計，本集團便會就不確定時間或金額之負債確認撥備。如果貨幣時間價值重大，有關撥備則按預計清償責任所需支出的現值列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Provisions and contingent liabilities (Continued)

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 is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

#### Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

#### Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### (a) *Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the assumptions and measures as explained in note 2 to consolidated financial statements.

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

### 4. 主要會計政策 (續)

#### 撥備及或然負債 (續)

倘經濟利益流出之可能性較低，或無法可靠估計有關金額，則披露該責任為或然負債，惟經濟利益流出之機會極微者除外。可能責任須視乎一宗或多宗日後事件是否發生方可確認及披露為或然負債，惟經濟利益流出之可能性極微者除外。

#### 報告期後事項

為本集團於報告期末之狀況提供額外資料或表明持續經營假設屬不恰當之報告期後事項均屬於調整事項，並於綜合財務報表內反映。倘並非調整事項的報告期後事項屬重大時，則於綜合財務報表附註中披露。

### 5. 重要判斷及主要估計

#### 應用會計政策之重要判斷

在應用會計政策之過程中，董事已作出以下對綜合財務報表內所確認數額具最重大影響之判斷。

#### (a) *持續經營基準*

該等綜合財務報表乃按持續經營基準編製，其有效性取決於綜合財務報表附註2所解釋的假設及措施。

#### 估計不明朗因素的主要來源

於報告期末有重大風險可致使下個財政年度之資產及負債賬面值須作重大調整而與未來有關之主要假設及估計不明朗因素之其他主要來源論述如下。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (a) *Impairment of property, plant and equipment and land use right*

Property, plant and equipment and land use right are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

##### (b) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

##### (c) *Impairment of goodwill and other intangible assets*

Determining whether goodwill and other intangible assets is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated and other intangible assets. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill and other intangible assets at the end of the reporting period were approximately RMB22,444,000 and RMB56,536,000 (2017: approximately RMB122,283,000 and RMB136,180,000), respectively. Impairment losses on goodwill and other intangible assets of approximately RMB189,978,000 and RMB135,199,000 had been recognised during the year ended 31 December 2018 (2017: nil), respectively. Details of the impairment loss calculation are provided in note 21 and note 22 to consolidated financial statements.

### 5. 重要判斷及主要估計(續)

#### 估計不明朗因素的主要來源(續)

##### (a) *物業、廠房及設備以及土地使用權的減值*

當事件或情況發生變動，顯示資產的賬面值超逾其可收回金額時，本集團即為物業、廠房及設備以及土地使用權作減值檢討。可收回金額乃參照估計未來現金流量現值釐定。當未來現金流量少於預期，或當發生不利事件及事實及情況發生變動，導致未來估計現金流量須作出修訂時，或會引致重大減值虧損。

##### (b) *物業、廠房及設備以及折舊*

本集團釐定本集團的物業、廠房及設備的估計可使用年期、殘餘價值及有關折舊開支。該估計基於對性質及功能相似的物業、廠房及設備的實際可使用年期及殘餘價值進行估計的歷史經驗作出。本集團將修訂折舊開支(倘可使用年期及剩餘價值不同於之前所估計者)或將已棄用或出售在技術上過時或屬非策略性之資產作撇銷或撇減。

##### (c) *商譽及其他無形資產的減值*

釐定商譽及其他無形資產是否減值需要估計獲分配商譽及其他無形資產之現金產生單位的使用價值。使用價值計算需要本集團估計預期有關現金產生單位所產生的未來現金流量及合適貼現率以計算現值。商譽及其他無形資產於報告期末的賬面值分別約為人民幣22,444,000元及人民幣56,536,000元(2017年：約人民幣122,283,000元及人民幣136,180,000元)。商譽及其他無形資產之減值虧損約人民幣189,978,000元及人民幣135,199,000元已分別於截至2018年12月31日止年度確認(2017年：無)。減值虧損計算之詳情載於綜合財務報表附註21及附註22內。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

#### (d) *Recoverability of trade receivables and prepayment, deposits and other receivables*

Allowance for doubtful debts is made when there is objective evidence that the recoverability of trade receivables due from customers and prepayment, deposits and other receivables becomes doubtful. As at 31 December 2018, the carrying amounts of trade receivables and prepayment, deposits and other receivables are approximately RMB54,299,000 and RMB166,821,000 (2017: RMB46,295,000 and RMB134,162,000) respectively. In determining the recoverability of overdue trade and other receivables, management makes assumptions and applies judgements in assessing the recoverability of trade and other receivables, based on certain of these factors including debt aging, historical settlement experience, subsequent settlements, future expected settlement plan, business relationship with the debtors and credit assessment of debtors. The directors of the Company believe that there will not be a material change in the estimates or assumptions which are used in the calculations of recoverable amounts of trade and other receivables. However, when the actual outcome or expectation in the future is less or more than the original estimates, additional or reversal of impairment loss may arise.

#### (e) *Fair value of financial assets at FVTPL*

As disclosed in note 7 to the consolidated financial statements, the fair values of the financial assets at FVTPL at the date of issue and the end of the reporting period were determined using binomial model. Application of binomial model requires the Group to estimate the prominent factors affecting the fair value, including but not limited to, the expected life of the financial assets, the expected volatility, and the discount rate. Where the estimation on these factors is different from those previously estimated, such differences will impact the fair value gain or loss of the financial assets at FVTPL in the period in which such determination is made.

### 5. 重要判斷及主要估計(續)

#### 估計不明朗因素的主要來源(續)

#### (d) *貿易應收款項及預付款、按金及其他應收款項之可收回性*

當有客觀證據顯示客戶欠付之貿易應收款項及預付款、按金及其他應收款項的可收回性存疑時，即作出呆賬撥備。於2018年12月31日，預付款、按金及其他應收款項之賬面值分別約為人民幣54,299,000元及人民幣166,821,000元(2017年：人民幣46,295,000元及人民幣134,162,000元)。在釐定逾期貿易及其他應收款項之可收回性時，管理層基於若干該等因素，包括債務賬齡、過往清償記錄、其後之清償情況、未來預期清償計劃、與債務人的業務關係以及債務人的信貸評估，作出假設並運用判斷以評估貿易及其他應收款項之可回收性。本公司董事認為計算貿易及其他應收款項的可收回金額所用之估計或假設不會有重大改變。然而，當未來實際結果或預期比原估計減少或增加時，可能會產生額外或撥回之減值虧損。

#### (e) *按公平值計入損益的金融資產的公平值*

誠如綜合財務報表附註7所披露，按公平值計入損益的金融資產於發行日期及報告期末的公平值乃使用二項式模型釐定。應用二項式模型要求本集團估計影響公平值的主要因素，包括但不限於金融資產的預期年期、預期波動性及貼現率。倘該等因素的估計與先前估計的結果不同，則該等差異將影響進行此確定期間的按公平值計入損益的金融資產的公平值損益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### (a) Foreign exchange risk

The Group has certain exposure to foreign currency risk as certain assets are denominated in United States dollars ("USD") and Hong Kong dollars ("HKD"), which are not the functional currencies of the Group entities. The directors of the Company manage its currency risk by closely monitoring the movement of the foreign currency rates and considering hedging significant foreign currency exposure should such need arise.

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against USD and HKD. 5% is the sensitivity rate represents the directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation to RMB at year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where RMB weakens 5% against the USD and HKD. For a 5% strengthening of RMB against the relevant currency, there would be an equal and opposite impact on the profit for the year, and the amounts below would be negative.

### 6. 金融風險管理

本集團業務面對多種金融風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃集中於金融市場之低可測度，並力求盡量減低對本集團財務表現之潛在不利影響。

#### (a) 外幣風險

本集團面對若干外幣風險，此乃由於若干資產以美元（「美元」）和港元（「港元」）（並非本集團實體的功能貨幣）計值。本公司董事密切監控外幣匯率變動以管理其貨幣風險，若出現相關需求，董事亦會考慮對沖重大外幣風險。

下表載列本集團對人民幣兌美元及港元匯率增減5%的敏感度詳情。5%的敏感度比率代表董事對外幣匯率合理可能變動的評估。敏感度分析僅包括未清償外幣計值的貨幣項目，並按5%的外幣匯率浮動調整該等貨幣項目於年末兌人民幣的換算結果。下表所列正數表示，人民幣兌美元及港元貶值5%時利潤有所增加。人民幣兌相關貨幣升值5%時，年度利潤會受等值但相反的影響，而下列金額將變為負數。

|                     |      | 2018    | 2017    |
|---------------------|------|---------|---------|
|                     |      | 2018年   | 2017年   |
|                     |      | RMB'000 | RMB'000 |
|                     |      | 人民幣千元   | 人民幣千元   |
| Profit for the year | 年度利潤 |         |         |
| USD                 | 美元   | 1,450   | 13,302  |
| HKD                 | 港元   | 225     | 1,551   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Credit risk

The carrying amount of the time deposits, bank deposits, trade and other receivables, loan receivables, financial assets at FVTPL, contingent consideration receivables and amounts due from related companies included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2018 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade and other receivables, loan receivables, financial assets at FVTPL and amounts due from related companies. In order to minimise credit risk, the directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the directors review the recoverable amount of each individual debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The credit risk on time deposits and bank deposits is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

### 6. 金融風險管理 (續)

#### (b) 信貸風險

載於綜合財務狀況表之定期存款、銀行存款、貿易及其他應收款項、應收貸款、按公平值計入損益的金融資產、應收或然代價及應收關聯公司款項即本集團有關金融資產之最大信貸風險。

倘交易對手未能於2018年12月31日履行彼等有關各類已確認金融資產之責任，本集團面臨之最大信貸風險為綜合財務狀況表所列該等資產之賬面值。本集團之信貸風險主要來自貿易及其他應收款項、應收貸款、按公平值計入損益的金融資產以及應收關聯公司款項。為盡量降低信貸風險，董事已委派一個團隊負責確定信貸限額、信貸批准及其他監控程序。此外，董事定期檢討每筆個別債務的可收回金額，以確保就不可收回債務確認足夠減值虧損。就此而言，董事認為本集團的信貸風險大大降低。

定期存款及銀行存款的信貸風險有限，因為交易對手乃為信貸評級機構給予高信貸評級的銀行。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Credit risk (Continued)

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower; and
- significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

### 6. 金融風險管理(續)

#### (b) 信貸風險(續)

本集團比較金融資產於報告日期之違約風險與於初始確認日期之違約風險，以評估金融資產之信貸風險是否於各報告期內按持續基準大幅增加。本集團考慮所得合理及有理據支持之前瞻性資料。尤其使用以下資料：

- 內部信貸評級；
- 外部信貸評級；
- 預期導致借款人履行責任的能力出現重大變動之業務、財務或經濟狀況之實際或預期重大不利變動；
- 借款人經營業績的實際或預期重大變動；
- 同一借款人的其他金融工具信貸風險之顯著增加；及
- 抵押品價值或擔保或信貸提升措施之質素出現重大變動；及
- 借款人預期表現及行為之重大變動，包括借款人之付款狀況變動。

倘涉及合約付款之債務人逾期超過30日，則假定信貸風險大幅增加。當交易對手無法於合約付款到期時60日內支付款項，則金融資產出現違約。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Credit risk (Continued)

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

The Group uses two categories for non-trade loan receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

### 6. 金融風險管理 (續)

#### (b) 信貸風險 (續)

金融資產於合理預期無法收回 (如債務人無法與本集團達成還款計劃) 時撇銷。倘債務人於逾期後超過360日無法作出合約付款，本集團通常會就撇銷分類貸款或應收款項。倘貸款或應收款項撇銷，則本集團在實際可行及符合經濟效應的情況下，繼續採取強制行動試圖收回到期應收款項。

本集團使用兩個類別的非貿易應收貸款，以反映其信貸風險及如何就各類別釐定貸款虧損撥備。計算預期信貸虧損率時，本集團考慮各類別的過往虧損率及調整前瞻性數據。

| Category<br>類別        | Definition<br>定義  | Loss Provision<br>虧損撥備               |
|-----------------------|---|--------------------------------------|
| Performing<br>履約      | Low risk of default and strong capacity to pay<br>低違約風險及高付款能力 | 12 month expected losses<br>十二個月預期虧損 |
| Non-performing<br>非履約 | Significant increase in credit risk<br>信貸風險顯著增加               | Lifetime expected losses<br>全期預期虧損   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Group's financial liabilities is as follows:

|                               |                     | Less than<br>1 year or<br>repayable on<br>demand<br>少於1年或<br>按要求償還<br>RMB'000<br>人民幣千元 | Between<br>1 to 2 years<br>1年至2年<br>RMB'000<br>人民幣千元 | Between<br>2 to 5 years<br>2年至5年<br>RMB'000<br>人民幣千元 | Total<br>undiscounted<br>cash flows<br>非貼現現金<br>流量總額<br>RMB'000<br>人民幣千元 | Carrying<br>amount<br>賬面值<br>RMB'000<br>人民幣千元 |
|-------------------------------|---------------------|--|--|--|--|---|
| <b>At 31 December 2018</b>    | <b>於2018年12月31日</b> |  |  |  |  |   |
| Trade payables                | 貿易應付款項              | 33,056   | –  | –  | 33,056   | 33,056  |
| Other payables                | 其他應付款項              | 87,281   | –  | –  | 87,281   | 87,281  |
| Amount due to a related party | 應付關聯方款項             | 1,225  | –  | –  | 1,225  | 1,225   |
| Other borrowings              | 其他借款                | 38,327   | 34,613   | 38,923   | 111,863  | 102,166                                       |
| <b>Total</b>                  | <b>總計</b>           | <b>159,889</b>   | <b>34,613</b>  | <b>38,923</b>  | <b>233,425</b>   | <b>223,728</b>                                |
| <b>At 31 December 2017</b>    | <b>於2017年12月31日</b> |  |  |  |  |   |
| Trade payables                | 貿易應付款項              | 16,020   | –  | –  | 16,020   | 16,020  |
| Other payables                | 其他應付款項              | 15,200   | –  | –  | 15,200   | 15,200  |
| Amount due to a related party | 應付關聯方款項             | 924  | –  | –  | 924  | 924   |
| <b>Total</b>                  | <b>總計</b>           | <b>32,144</b>  | <b>–</b>   | <b>–</b>   | <b>32,144</b>  | <b>32,144</b>                                 |

#### (d) Interest rate risk

The Group exposed to cash flow interest rate risk in relation to variable-rate bank balances, which carry prevailing market interest. The management will consider hedging significant interest rate exposure should the need arise.

The management considered that the exposure to cash flow interest rate risk in relation to bank balances and bank borrowings is minimal, accordingly, no sensitivity analysis is presented for both years.

### 6. 金融風險管理(續)

#### (c) 流動資金風險

本集團的政策為定期監察現時及預期的流動資金需求，以確保其維持充足的現金儲備以應付短期及長期的流動資金需求。

本集團金融負債基於未貼現現金流量之到期情況分析如下：

#### (d) 利率風險

本集團面臨有關浮動利率計息(按現行市場利率計息)的銀行結餘的現金流量利率風險。管理層將於有需要時考慮對沖重大利率風險。

管理層認為有關銀行結餘及銀行借款之現金流量利率風險極微，因此，並未就兩個年度呈列敏感度分析。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 6. FINANCIAL RISK MANAGEMENT (Continued)

#### (e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

#### (f) Categories of financial instruments at 31 December

|  |                              | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|--|------------------------------|-----------------------------------|-----------------------------------|
| <b>Financial assets:</b>   | <b>金融資產：</b>                 |                                   |                                   |
| Financial assets at amortised cost (including cash and cash equivalents) | 按攤銷成本計量的金融資產<br>(包括現金及現金等價物) | 276,442                           | 775,538                           |
| <i>Investments at fair value through profit or loss:</i>                 | <i>按公平值計入損益之投資：</i>          |                                   |                                   |
| Financial assets at FVTPL  | 按公平值計入損益的金融資產                | 165,845                           | 99,723                            |
| Contingent consideration receivables                                     | 應收或然代價                       | 10,990                            | -                                 |
|  |                              | <b>453,277</b>                    | <b>875,261</b>                    |
| <b>Financial liabilities:</b>  | <b>金融負債：</b>                 |                                   |                                   |
| Financial liabilities at amortised cost                                  | 按攤銷成本計量的金融負債                 | 223,728                           | 32,144                            |

### 7. FAIR VALUE MEASUREMENTS

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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

### 6. 金融風險管理 (續)

#### (e) 公平值

本集團的金融資產及金融負債的賬面值(誠如綜合財務狀況表所示)與其各自之公平值相若。

#### (f) 於12月31日之金融工具類別

|  |                              | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|--|------------------------------|-----------------------------------|-----------------------------------|
| <b>Financial assets:</b>   | <b>金融資產：</b>                 |                                   |                                   |
| Financial assets at amortised cost (including cash and cash equivalents) | 按攤銷成本計量的金融資產<br>(包括現金及現金等價物) | 276,442                           | 775,538                           |
| <i>Investments at fair value through profit or loss:</i>                 | <i>按公平值計入損益之投資：</i>          |                                   |                                   |
| Financial assets at FVTPL  | 按公平值計入損益的金融資產                | 165,845                           | 99,723                            |
| Contingent consideration receivables                                     | 應收或然代價                       | 10,990                            | -                                 |
|  |                              | <b>453,277</b>                    | <b>875,261</b>                    |
| <b>Financial liabilities:</b>  | <b>金融負債：</b>                 |                                   |                                   |
| Financial liabilities at amortised cost                                  | 按攤銷成本計量的金融負債                 | 223,728                           | 32,144                            |

### 7. 公平值計量

公平值為市場參與者於計量日期在有序交易中出售資產所收取或轉讓負債所支付的價格。以下公平值計量披露採用公平值等級，將用於計量公平值的估值技術的輸入數據分為三個等級：

第一級輸入數據：本集團於計量日期可獲取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：第一級所含報價以外可直接或間接觀察的資產或負債的輸入數據。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

#### (a) Disclosures of level in fair value hierarchy at 31 December

### 7. 公平值計量(續)

第三級輸入數據：資產或負債的不可觀察輸入數據。

本集團的政策為截至導致轉撥的事件或情況變動之日，確認轉入及轉出任何三個等級。

#### (a) 於12月31日的公平值等級內的等級披露

|   |                   | Fair value measurements using:<br>使用以下各項的公平值計量： |                  |                  | Total<br>總計      |
|---|-------------------|---|------------------|------------------|------------------|
|   |                   | Level 1<br>第一級                                  | Level 2<br>第二級   | Level 3<br>第三級   | 2018<br>2018年    |
|   |                   | RMB'000<br>人民幣千元                                | RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元 |
| <b>Recurring fair value measurements:</b>         | <b>經常性公平值計量：</b>  |   |                  |                  |                  |
| Investments at fair value through profit or loss: | 按公平值計入損益之投資       |   |                  |                  |                  |
| Financial assets at FVTPL                         | 按公平值計入損益的金融資產     | –   | –                | 165,845          | 165,845          |
| Contingent consideration receivables              | 應收或然代價            | –   | –                | 10,990           | 10,990           |
| <b>Total recurring fair value measurements</b>    | <b>經常性公平值計量總額</b> | <b>–</b>  | <b>–</b>         | <b>176,835</b>   | <b>176,835</b>   |

|   |                   | Fair value measurements using:<br>使用以下各項的公平值計量： |                  |                  | Total<br>總計      |
|---|-------------------|---|------------------|------------------|------------------|
|   |                   | Level 1<br>第一級                                  | Level 2<br>第二級   | Level 3<br>第三級   | 2017<br>2017年    |
|   |                   | RMB'000<br>人民幣千元                                | RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元 | RMB'000<br>人民幣千元 |
| <b>Recurring fair value measurements:</b>         | <b>經常性公平值計量：</b>  |   |                  |                  |                  |
| Investments at fair value through profit or loss: | 按公平值計入損益之投資：      |   |                  |                  |                  |
| Financial assets at FVTPL                         | 按公平值計入損益的金融資產     | –   | –                | 99,723           | 99,723           |
| <b>Total recurring fair value measurements</b>    | <b>經常性公平值計量總額</b> | <b>–</b>  | <b>–</b>         | <b>99,723</b>    | <b>99,723</b>    |

|   |                   |          |          |               |               |
|---|-------------------|----------|----------|---------------|---------------|
| <b>Recurring fair value measurements:</b>         | <b>經常性公平值計量：</b>  |          |          |               |               |
| Investments at fair value through profit or loss: | 按公平值計入損益之投資：      |          |          |               |               |
| Financial assets at FVTPL                         | 按公平值計入損益的金融資產     | –        | –        | 99,723        | 99,723        |
| <b>Total recurring fair value measurements</b>    | <b>經常性公平值計量總額</b> | <b>–</b> | <b>–</b> | <b>99,723</b> | <b>99,723</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 7. FAIR VALUE MEASUREMENTS (Continued)

##### (a) Disclosures of level in fair value hierarchy at 31 December (Continued)

During the years ended 31 December 2018 and 2017, there were no transfer between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfer between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the board of directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the board of directors at least twice a year.

##### (b) Reconciliation of assets measured at fair value based on level 3:

|  |                       | Financial assets<br>at FVTPL<br>按公平值計入<br>損益的金融資產 | Contingent<br>consideration<br>receivables<br>應收<br>或然代價 | Total<br>總計                       |
|--|-----------------------|---|--|-----------------------------------|
|  |                       | 2018<br>2018年<br>RMB'000<br>人民幣千元                 | 2018<br>2018年<br>RMB'000<br>人民幣千元                        | 2018<br>2018年<br>RMB'000<br>人民幣千元 |
| At the beginning of year   | 於年初                   | 99,723  | –  | 99,723                            |
| Total gain recognised in profit or loss (#)                      | 於損益確認的<br>收益總額(#)     | 6,222   | 10,990   | 17,212                            |
| Issue  | 發行                    | 59,900  | –  | 59,900                            |
| At the end of reporting period                                   | 於報告期末                 | 165,845   | 10,990   | 176,835                           |
| (#) Include gains for assets held at the end of reporting period | (#)包括就報告期末<br>所持資產之收益 | 6,222   | 10,990   | 17,212                            |

#### 7. 公平值計量 (續)

##### (a) 於12月31日的公平值等級內的等級披露 (續)

於截至2018年及2017年12月31日止年度，第一級及第二級之間概無轉撥，第三級亦無轉入或轉出。本集團之政策為於公平值層級發生轉撥之報告期末確認有關轉撥。

本集團財務總監負責就財務申報進行所需之資產及負債公平值計量(包括第三級公平值計量)。財務總監直接向董事會匯報此等公平值計量。財務總監與董事會每年至少兩次討論估值程序及有關結果。

##### (b) 根據第三級按公平值計量的資產對賬：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 7. FAIR VALUE MEASUREMENTS (Continued)

##### (b) Reconciliation of assets measured at fair value based on level 3: (Continued)

The total gains recognised in profit or loss are presented in other gains and losses (Net gain arising on financial assets at FVTPL and fair value gain on contingent consideration receivables) in the consolidated statement of profit or loss and other comprehensive income.

#### 7. 公平值計量(續)

##### (b) 根據第三級按公平值計量的資產對賬：(續)

於損益內確認的收益總額乃於綜合損益及其他全面收益表內列作其他收益及虧損(按公平值計入損益之金融資產之收益淨額及應收或然代價的公平值收益)。

|  |                       | Financial assets<br>at FVTPL<br>按公平值計入<br>損益的金融資產 | Contingent<br>consideration<br>receivables<br>應收<br>或然代價 | Total<br>總計                       |
|--|-----------------------|---|--|-----------------------------------|
|  |                       | 2017<br>2017年<br>RMB'000<br>人民幣千元                 | 2017<br>2017年<br>RMB'000<br>人民幣千元                        | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
| At the beginning of year   | 於年初                   | 48,000  | –  | 48,000                            |
| Total gain recognised in profit or loss (#)                      | 於損益確認的<br>收益總額(#)     | 3,391   | –  | 3,391                             |
| Issue  | 發行                    | 48,332  | –  | 48,332                            |
| At the end of reporting period                                   | 於報告期末                 | 99,723  | –  | 99,723                            |
| (#) Include gains for assets held at the end of reporting period | (#)包括就報告期末<br>所持資產之收益 | 3,391   | –  | 3,391                             |

The total gains recognised in profit or loss are presented in other gains and losses in the consolidated statement of profit or loss and other comprehensive income.

於損益內確認的收益總額乃於綜合損益及其他全面收益表內列作其他收益及虧損。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018 and 2017:

Key unobservable inputs used in level 3 fair value measurements are mainly:

### 7. 公平值計量 (續)

- (c) 於2018年及2017年12月31日本集團所採用的估值程序及公平值計量所採用的估值技術及輸入數據的披露：

第三級公平值計量所採用的主要不可觀察輸入數據主要是：

| Description                                | Valuation technique          | Unobservable inputs          | Range           | Effect on fair value for increase of inputs<br>輸入數據增加對公平值的影響 | Fair value                               |
|--|------------------------------|------------------------------|-----------------|--|--|
| 詳情   | 估值技術                         | 不可觀察輸入數據                     | 範圍              |  | 公平值<br>2018<br>2018年<br>RMB'000<br>人民幣千元 |
| Financial assets at FVTPL<br>按公平值計入損益的金融資產 | Binomial Model<br>二項式模型      | Volatility<br>波幅             | 42.69% – 45.12% | Increase<br>增加   | 165,845                                  |
|  |                              | Discount rate<br>貼現率         | 14.63% – 14.74% | Decrease<br>減少   |  |
| Contingent consideration<br>或然代價           | Scenario-based method<br>情景法 | Revenue growth rate<br>收益增長率 | 13.00% – 21.00% | Increase<br>增加   | 10,990                                   |
|  |                              | Discount rate<br>貼現率         | 13.00%          | Decrease<br>減少   |  |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 7. FAIR VALUE MEASUREMENTS (Continued)

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2018 and 2017: (Continued)

Key unobservable inputs used in level 3 fair value measurements are mainly:

### 7. 公平值計量 (續)

- (c) 於2018年及2017年12月31日本集團所採用的估值程序及公平值計量所採用的估值技術及輸入數據的披露：(續)

第三級公平值計量所採用的主要不可觀察輸入數據主要是：

| Description               | Valuation technique   | Unobservable inputs | Range           | Effect on fair value for increase of inputs | Fair value |
|---------------------------|-----------------------|---------------------|-----------------|---|------------|
| 詳情                        | 估值技術                  | 不可觀察輸入數據            | 範圍              | 輸入數據增加對公平值的影響                               | 公平值        |
| Financial assets at FVTPL | Binomial Model        | Volatility          | 46.57%          |   |            |
| 按公平值計入損益的金融資產             | 二項式模型                 | 波幅                  |                 |   |            |
|                           |                       | Discount rate       | 13.20%          |   | 99,723     |
|                           |                       | 貼現率                 |                 |   |            |
| Contingent consideration  | Scenario-based method | Revenue growth rate | 10.00% – 25.00% | Increase                                    |            |
| 或然代價                      | 情景法                   | 收益增長率               |                 | 增加  |            |
|                           |                       | Discount rate       | 13.00%          | Decrease                                    | –          |
|                           |                       | 貼現率                 |                 | 減少  |            |

2017  
2017年  
RMB'000  
人民幣千元

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 8. REVENUE

Revenue represents the amount received or receivable from provision of specialised hospital services and supply of pharmaceuticals and medical devices business, net of discount and sales related taxes, are as follows:

The Group's revenue is analysed as follows:

|  |             | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|--|-------------|-----------------------------------|-----------------------------------|
| Specialised hospital services:                         | 專科醫院服務：     |                                   |                                   |
| Provision of healthcare services                       | 提供醫療服務      | 870,438                           | 792,731                           |
| Sales of pharmaceuticals and medical devices           | 銷售藥品及醫療設施   | 111,526                           | 95,071                            |
| Supply of pharmaceuticals and medical devices business | 供應藥品及醫療設施業務 | 33,026                            | 36,349                            |
| Revenue from contracts with customers                  | 來自客戶合約的收益   | 1,014,990                         | 924,151                           |

For the years ended 31 December 2018 and 2017, all revenue is recognised at a point in time.

##### Provision of healthcare services

The Group provides healthcare services to the customers. Revenue from provision of healthcare services are recognised when the services are rendered and there is no unfulfilled obligation that could affect the customer's acceptance of the services.

##### Supply of pharmaceuticals and medical devices business

The Group sells pharmaceuticals and medical devices to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer; there is no unfulfilled obligation that could affect the customer's acceptance of the products.

#### 8. 收益

收益指提供專科醫院服務及供應藥品及醫療設施業務的已收或應收款項減折扣及銷售相關稅項，載列如下：

本集團的收益分析如下：

|             | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|-------------|-----------------------------------|-----------------------------------|
| 專科醫院服務：     |                                   |                                   |
| 提供醫療服務      | 870,438                           | 792,731                           |
| 銷售藥品及醫療設施   | 111,526                           | 95,071                            |
| 供應藥品及醫療設施業務 | 33,026                            | 36,349                            |
| 來自客戶合約的收益   | 1,014,990                         | 924,151                           |

截至2018年及2017年12月31日止年度，所有收益於某個時間點確認。

##### 提供醫療服務

本集團向客戶提供醫療服務。來自提供醫療服務的收益於提供有關服務及並無可能影響客戶接納服務的未履行責任時確認。

##### 供應藥品及醫療設施業務

本集團向客戶銷售藥品及醫療設施。於產品的控制權轉移（即產品交付予客戶），且概無未履行的義務或會影響客戶接受產品時，則會確認銷售。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 8. REVENUE (Continued)

#### Supply of pharmaceuticals and medical devices business (Continued)

Sales to customers are normally made with credit terms of 30 days. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

### 9. SEGMENT INFORMATION

Mr. Lin Yuming, Mr. Zhao Xingli and Mr. Fang Zhifeng, the directors of the Company, are identified as the chief operating decision maker (the "CODM") of the Group for the purposes of resources allocation and performance assessment. The CODM reviews operating results and financial information on a company by company basis. This is also the basis upon which the Group is organised. Accordingly, each company is identified as an operating segment. When the group companies are operating in similar business model with similar target group of customers, and under the same regulatory environment, the Group's operating segment are aggregated and the Group's reportable segments for segment reporting purposes are as follows:

Specialised hospital services

專科醫院服務

Supply of pharmaceuticals and medical devices business

供應藥品及醫療設施業務

provision of specialised hospital services, especially in obstetrics and gynecology, provided at hospitals within the Group

提供專科醫院服務，尤其是本集團醫院提供的婦產科服務

sales of pharmaceuticals and medical devices other than those supply as part of the specialised hospital services

藥品及醫療設施的銷售(不包括屬於專科醫院服務組成部分的供應)

### 8. 收益(續)

#### 供應藥品及醫療設施業務(續)

向客戶作出的銷售一般獲授30日的信貸期。已收取按金確認為合約負債。

應收款項於產品交付予客戶時確認，由於付款到期前僅須待時間過去，故代價於此時間點為無條件。

### 9. 分部資料

就為分配資源及評估表現而言，本公司董事林玉明先生、趙興力先生及方志鋒先生視為本集團的主要經營決策者(「主要經營決策者」)。主要經營決策者按公司基準審閱的經營業績及財務資料，此亦為組織本集團之基礎。因此，各公司均獲視為一個營運分部。倘集團公司採用類似業務模式營運，具有類似目標客戶群體且處於同等監管環境，本集團則合併該等營運分部。本集團就分部報告目的設立的可報告分部如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 9. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating and reportable segment.

For the year ended 31 December 2018

|                        |         | Specialised<br>hospital<br>services<br>專科醫院服務<br>RMB'000<br>人民幣千元 | Supply of<br>pharmaceuticals<br>and medical<br>devices business<br>供應藥品及<br>醫療設施業務<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|------------------------|---------|---|--|---------------------------------|
| External revenue       | 外界收益    | 981,964   | 33,026   | 1,014,990                       |
| Inter-segment revenue  | 內部收益    | –   | 53,059   | 53,059                          |
| Segment revenue        | 分部收益    | 981,964   | 86,085   | 1,068,049                       |
| Eliminations           | 對銷      | –   | (53,059)   | (53,059)                        |
| Consolidated revenue   | 綜合收益    | 981,964   | 33,026   | 1,014,990                       |
| Segment results        | 分部業績    | (697,198)   | (6,003)  | (703,201)                       |
| Unallocated results    | 未分配業績   |   |  | (46,152)                        |
| Loss before income tax | 除所得稅前虧損 |   |  | (749,353)                       |

#### 9. 分部資料(續)

本集團按營運及可報告分部劃分之收益及業績之分析如下。

截至2018年12月31日止年度



NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

9. SEGMENT INFORMATION (Continued)

For the year ended 31 December 2017

9. 分部資料(續)

截至2017年12月31日止年度

|                          |         | Specialised<br>hospital<br>services<br>專科醫院服務<br>RMB'000<br>人民幣千元 | Supply of<br>pharmaceuticals<br>and medical<br>devices business<br>供應藥品及<br>醫療設施業務<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|--------------------------|---------|---|--|---------------------------------|
| External revenue         | 外界收益    | 887,802   | 36,349   | 924,151                         |
| Inter-segment revenue    | 內部收益    | –   | 46,678   | 46,678                          |
| Segment revenue          | 分部收益    | 887,802   | 83,027   | 970,829                         |
| Eliminations             | 對銷      | –   | (46,678)   | (46,678)                        |
| Consolidated revenue     | 綜合收益    | 887,802   | 36,349   | 924,151                         |
| Segment results          | 分部業績    | 74,458  | 8,972  | 83,430                          |
| Unallocated results      | 未分配業績   |   |  | (49,483)                        |
| Profit before income tax | 除所得稅前利潤 |   |  | 33,947                          |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 9. SEGMENT INFORMATION (Continued)

For the year ended 31 December 2017 (Continued)

The following is an analysis of the Group's assets and liabilities by operating and reportable segment.

As at 31 December 2018

#### 9. 分部資料 (續)

截至2017年12月31日止年度 (續)

本集團按營運及可報告分部劃分之資產及負債之分析如下。

於2018年12月31日

|                          |       | Specialised<br>hospital<br>services<br>專科醫院服務<br>RMB'000<br>人民幣千元 | Supply of<br>pharmaceuticals<br>and medical<br>devices business<br>供應藥品及<br>醫療設施業務<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|--------------------------|-------|---|--|---------------------------------|
| Segment assets           | 分部資產  | 650,524   | 57,572   | 708,096                         |
| Goodwill                 | 商譽    | 22,444  | –  | 22,444                          |
| Unallocated assets       | 未分配資產 |   |  | 479,665                         |
| Consolidated assets      | 綜合資產  |   |  | 1,210,205                       |
| Segment liabilities      | 分部負債  | 388,943   | 5,194  | 394,137                         |
| Unallocated liabilities  | 未分配負債 |   |  | 137,897                         |
| Consolidated liabilities | 綜合負債  |   |  | 532,034                         |

NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

9. SEGMENT INFORMATION (Continued)

As at 31 December 2017

9. 分部資料(續)

於2017年12月31日

|                          |       | Specialised<br>hospital<br>services<br>專科醫院服務<br><i>RMB'000</i><br>人民幣千元 | Supply of<br>pharmaceuticals<br>and medical<br>devices business<br>供應藥品及<br>醫療設施業務<br><i>RMB'000</i><br>人民幣千元 | Total<br>總計<br><i>RMB'000</i><br>人民幣千元 |
|--------------------------|-------|--|---|--|
| Segment assets           | 分部資產  | 791,700  | 64,125  | 855,825                                |
| Goodwill                 | 商譽    | 122,283  | –   | 122,283                                |
| Unallocated assets       | 未分配資產 |  |   | 849,012                                |
| Consolidated assets      | 綜合資產  |  |   | 1,827,120                              |
| Segment liabilities      | 分部負債  | 123,290  | 15,195  | 138,485                                |
| Unallocated liabilities  | 未分配負債 |  |   | 106,527                                |
| Consolidated liabilities | 綜合負債  |  |   | 245,012                                |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 9. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 December 2018

### 9. 分部資料 (續)

其他分部資料

截至2018年12月31日止年度

|  |                   | Specialised<br>hospital<br>services<br>專科醫院服務<br>RMB'000<br>人民幣千元 | Supply of<br>pharmaceuticals<br>and medical<br>device business<br>供應藥品及<br>醫療設施業務<br>RMB'000<br>人民幣千元 | Unallocated<br>未分配<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|--|-------------------|---|---|--|---------------------------------|
| Depreciation and amortisation                              | 折舊及攤銷             | 83,566  | 642   | 598                                    | 84,806                          |
| Loss on disposal of property,<br>plant and equipment       | 出售物業、廠房及<br>設備的虧損 | 552   | 1   | —                                      | 553                             |
| Addition to non-current assets<br>(note)                   | 非流動資產增加<br>(附註)   | 404,133   | 46  | 449                                    | 404,628                         |
| Impairment losses on property,<br>plant and equipment      | 物業、廠房及設備的<br>減值虧損 | 107,189   | —   | —                                      | 107,189                         |
| Impairment losses on goodwill                              | 商譽的減值虧損           | 189,978   | —   | —                                      | 189,978                         |
| Impairment losses on other<br>intangible assets            | 其他無形資產的<br>減值虧損   | 135,199   | —   | —                                      | 135,199                         |
| Fair value gain on contingent<br>consideration receivables | 應收或然代價的<br>公平值收益  | 10,990  | —   | —                                      | 10,990                          |
| Impairment losses on trade<br>receivables                  | 貿易應收款項的<br>減值虧損   | 2,015   | —   | —                                      | 2,015                           |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 9. SEGMENT INFORMATION (Continued)

For the year ended 31 December 2017

### 9. 分部資料(續)

截至2017年12月31日止年度

|  |                   | Specialised<br>hospital<br>services<br>專科醫院服務 | Supply of<br>pharmaceuticals<br>and medical<br>device business<br>供應藥品及<br>醫療設施業務 | Unallocated<br>未分配 | Total<br>總計      |
|--|-------------------|---|---|--------------------|------------------|
|  |                   | RMB'000<br>人民幣千元                              | RMB'000<br>人民幣千元  | RMB'000<br>人民幣千元   | RMB'000<br>人民幣千元 |
| Depreciation and amortisation                        | 折舊及攤銷             | 55,155  | 697   | 3,821              | 59,673           |
| Loss on disposal of property, plant<br>and equipment | 出售物業、廠房及<br>設備的虧損 | 356   | 1   | –                  | 357              |
| Addition to non-current assets (note)                | 非流動資產增加(附註)       | 339,080                                       | 31  | 1,141              | 340,252          |

Note:

Non-current assets consist of property, plant and equipment, land use right, other intangible assets and goodwill.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 4. Segment results represent the profit before tax earned by each segment, without allocation of central administration costs, directors' emoluments and share of loss of associates not directly related to the respective segment, which represents the internally generated financial information regularly reviewed by the CODM. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performances and allocating resources between segments, all assets, liabilities and expenses of the Company and other holding companies are presented as unallocated.

Income tax expenses have been allocated to segments as additional information regularly provided to the CODM but not included in the measure of segment results while the relevant deferred tax assets, deferred tax liabilities and tax payables have been allocated into the segment assets and liabilities.

No geographical information is presented as all of the Group's revenue is derived from activities in the PRC, and all of the Group's operations and major non-current assets are located in the PRC.

No revenue from individual external customer contributing over 10% of total revenue of the Group.

附註：

非流動資產包括物業、廠房及設備、土地使用權、其他無形資產及商譽。

營運及可報告分部的會計政策與附註4所述本集團的會計政策一致。分部業績指各分部所賺未分配與各分部間接有關的中央行政成本、董事酬金及應佔聯營公司虧損的除稅前利潤，指主要經營決策者定期審閱的內部財務資料，此為就分配資源及評估分部表現向主要經營決策者呈報的方法。

為監控分部表現及分配分部間資源，本公司及其他控股公司之所有資產、負債及開支均列為未分配。

所得稅開支已分配至各分部，作為定期向主要經營決策者提供的補充資料，但計量分部業績時並無計入，而相關遞延稅項資產、遞延稅項負債及應付稅項則分配至分部資產及負債。

由於本集團全部收益來自中國的業務且本集團所有業務及主要非流動資產均位於中國，故並無呈列地區資料。

並無個別外界客戶貢獻的收益佔本集團總收益10%以上。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 10. OTHER INCOME

#### 10. 其他收入

|   |                    | 2018         | 2017          |
|---|--------------------|--------------|---------------|
|   |                    | 2018年        | 2017年         |
|   |                    | RMB'000      | RMB'000       |
|   |                    | 人民幣千元        | 人民幣千元         |
| Interest income from bank deposits                | 銀行存款之利息收入          | 1,321        | 8,301         |
| Government grants                                 | 政府補助               | 1,227        | 1,602         |
| Interest income from loan receivables             | 應收貸款利息收入           | 631          | 774           |
| Interest income from amount due from an associate | 應收一間聯營公司款項<br>利息收入 | 3,454        | 539           |
| Others  | 其他                 | 1,179        | 1,847         |
|   |                    | <b>7,812</b> | <b>13,063</b> |

#### 11. OTHER GAINS AND LOSSES, NET

#### 11. 其他收益及虧損淨額

|   |                        | 2018          | 2017            |
|---|------------------------|---------------|-----------------|
|   |                        | 2018年         | 2017年           |
|   |                        | RMB'000       | RMB'000         |
|   |                        | 人民幣千元         | 人民幣千元           |
| Foreign exchange gain/(loss)                            | 匯兌收益/(虧損)              | 222           | (20,336)        |
| Fair value gain on contingent consideration receivables | 應收或然代價的公平值收益           | 10,990        | -               |
| Net gain arising on financial assets at FVTPL           | 按公平值計入損益之<br>金融資產之收益淨額 | 6,222         | 3,391           |
| Net gain arising on bank financial products             | 銀行理財產品之收益淨額            | 1,734         | 3,283           |
| Loss on disposal of property, plant and equipment       | 出售物業、廠房及設備的虧損          | (553)         | (357)           |
| Others  | 其他                     | (13)          | (59)            |
|   |                        | <b>18,602</b> | <b>(14,078)</b> |

NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

12. FINANCE COSTS

12. 融資成本

|                              |        | 2018    | 2017    |
|------------------------------|--------|---------|---------|
|                              |        | 2018年   | 2017年   |
|                              |        | RMB'000 | RMB'000 |
|                              |        | 人民幣千元   | 人民幣千元   |
| Interest on other borrowings | 其他借款利息 | 5,220   | -       |

13. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2018

(a) *Acquisition of Beijing Baiziwan HarMoniCare Hospital (the "Beijing Baiziwan")*

On 31 March 2018, the Group acquired 51% of equity interests of Beijing Baiziwan for cash consideration of RMB12,043,000. This acquisition has been accounted for using the purchase method. Beijing Baiziwan is engaged in the provision of obstetrics and gynecology specialty hospital services. It was acquired so as to continue the expansion of the Group's obstetrics and gynecology specialty hospital services.

Acquisition-related costs amounting to RMB878,000 have been excluded from the consideration transferred and have been recognised as an expense within the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

13. 收購附屬公司

截至2018年12月31日止年度

(a) *收購北京百子灣和美醫院(「北京百子灣」)*

於2018年3月31日，本集團以現金代價人民幣12,043,000元收購北京百子灣51%股權。是次收購以收購法入賬。北京百子灣從事提供婦產專科醫院服務。是次收購是為繼續拓展本集團的婦產專科醫院服務。

已轉讓代價已扣除收購有關成本人民幣878,000元，及收購有關成本已於綜合損益及其他全面收益表中「行政開支」一項確認為開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 13. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2018 (Continued)

#### (a) Acquisition of Beijing Baiziwan HarMoniCare Hospital (the "Beijing Baiziwan") (Continued)

The fair value of the identifiable assets and liabilities of Beijing Baiziwan acquired as at its date of acquisition is as follows:

|  |               | RMB'000<br>人民幣千元 |
|--|---------------|------------------|
| Net assets acquired:                             | 已收購資產淨值：      |                  |
| Property, plant and equipment                    | 物業、廠房及設備      | 19,502           |
| Other intangible assets                          | 其他無形資產        | 64,800           |
| Rental deposits                                  | 租金按金          | 3,049            |
| Inventories                                      | 存貨            | 2,129            |
| Trade receivables                                | 貿易應收款項        | 939              |
| Prepayments, deposits and other receivables      | 預付款、按金及其他應收款項 | 13,483           |
| Cash and cash equivalents                        | 現金及現金等價物      | 4,280            |
| Trade payables                                   | 貿易應付款項        | (5,402)          |
| Other payables                                   | 其他應付款項        | (203,453)        |
| Deferred tax liabilities                         | 遞延稅項負債        | (16,329)         |
| Total identifiable net liabilities at fair value | 按公平值可識別負債總淨額  | (117,002)        |
| Non-controlling interests                        | 非控股權益         | 57,331           |
| Goodwill   | 商譽            | 71,714           |
| Cash consideration transferred                   | 已轉讓現金代價       | 12,043           |

The cash consideration of RMB12,043,000 was paid in 2017.

現金代價人民幣12,043,000元已於2017年支付。

Net cash inflow on acquisition for the year ended 31 December 2018:

截至2018年12月31日止年度收購現金流入淨額：

|                                    |             | RMB'000<br>人民幣千元 |
|------------------------------------|-------------|------------------|
| Cash and cash equivalents acquired | 已收購現金及現金等價物 | 4,280            |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 13. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2018 (Continued)

(a) *Acquisition of Beijing Baiziwan HarMoniCare Hospital (the "Beijing Baiziwan") (Continued)*

Beijing Baiziwan contributed approximately RMB48,647,000 and RMB67,399,000 to the Group's revenue and loss for the year respectively for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2018, total Group revenue for the year would have been RMB1,075,432,000, and loss for the year would have been RMB819,087,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor is intended to be a projection of future results.

(b) *Acquisition of Hibaby Healthcare Co., Ltd. ("Hibaby")*

As at 31 December 2017, the Group owned 49.47% of equity interest of Hibaby and recognised as associate which the Group has significant influence. On 8 November 2018, the Group acquired 48.53% of equity interests of Hibaby for cash consideration of approximately RMB30,242,000. The Group increased the shareholding of Hibaby to 98% upon the completion of the acquisition. This acquisition has been accounted for using the step acquisition method. Hibaby is engaged in the provision of assisted maternity consultant management consulting. It was acquired so as to continue the expansion of the Group's obstetrics and gynecology specialty hospital services.

### 13. 收購附屬公司(續)

截至2018年12月31日止年度(續)

(a) *收購北京百子灣和美醫院(「北京百子灣」)(續)*

北京百子灣佔本集團自收購日期至報告期末止期間年內收益及虧損分別約為人民幣48,647,000元及人民幣67,399,000元。

倘收購於2018年1月1日完成，則本集團的年內收益總額將為人民幣1,075,432,000元及年內虧損將為人民幣819,087,000元。該備考資料僅供說明，未必反映倘收購已於2018年1月1日完成，本集團所實際錄得之收益及經營業績，亦不擬作未來業績之預測。

(b) *收購凱貝姆健康管理有限公司(「凱貝姆」)*

於2017年12月31日，本集團擁有凱貝姆49.47%的股權，並確認為本集團具有重大影響的聯營公司。於2018年11月8日，本集團以現金代價約人民幣30,242,000元收購凱貝姆48.53%的股權。收購完成後，本集團於凱貝姆的股權增至98%。是次收購事項以分階段收購法入賬。凱貝姆從事提供助產顧問管理諮詢。是次收購是為繼續拓展本集團的婦產專科醫院服務。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 13. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2018 (Continued)

#### (b) Acquisition of Hibaby Healthcare Co., Ltd. ("Hibaby") (Continued)

The fair value of the identifiable assets and liabilities of Hibaby acquired as at its date of acquisition is as follows:

|  |                        | RMB'000<br>人民幣千元 |
|--|------------------------|------------------|
| Net assets acquired:   | 已收購資產淨值：               |                  |
| Property, plant and equipment  | 物業、廠房及設備               | 83,525           |
| Other non-current assets   | 其他非流動資產                | 5,000            |
| Inventories  | 存貨                     | 2,457            |
| Trade receivables  | 貿易應收款項                 | 24               |
| Prepayments, deposits and other receivables                          | 預付款、按金及其他應收款項          | 49,711           |
| Cash and bank balances   | 現金及銀行結餘                | 4,294            |
| Trade payables   | 貿易應付款項                 | (4,469)          |
| Other payables and accruals  | 其他應付款項及應計費用            | (8,947)          |
| Amount due to the parent company                                     | 應付母公司款項                | (77,293)         |
| Other borrowings   | 其他借款                   | (22,700)         |
| <b>Total identifiable net assets at fair value</b>                   | <b>按公平值計量之可識別資產總淨值</b> | <b>31,602</b>    |
| Fair value of consideration given for controlling interests (48.53%) | 就控股權益(48.53%)已付代價之公平值  | 30,242           |
| Fair value of previously-held interest (49.47%)                      | 過往持有權益(49.47%)之公平值     | 19,016           |
| Non-controlling interests  | 非控股權益                  | 769              |
| Sub-total  | 小計                     | 50,027           |
| Less: fair value of net assets of acquiree                           | 減：被收購方資產淨值之公平值         | (31,602)         |
| Goodwill   | 商譽                     | 18,425           |

The cash consideration of approximately RMB30,242,000 had yet been settled up to the date of the report and recorded in other payables and accruals.

截至本報告日期，現金代價約人民幣30,242,000元尚未結清，於其他應付款項及應計費用中記錄。

Net cash inflow on acquisition for the year ended 31 December 2018:

截至2018年12月31日止年度收購現金流入淨額：

|                                    |             | RMB'000<br>人民幣千元 |
|------------------------------------|-------------|------------------|
| Cash and cash equivalents acquired | 已收購現金及現金等價物 | 4,294            |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 13. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2018 (Continued)

#### (b) Acquisition of Hibaby Healthcare Co., Ltd. ("Hibaby") (Continued)

Hibaby contributed approximately RMB5,757,000 and RMB17,258,000 to the Group's revenue and loss for the year respectively for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2018, total Group revenue for the year would have been RMB1,037,049,000, and loss for the year would have been RMB826,801,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2018, nor is intended to be a projection of future results.

### 13. 收購附屬公司(續)

截至2018年12月31日止年度(續)

#### (b) 收購凱貝姆健康管理有限公司(「凱貝姆」)(續)

凱貝姆佔本集團自收購日期至報告期末止期間年內收益及虧損分別約為人民幣5,757,000元及人民幣17,258,000元。

倘收購於2018年1月1日完成，則本集團的年內收益總額將為人民幣1,037,049,000元及年內虧損將為人民幣826,801,000元。該備考資料僅供說明，未必反映倘收購已於2018年1月1日完成，本集團所實際錄得之收益及經營業績，亦不擬作未來業績之預測。

### 14. INCOME TAX EXPENSE

### 14. 所得稅開支

|                                |            | 2018    | 2017     |
|--------------------------------|------------|---------|----------|
|                                |            | 2018年   | 2017年    |
|                                |            | RMB'000 | RMB'000  |
|                                |            | 人民幣千元   | 人民幣千元    |
| The PRC Enterprise Income Tax  | 中國企業所得稅    |         |          |
| Current tax in the PRC         | 中國即期稅項     | 13,013  | 26,924   |
| Under provision in prior years | 過往年度撥備不足   | -       | 242      |
|                                |            | 13,013  | 27,166   |
| Deferred tax (note 36)         | 遞延稅項(附註36) | 22,845  | (22,657) |
| Income tax expense             | 所得稅開支      | 35,858  | 4,509    |

The Company is a tax exempted company incorporated in the Cayman Islands.

本公司為於開曼群島註冊成立的獲豁免納稅公司。

No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profit subject to Hong Kong Profits Tax during the current year (2017: Nil).

由於本集團於本年度並無應繳納香港利得稅的應課稅利潤，故並無計提香港利得稅撥備(2017年：無)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 14. INCOME TAX EXPENSE (Continued)

Under the EIT Law and Implementation Regulation of the EIT Law in the PRC, the statutory EIT rate in the PRC is 25% (2017: 25%). In accordance with the approval from the local taxation bureau in the PRC, certain PRC subsidiaries of the Group were entitled to a preferential income tax rate of 15% for the years ended 31 December 2018 and 2017.

The reconciliation between the income tax expense and (loss)/profit before tax is as follows:

#### 14. 所得稅開支 (續)

根據中國企業所得稅法及企業所得稅法實施條例，中國的法定企業所得稅稅率為25% (2017年：25%)。根據中國地方稅局的批准，截至2018年及2017年12月31日止年度本集團部分中國附屬公司享有15%的優惠所得稅稅率。

所得稅開支及除稅前(虧損)/利潤的對賬如下所示：

|   |                          | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|---|--------------------------|-----------------------------------|-----------------------------------|
| (Loss)/profit before tax  | 除稅前(虧損)/利潤               | (749,353)                         | 33,947                            |
| Tax at the applicable EIT rate of 25%   | 按適用企業所得稅<br>稅率25%計算之稅項   | (187,338)                         | 8,487                             |
| Tax effect of expenses not deductible for tax purpose                             | 不可扣稅開支的稅務影響              | 121,102                           | 8,020                             |
| Tax effect of tax losses not recognised   | 先前未確認稅項虧損的<br>稅務影響       | 53,128                            | 7,353                             |
| Utilisation of tax loss previously not recognised                                 | 動用先前未確認的<br>稅項虧損         | (1,395)                           | (3,076)                           |
| Tax effect of the preferential income tax rate                                    | 優惠所得稅稅率的稅務影響             | (1,321)                           | (2,822)                           |
| Tax effect of deductible temporary differences not recognised                     | 未確認可扣減暫時差額的<br>稅務影響      | -                                 | 2,060                             |
| Utilisation of deductible temporary difference previously not recognised          | 動用先前未確認的<br>可扣減暫時差額      | -                                 | (587)                             |
| Tax losses and deductible temporary difference previously recognised and reversed | 先前確認及撥回的稅項虧損及<br>可扣減暫時差額 | 51,682                            | -                                 |
| Under provision in respect of prior years   | 過往年度撥備不足                 | -                                 | 242                               |
| Others (note)   | 其他(附註)                   | -                                 | (15,168)                          |
| Income tax expense  | 所得稅開支                    | 35,858                            | 4,509                             |

Note:

Others is an amount of RMB15,168,000 tax effect in relation to unused tax losses and deductible temporary differences from Heilongjiang HarMoniCare Hospital. In 2017, Heilongjiang HarMoniCare Hospital generated taxable profits and the management reassessed whether sufficient future taxable profits and taxable temporary differences will be available.

附註：

其他指有關來自黑龍江和美醫院的未動用稅項虧損及可扣減暫時差額的人民幣15,168,000元稅務影響的款項。於2017年，黑龍江和美醫院產生應課稅溢利且管理層重新評估是否有充足可用的未來應課稅溢利及應課稅暫時差額。



NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

15. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging/(crediting) the following:

15. 年內(虧損)/利潤

本集團的年內(虧損)/利潤經扣除/  
(計入)以下各項後達致：

|   |                | 2018           | 2017           |
|---|----------------|----------------|----------------|
|   |                | 2018年          | 2017年          |
|   |                | RMB'000        | RMB'000        |
|   |                | 人民幣千元          | 人民幣千元          |
| Cost of inventories recognised as expense             | 確認為開支的存貨成本     | 168,699        | 140,351        |
| Auditor's remuneration                                | 核數師酬金          | 2,230          | 2,610          |
| Depreciation of property, plant and equipment         | 物業、廠房及設備折舊     | 70,605         | 51,200         |
| Amortisation of other intangible assets               | 其他無形資產攤銷       | 11,758         | 7,454          |
| Amortisation of land use right                        | 土地使用權攤銷        | 2,443          | 1,019          |
| <b>Total depreciation and amortisation</b>            | <b>折舊及攤銷總額</b> | <b>84,806</b>  | <b>59,673</b>  |
| Impairment losses on various assets                   | 各項資產的減值虧損      |                |                |
| Property, plant and equipment                         | 物業、廠房及設備       | 107,189        | -              |
| Goodwill  | 商譽             | 189,978        | -              |
| Other intangible assets                               | 其他無形資產         | 135,199        | -              |
| Amounts due from related parties                      | 應收關聯方款項        | 1,280          | -              |
| Trade receivables                                     | 貿易應收款項         | 2,015          | 2,476          |
| Loan receivables                                      | 應收貸款           | 6,500          | -              |
| Prepayments, deposits and other receivables           | 預付款、按金及其他應收款項  | 116,465        | -              |
|   |                | <b>558,626</b> | <b>2,476</b>   |
| Operating lease rentals in respect of rental premises | 租賃物業相關的經營租賃租金  | 139,915        | 78,461         |
| Directors' emoluments (note 16)                       | 董事薪酬(附註16)     | 2,017          | 348            |
| Other staff costs                                     | 其他僱員成本         |                |                |
| Salaries, bonus and allowances                        | 薪金、花紅及津貼       | 409,319        | 312,772        |
| Retirement benefits scheme contributions              | 退休福利計劃供款       | 42,993         | 31,762         |
| Reversal of share-based payments                      | 撥回以股份為基礎的付款    | -              | (3,165)        |
|   |                | <b>452,312</b> | <b>341,369</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 16. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

The remuneration of each director for the year ended 31 December 2018 is set out below:

#### 16. 董事及五位最高薪人士薪酬

各董事截至2018年12月31日止年度之薪酬載列如下：

|  |                | Salaries,<br>allowances<br>and benefits<br>in kind<br>薪金、津貼及<br>實物利益<br>RMB'000<br>人民幣千元 | Retirement<br>benefits<br>scheme<br>contributions<br>退休福利<br>計劃供款<br>RMB'000<br>人民幣千元 | Share-based<br>payment<br>以股份為基礎<br>的付款<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|--|----------------|--|---|---|---------------------------------|
| <i>Executive Directors</i>                 | <i>執行董事</i>    |  |   |   |                                 |
| Mr. Lin Yuming                             | 林玉明先生          | 576  | 9   | —   | 585                             |
| Mr. Zhao Xingli                            | 趙興力先生          | 447  | 12  | —   | 459                             |
| Mr. Fang Zhifeng                           | 方志鋒先生          | 366  | 7   | —   | 373                             |
| <i>Non-Executive Directors</i>             | <i>非執行董事</i>   |  |   |   |                                 |
| Mr. Lin Yuguo                              | 林玉國先生          | —  | —   | —   | —                               |
| Mr. Qiu Jianwei                            | 邱建偉先生          | —  | —   | —   | —                               |
| Mr. Xu Jun                                 | 徐軍先生           | —  | —   | —   | —                               |
| <i>Independent Non-executive Directors</i> | <i>獨立非執行董事</i> |  |   |   |                                 |
| Mr. Kong Aiguo                             | 孔愛國先生          | 200  | —   | —   | 200                             |
| Ms. Fang Lan                               | 方嵐女士           | 200  | —   | —   | 200                             |
| Mr. Cai Jiangnan                           | 蔡江南先生          | 200  | —   | —   | 200                             |
| <b>Total</b>                               | <b>總計</b>      | <b>1,989</b>   | <b>28</b>   | <b>—</b>  | <b>2,017</b>                    |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 16. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

The remuneration of each director for the year ended 31 December 2017 is set out below:

#### 16. 董事及五位最高薪人士薪酬(續)

各董事截至2017年12月31日止年度之薪酬載列如下：

|  |                | Salaries,<br>allowances<br>and benefits<br>in kind<br>薪金、津貼及<br>實物利益<br>RMB'000<br>人民幣千元 | Retirement<br>benefits<br>scheme<br>contributions<br>退休福利<br>計劃供款<br>RMB'000<br>人民幣千元 | Share-based<br>payment<br>以股份為基礎<br>的付款<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|--|----------------|--|---|---|---------------------------------|
| <i>Executive Directors</i>                 | <b>執行董事</b>    |  |   |   |                                 |
| Mr. Lin Yuming                             | 林玉明先生          | 512  | 7   | –   | 519                             |
| Mr. Zhao Xingli                            | 趙興力先生          | 387  | 12  | (682)   | (283)                           |
| Mr. Fang Zhifeng                           | 方志鋒先生          | 362  | 11  | (861)   | (488)                           |
| <i>Non-Executive Directors</i>             | <b>非執行董事</b>   |  |   |   |                                 |
| Mr. Lin Yuguo                              | 林玉國先生          | –  | –   | –   | –                               |
| Mr. Qiu Jianwei                            | 邱建偉先生          | –  | –   | –   | –                               |
| Mr. Xu Jun                                 | 徐軍先生           | –  | –   | –   | –                               |
| <i>Independent Non-executive Directors</i> | <b>獨立非執行董事</b> |  |   |   |                                 |
| Mr. Kong Aiguo                             | 孔愛國先生          | 200  | –   | –   | 200                             |
| Ms. Fang Lan                               | 方嵐女士           | 200  | –   | –   | 200                             |
| Mr. Cai Jiangnan                           | 蔡江南先生          | 200  | –   | –   | 200                             |
| <b>Total</b>                               | <b>總計</b>      | <b>1,861</b>   | <b>30</b>   | <b>(1,543)</b>  | <b>348</b>                      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 16. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

##### Five highest paid individuals

The five highest paid individuals in the Group during the year not included (2017: one) directors whose emoluments are reflected in the analysis presented above.

The emoluments of the five (2017: remaining four) individuals are set out below:

|   |          | 2018         | 2017         |
|---|----------|--------------|--------------|
|   |          | 2018年        | 2017年        |
|   |          | RMB'000      | RMB'000      |
|   |          | 人民幣千元        | 人民幣千元        |
| Salaries and allowance                  | 薪金及津貼    | 3,867        | 2,048        |
| Performance related bonuses             | 表現掛鈎花紅   | –            | 222          |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 16           | 42           |
|   |          | <b>3,883</b> | <b>2,312</b> |

The emoluments fell within the following band:

|                                |                         | Number of individuals |          |
|--------------------------------|-------------------------|-----------------------|----------|
|                                |                         | 人數                    |          |
|                                |                         | 2018                  | 2017     |
|                                |                         | 2018年                 | 2017年    |
| Below HK\$1,000,000            | 1,000,000港元以下           | 4                     | 4        |
| HK\$1,000,000 to HK\$1,500,000 | 1,000,000港元至1,500,000港元 | 1                     | –        |
|                                |                         | <b>5</b>              | <b>4</b> |

During the years ended 31 December 2018 and 2017, no directors waived or agreed to waive any emoluments, and no emoluments were paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

#### 16. 董事及五位最高薪人士薪酬 (續)

##### 五位最高薪人士

本集團於年內之五位最高薪人士不包括薪酬反映於上文呈列之分析的董事 (2017年：一位)。五位 (2017年：餘下四位) 人士之薪酬載列如下：

薪酬介乎以下範圍：

截至2018年及2017年12月31日止年度，概無董事放棄或同意放棄任何薪酬，本集團並無向董事或五位最高薪人士支付任何酬金作為加入本集團或於加入時的獎勵或離職補償。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 17. DIVIDENDS

### 17. 股息

|   |  | 2018    | 2017    |
|---|--|---------|---------|
|   |  | 2018年   | 2017年   |
|   |  | RMB'000 | RMB'000 |
|   |  | 人民幣千元   | 人民幣千元   |
| Dividends recognised as distributions during the year 2017 Final – Nil (2016: RMB5.0 cents per share) | 年內確認為分派的股息<br>2017年末期股息 – 零<br>(2016年：每股人民幣5.0分) | –       | 37,921  |

Subsequent to the end of the reporting period, the Board doesn't recommend any payment of a final dividend for the year ended 31 December 2018.

於報告期末後，截至2018年12月31日止年度，董事會不建議派付任何末期股息。

### 18. (LOSS)/EARNINGS PER SHARE

#### Basic(loss)/earnings per share

The calculation of basic (loss)/earnings per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately RMB725,299,000 (2017: profit for the year attributable to owners of the Company of approximately RMB27,394,000) and the weighted average number of ordinary shares of 738,776,000 (2017: 758,402,000) in issue during the year.

#### Diluted loss per share

There is no dilution factor for the year ended 31 December 2018. The effects of all potential ordinary shares are anti-dilutive for the year ended 31 December 2017. The computation of diluted earnings per share in 2017 is same with basic earnings per share.

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share has been adjusted with taking into account the shares purchased and held by the trustee of Company's Restricted Share Incentive Scheme for the year ended 31 December 2018 and 2017.

### 18. 每股(虧損)/盈利

#### 每股基本(虧損)/盈利

本公司擁有人應佔每股基本(虧損)/盈利乃按本公司擁有人應佔年內虧損約人民幣725,299,000元(2017年：本公司擁有人應佔年內利潤約人民幣27,394,000元)及年內已發行加權平均普通股數目738,776,000股(2017年：758,402,000股)計算。

#### 每股攤薄虧損

截至2018年12月31日止年度未發生攤薄事項。截至2017年12月31日止年度的全部潛在普通股均具有反攤薄效應。於2017年，每股攤薄盈利之計算與每股基本盈利相同。

用作計算每股基本及攤薄盈利之加權平均普通股數目已在計及截至2018年及2017年12月31日止年度由本公司限制性股份激勵計劃項下的信託人購買並持有的股份的情況下作出調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 19. PROPERTY, PLANT AND EQUIPMENT

### 19. 物業、廠房及設備

|   |                            | Leasehold land and buildings<br>租賃土地及樓宇<br>RMB'000<br>人民幣千元 | Leasehold improvements<br>租賃物業裝修<br>RMB'000<br>人民幣千元 | Medical equipments<br>醫療設施<br>RMB'000<br>人民幣千元 | Motor vehicles<br>汽車<br>RMB'000<br>人民幣千元 | Furniture and fixtures<br>傢俱及裝置<br>RMB'000<br>人民幣千元 | Construction in progress<br>在建工程<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|---|----------------------------|---|--|--|--|---|--|---------------------------------|
| <b>COST</b>   | <b>成本</b>                  |   |  |  |  |   |  |                                 |
| At 1 January 2017                                     | 於2017年1月1日                 | 37,234  | 226,388  | 170,813  | 11,166                                   | 51,536  | 3,183  | 500,320                         |
| Additions   | 添置                         | -   | 15,750   | 20,131   | 1,672                                    | 3,573   | 42,860   | 83,986                          |
| Transfer  | 轉讓                         | -   | 7,904  | -  | -  | -   | (7,904)  | -                               |
| Acquired on acquisition of a subsidiary               | 收購一間附屬公司時購入                | -   | 884  | 6,141  | 785                                      | 543   | 6,916  | 15,269                          |
| Disposals   | 出售                         | -   | -  | (2,049)  | (467)                                    | (3,501)   | -  | (6,017)                         |
| At 31 December 2017 and 1 January 2018                | 於2017年12月31日及<br>2018年1月1日 | 37,234  | 250,926  | 195,036  | 13,156                                   | 52,151  | 45,055   | 593,558                         |
| Additions   | 添置                         | 2,915   | 26,869   | 14,723   | 1,189                                    | 5,492   | 92,961   | 144,149                         |
| Transfer  | 轉讓                         | -   | 24,962   | -  | -  | -   | (24,962)   | -                               |
| Acquired on acquisition of subsidiaries (note 13)     | 收購附屬公司時購入<br>(附註13)        | -   | 36,434   | 9,085  | 382                                      | 7,182   | 49,944   | 103,027                         |
| Disposals   | 出售                         | -   | -  | (4,314)  | (1,277)                                  | (1,580)   | -  | (7,171)                         |
| At 31 December 2018                                   | 於2018年12月31日               | 40,149  | 339,191  | 214,530  | 13,450                                   | 63,245  | 162,998  | 833,563                         |
| <b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b> | <b>累計折舊及減值虧損</b>           |   |  |  |  |   |  |                                 |
| At 1 January 2017                                     | 於2017年1月1日                 | 9,313   | 101,456  | 86,096   | 9,527                                    | 40,666  | -  | 247,058                         |
| Charge for the year                                   | 年內支銷                       | 1,697   | 29,518   | 15,861   | 941                                      | 3,183   | -  | 51,200                          |
| Eliminated on disposals                               | 出售時抵銷                      | -   | -  | (1,990)  | (442)                                    | (3,052)   | -  | (5,484)                         |
| At 31 December 2017 and 1 January 2018                | 於2017年12月31日及<br>2018年1月1日 | 11,010  | 130,974  | 99,967   | 10,026                                   | 40,797  | -  | 292,774                         |
| Charge for the year                                   | 年內支銷                       | 2,422   | 41,337   | 21,606   | 662                                      | 4,578   | -  | 70,605                          |
| Eliminated on disposals                               | 出售時抵銷                      | -   | -  | (3,669)  | (1,124)                                  | (1,395)   | -  | (6,188)                         |
| Impairment losses                                     | 減值虧損                       | 12,075  | 50,264   | 28,349   | 741                                      | 5,213   | 10,547   | 107,189                         |
| At 31 December 2018                                   | 於2018年12月31日               | 25,507  | 222,575  | 146,253  | 10,305                                   | 49,193  | 10,547   | 464,380                         |
| <b>CARRYING AMOUNTS</b>                               | <b>賬面值</b>                 |   |  |  |  |   |  |                                 |
| At 31 December 2018                                   | 於2018年12月31日               | 14,642  | 116,616  | 68,277   | 3,145                                    | 14,052  | 152,451  | 369,183                         |
| At 31 December 2017                                   | 於2017年12月31日               | 26,224  | 119,952  | 95,069   | 3,130                                    | 11,354  | 45,055   | 300,784                         |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 19. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the year ended 31 December 2018, the Group carried out review of the recoverable amount of its property, plant and equipment as a result of the deterioration of the markets of the Group's business. These assets are used in the Group's specialised hospital services segment. The reviews led to the recognition of an impairment losses of approximately RMB107,189,000 (2017: nil) have been recognised in profit or loss for the year ended 31 December 2018. The recoverable amount of the relevant assets of RMB369,183,000 has been determined on the basis of their value in use using discounted cashflow method (level 3 fair value measurements). The discount rate used was 18 per cent.

### 20. LAND USE RIGHT

### 19. 物業、廠房及設備(續)

截至2018年12月31日止年度，由於本集團業務市場惡化，本集團對其物業、廠房及設備的可收回金額進行檢討。該等資產用於本集團的專科醫院服務分部。檢討導致確認減值虧損約人民幣107,189,000元(2017年：零)已於截至2018年12月31日止年度之損益內確認。相關資產的可收回金額為人民幣369,183,000元按使用貼現現金流量法(第三級公平值計量)的使用價值基準釐定。使用的貼現率為18%。

### 20. 土地使用權

RMB'000  
人民幣千元

| COST   |  | 成本                                 |         |
|--|--|------------------------------------|---------|
| At 1 January 2017  |  | 於2017年1月1日                         | –       |
| Acquired on acquisition of a subsidiary                  |  | 收購一間附屬公司時購入                        | 120,175 |
| At 31 December 2017, 1 January 2018 and 31 December 2018 |  | 於2017年12月31日、2018年1月1日及2018年12月31日 | 120,175 |
| ACCUMULATED AMORTISATION                                 |  | 累計攤銷                               |         |
| At 1 January 2017  |  | 於2017年1月1日                         | –       |
| Charge for the year                                      |  | 年內支銷                               | 1,019   |
| At 31 December 2017 and 1 January 2018                   |  | 於2017年12月31日及2018年1月1日             | 1,019   |
| Charge for the year                                      |  | 年內支銷                               | 2,443   |
| At 31 December 2018                                      |  | 於2018年12月31日                       | 3,462   |
| CARRYING AMOUNT  |  | 賬面值                                |         |
| At 31 December 2018                                      |  | 於2018年12月31日                       | 116,713 |
| At 31 December 2017                                      |  | 於2017年12月31日                       | 119,156 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 21. GOODWILL

#### 21. 商譽

|  |                                      | <i>RMB'000</i><br>人民幣千元 |
|--|--------------------------------------|-------------------------|
| <b>COST</b>  | <b>成本</b>                            |                         |
| At 1 January 2017                                      | 於2017年1月1日                           | 49,302                  |
| Arising on acquisition of a subsidiary                 | 於收購一間附屬公司時產生                         | 72,981                  |
| At 31 December 2017 and 1 January 2018                 | 於2017年12月31日及2018年1月1日               | 122,283                 |
| Arising on acquisition of subsidiaries (note 13)       | 於收購附屬公司時產生(附註13)                     | 90,139                  |
| At 31 December 2018                                    | 於2018年12月31日                         | 212,422                 |
| <b>ACCUMULATED IMPAIRMENT LOSSES</b>                   | <b>累計減值虧損</b>                        |                         |
| At 1 January 2017, 31 December 2017 and 1 January 2018 | 於2017年1月1日、2017年12月31日及<br>2018年1月1日 | –                       |
| Impairment losses                                      | 減值虧損                                 | 189,978                 |
| At 31 December 2018                                    | 於2018年12月31日                         | 189,978                 |
| <b>CARRYING AMOUNT</b>                                 | <b>賬面值</b>                           |                         |
| At 31 December 2018                                    | 於2018年12月31日                         | 22,444                  |
| At 31 December 2017                                    | 於2017年12月31日                         | 122,283                 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 21. GOODWILL (Continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to specialised hospital services segment and had been allocated to two individual CGU (2017: two) as follows:

### 21. 商譽(續)

於業務合併中所獲商譽會於收購時分配至預期將受益於該業務合併之現金產生單位(「現金產生單位」)。商譽賬面值已分配至專科醫院服務分部，並分配予以下兩個個別現金產生單位(2017年：兩個)：

|   |                    | 2018          | 2017           |
|---|--------------------|---------------|----------------|
|   |                    | 2018年         | 2017年          |
|   |                    | RMB'000       | RMB'000        |
|   |                    | 人民幣千元         | 人民幣千元          |
| Heilongjiang HarMoniCare Hospital ("CGU A") | 黑龍江和美醫院(「現金產生單位A」) | –             | 49,302         |
| Nantong Hemeijia Hospital ("CGU B")         | 南通和美家醫院(「現金產生單位B」) | 4,019         | 72,981         |
| Beijing Baiziwan ("CGU C")                  | 北京百子灣(「現金產生單位C」)   | –             | –              |
| Hibaby ("CGU D")                            | 凱貝姆(「現金產生單位D」)     | 18,425        | –              |
|   |                    | <b>22,444</b> | <b>122,283</b> |

#### CGU A – Heilongjiang HarMoniCare Hospital

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 18% (2017: 13.5%). CGU A's cash flows beyond the 5-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the forecast inflation rate of China, considering that the growth rate will not exceed the forecast inflation rate of the country. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

At 31 December 2017, Management believes that any reasonably possible change in any of the above assumptions would not cause the aggregate carrying amount of CGU A to exceed the aggregate recoverable amount of CGU A.

#### 現金產生單位A – 黑龍江和美醫院

該單位的可收回金額乃根據使用價值計算釐定。該計算使用根據管理層批准涵蓋5年期的財政預算的現金流預測及貼現率18%(2017年：13.5%)作出。現金產生單位A的超逾該5年期的現金流已運用穩定增長率3%推算。該增長率乃基於中國的預測通脹率且認為該增長率不會超過中國的預測通脹率。計算使用價值的其他主要假設涉及現金流入／流出估計(包括預算銷售及毛利)，有關估計乃基於該單位的過往表現及管理層對市場發展的預期作出。

於2017年12月31日，管理層認為任何上述假設的任何合理可能變動均不會致使現金產生單位A的合共賬面值超過現金產生單位A的合共可收回金額。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
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### 21. GOODWILL (Continued)

#### CGU A – Heilongjiang HarMoniCare Hospital (Continued)

At 31 December 2018, before impairment testing, goodwill of approximately RMB49,302,000 were allocated to CGU A. Due to changes in market condition, the goodwill allocated to CGU A has therefore been reduced to nil through recognition of an impairment loss against goodwill of approximately RMB49,302,000 during the year.

#### CGU B – Nantong Hemeijia Hospital

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 8-year period, and discount rate of 18 % (2017: 13.5%). CGU B's cash flows beyond the 8-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the forecast inflation rate of China, considering that the growth rate will not exceed the forecast inflation rate of the country. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

At 31 December 2017, Management believes that any reasonably possible change in any of the above assumptions would not cause the aggregate carrying amount of CGU B to exceed the aggregate recoverable amount of CGU B.

At 31 December 2018, before impairment testing, goodwill of approximately RMB72,981,000 were allocated to CGU B. Due to changes in market condition, the goodwill allocated to CGU B has therefore been reduced to its recoverable amount of RMB4,019,000 through recognition of an impairment loss against goodwill of approximately RMB68,962,000 during the year.

### 21. 商譽 (續)

#### 現金產生單位A – 黑龍江和美醫院 (續)

於2018年12月31日，於減值測試前，約人民幣49,302,000元的商譽由於市況變動已分配至現金產生單位A，分配至現金產生單位A的商譽因此透過於年內確認商譽減值虧損約人民幣49,302,000元而減少至零。

#### 現金產生單位B – 南通和美家醫院

該單位的可收回金額乃根據使用價值計算釐定。該計算使用根據管理層批准涵蓋8年期的財政預算的現金流預測及貼現率18% (2017年：13.5%) 作出。現金產生單位B的超逾該8年期的現金流已運用穩定增長率3%推算。該增長率乃基於中國的預測通脹率且認為該增長率不會超過中國的預測通脹率。計算使用價值的其他主要假設涉及現金流入／流出估計 (包括預算銷售及毛利)，有關估計乃基於該單位的過往表現及管理層對市場發展的預期作出。

於2017年12月31日，管理層認為任何上述假設的任何合理可能變動均不會致使現金產生單位B的合共賬面值超過現金產生單位B的合共可收回金額。

於2018年12月31日，於減值測試前，約人民幣72,981,000元的商譽由於市況變動已分配至現金產生單位B，分配至現金產生單位B的商譽因此透過於年內確認商譽減值虧損約人民幣68,962,000元而減少至其可收回金額人民幣4,019,000元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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### 21. GOODWILL (Continued)

#### CGU C – Beijing Baiziwan

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 18%. CGU C's cash flows beyond the 5-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the forecast inflation rate of China, considering that the growth rate will not exceed the forecast inflation rate of the country. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

At 31 December 2018, before impairment testing, goodwill of approximately RMB71,714,000 were allocated to CGU C. Due to changes in market condition, the goodwill allocated to CGU C has therefore been reduced to nil through recognition of an impairment loss against goodwill of approximately RMB71,714,000 during the year.

#### CGU D – Hibaby

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 18%. CGU D's cash flows beyond the 5-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the forecast inflation rate of China, considering that the growth rate will not exceed the forecast inflation rate of the country. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

At 31 December 2018, Management believes that any reasonably possible change in any of the above assumptions would not cause the aggregate carrying amount of CGU D to exceed the aggregate recoverable amount of CGU D.

### 21. 商譽(續)

#### 現金產生單位C – 北京百子灣

該單位的可收回金額乃根據使用價值計算釐定。該計算使用根據管理層批准涵蓋5年期的財政預算的現金流預測及貼現率18%作出。現金產生單位C的超逾該5年期的現金流已運用穩定增長率3%推算。該增長率乃基於中國的預測通脹率且認為該增長率不會超過中國的預測通脹率。計算使用價值的其他主要假設涉及現金流入／流出估計(包括預算銷售及毛利)，有關估計乃基於該單位的過往表現及管理層對市場發展的預期作出。

於2018年12月31日，於減值測試前，約人民幣71,714,000元的商譽由於市況變動已分配至現金產生單位C，分配至現金產生單位C的商譽因此透過於年內確認商譽減值虧損約人民幣71,714,000元而減少至零。

#### 現金產生單位D – 凱貝姆

該單位的可收回金額乃根據使用價值計算釐定。該計算使用根據管理層批准涵蓋5年期的財政預算的現金流預測及貼現率18%作出。現金產生單位D的超逾該5年期的現金流已運用穩定增長率3%推算。該增長率乃基於中國的預測通脹率且認為該增長率不會超過中國的預測通脹率。計算使用價值的其他主要假設涉及現金流入／流出估計(包括預算銷售及毛利)，有關估計乃基於該單位的過往表現及管理層對市場發展的預期作出。

於2018年12月31日，管理層認為任何上述假設的任何合理可能變動均不會致使現金產生單位D的合共賬面值超過現金產生單位D的合共可收回金額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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### 22. OTHER INTANGIBLE ASSETS

### 22. 其他無形資產

|   |                        | Software               | Trademark              | Medical licenses<br>(note)<br>醫療執照<br>(附註) | Total                  |
|---|------------------------|------------------------|------------------------|--|------------------------|
|   | 成本                     | 軟件<br>RMB'000<br>人民幣千元 | 商標<br>RMB'000<br>人民幣千元 | 醫療執照<br>(附註)<br>RMB'000<br>人民幣千元           | 總計<br>RMB'000<br>人民幣千元 |
| <b>COST</b>   | <b>成本</b>              |                        |                        |  |                        |
| At 1 January 2017                                     | 於2017年1月1日             | 11,278                 | 33,200                 | 61,900                                     | 106,378                |
| Additions   | 添置                     | 974                    | –                      | –  | 974                    |
| Acquired on acquisition of a subsidiary               | 於收購一間附屬公司時購入           | 267                    | –                      | 46,600                                     | 46,867                 |
| At 31 December 2017 and 1 January 2018                | 於2017年12月31日及2018年1月1日 | 12,519                 | 33,200                 | 108,500                                    | 154,219                |
| Additions   | 添置                     | 2,513                  | –                      | –  | 2,513                  |
| Acquired on acquisition of a subsidiary (note 13)     | 於收購一間附屬公司時購入(附註13)     | –                      | –                      | 64,800                                     | 64,800                 |
| At 31 December 2018                                   | 於2018年12月31日           | 15,032                 | 33,200                 | 173,300                                    | 221,532                |
| <b>ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES</b> | <b>累計攤銷及減值虧損</b>       |                        |                        |  |                        |
| At 1 January 2017                                     | 於2017年1月1日             | 4,499                  | 6,086                  | –  | 10,585                 |
| Charge for the year                                   | 年內支銷                   | 882                    | 3,320                  | 3,252                                      | 7,454                  |
| At 31 December 2017 and 1 January 2018                | 於2017年12月31日及2018年1月1日 | 5,381                  | 9,406                  | 3,252                                      | 18,039                 |
| Charge for the year                                   | 年內支銷                   | 2,154                  | 3,320                  | 6,284                                      | 11,758                 |
| Impairment losses                                     | 減值虧損                   | 2,323                  | 20,474                 | 112,402                                    | 135,199                |
| At 31 December 2018                                   | 於2018年12月31日           | 9,858                  | 33,200                 | 121,938                                    | 164,996                |
| <b>CARRYING AMOUNTS</b>                               | <b>賬面值</b>             |                        |                        |  |                        |
| At 31 December 2018                                   | 於2018年12月31日           | 5,174                  | –                      | 51,362                                     | 56,536                 |
| At 31 December 2017                                   | 於2017年12月31日           | 7,138                  | 23,794                 | 105,248                                    | 136,180                |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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### 22. OTHER INTANGIBLE ASSETS (Continued)

Note:

At 31 December 2017, the amount of medical license identified and derived from the acquisition of Heilongjiang HarMoniCare Hospital during the year ended 31 December 2016 and Nantong Hemeijia Hospital during the year ended 31 December 2017 of approximately RMB61,900,000 and RMB46,600,000 respectively.

At 31 December 2018, before the impairment and amortisation, the amount of medical license identified and derived from the acquisition of Beijing Baizwan, Heilongjiang HarMoniCare Hospital and Nantong Hemeijia Hospital of approximately RMB64,800,000, RMB61,900,000 and RMB46,600,000 respectively.

Management considered that the above other intangible assets have finite useful lives. Such other intangible assets are accordingly amortised on a straight-line basis over the following periods:

Software  
軟件  
Trademark  
商標  
Medical licenses  
醫療執照

The Group carried out reviews of the recoverable amount of its other intangible assets in 2018 as a result of the deterioration of the markets of the Group's business. These assets are used in the Group's specialised hospital services segment. The review led to the recognition of an impairment loss of RMB135,199,000 for other intangible assets that have been recognised in profit or loss. The recoverable amount of the relevant assets of RMB56,536,000 has been determined on the basis of their value in use using discounted cash flow method (level 3 fair value measurements). The discount rate used was 18 per cent.

### 22. 其他無形資產(續)

附註：

於2017年12月31日，截至2016年12月31日止年度及截至2017年12月31日止年度來源於收購黑龍江和美醫院及南通和美家醫院而取得的醫療執照金額分別約為人民幣61,900,000元及人民幣46,600,000元。

於2018年12月31日，於減值及攤銷前，來源於收購北京百子灣、黑龍江和美醫院及南通和美家醫院而取得的醫療執照金額分別約為人民幣64,800,000元、人民幣61,900,000元及人民幣46,600,000元。

管理層認為上述其他無形資產具有有限可使用年期。該等其他無形資產因此於下列期間按直線基準攤銷：

5 – 10 years  
5至10年  
10 years  
10年  
25 years  
25年

2018年，由於本集團業務市場惡化，本集團對其其他無形資產的可收回金額進行檢討。該等資產用於本集團的專科醫院服務分部。檢討導致確認其他無形資產減值虧損人民幣135,199,000元已於損益內確認。相關資產的可收回金額為人民幣56,536,000元按使用貼現現金流量法(第三級公平值計量)的使用價值釐定。使用的貼現率為18%。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 23. INTERESTS IN ASSOCIATES

#### 23 於聯營公司之權益

|   |                      | 2018     | 2017    |
|---|----------------------|----------|---------|
|   |                      | 2018年    | 2017年   |
|   |                      | RMB'000  | RMB'000 |
|   |                      | 人民幣千元    | 人民幣千元   |
| Cost of investments in associates – unlisted                      | 投資聯營公司之成本 – 未上市      | 37,921   | 32,460  |
| Share of post-acquisition losses and other comprehensive income   | 分佔收購後虧損及<br>其他全面收益   | (11,440) | (5,118) |
|   |                      | 26,481   | 27,342  |
| Less: Disposal of an associate (note 13)                          | 減：出售聯營公司(附註13)       |          |         |
| – Cost of investments in associates – unlisted                    | – 投資聯營公司之成本 – 未上市    | (24,735) | –       |
| – Share of post-acquisition losses and other comprehensive income | – 分佔收購後虧損及<br>其他全面收益 | 5,719    | –       |
|   |                      | 7,465    | 27,342  |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 23. INTERESTS IN ASSOCIATES (Continued)

Details of each of the Group's associates at the end of the reporting period are as follow:

### 23 於聯營公司之權益(續)

本集團各聯營公司於報告期末之詳情如下：

| Name of the entity<br>實體名稱  | Country of incorporation/<br>registration and principal place<br>of business<br>註冊成立／註冊國家<br>及主要營業地點 | Proportion of ownership<br>interest held by the Group<br>本集團所持有之<br>所有權權益比例 |               | Proportion of voting rights<br>held by the Group<br>本集團所持有之<br>投票權比例 |               | Nature of<br>business<br>業務性質  |
|---|--|---|---------------|--|---------------|--|
|   |  | 2018<br>2018年   | 2017<br>2017年 | 2018<br>2018年  | 2017<br>2017年 |  |
| Hibaby  | The PRC  | N/A   | 49.47%        | N/A  | 49.47%        | Assisted maternity consultant management consulting                          |
| 凱貝姆   | 中國   | 不適用   |               | 不適用  |               | 助產顧問管理諮詢   |
| Harmonicare International Medical Group Limited<br>美泰國際醫療集團有限公司               | Hong Kong<br>香港  | 34%   | 30%           | 34%  | 30%           | IVF International referral platform<br>試管嬰兒國際轉診平台                            |
| Selford Medical Technology (Beijing) Co., Ltd.                                | The PRC  | 20%   | 20%           | 20%  | 20%           | Technical extension service provision of enterprise IT products and services |
| 賽爾福醫療科技(北京)有限公司   | 中國   |   |               |  |               | 提供企業IT產品及服務的技術延伸服務   |
| Beijing DeepHealthcare Management and Consultation Co., Ltd<br>北京德璞醫療管理諮詢有限公司 | The PRC<br>中國  | 30%   | 30%           | 30%  | 30%           | IVF International referral platform<br>試管嬰兒國際轉診平台                            |
| Shenzhen DeepHealthcare Overseas Medical Service Co., Ltd.<br>深圳德璞海外醫療服務有限公司  | The PRC<br>中國  | 40%   | 40%           | 40%  | 40%           | IVF International referral platform<br>試管嬰兒國際轉診平台                            |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
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#### 23. INTERESTS IN ASSOCIATES (Continued)

On 8 November 2018, the Group acquired 48.53% of equity interests of Hibaby for cash consideration of RMB30,252,500. The Group obtained control by increased the shareholding of Hibaby to 98%. Details of the acquisition are set out in note 13.

The following table shows, in aggregate, the Group's share of the amounts of all individually immaterial associates that are accounted for using the equity method.

|  |                     | 2018    | 2017    |
|--|---------------------|---------|---------|
|  |                     | 2018年   | 2017年   |
|  |                     | RMB'000 | RMB'000 |
|  |                     | 人民幣千元   | 人民幣千元   |
| The Group's share of loss from continuing operations                   | 本集團應佔持續經營業務虧損       | (4,470) | (1,537) |
| The Group's share of other comprehensive income                        | 本集團應佔其他全面收入         | 138     | 42      |
| The Group's share of total comprehensive loss                          | 本集團應佔全面虧損總額         | (4,332) | (1,495) |
| Aggregate carrying amount of the Group's interests in these associates | 本集團於該等聯營公司之權益之合計賬面值 | 7,465   | 6,335   |

#### 24. FINANCIAL ASSETS AT FVTPL

|                                   |             | 2018    | 2017    |
|-----------------------------------|-------------|---------|---------|
|                                   |             | 2018年   | 2017年   |
|                                   |             | RMB'000 | RMB'000 |
|                                   |             | 人民幣千元   | 人民幣千元   |
| Loan to Wuxi HarMoniCare Hospital | 授予無錫和美醫院之貸款 | 165,845 | 99,723  |

#### 23 於聯營公司之權益 (續)

於2018年11月8日，本集團以現金代價人民幣30,252,500元收購凱貝姆48.53%的股權。本集團通過將凱貝姆的股權增至98%獲得控制權。收購詳情載於附註13。

下表以匯總方式列示本集團使用權益法入賬的所有個別非重大聯營公司所佔金額。

#### 24. 按公平值計入損益之金融資產

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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#### 24. FINANCIAL ASSETS AT FVTPL (Continued)

In October 2016, the Group entered into a cooperation agreement and a supplementary agreement (the "Agreements") with the equity owners of Wuxi HarMoniCare Hospital. According to the Agreements, the Group agreed to lend an aggregate amount of RMB64,000,000 to Wuxi HarMoniCare Hospital in three batches, subject to the fulfilment of certain criteria stated therein, including that Wuxi HarMoniCare Hospital will obtain the medical license before 30 June 2019. The loan is secured by the 80% equity interest of Wuxi HarMoniCare Hospital. Under the Agreements, the Group has the right to exercise one of the three options: (1) to request for the loan repayment with interest; (2) to convert the loan into the equity interest of Wuxi HarMoniCare Hospital based on the audited result; or (3) to acquire the 80% equity interest of Wuxi HarMoniCare Hospital from its equity owners based on the actual capital fully paid up by the equity owners.

In October 2016, pursuant to the Agreements, the Group entered into a loan agreement (the "Loan Agreement I") with Wuxi HarMoniCare Hospital. Up to 31 December 2016, the Group had advanced the first two batches of loan with an aggregate amount of RMB48,000,000 to Wuxi HarMoniCare Hospital. The loan bears prevailing bank borrowing interest rate at 4.75% per annum, with maturity date on 30 June 2019.

In April 2017, the Group entered into a supplementary agreement ("the Supplementary Agreement I") modified the payment clause of the Loan Agreement I, which stipulates that the Group would pay the remaining amount of RMB16,000,000 to Wuxi HarMoniCare Hospital ten days after the supplementary agreement was signed.

According to the Agreements signed in October 2016, the Group will provide a loan to Wuxi HarMoniCare Hospital at 80% of investment amount that exceeds RMB80,000,000. In June 2017, pursuant to the Agreements, the Group entered into a new loan agreement ("the Loan Agreement II") with an aggregate amount of RMB32,000,000 to Wuxi HarMoniCare Hospital.

#### 24. 按公平值計入損益之金融資產(續)

於2016年10月，本集團與無錫和美醫院之股權擁有人訂立一份合作協議及一份補充協議(「該等協議」)。根據該等協議，本集團同意分三筆向無錫和美醫院授出貸款總計人民幣64,000,000元，惟須待本報告所載若干條件獲達成後方可作實，包括無錫和美醫院須於2019年6月30日前取得醫療執照。該貸款由無錫和美醫院之80%股權作抵押。根據該等協議，本集團有權行使下列三項選擇權的其中一項：(1)要求貸款帶息償還；(2)根據審核結果將貸款轉換為無錫和美醫院之股權；或(3)按股權擁有人實際繳足的資本向彼等收購無錫和美醫院之80%股權。

於2016年10月，根據該等協議，本集團與無錫和美醫院訂立一份貸款協議(「貸款協議I」)。直至2016年12月31日，本集團已向無錫和美醫院支付首兩筆貸款，總額為人民幣48,000,000元。該貸款每年按通行銀行借貸利率4.75%計息，並於2019年6月30日到期。

於2017年4月，本集團訂立補充協議(「補充協議I」)，對貸款協議I的支付條款進行修訂，當中規定本集團須於簽署補充協議後十天支付向無錫和美醫院提供的餘額人民幣16,000,000元。

根據於2016年10月簽署的該等協議，本集團將向無錫和美醫院提供佔投資額(超過人民幣80,000,000元的部分)80%的貸款。於2017年6月，根據該等協議，本集團訂立新貸款協議(「貸款協議II」)，向無錫和美醫院提供總額人民幣32,000,000元。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

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#### 24. FINANCIAL ASSETS AT FVTPL (Continued)

In January 2018, the Group entered into a supplementary agreement (the "Supplementary Agreement II") modified that the Group will provide a loan to Wuxi HarMoniCare Hospital at 96% of investment amount that exceeds RMB160,000,000. The loan is revised to be secured by 96% equity interest of Wuxi HarMoniCare Hospital. Under the Supplementary Agreement II, the Group has the right to exercise one of the three options: (1) to request for the loan repayment with interest; (2) to convert the loan into the equity interest of Wuxi HarMoniCare Hospital based on the audited result; or (3) to acquire the 96% equity interest of Wuxi HarMoniCare Hospital from its equity owners based on the actual capital fully paid up by the equity owners.

In February 2018, pursuant to the Supplementary Agreements II, the Group entered into a new loan agreement ("the Loan Agreement III") with an aggregate amount of RMB56,000,000 to Wuxi HarMoniCare Hospital. The loan bears prevailing bank borrowing interest rate at 4.75% per annum, with maturity date on 6 February 2020.

In November 2018, pursuant to the Supplementary Agreements II, the Group entered into a new loan agreement ("the Loan Agreement IV") with an aggregate amount of RMB30,000,000 to Wuxi HarMoniCare Hospital, in which approximately RMB3,900,000 had been paid by the Group to Wuxi HarMoniCare Hospital. The loan bears prevailing bank borrowing interest rate at 4.75% per annum, with maturity date on 30 November 2020.

As at 31 December 2018, Wuxi HarMoniCare had not obtained the medical license and had not commenced operation. The loan granted under the four loan agreements and three supplementary agreements contain embedded derivatives and is classified as a financial assets at FVTPL upon initial recognition.

#### 24. 按公平值計入損益之金融資產 (續)

於2018年1月，本集團訂立補充協議（「補充協議II」），當中修訂，本集團將向無錫和美醫院提供佔投資額（超過人民幣160,000,000元的部分）96%的貸款。該貸款修改為由無錫和美醫院之96%股權作抵押。根據補充協議II，本集團有權行使下列三項選擇權的其中一項：(1)要求貸款帶息償還；(2)根據審核結果將貸款轉換為無錫和美醫院之股權；或(3)按股權擁有人實際繳足的資本向彼等收購無錫和美醫院之96%股權。

於2018年2月，根據補充協議II，本集團訂立一份新貸款協議（「貸款協議III」），向無錫和美醫院提供總額人民幣56,000,000元。該貸款每年按通行銀行借貸利率4.75%計息，並於2020年2月6日到期。

於2018年11月，根據補充協議II，本集團訂立一份新貸款協議（「貸款協議IV」），向無錫和美醫院提供總額人民幣30,000,000元，其中，本集團已向無錫和美醫院支付約人民幣3,900,000元。該貸款每年按通行銀行借貸利率4.75%計息，並於2020年11月30日到期。

於2018年12月31日，無錫和美醫院尚未取得醫療執照，也未開始營業。根據四份貸款協議及三份補充協議授出的貸款包含嵌入式衍生工具，並在初步確認時被分類為按公平值計入損益之金融資產。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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### 25. CONTINGENT CONSIDERATION RECEIVABLES

### 25. 應收或然代價

|                                |            | 2018          | 2017    |
|--------------------------------|------------|---------------|---------|
|                                |            | 2018年         | 2017年   |
|                                |            | RMB'000       | RMB'000 |
|                                |            | 人民幣千元         | 人民幣千元   |
| Profit guarantee – Non-current | 溢利保證 – 非流動 | 4,087         | –       |
| Profit guarantee – Current     | 溢利保證 – 流動  | 6,903         | –       |
|                                |            | <b>10,990</b> | –       |

Profit guarantee represents the guarantee provided by the guarantors, in favour of the Group, as a purchaser in respect of the acquisition of Nantong Hemeijia Hospital (note 13), of which audited net profit of Nantong Hemeijia Hospital for each of the years ended 31 December 2017, 2018, 2019 and 2020 shall not be less than RMB18,000,000 respectively. In event of non-fulfillment of the Profit Guarantee, the Guarantors shall compensate to the Group by 51% of the aggregate amount of shortfall of the relevant guarantee period(s) in cash.

As at 31 December 2017, the Group's management considered that Nantong Hemeijia Hospital could achieve performance requirements in the next few years, so the fair value of contingent consideration as at acquisition date and 31 December 2017 were minimal.

As a result of the deterioration of the markets of the Group's specialised hospital services segment and the decline of Nantong Hemeijia Hospital's financial performance, the fair value of the contingent consideration receivables of approximately RMB10,990,000 at 31 December 2018 is estimated based on the valuation carried out by an independent professional valuer not connected with the Group. In result, fair value change of contingent consideration receivables of approximately RMB10,990,000 had been recognised during the year ended 31 December 2018. The fair value measurement of the contingent consideration receivables is stated in note 7 of the consolidated financial statement.

溢利保證指由擔保人所提供的的保證，以本集團為受益人，就收購南通和美家醫院作為買方(附註13)，其中，南通和美家醫院截至2017年、2018年、2019年及2020年12月31日止各年度的經審核淨利潤將分別不少於人民幣18,000,000元。倘溢利保證未獲達成，擔保人須以現金方式向本集團補償有關擔保期間總差額的51%的款項。

於2017年12月31日，本集團管理層認為南通和美家醫院未來數年可達致履約要求，故於收購日期及2017年12月31日的或然代價公平值微乎其微。

由於本集團專科醫院服務分部的市場惡化以及南通和美家醫院財務業績下降，故於2018年12月31日應收或然代價公平值約人民幣10,990,000元乃按照與本集團概無關連的獨立專業估值師進行的估值而估算。因此，應收或然代價之公平值變動約人民幣10,990,000元已於截至2018年12月31日止年度獲確認。應收或然代價之公平值計量載於綜合財務報表附註7。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 26. OTHER LONG-TERM ASSETS

|   |            | 2018          | 2017          |
|---|------------|---------------|---------------|
|   |            | 2018年         | 2017年         |
|   |            | RMB'000       | RMB'000       |
|   |            | 人民幣千元         | 人民幣千元         |
| Deposits of acquisitions of businesses                | 業務收購按金     | 37,600        | 44,643        |
| Deposits of other borrowings                          | 其他借款按金     | 8,000         | -             |
| Prepayment of operating lease rentals                 | 預付經營租賃租金   | 6,289         | -             |
| Advance for purchase of property, plant and equipment | 預購物業、廠房及設備 | 5,912         | 37,346        |
|   |            | <b>57,801</b> | <b>81,989</b> |

At 26 May 2017, the Company entered into an agreement with S.H.T Healthcare Group to acquire 36% equity interest of Shangrao S.H.T Healthcare Industry Investment Co., Ltd. with a contribution of RMB37,600,000. By the end of 2017, the Company has paid RMB32,600,000 to S.H.T Healthcare Group and this transaction has not been completed as changes in the registration are not accomplished and a key medical license has not been acquired.

#### 26. 其他長期資產

於2017年5月26日，本公司與聖輝堂醫療集團訂立協議，以出資人民幣37,600,000元收購上饒市聖輝堂醫療健康產業投資有限公司的36%股權。於2017年底，本公司已向聖輝堂醫療集團支付人民幣32,600,000元，由於尚未完成變更登記手續，也未取得主要醫療執照，故是項交易並未完成。

#### 27. INVENTORIES

|                                 |           | 2018          | 2017          |
|---------------------------------|-----------|---------------|---------------|
|                                 |           | 2018年         | 2017年         |
|                                 |           | RMB'000       | RMB'000       |
|                                 |           | 人民幣千元         | 人民幣千元         |
| Pharmaceuticals                 | 藥品        | 23,102        | 14,748        |
| Medical devices and consumables | 醫療設施及醫療耗材 | 10,644        | 7,552         |
|                                 |           | <b>33,746</b> | <b>22,300</b> |

#### 27. 存貨

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 28. LOAN RECEIVABLES

### 28. 應收貸款

|                                |        | 2018    | 2017    |
|--------------------------------|--------|---------|---------|
|                                |        | 2018年   | 2017年   |
|                                |        | RMB'000 | RMB'000 |
|                                |        | 人民幣千元   | 人民幣千元   |
| Interest-free loan receivables | 免息應收貸款 | –       | 120,957 |
| Fixed-rate loan receivables    | 定息應收貸款 | 6,500   | 10,000  |
| Less: Impairment losses        | 減：減值虧損 | (6,500) | –       |
|                                |        | –       | 130,957 |

All of the loan receivables are unsecured credit borrowings and with maturity of one year. As at 31 December 2018 and 2017, the fixed-rate loan receivables was 8% per annum.

Before accepting any new borrower, the Group carries out research on the creditability of the new borrower and assesses the potential customer's credit quality and defines loan terms with borrower. The credit of the borrowers granted with loans are reviewed once a year.

There were no loan receivables past due for the year ended 31 December 2017. The Group reviews the recoverable amount of each individual loan receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amount. Accordingly, the directors of the Company believe that there is no allowance or impairment required. For the year ended 31 December 2018, the reviews led to the recognition of an impairment losses of approximately RMB6,500,000 have been recognised in profit or loss.

所有應收貸款均為無抵押信用借款，一年到期。於2018年及2017年12月31日，應收貸款每年固定利率為8%。

於接納任何新借款人前，本集團會調查新借款人信譽、評估潛在客戶之信貸質素及界定借款人之貸款年期。獲授貸款的借款人之信貸狀況乃每年檢討一次。

截至2017年12月31日止年度，概無已逾期之應收貸款。本集團會於報告期末審閱各個別應收貸款之可收回金額，以確保可就不可收回金額作出足夠減值虧損。因此，本公司董事相信，毋須作出撥備或減值。截至2018年12月31日止年度，有關檢討導致確認減值虧損約人民幣6,500,000元已於損益確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
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#### 29. TRADE RECEIVABLES

|                                    |           | 2018    | 2017    |
|------------------------------------|-----------|---------|---------|
|                                    |           | 2018年   | 2017年   |
|                                    |           | RMB'000 | RMB'000 |
|                                    |           | 人民幣千元   | 人民幣千元   |
| Trade receivables                  | 貿易應收款項    | 58,279  | 48,260  |
| Less: allowance for doubtful debts | 減：呆賬撥備    | (3,980) | (1,965) |
| Trade receivables, net             | 貿易應收款項，淨額 | 54,299  | 46,295  |

The Group allows a credit period of approximately 60 days to 180 days (2017: 60 days to 180 days) for the specialised hospital services to the patients which are due from medical and commercial insurance program, and 0 day to 90 days (2017: 0 days to 90 days) for the sale of pharmaceuticals and medical devices after issuing invoice.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

#### 29. 貿易應收款項

本集團向病人提供專科醫院服務應收醫療及商業保險計劃款項的信貸期一般約為60至180天(2017年：60至180天)，而銷售藥品及醫療設施的信貸期為開具發票後的0至90天(2017年：0至90天)。

貿易應收款項按發票日期(扣除撥備)之賬齡分析如下：

|                    |         | 2018    | 2017    |
|--------------------|---------|---------|---------|
|                    |         | 2018年   | 2017年   |
|                    |         | RMB'000 | RMB'000 |
|                    |         | 人民幣千元   | 人民幣千元   |
| Within 90 days     | 90天內    | 21,095  | 42,255  |
| 91 to 180 days     | 91至180天 | 3,218   | 635     |
| 181 days to 1 year | 181天至1年 | 11,445  | 2,726   |
| Over 1 year        | 超過1年    | 18,541  | 679     |
|                    |         | 54,299  | 46,295  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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### 29. TRADE RECEIVABLES (Continued)

Reconciliation of loss allowance for trade receivables:

|   |          | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|---|----------|-----------------------------------|-----------------------------------|
| At the beginning of year                | 於年初      | 1,965                             | 783                               |
| Increase in loss allowance for the year | 年內虧損撥備增加 | 2,015                             | 1,224                             |
| Amounts written off                     | 撇銷款項     | -                                 | (42)                              |
| At the end of year                      | 於年末      | 3,980                             | 1,965                             |

The Group applies the simplified approach under IFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the invoice date aging. The expected credit losses also incorporate forward looking information.

### 29. 貿易應收款項(續)

貿易應收款項虧損撥備對賬：

本集團採用國際財務報告準則第9號項下之簡化方法，對所有貿易應收款項使用全期預期虧損撥備就預期信貸虧損計提撥備。為計量預期信貸虧損，貿易應收款項已根據共享信用風險特徵及發票日期賬齡進行分組。預期信貸虧損亦包括前瞻性資料。

|                                     |               | Within<br>90 days<br>90天內 | 91 to<br>180 days<br>91至180天 | 181 days<br>to 1 year<br>181天至1年 | Over<br>1 year<br>超過1年 | Total<br>總計 |
|-------------------------------------|---------------|---------------------------|------------------------------|----------------------------------|------------------------|-------------|
| At 31 December 2018                 | 於2018年12月31日  |                           |                              |                                  |                        |             |
| Weighted average expected loss rate | 加權平均預期損失率     | 0%                        | 0%                           | 0.4%                             | 17.5%                  |             |
| Receivable amount (RMB'000)         | 應收款項金額(人民幣千元) | 21,095                    | 3,218                        | 11,494                           | 22,472                 | 58,279      |
| Loss allowance (RMB'000)            | 虧損撥備(人民幣千元)   | -                         | -                            | 49                               | 3,931                  | 3,980       |
|                                     |               | Within<br>90 days<br>90天內 | 91 to<br>180 days<br>91至180天 | 181 days<br>to 1 year<br>181天至1年 | Over<br>1 year<br>超過1年 | Total<br>總計 |
| At 31 December 2017                 | 於2017年12月31日  |                           |                              |                                  |                        |             |
| Weighted average expected loss rate | 加權平均預期損失率     | 0%                        | 0%                           | 33.3%                            | 47.0%                  |             |
| Receivable amount (RMB'000)         | 應收款項金額(人民幣千元) | 42,255                    | 635                          | 4,088                            | 1,282                  | 48,260      |
| Loss allowance (RMB'000)            | 虧損撥備(人民幣千元)   | -                         | -                            | 1,362                            | 603                    | 1,965       |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
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#### 30. PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

|   |             | 2018           | 2017           |
|---|-------------|----------------|----------------|
|   |             | 2018年          | 2017年          |
|   |             | RMB'000        | RMB'000        |
|   |             | 人民幣千元          | 人民幣千元          |
| Deposits paid for the proposed acquisitions of businesses | 提議收購業務已付按金  | 15,000         | 44,000         |
| Prepaid rental  | 預交租金        | 24,380         | 41,571         |
| Prepayments to suppliers                                  | 預付供應商的款項    | 65,134         | 35,678         |
| Deposits to suppliers                                     | 付予供應商之按金    | 24,865         | 8,177          |
| Consideration receivable for interests of an associate    | 聯營公司權益的應收代價 | 2,031          | 2,031          |
| Interest receivable                                       | 應收利息        | —              | 1,313          |
| Other receivables   | 其他應收款項      | 35,411         | 1,392          |
|   |             | <b>166,821</b> | <b>134,162</b> |

#### 31. BANK AND CASH BALANCES

Bank balances carried interest at prevailing market rates which range from 0.01% to 0.53% per annum as at 31 December 2018 (2017: 0.01% to 1.30%).

As at 31 December 2018, the bank and cash balances of the Group denominated in RMB amounted to RMB100,404,000 (2017: RMB169,931,000). Conversion of RMB into foreign currencies subject to the PRC's Foreign Exchange Control Regulations.

#### 30. 預付款、按金及其他應收款項

#### 31. 銀行及現金結餘

於2018年12月31日，銀行結餘以現行市場年利率介乎0.01%至0.53% (2017年：0.01%至1.30%) 計息。

於2018年12月31日，本集團的銀行及現金結餘以人民幣計值，達人民幣100,404,000元 (2017年：人民幣169,931,000元)。人民幣兌換為外幣受中國外匯管理條例約束。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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### 32. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

|                    |         | 2018          | 2017          |
|--------------------|---------|---------------|---------------|
|                    |         | 2018年         | 2017年         |
|                    |         | RMB'000       | RMB'000       |
|                    |         | 人民幣千元         | 人民幣千元         |
| Within 90 days     | 90天內    | 19,413        | 13,342        |
| 91 to 180 days     | 91至180天 | 2,674         | 924           |
| 181 days to 1 year | 181天至1年 | 8,301         | 811           |
| Over 1 year        | 超過1年    | 2,668         | 943           |
|                    |         | <b>33,056</b> | <b>16,020</b> |

### 32. 貿易應付款項

貿易應付款項於報告期末按發票日期呈列之賬齡分析如下：

### 33. OTHER PAYABLES AND ACCRUALS

|   |              | 2018           | 2017           |
|---|--------------|----------------|----------------|
|   |              | 2018年          | 2017年          |
|   |              | RMB'000        | RMB'000        |
|   |              | 人民幣千元          | 人民幣千元          |
| Contract liabilities (note)                                       | 合約負債(附註)     | 124,490        | -              |
| Advances from patients  | 預收賬款         | -              | 75,173         |
| Staff cost payables   | 應付僱員成本       | 43,719         | 31,522         |
| Construction fee payables   | 應付建築費用       | 41,051         | 4,078          |
| Accrued rental expenses   | 應計租金開支       | 4,589          | 3,043          |
| Accrued operating expenses  | 應計營運開支       | -              | 2,133          |
| Other PRC tax payables  | 其他應付中國稅項     | 1,408          | 1,471          |
| Deposit from suppliers  | 供應商按金        | 4,779          | 1,073          |
| Consideration payable for acquisition of non-controlling interest | 收購非控股權益的應付代價 | -              | 850            |
| Consideration payable for acquisition of shares of Hibaby         | 收購凱貝姆股份的應付代價 | 30,242         | -              |
| Loan payable  | 應付貸款         | -              | 500            |
| Others  | 其他           | 11,209         | 8,700          |
|   |              | <b>261,487</b> | <b>128,543</b> |

### 33. 其他應付款項及應計費用

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
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#### 33. OTHER PAYABLES AND ACCRUALS (Continued)

Note:

|   |                                   | As at 31 December 2018<br>於2018年12月31日<br>RMB'000<br>人民幣千元 | As at 1 January 2018<br>於2018年1月1日<br>RMB'000<br>人民幣千元 |
|---|-----------------------------------|--|--|
| Contract liabilities  | 合約負債                              | 124,490  | 75,173   |
| Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in: | 分配至年末尚未完成的履約責任並預期於下列年度確認為收益的交易價格： |  |  |
| – 2018  | – 2018年                           | –  | 75,173   |
| – 2019  | – 2019年                           | 124,490  | –  |
|   |                                   | 124,490  | 75,173   |

|   |                   | As at 31 December 2018<br>於2018年12月31日<br>RMB'000<br>人民幣千元 |
|---|-------------------|--|
| Revenue recognised in the year that was included in contract liabilities at beginning of year | 年初計入合約負債並於年度確認的收益 | 75,173   |
| Significant changes in contract liabilities during the year:                                  | 年度合約負債的重大變動：      |  |
| Increase due to operations in the year  | 因年度營運而增加          | 512,920  |
| Transfer of contract liabilities to revenue   | 轉撥合約負債至收益         | (454,575)  |

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綜合財務報表附註(續)

For the Year ended 31 December 2018  
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34. PROVISION

34. 撥備

|                        |              | Provision for<br>onerous leases<br>(note i)<br>虧損性租賃撥備<br>(附註i)<br>RMB'000<br>人民幣千元 | Provision for<br>medical dispute<br>claims<br>(note ii)<br>醫療糾紛索償撥備<br>(附註ii)<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|------------------------|--------------|---|---|---------------------------------|
| At 1 January 2017      | 於2017年1月1日   | –   | 1,053   | 1,053                           |
| Provision              | 撥備           | –   | 358   | 358                             |
| Payments               | 付款           | –   | (511)   | (511)                           |
| As at 31 December 2017 | 於2017年12月31日 | –   | 900   | 900                             |
| Provision              | 撥備           | 41,337  | 3,097   | 44,434                          |
| Payments               | 付款           | –   | (1,096)   | (1,096)                         |
| At 31 December 2018    | 於2018年12月31日 | 41,337  | 2,901   | 44,238                          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
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### 34. PROVISION (Continued)

Note:

- (i) In December 2017, the Group had initiated the expansion plan in investing in Xiamen HarMoniCare Hospital and the Group, as the lessee, entered into a non-cancellable 15 years term lease contract with independent third parties (the "Landlord") for a planned floor area of approximately 19,200 square meters for Xiamen HarMoniCare Hospital.

Due to the development of Xiamen HarMoniCare Hospital had been delayed, the directors of the Company had negotiated with the Landlord on early termination of the lease contract during the year ended 31 December 2019. By the end of the year 2019, the early termination of the lease contract had been mutually agreed by the Group and the Landlord with further 6 months rental compensation liable from the Group to the Landlord.

As the above executory lease contracts is onerous contract, a provision is required to the extent for which the related unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received, hence, provision for onerous contract of approximately RMB41,337,000 had been recognised for the year ended 31 December 2018.

- (ii) The Group is involved as defendants in certain medical disputes arising from its normal business operations. The directors of the Company assess the exposure and an outflow of economic benefits on certain major medical disputes existed at the end of the reporting period based on the best estimate of the management and the opinion of the external legal advisors.

### 34. 撥備 (續)

附註：

- (i) 於2017年12月，本集團已開始廈門和美醫院之投資拓展計劃，本集團（作為承租人）與獨立第三方（「業主」）就廈門和美醫院的規劃建築面積約19,200平方米訂立一份為期15年的不可撤銷租賃合約。

由於已延遲開發廈門和美醫院，截至2019年12月31日止年度，本公司董事已與業主協商提前終止租賃合約。於2019年底，提前終止租賃合約已經本集團與業主雙方協定，而本集團須向業主支付額外6個月的租金補償。

由於上述履行租賃合約為虧損性合約，撥備須為合約項下履行義務之相關不可避免費用超過預期取得之經濟利益的範圍內，因此，虧損性合約之撥備約人民幣41,337,000元已於截至2018年12月31日止年度確認。

- (ii) 本集團因日常業務營運引起的若干醫療糾紛而作為被告。本公司董事根據管理層的最佳估計及外聘法律顧問的意見評估報告期末若干主要醫療糾紛的風險及經濟利益流出。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 35. OTHER BORROWINGS

#### 35. 其他借款

|                  |      | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|------------------|------|-----------------------------------|-----------------------------------|
| Other borrowings | 其他借款 | 102,166                           | –                                 |

An analysis of the Group's other borrowings into principal amounts is as follows:

將本集團其他借款分為本金額分析如下：

|  |                    | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|--|--------------------|-----------------------------------|-----------------------------------|
| On demand or within one year           | 按要求或一年內            | 32,770                            | –                                 |
| In the second year                     | 第二年                | 31,819                            | –                                 |
| In the third to fifth years, inclusive | 第三至第五年<br>(包括首尾兩年) | 37,577                            | –                                 |
|  |                    | 102,166                           | –                                 |

All other borrowings are denominated in RMB. The Group's other borrowings are secured by the Group's certain property, plant and equipment amounted to RMB20,610,000.

所有其他借款以人民幣計值。本集團其他借款以人民幣20,610,000元之若干物業、廠房及設備作抵押。

As at 31 December 2018, the weighted average interest rate of the Group's other borrowings is 8.06%.

於2018年12月31日，本集團其他借款之加權平均利率為8.06%。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 36. DEFERRED TAX ASSETS/LIABILITIES

### 36. 遞延稅項資產／負債

|                          |        | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|--------------------------|--------|-----------------------------------|-----------------------------------|
| Deferred tax assets      | 遞延稅項資產 | 2,595                             | 54,277                            |
| Deferred tax liabilities | 遞延稅項負債 | (35,417)                          | (47,925)                          |
|                          |        | (32,822)                          | 6,352                             |

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

於本年度及過往年度所確認主要遞延稅項資產及負債及其變動如下：

|   |                            | Tax losses<br>稅項虧損<br>RMB'000<br>人民幣千元 | Fair value<br>adjustment on<br>business<br>combination<br>業務合併之<br>公平值調整<br>RMB'000<br>人民幣千元 | Deductible<br>temporary<br>differences<br>from<br>expenses and<br>others<br>開支及其他<br>的可扣減暫<br>時差額<br>RMB'000<br>人民幣千元 | Total<br>總計<br>RMB'000<br>人民幣千元 |
|---|----------------------------|--|--|---|---------------------------------|
| At 1 January 2017                         | 於2017年1月1日                 | -                                      | (15,511)   | 33,080  | 17,569                          |
| Credit/(charge) to profit or loss         | 計入損益／(自損益扣除)               | 4,488                                  | 1,460  | 16,709  | 22,657                          |
| Acquisition of subsidiaries               | 收購附屬公司                     | -                                      | (33,874)   | -   | (33,874)                        |
| At 31 December 2017 and<br>1 January 2018 | 於2017年12月31日及<br>2018年1月1日 | 4,488                                  | (47,925)   | 49,789  | 6,352                           |
| Credit/(charge) to profit or loss         | 計入損益／(自損益扣除)               | (4,488)                                | 28,837   | (47,194)  | (22,845)                        |
| Acquisition of subsidiaries (note 13)     | 收購附屬公司(附註13)               | -                                      | (16,329)   | -   | (16,329)                        |
| At 31 December 2018                       | 於2018年12月31日               | -                                      | (35,417)   | 2,595   | (32,822)                        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 36. DEFERRED TAX ASSETS/LIABILITIES (Continued)

At the end of the reporting period the Group has unused tax losses of RMB284,798,000 (2017: RMB96,599,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMBnil (2017: RMB24,782,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB284,797,000 (2017: RMB71,817,000) due to the unpredictability of future profit streams. The unused tax losses will be expired as follows:

### 36. 遞延稅項資產／負債(續)

於報告期末，本集團有人民幣284,798,000元(2017年：人民幣96,599,000元)的未動用稅項虧損可用於抵銷未來利潤。已就該等虧損人民幣零元(2017年：人民幣24,782,000元)確認遞延稅項資產。由於未來利潤流的不可預測性，尚未就人民幣284,797,000元(2017年：人民幣71,817,000元)餘額確認遞延稅項資產。未動用稅項虧損將會到期如下：

|      |       | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|------|-------|-----------------------------------|-----------------------------------|
| 2018 | 2018年 | –                                 | 13,766                            |
| 2019 | 2019年 | 13,750                            | 17,467                            |
| 2020 | 2020年 | 16,840                            | 16,840                            |
| 2021 | 2021年 | 10,308                            | 10,308                            |
| 2022 | 2022年 | 33,466                            | 38,218                            |
| 2023 | 2023年 | 210,433                           | –                                 |
|      |       | <b>284,797</b>                    | 96,599                            |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
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#### 37. SHARE CAPITAL

The Company and the Group

#### 37. 股本

本公司及本集團

|   |  | Number of<br>shares<br>股份數目 | Nominal value<br>per share<br>每股面值<br>HK\$<br>港元 | Share capital<br>股本<br>HK\$<br>港元 |
|---|--|-----------------------------|--|-----------------------------------|
| <b>Authorised</b>   | <b>法定</b>  |                             |  |                                   |
| At 1 January 2017, 31 December 2017,<br>1 January 2018 and 31 December 2018 | 於2017年1月1日、2017年12月31日、<br>2018年1月1日及2018年12月31日 | 1,140,000,000               | 0.001  | 1,140,000                         |
| <b>Issued and fully paid</b>  | <b>已發行及繳足</b>                                    |                             |  |                                   |
| At 1 January 2017, 31 December 2017,<br>1 January 2018 and 31 December 2018 | 於2017年1月1日、2017年12月31日、<br>2018年1月1日及2018年12月31日 | 758,418,085                 | 0.001  | 758,418                           |
|   |  | <b>2018</b>                 |  | 2017                              |
|   |  | <b>2018年</b>                |  | 2017年                             |
|   |  | <b>RMB'000</b>              |  | <b>RMB'000</b>                    |
|   |  | <b>人民幣千元</b>                |  | <b>人民幣千元</b>                      |
| Presented as:   | 呈列為:   | <b>598</b>                  |  | 598                               |

The Board announced that on 21 December 2017, it resolved to adopt the Restricted Share Incentive Scheme as a means to recognise the contribution of and provide incentives for the key management of the Group and persons who made special contribution to the Group. As at 31 December 2018 and 2017, no award has been made under the Restricted Share Incentive Scheme.

董事會於2017年12月21日宣佈議決採納限制性股份激勵計劃，該計劃的目的為認可並激勵本集團主要管理人員及對本集團作出特別貢獻的人士。於2018年及2017年12月31日，概無獎勵已經根據限制性股份激勵計劃授出。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 37. SHARE CAPITAL (Continued)

#### The Company and the Group (Continued)

Details of the trustee of the Restricted Share Incentive Scheme purchased shares of the Company pursuant to the Restricted Share Incentive Scheme are as follows:

### 37. 股本(續)

#### 本公司及本集團(續)

限制性股份激勵計劃信託人根據限制性股份激勵計劃所購入的本公司股份的詳情如下：

| Month of purchase<br>購入月份 |          | Number of<br>ordinary<br>shares<br>普通股數目 | Price per share<br>每股價格     |                            | Aggregate<br>consideration<br>paid<br>已付代價總額<br>HK\$'000<br>港元 |
|---------------------------|----------|--|-----------------------------|----------------------------|--|
|                           |          |  | Highest<br>最高<br>HK\$<br>港元 | Lowest<br>最低<br>HK\$<br>港元 |  |
| December 2017             | 2017年12月 | 5,404,000                                | 3.15                        | 2.86                       | 16,081   |
| January 2018              | 2018年1月  | 6,291,000                                | 3.19                        | 3.00                       | 19,691   |
| March 2018                | 2018年3月  | 3,050,000                                | 2.80                        | 2.60                       | 8,407  |
| April 2018                | 2018年4月  | 198,000                                  | 2.68                        | 2.65                       | 529  |
| July 2018                 | 2018年7月  | 4,812,000                                | 2.23                        | 1.88                       | 9,728  |
| August 2018               | 2018年8月  | 880,000                                  | 2.15                        | 2.10                       | 1,864  |
| September 2018            | 2018年9月  | 4,847,000                                | 2.29                        | 2.04                       | 10,568   |
| October 2018              | 2018年10月 | 5,171,000                                | 2.34                        | 2.19                       | 11,597   |
| November 2018             | 2018年11月 | 6,718,000                                | 2.30                        | 2.02                       | 14,801   |
| December 2018             | 2018年12月 | 487,000                                  | 2.23                        | 2.10                       | 1,054  |
| Total                     | 總計       | 37,858,000                               |                             |                            | 94,320   |

RMB'000  
人民幣千元

Presented as: 呈列為: 81,552

During the year, apart from the above transaction, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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 shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

年內，除上述交易以外，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

本集團的資本管理目標是確保本集團實體能持續經營，同時透過優化債務與股本平衡，為股東爭取最大回報。本集團的整體策略與過往年度維持不變。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 37. SHARE CAPITAL (Continued)

#### The Company and the Group (Continued)

The capital structure of the Group consists of net debts, which includes other borrowings as disclosed in note 35, net of cash and cash equivalents, and equity attributable to the owner of the Company, comprising issued share capital, share premium and reserves.

The Group's management review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the repayment of existing debt.

### 38. SHARE OPTIONS SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a shareholders' resolution passed on 9 June 2015 for the primary purpose of providing incentives to selected participants and the validity period of the Share Option Scheme shall be six years from the date of grant. Under the Share Option Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and employee of the Group. The Share Option Scheme has become effective on 7 July 2015, the date on which the shares of the Company were listed on the Main Board of the Stock Exchange.

In July 2015, the board of directors of the Company approved certain share options granted to a list of eligible grantees ("Eligible Grantees"), including two directors of the Company, four members of the senior management of the Company, certain employees of the Company and its subsidiaries. According to the Share Option Scheme, the Eligible Grantees were granted share options of the Company to subscribe the ordinary shares of the Company at the exercise price of HKD7.10 per share. In July 2015, a total of 9,339,600 share options were granted to the directors and members of the senior management of the Company and a total of 6,774,200 share options were granted to certain employees of the Company and its subsidiaries. The share options shall be automatically unlocked on the unlocking dates in accordance with the relevant proportions and during the next three years. The share options will be vested when the certain performance conditions stated below are met.

### 37. 股本 (續)

#### 本公司及本集團 (續)

本集團的資本架構包括淨債務(包括披露於附註35之其他借款, 扣除現金及現金等價物)及本公司擁有人應佔權益(包括已發行股本、股份溢價及儲備)。

本集團管理層定期檢討資本架構。作為檢討的一環, 董事考量資本成本及與每類資本有關之風險。根據董事的建議, 本集團將透過派付股息、新股份發行、股份購回以及發行新債券或償還現有債務, 平衡其整體資本架構。

### 38. 購股權計劃

本公司根據於2015年6月9日通過之股東決議案採納購股權計劃(「購股權計劃」), 該計劃的主要目的為向經甄選參與者提供獎勵。購股權計劃的有效期限為自授出日期起六年。根據購股權計劃, 本公司董事會可向合資格僱員(包括本公司董事及本集團僱員)授出購股權。購股權計劃已於2015年7月7日(即本公司股份於聯交所主板上市日期)生效。

於2015年7月, 本公司董事會批准向一批合資格承授人(「合資格承授人」)授出若干購股權, 該等合資格承授人包括兩名本公司董事、四名本公司高級管理層成員、本公司及其附屬公司若干僱員。根據購股權計劃, 合資格承授人獲授出本公司購股權以按行使價每股7.10港元認購本公司普通股。於2015年7月, 本公司董事及高級管理層成員合共獲授9,339,600份購股權及本公司及其附屬公司若干僱員合共獲授6,774,200份購股權。購股權將根據相關比例於未來3年內於解禁日期自動解禁。購股權將於下文所述之若干表現條件獲達成時歸屬。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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### 38. SHARE OPTIONS SCHEME (Continued)

At 31 December 2017, the number of share options expected to vest was nil. All the share options granted were lapsed during the year ended 31 December 2017. No share option was granted during the year ended 31 December 2018.

### 38. 購股權計劃(續)

於2017年12月31日，預期將歸屬的購股權數目為零。截至2017年12月31日止年度，所有授出的購股權已失效。截至2018年12月31日止年度，概無授出購股權。

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND RESERVES OF THE COMPANY

### 39. 本公司財務狀況表及本公司儲備

|  |                   | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|--|-------------------|-----------------------------------|-----------------------------------|
| <b>Non-current assets</b>                    | <b>非流動資產</b>      |                                   |                                   |
| Investments in subsidiaries                  | 於附屬公司之投資          | 496,616                           | 955,223                           |
| <b>Current assets</b>                        | <b>流動資產</b>       |                                   |                                   |
| Cash and cash equivalents                    | 現金及現金等價物          | 29,083                            | 305,138                           |
| Prepayments, deposits and other receivables  | 預付款、按金及<br>其他應收款項 | 921                               | 1,482                             |
| Amounts due from subsidiaries                | 應收附屬公司款項          | 339                               | 339                               |
|  |                   | <b>30,343</b>                     | <b>306,959</b>                    |
| <b>Current liabilities</b>                   | <b>流動負債</b>       |                                   |                                   |
| Amount due to subsidiaries                   | 應付附屬公司款項          | 17,867                            | 17,621                            |
| Other payables                               | 其他應付款項            | 2,836                             | 306                               |
|  |                   | <b>20,703</b>                     | <b>17,927</b>                     |
| <b>Net current assets</b>                    | <b>流動資產淨值</b>     | <b>9,640</b>                      | <b>289,032</b>                    |
| <b>Total assets less current liabilities</b> | <b>總資產減流動負債</b>   | <b>506,256</b>                    | <b>1,244,255</b>                  |
| <b>Net assets</b>                            | <b>資產淨值</b>       | <b>506,256</b>                    | <b>1,244,255</b>                  |
| <b>Capital and reserves</b>                  | <b>資本及儲備</b>      |                                   |                                   |
| Share capital                                | 股本                | 598                               | 598                               |
| Reserve                                      | 儲備                | 505,658                           | 1,243,657                         |
| <b>Total equity</b>                          | <b>總權益</b>        | <b>506,256</b>                    | <b>1,244,255</b>                  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND RESERVES OF THE COMPANY (Continued)

The followings are the movements of the Company's reserve:

|  |                            | Share premium | Treasury share reserve | Share option reserve | Retained earnings/ (accumulated losses) | Total     |
|--|----------------------------|---------------|------------------------|----------------------|---|-----------|
|  |                            | 股份溢價          | 庫存股份儲備                 | 購股權儲備                | 保留盈利 / (累計虧損)                           | 總計        |
|  |                            | 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     |
| At 1 January 2017  | 於2017年1月1日                 | 1,302,087     | –                      | 4,708                | 16,874                                  | 1,323,669 |
| Loss and total comprehensive loss for the year             | 年內虧損及全面虧損總額                | –             | –                      | –                    | (23,733)                                | (23,733)  |
| Dividends recognised as distribution                       | 確認為分派之股息                   | (37,921)      | –                      | –                    | –                                       | (37,921)  |
| Purchase of shares under Restricted Share Incentive Scheme | 根據限制性股份激勵計劃<br>購買股份        | –             | (13,650)               | –                    | –                                       | (13,650)  |
| Recognition of equity-settled share-based payments         | 確認以股權結算<br>以股份為基礎的付款       | –             | –                      | (4,708)              | –                                       | (4,708)   |
| At 31 December 2017 and 1 January 2018                     | 於2017年12月31日及<br>2018年1月1日 | 1,264,166     | (13,650)               | –                    | (6,859)                                 | 1,243,657 |
| Loss and total comprehensive loss for the year             | 年內虧損及全面虧損總額                | –             | –                      | –                    | (670,097)                               | (670,097) |
| Purchase of shares under Restricted Share Incentive Scheme | 根據限制性股份激勵計劃<br>購買股份        | –             | (67,902)               | –                    | –                                       | (67,902)  |
| At 31 December 2018  | 於2018年12月31日               | 1,264,166     | (81,552)               | –                    | (676,956)                               | 505,658   |

#### 39. 本公司財務狀況表及本公司儲備 (續)

以下為本公司的儲備變動：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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### 40. OPERATING LEASE COMMITMENTS

#### The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

|                                       |                    | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|---------------------------------------|--------------------|-----------------------------------|-----------------------------------|
| Within one year                       | 一年內                | 119,134                           | 89,433                            |
| In the second to fifth year inclusive | 第二至第五年<br>(包括首尾兩年) | 380,069                           | 297,644                           |
| After five years                      | 五年後                | 472,770                           | 225,023                           |
|                                       |                    | <b>971,973</b>                    | <b>612,100</b>                    |

Operating lease payments commitments represent rental payable by the Group for the premises leased for hospitals and offices. These leases were negotiated for lease terms of one to twenty years. Monthly rental was fixed and none of the leases includes any contingent rentals and renewal options.

經營租賃付款承擔指本集團租賃醫院物業及辦公物業應付的租金。該等租約的租期商定為1至20年，月租固定，不含任何或然租金及續約權。

### 41. CAPITAL COMMITMENTS

### 41. 資本承擔

|   |                                | 2018<br>2018年<br>RMB'000<br>人民幣千元 | 2017<br>2017年<br>RMB'000<br>人民幣千元 |
|---|--------------------------------|-----------------------------------|-----------------------------------|
| Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements   | 就收購物業、廠房及設備已訂約但未於綜合財務報表撥備的資本開支 | 258,301                           | 271,886                           |
| Capital expenditure in respect of acquisition of property, plant and equipment authorised but not contracted for in the consolidated financial statements | 就收購物業、廠房及設備已授權但未於綜合財務報表訂約的資本開支 | —                                 | 38                                |
|   |                                | <b>258,301</b>                    | <b>271,924</b>                    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

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### 42. RELATED PARTY TRANSACTIONS

#### (a) Name and relationship

| Name<br>名稱  | Relationship with the Group<br>與本集團關係   |
|---|---|
| Bosheng Medical Investment Co., Ltd.<br>博生醫療投資股份有限公司  | Company controlled by Mr. Lin Yuming<br>由林玉明先生控股之公司   |
| Xining Modern Hospital of Obstetrics and Gynaecology Co., Ltd.<br>("Xining Modern Hospital")<br>西寧現代婦產有限公司(「西寧現代醫院」)      | Company controlled by Mr. Lin Yurong, a shareholder of the Company<br>由本公司股東林玉榮先生控股之公司                |
| Hebei Modern Woman Hospital Co., Ltd.<br>("Hebei Modern Woman Hospital")<br>河北現代女子醫院有限公司(「河北現代女子醫院」)                      | Company controlled by Mr. Wu Yaping, a close family member of Mr. Lin Yuming<br>由吳亞平先生(林玉明先生之近親)控股之公司 |
| Hibaby<br>凱貝姆   | Associate<br>聯營公司   |
| Xiandai Maternity Hospital of Nanchong Co., Ltd<br>("Xiandai Maternity Hospital of Nanchong")<br>南充現代婦產醫院有限公司(「南充現代婦產醫院」) | Company controlled by Mr. Su Dongqi, a close family member of Mr. Lin Yuming<br>由蘇冬其先生(林玉明先生之近親)控股之公司 |
| Leshan Modern Women Hospital Co., Ltd<br>("Leshan Modern Women Hospital")<br>樂山現代婦產醫院有限公司(「樂山現代婦產醫院」)                     | Company controlled by Lin Yurong, a close family member of Mr. Lin Yuming<br>由林玉榮(林玉明先生之近親)控股之公司      |
| Gansu Taihetang medicine Co., Ltd<br>("Gansu Taihetang medicine")<br>甘肅太和堂醫藥有限責任公司(「甘肅太和堂醫藥」)                             | Company controlled by Lin Yurong, a close family member of Mr. Lin Yuming<br>由林玉榮(林玉明先生之近親)控股之公司      |

### 42. 關聯方交易

#### (a) 名稱及關係

| Name<br>名稱  | Relationship with the Group<br>與本集團關係   |
|---|---|
| Bosheng Medical Investment Co., Ltd.<br>博生醫療投資股份有限公司  | Company controlled by Mr. Lin Yuming<br>由林玉明先生控股之公司   |
| Xining Modern Hospital of Obstetrics and Gynaecology Co., Ltd.<br>("Xining Modern Hospital")<br>西寧現代婦產有限公司(「西寧現代醫院」)      | Company controlled by Mr. Lin Yurong, a shareholder of the Company<br>由本公司股東林玉榮先生控股之公司                |
| Hebei Modern Woman Hospital Co., Ltd.<br>("Hebei Modern Woman Hospital")<br>河北現代女子醫院有限公司(「河北現代女子醫院」)                      | Company controlled by Mr. Wu Yaping, a close family member of Mr. Lin Yuming<br>由吳亞平先生(林玉明先生之近親)控股之公司 |
| Hibaby<br>凱貝姆   | Associate<br>聯營公司   |
| Xiandai Maternity Hospital of Nanchong Co., Ltd<br>("Xiandai Maternity Hospital of Nanchong")<br>南充現代婦產醫院有限公司(「南充現代婦產醫院」) | Company controlled by Mr. Su Dongqi, a close family member of Mr. Lin Yuming<br>由蘇冬其先生(林玉明先生之近親)控股之公司 |
| Leshan Modern Women Hospital Co., Ltd<br>("Leshan Modern Women Hospital")<br>樂山現代婦產醫院有限公司(「樂山現代婦產醫院」)                     | Company controlled by Lin Yurong, a close family member of Mr. Lin Yuming<br>由林玉榮(林玉明先生之近親)控股之公司      |
| Gansu Taihetang medicine Co., Ltd<br>("Gansu Taihetang medicine")<br>甘肅太和堂醫藥有限責任公司(「甘肅太和堂醫藥」)                             | Company controlled by Lin Yurong, a close family member of Mr. Lin Yuming<br>由林玉榮(林玉明先生之近親)控股之公司      |

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綜合財務報表附註(續)

For the Year ended 31 December 2018  
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42. RELATED PARTY TRANSACTIONS (Continued)

(b) Related party transaction

42. 關聯方交易(續)

(b) 關聯方交易

|  |                    | 2018    | 2017    |
|--|--------------------|---------|---------|
|  |                    | 2018年   | 2017年   |
|  |                    | RMB'000 | RMB'000 |
|  |                    | 人民幣千元   | 人民幣千元   |
| Sales of pharmaceuticals medical devices and consumables to: | 向以下各方銷售藥品、醫療設施及耗材： |         |         |
| Xining Modern Hospital                                       | 西寧現代醫院             | 11      | 4,766   |
| Leshan Modern Women Hospital                                 | 樂山現代婦產醫院           | 2       | 1,160   |
| Xiandai Maternity Hospital of Nanchong                       | 南充現代婦產醫院           | 18      | 271     |
| Hebei Modern Woman Hospital                                  | 河北現代女子醫院           | 295     | 251     |
| Gansu Taihetang medicine Co., Ltd                            | 甘肅太和堂醫藥<br>有限責任公司  | 30      | 255     |
|  |                    | 356     | 6,703   |
| Rental expense to Bosheng Medical                            | 應付博生醫療租賃費          | 301     | 269     |

The above transactions were carried out in the ordinary course of business of the Group and conducted in accordance with the terms and conditions mutually agreed by both parties.

以上交易於本集團日常業務過程中按雙方互相協定的條款及條件進行。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
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#### 42. RELATED PARTY TRANSACTIONS (Continued)

- (c) Related party balances  
(i) Amounts due from related parties

#### 42. 關聯方交易 (續)

- (c) 關聯方結餘  
(i) 應收關聯方款項

|                          |             | 2018    | 2017    |
|--------------------------|-------------|---------|---------|
|                          |             | 2018年   | 2017年   |
|                          |             | RMB'000 | RMB'000 |
|                          |             | 人民幣千元   | 人民幣千元   |
| <b>Trade in nature</b>   | <b>貿易性質</b> |         |         |
| Amounts due from         | 應收西寧現代醫院款項  |         |         |
| Xining Modern Hospital   |             | —       | 360     |
| Amounts due from         | 應收甘肅太和堂醫藥款項 |         |         |
| Gansu Taihetang Medicine |             | —       | 18      |
|                          |             | —       | 378     |

The above balances are unsecured, interest-free and has no fixed term of repayment.

上述結餘乃無抵押、免息且無固定還款期。

#### Non-trade in nature

#### 非貿易性質

|                             |          | 2018    | 2017    |
|-----------------------------|----------|---------|---------|
|                             |          | 2018年   | 2017年   |
|                             |          | RMB'000 | RMB'000 |
|                             |          | 人民幣千元   | 人民幣千元   |
| Amounts due from associates | 應收聯營公司款項 |         |         |
| Hibaby                      | 凱貝姆      | —       | 19,000  |
| Selford                     | 賽爾福      | —       | 10,000  |
|                             |          | —       | 29,000  |

NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the Year ended 31 December 2018  
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42. RELATED PARTY TRANSACTIONS (Continued)

(c) Related party balances (Continued)

(ii) Amount due to a related party

|                                      |              | 2018    | 2017    |
|--------------------------------------|--------------|---------|---------|
|                                      |              | 2018年   | 2017年   |
|                                      |              | RMB'000 | RMB'000 |
|                                      |              | 人民幣千元   | 人民幣千元   |
| Bosheng Medical Investment Co., Ltd. | 博生醫療投資股份有限公司 | 1,225   | 924     |

The above balances are unsecured, interest-free and has no fixed term of repayment.

上述結餘乃無抵押、免息且無固定還款期。

(d) Compensation of key management personnel

(d) 主要管理人員補償

|  |           | 2018    | 2017    |
|--|-----------|---------|---------|
|  |           | 2018年   | 2017年   |
|  |           | RMB'000 | RMB'000 |
|  |           | 人民幣千元   | 人民幣千元   |
| Salaries and allowance                       | 薪金及津貼     | 1,989   | 2,623   |
| Contributions to retirement benefits schemes | 退休福利計劃供款  | 28      | 52      |
| Share-based payment                          | 以股份為基礎的付款 | -       | (2,617) |
|  |           | 2,017   | 58      |

Further details of the director's emoluments are included in note 16.

董事薪酬之進一步詳情載於附註16。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
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### 43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at the end of the reporting period are as follow:

### 43. 本公司主要附屬公司之詳情

於報告期末，本公司主要附屬公司之詳情如下：

| Name of subsidiary<br>附屬公司名稱   | Place of incorporation<br>註冊成立地點 | Issued and fully paid ordinary share capital/<br>registered capital<br>已發行及繳足<br>普通股股本／註冊資本 | Percentage of ownership<br>interest/voting power<br>擁有權權益／投票權 |               | Principal activities<br>主要業務   |
|--|----------------------------------|---|---|---------------|--|
|  |                                  |   | 2018<br>2018年   | 2017<br>2017年 |  |
| Shanxi Tai He Tang Pharmaceuticals Co., Ltd.<br>山西太和堂藥業有限公司                                  | The PRC<br>中國                    | RMB5,100,000<br>人民幣5,100,000元   | 100%  | 100%          | Supply of Pharmaceuticals and medical devices<br>business<br>供應藥品及醫療設施 |
| Wuhan Modern Obstetrics and Gynecology Hospital Co., Ltd<br>武漢現代婦產醫院有限公司                     | The PRC<br>中國                    | RMB10,000,000<br>人民幣10,000,000元   | 100%  | 100%          | Provision of specialised hospital services<br>提供專科醫院服務                 |
| Chongqing Modern Woman Hospital Co., Ltd<br>重慶現代女子醫院有限公司                                     | The PRC<br>中國                    | RMB21,000,000<br>人民幣21,000,000元   | 100%  | 100%          | Provision of specialised hospital services<br>提供專科醫院服務                 |
| Chongqing Dushi Liren Hospital Co., Ltd.<br>重慶都市麗人醫院有限公司                                     | The PRC<br>中國                    | RMB4,210,000<br>人民幣4,210,000元   | 100%  | 100%          | Provision of specialised hospital services<br>提供專科醫院服務                 |
| Guiyang Modern Woman Hospital Co., Ltd.<br>貴陽現代女子醫院有限公司                                      | The PRC<br>中國                    | RMB2,560,000<br>人民幣2,560,000元   | 100%  | 100%          | Provision of specialised hospital services<br>提供專科醫院服務                 |
| Guangzhou Woman Hospital Co., Ltd<br>廣州女子醫院有限公司  | The PRC<br>中國                    | RMB10,000,000<br>人民幣10,000,000元   | 100%  | 100%          | Provision of specialised hospital services<br>提供專科醫院服務                 |
| Chongqing Bosheng Hospital Management Co., Ltd<br>重慶博生醫院管理有限公司                               | The PRC<br>中國                    | RMB1,000,000<br>人民幣1,000,000元   | 100%  | 100%          | Provision of specialised hospital services<br>提供專科醫院服務                 |
| Chongqing Wanzhou HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd.<br>重慶萬州和美婦產醫院有限公司 | The PRC<br>中國                    | RMB6,000,000<br>人民幣6,000,000元   | 100%  | 100%          | Provision of specialised hospital services<br>提供專科醫院服務                 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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### 43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

### 43. 本公司主要附屬公司之詳情(續)

| Name of subsidiary<br>附屬公司名稱  | Place of incorporation<br>註冊成立地點 | Issued and fully paid ordinary share capital/<br>registered capital<br>已發行及繳足<br>普通股股本／註冊資本 | Percentage of ownership<br>interest/voting power<br>擁有權權益／投票權<br>之百分比 |               | Principal activities<br>主要業務  |
|---|----------------------------------|---|---|---------------|---|
|   |                                  |   | 2018<br>2018年   | 2017<br>2017年 |   |
| Guiyang HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd.<br>貴陽和美婦產醫院有限公司            | The PRC<br>中國                    | RMB10,000,000<br>人民幣10,000,000元   | 100%  | 100%          | Holding company and provision of specialised hospital services<br>控股公司及提供專科醫院服務 |
| Chongqing Fuling HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd.<br>重慶涪陵和美婦產醫院有限公司 | The PRC<br>中國                    | RMB10,000,000<br>人民幣10,000,000元   | 96.50%  | 96.50%        | Provision of specialised hospital services<br>提供專科醫院服務                          |
| Shanxi Wo De Investment Co., Ltd.<br>山西沃德投資有限公司   | The PRC<br>中國                    | RMB17,800,000<br>人民幣17,800,000元   | 100%  | 100%          | Holding company<br>控股公司   |
| Fuzhou Modern Woman Hospital Co., Ltd.<br>福州現代婦產醫院有限公司                                      | The PRC<br>中國                    | RMB25,000,000<br>人民幣25,000,000元   | 99%   | 99%           | Provision of specialised hospital services<br>提供專科醫院服務                          |
| Shenzhen HarMoniCare Gynecology and Paediatrics Hospital Co., Ltd.<br>深圳和美婦兒科醫院有限公司         | The PRC<br>中國                    | RMB40,000,000<br>人民幣40,000,000元   | 92%   | 92%           | Provision of specialised hospital services<br>提供專科醫院服務                          |
| Beijing HarMoniCare Gynecology and Paediatrics Hospital Co., Ltd.<br>北京和美婦兒醫院有限公司           | The PRC<br>中國                    | RMB40,000,000<br>人民幣40,000,000元   | 100%  | 100%          | Provision of specialised hospital services<br>提供專科醫院服務                          |
| Harmonicare Medical Group Limited<br>和美醫療集團有限公司   | Hong Kong<br>香港                  | HK\$10,000<br>10,000港元  | 100%  | 100%          | Holding company<br>控股公司   |
| HarMoniCare Medical Management and Consulting Co., Ltd.<br>和美醫療管理諮詢有限公司                     | The PRC<br>中國                    | RMB882,000,000/<br>RMB1,250,000,000<br>人民幣882,000,000元/<br>人民幣1,250,000,000元                | 100%  | 100%          | Holding company<br>控股公司   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

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### 43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

### 43. 本公司主要附屬公司之詳情 (續)

| Name of subsidiary<br>附屬公司名稱  | Place of incorporation<br>註冊成立地點       | Issued and fully paid ordinary share capital/<br>registered capital<br>已發行及繳足<br>普通股股本／註冊資本 | Percentage of ownership<br>interest/voting power<br>擁有權權益／投票權<br>之百分比 |               | Principal activities<br>主要業務               |
|---|--|---|---|---------------|--|
|   |  |   | 2018<br>2018年   | 2017<br>2017年 |  |
| Harmonicare Medical Investment Limited                                | the British Virgin Islands ("The BVI") | USD0.001  | 100%  | 100%          | Holding company                            |
| Harmonicare Medical Investment Limited                                | 英屬維京群島 (「英屬維京群島」)                      | 0.001美元   |   |               | 控股公司                                       |
| Galaxy Power Solution Limited   | The BVI                                | USD200  | 100%  | 100%          | Holding company                            |
| Galaxy Power Solution Limited   | 英屬維京群島                                 | 200美元   |   |               | 控股公司                                       |
| Sharp Charm Limited   | Hong Kong                              | HK\$100   | 100%  | 100%          | Holding company                            |
| Sharp Charm Limited   | 香港                                     | 100港元   |   |               | 控股公司                                       |
| Beijing He An Da Management Consulting Co., Ltd                       | The PRC                                | RMB682,000,000/<br>RMB1,050,000,000   | 100%  | 100%          | Investment holding                         |
| 北京合安達管理諮詢有限公司   | 中國                                     | 人民幣682,000,000元/<br>人民幣1,050,000,000元   |   |               | 投資控股                                       |
| Heilongjiang HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. | The PRC                                | RMB10,000,000   | 95%   | 95%           | Provision of specialised hospital services |
| 黑龍江和美婦產醫院有限公司   | 中國                                     | 人民幣10,000,000元  |   |               | 提供專科醫院服務                                   |
| Xiamen HarMoniCare Gynecology and Paediatrics Hospital Co., Ltd       | The PRC                                | RMB19,800,000/<br>RMB20,000,000   | 99%   | 99%           | Inactive                                   |
| 廈門和美婦兒醫院有限公司  | 中國                                     | 人民幣19,800,000元/<br>人民幣20,000,000元   |   |               | 暫無營業                                       |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
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### 43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

### 43. 本公司主要附屬公司之詳情(續)

| Name of subsidiary<br>附屬公司名稱   | Place of incorporation<br>註冊成立地點 | Issued and fully paid ordinary share capital/<br>registered capital<br>已發行及繳足<br>普通股股本／註冊資本 | Percentage of ownership<br>interest/voting power<br>擁有權權益／投票權<br>之百分比 |               | Principal activities<br>主要業務  |
|--|----------------------------------|---|---|---------------|---|
|  |                                  |   | 2018<br>2018年   | 2017<br>2017年 |   |
| Zhengzhou HarMoniCare Gynecology and Paediatrics Hospital Co., Ltd. ("Zhengzhou HarMoniCare")<br>鄭州市和美婦兒醫院有限公司(「鄭州和美」) | The PRC<br>中國                    | RMB36,000,000/<br>RMB50,000,000<br>人民幣36,000,000元/<br>人民幣50,000,000元                        | 60%   | 60%           | Inactive<br>暫無營業  |
| Nantong Hemeijia<br>南通和美家  | The PRC<br>中國                    | RMB36,734,700<br>人民幣36,734,700元   | 51%   | 51%           | Provision of specialised hospital services<br>提供專科醫院服務                          |
| Beijing Baizwan<br>北京百子灣   | The PRC<br>中國                    | RMB36,734,700<br>人民幣36,734,700元   | 51%   | N/A<br>不適用    | Provision of specialised hospital services<br>提供專科醫院服務                          |
| Hibaby<br>凱貝姆  | The PRC<br>中國                    | RMB50,000,000<br>人民幣50,000,000元   | 98%   | N/A<br>不適用    | Provision of assisted maternity consultant management consultings<br>提供助產顧問管理諮詢 |

Notes:

- (a) All the subsidiaries established in the PRC are registered as limited liability companies under the PRC law.
- (b) None of the subsidiaries had issued any debt securities at the end of the year.

附註：

- (a) 所有於中國註冊成立的附屬公司均根據中國法律註冊為有限公司。
- (b) 於本年度結束時概無附屬公司已發行任何債務證券。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Summarised financial information in respect of the Group's subsidiaries that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

### 43. 本公司主要附屬公司之詳情 (續)

擁有重大非控股權益之本集團附屬公司之財務資料概述如下。以下財務資料概要指集團內公司間對銷前之金額。

| Name  |                     | Nantong Hemeijia |                | Zhengzhou HarMoniCare |               | Beijing Baiziwan |
|---|---------------------|------------------|----------------|-----------------------|---------------|------------------|
| 名稱  |                     | 南通和美家            |                | 鄭州和美                  |               | 北京百子灣            |
| Principal place of business/country of incorporation                    |                     | The PRC/The PRC  |                | The PRC/The PRC       |               | The PRC/The PRC  |
| 主要營業地點/註冊成立國家   |                     | 中國/中國            |                | 中國/中國                 |               | 中國/中國            |
| % of ownership interests/voting rights held by NCI                      |                     | 49%/49%          |                | 40%/40%               |               | 49%/49%          |
| 非控股權益所持所有權權益/表決權%   |                     | 49%/49%          |                | 40%/40%               |               | 49%/49%          |
|   |                     | 2018             | 2017           | 2018                  | 2017          | 2018             |
|   |                     | 2018年            | 2017年          | 2018年                 | 2017年         | 2018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>As at 31 December</b>  | <b>於12月31日</b>      |                  |                |                       |               |                  |
| Current assets  | 流動資產                | 255,492          | 268,193        | 3,736                 | 22,127        | 13,120           |
| Non-current assets  | 非流動資產               | 246,361          | 229,018        | 58,229                | 9,012         | 22,989           |
| Current liabilities   | 流動負債                | (13,073)         | (12,090)       | (40,317)              | (227)         | (208,596)        |
| Non-current liabilities   | 非流動負債               | (51,295)         | (33,492)       | (1,921)               | (154)         | (15,873)         |
|   |                     | <b>437,485</b>   | <b>451,629</b> | <b>19,727</b>         | <b>30,758</b> | <b>(188,360)</b> |
| Equity attributable to owners to the Company                            | 本公司擁有人應佔權益          | 223,117          | 230,331        | 11,836                | 18,455        | (96,064)         |
| Accumulated NCI   | 累計非控股權益             | 214,368          | 221,298        | 7,891                 | 12,303        | (92,296)         |
|   |                     | <b>437,485</b>   | <b>451,629</b> | <b>19,727</b>         | <b>30,758</b> | <b>(188,360)</b> |
| <b>Year ended 31 December</b>   | <b>截至12月31日止年度</b>  |                  |                |                       |               |                  |
| Revenue and other income  | 收益及其他收入             | 94,118           | 37,748         | -                     | -             | 48,745           |
| Expenses  | 開支                  | (108,262)        | (30,774)       | (25,031)              | (5,242)       | (120,103)        |
| (Loss)/profit for the year  | 年內(虧損)/利潤           | (14,144)         | 6,974          | (25,031)              | (5,242)       | (71,358)         |
| Total comprehensive (loss)/income for the year                          | 年內全面(虧損)/收入總額       | (14,144)         | 6,974          | (25,031)              | (5,242)       | (71,358)         |
| Total comprehensive (loss)/income attributable to owners of the Company | 本公司擁有人應佔全面(虧損)/收入總額 | (7,213)          | 3,557          | (15,019)              | (3,145)       | (36,393)         |
| Total comprehensive (loss)/income attributable to NCI                   | 非控股權益應佔全面(虧損)/收入總額  | (6,931)          | 3,417          | (10,012)              | (2,097)       | (34,965)         |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## 綜合財務報表附註(續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

### 44. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

|  |                  | Other borrowings<br>其他借款<br>RMB'000<br>人民幣千元 |
|--|------------------|--|
| At 1 January 2018                        | 於2018年1月1日       | –  |
| Change in cash flows                     | 現金流量變動           | 74,246                                       |
| Non-cash changes                         | 非現金變動            |  |
| – Acquisitions of a subsidiary (note 13) | – 收購一間附屬公司(附註13) | 22,700                                       |
| – Interest charged                       | – 應計利息           | 5,220  |
| At 31 December 2018                      | 於2018年12月31日     | 102,166                                      |

### 44. 綜合現金流量表附註

#### 融資活動產生之負債變動

下表列示本集團於年內融資活動產生之負債變動：

### 45. EVENT AFTER THE REPORTING PERIOD

#### (a) Disposal of the 92% equity interest of Shenzhen Harmonicare Hospital

On 28 April 2019, Guiyang HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. (the "Guiyang HarMoniCare Hospital"), a wholly-owned subsidiary of the Company, as vendor, and HarMoniCare Medical Management and Consulting Co., Ltd. (the "HarMoniCare Medical Management") and Beijing He An Da Management Consulting Co., Ltd. (the "Beijing HAD"), as creditors, entered into the disposal agreement with Shenzhen Renzheng Medical Management Co., Ltd., as purchaser, pursuant to which the purchaser agreed to acquire the 92% equity interests in Shenzhen Harmonicare Hospital from the Vendor for a total consideration of RMB63,000,000 (including a cash consideration of RMB1,000,000 and the purchaser agreed to settle an amount of RMB62,000,000 of outstanding debts owed by Shenzhen Harmonicare Hospital to the creditors).

### 45. 報告期後事項

#### (a) 出售深圳和美醫院92%的股權

於2019年4月28日，本公司全資附屬公司貴陽和美婦產醫院有限公司(「貴陽和美醫院」)(作為賣方)、和美醫療管理諮詢有限公司(「和美醫療管理」)及北京合安達管理諮詢有限公司(「北京合安達」)(作為債權人)與深圳仁正醫療管理有限公司(作為買方)訂立出售協議，據此，買方同意向賣方以總代價人民幣63,000,000元(包括現金代價人民幣1,000,000元且買方同意向債權人結清深圳和美醫院的未償還債務人民幣62,000,000元)收購深圳和美醫院92%的股權。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註 (續)

For the Year ended 31 December 2018  
截至2018年12月31日止年度

#### 45. EVENT AFTER THE REPORTING PERIOD (Continued)

##### (b) Disposal of the entire equity interest of three subsidiaries

On 24 July 2019, Guiyang HarMoniCare Hospital, a wholly-owned subsidiary of the Company, as vendor, and HarMoniCare Medical Management, as creditor, entered into the disposal agreement with Zhenjiang Kelida Information Technology Service Center (limited partnership), as purchaser, pursuant to which the purchaser agreed to acquire the entire equity interests of each of Wuhan Modern Obstetrics and Gynecology Hospital Co., Ltd., Chongqing Wanzhou HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. and Chongqing Dushi Liren Hospital Co., Ltd. (collectively, the "Target Companies") from the vendor for a total consideration of RMB22,000,000 (including a cash consideration of RMB2,200,000 and the purchaser agreed to settle an amount of RMB19,800,000 of outstanding debts owed by the Target Companies to the creditor). The disposal of Chongqing Wanzhou HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. and Chongqing Dushi Liren Hospital Co., Ltd. were completed in August 2019.

#### 46. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 8 January 2021.

#### 45. 報告期後事項 (續)

##### (b) 出售三間附屬公司之全部股權

於2019年7月24日，本公司全資附屬公司貴陽和美醫院（作為賣方）及和美醫療管理（作為債權人）與鎮江科力達信息科技服務中心（有限合夥）（作為買方）訂立出售協議，據此，買方同意向賣方以總代價人民幣22,000,000元（包括現金代價人民幣2,200,000元且買方同意向債權人結清目標公司的未償還債務人民幣19,800,000元）收購武漢現代婦產醫院有限公司、重慶萬州和美婦產醫院有限公司及重慶都市儂人醫院有限公司（統稱「目標公司」）的全部股權。重慶萬州和美婦產醫院有限公司及重慶都市儂人醫院有限公司出售已於2019年8月完成。

#### 46. 批准綜合財務報表

綜合財務報表已於2021年1月8日經董事會批准及授權刊發。

## DEFINITIONS

### 釋義

|  |   |   |
|--|---|---|
| “AGM”<br>「股東週年大會」                                      | 指 | annual general meeting of the Company<br>本公司股東週年大會  |
| “Articles of Association”<br>「章程細則」                    | 指 | the articles of association of the Company adopted on 9 June 2015 which became effective on the Listing Date<br>本公司於2015年6月9日採納並於上市日期生效的章程細則  |
| “Audit Committee”<br>「審核委員會」                           | 指 | the audit committee of the Board<br>董事會審核委員會  |
| “Beijing Baiziwan HarMoniCare Hospital”<br>「北京百子灣和美醫院」 | 指 | Beijing Baiziwan HarMoniCare Gynecology and Paediatrics Hospital Co., Ltd (北京百子灣和美婦兒醫院有限公司), previously named as Beijing Huafu Women and Children Hospital Co., Ltd. (北京華府婦兒醫院有限公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of our Company<br>北京百子灣和美婦兒醫院有限公司，前稱北京華府婦兒醫院有限公司，於中國成立的有限公司，為本公司非全資附屬公司                         |
| “Beijing HarMoniCare Hospital”<br>「北京和美醫院」             | 指 | Beijing HarMoniCare Gynecology and Paediatrics Hospital Co., Ltd. (北京和美婦兒醫院有限公司), a limited liability company established in the PRC, a wholly-owned subsidiary of our Company<br>北京和美婦兒醫院有限公司，在中國成立的有限公司，為本公司全資附屬公司  |
| “Beijing Huafu Hospital”<br>「北京華府醫院」                   | 指 | Beijing Huafu Women and Children Hospital Co., Ltd. (北京華府婦兒醫院有限公司), a limited liability company established in the PRC, now renamed as Beijing Baiziwan HarMoniCare Gynecology and Pediatrics Hospital Co., Ltd. (北京百子灣和美婦兒醫院有限公司)<br>北京華府婦兒醫院有限公司，在中國成立的有限公司，現已更名為北京百子灣和美婦兒醫院有限公司  |
| “Board” or “Board of Directors”<br>「董事會」               | 指 | the board of Directors of the Company<br>本公司董事會   |
| “Bosheng Medical”<br>「博生醫療」                            | 指 | Bosheng Medical Investment Co., Ltd. (博生醫療投資股份有限公司), a joint stock limited liability company established in the PRC, a connected person of our Company by virtue of Mr. Lin Yuming, one of our Directors and substantial Shareholders, holding 59.1% of the equity interest in Bosheng Medical<br>博生醫療投資股份有限公司，在中國成立的股份有限公司，因其中作為本公司的董事和主要股東林玉明先生持有博生醫療59.1%的股權而為本公司之關連人士 |
| “CG Code”<br>「企業管治守則」                                  | 指 | the Corporate Governance Code as set out in Appendix I4 to the Listing Rules<br>上市規則附錄I4所載的企業管治守則   |
| “China” or “PRC”<br>「中國」                               | 指 | the People’s Republic of China; for the purpose of this annual report only, references to “China” or the “PRC” do not include Taiwan, the Macau Special Administrative Region of the PRC and Hong Kong<br>中華人民共和國；對於本年報而言「中國」的提述並不包括台灣、中國澳門特別行政區及香港   |



## DEFINITIONS (CONTINUED)

### 釋義 (續)

|  |   |  |
|--|---|--|
| “Chongqing Liren Hospital”<br>「重慶儂人醫院」                           | 指 | Chongqing Dushi Liren Hospital Co., Ltd. (重慶都市儂人醫院有限公司), a limited liability company established in the PRC, a wholly-owned subsidiary of our Company<br>重慶都市儂人醫院有限公司，在中國成立的有限公司，為本公司之全資附屬公司   |
| “Chongqing Fuling HarMoniCare Hospital”<br>「重慶涪陵和美醫院」            | 指 | Chongqing Fuling HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. (重慶涪陵和美婦產醫院有限公司), a limited liability company established in the PRC, a non-wholly-owned subsidiary of our Company<br>重慶涪陵和美婦產醫院有限公司，在中國成立的有限公司，為本公司之非全資附屬公司 |
| “Chongqing Modern Hospital”<br>「重慶現代醫院」                          | 指 | Chongqing Modern Woman Hospital Co., Ltd. (重慶現代女子醫院有限公司), a limited liability company established in the PRC, a wholly-owned subsidiary of our Company<br>重慶現代女子醫院有限公司，在中國成立的有限公司，為本公司之全資附屬公司  |
| “Chongqing Wanzhou HarMoniCare Hospital”<br>「重慶萬州和美醫院」           | 指 | Chongqing Wanzhou HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. (重慶萬州和美婦產醫院有限公司), a limited liability company established in the PRC, a wholly-owned subsidiary of our Company<br>重慶萬州和美婦產醫院有限公司，在中國成立的有限公司，為本公司之全資附屬公司     |
| “Company” or “our Company” or “Harmonicare”<br>「公司」或「本公司」或「和美醫療」 | 指 | Harmonicare Medical Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 26 August 2014<br>和美醫療控股有限公司，於2014年8月26日在開曼群島註冊成立的獲豁免有限責任公司   |
| “Controlling Shareholder(s)”<br>「控股股東」                           | 指 | has the meaning ascribed thereto under the Listing Rules<br>具有上市規則所賦予的涵義   |
| “Corresponding Period”<br>「同期」                                   | 指 | the year ended 31 December 2017<br>截至2017年12月31日止年度  |
| “Directors”<br>「董事」  | 指 | directors of the Company<br>本公司董事  |
| “Fuzhou Modern Hospital”<br>「福州現代醫院」                             | 指 | Fuzhou Modern Woman Hospital Co., Ltd. (福州現代婦產醫院有限公司), a limited liability company established in the PRC, a non-wholly-owned subsidiary of our Company<br>福州現代婦產醫院有限公司，在中國成立的有限公司，為本公司之非全資附屬公司  |
| “Global Offering”<br>「全球發售」                                      | 指 | initial public offering of the Shares and listing of the Group on the Stock Exchange on 7 July 2015<br>本集團於2015年7月7日於聯交所首次公開發售股份及上市  |
| “GMP Certificate”<br>「GMP認證」                                     | 指 | The Good Manufacturing Practices for Pharmaceutical Products Certificate<br>《藥品生產質量管理認證證書》   |

|   |   |   |
|---|---|---|
| “Group”, “our Group”, “we” or “us”<br>「集團」·「本集團」或「我們」                     | 指 | the Company and its subsidiaries<br>本公司及其附屬公司   |
| “GSP Certificate”<br>「GSP認證」  | 指 | The Good Supply Practices for Pharmaceutical Products Certificate<br>《藥品經營質量管理認證證書》   |
| “Guangzhou Woman Hospital”<br>「廣州女子醫院」                                    | 指 | Guangzhou Woman Hospital Co., Ltd. (廣州女子醫院有限公司), a limited liability company established in the PRC, a wholly-owned subsidiary of our Company<br>廣州女子醫院有限公司，在中國成立的有限公司，為本公司之全資附屬公司  |
| “Guiyang HarMoniCare Hospital”<br>「貴陽和美醫院」                                | 指 | Guiyang HarMoniCare Hospital Co., Ltd (貴陽和美醫院有限公司) (formerly named as Guiyang Modern Woman Hospital Co., Ltd. (貴陽現代女子醫院有限公司)), a limited liability company established in the PRC, a wholly-owned subsidiary of our Company<br>貴陽和美醫院有限公司(前稱：貴陽現代女子醫院有限公司)，在中國成立的有限公司，為本公司之全資附屬公司 |
| “Guiyang HarMoniCare<br>Obstetrics and Gynecology Hospital”<br>「貴陽和美婦產醫院」 | 指 | Guiyang HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. (貴陽和美婦產醫院有限公司), a limited liability company established in the PRC, a wholly-owned subsidiary of our Company<br>貴陽和美婦產醫院有限公司，在中國註冊成立的有限公司，為本公司之全資附屬公司  |
| “Harmony Care”<br>「Harmony Care」  | 指 | Harmony Care International Investment Limited<br>Harmony Care International Investment Limited  |
| “HarMoniCare Management”<br>「和美醫療管理」                                      | 指 | HarMoniCare Medical Management and Consulting Co., Ltd. (和美醫療管理諮詢有限公司), a limited liability company established in the PRC, a wholly-owned subsidiary of our Company<br>和美醫療管理諮詢有限公司，在中國成立的有限公司，為本公司之全資附屬公司   |
| “Heilongjiang HarMoniCare Hospital”<br>「黑龍江和美醫院」                          | 指 | Heilongjiang HarMoniCare Obstetrics and Gynecology Hospital Co., Ltd. (黑龍江和美婦產醫院有限公司), a limited liability company established in the PRC, a non-wholly-owned subsidiary of our Company<br>黑龍江和美婦產醫院有限公司，在中國成立的有限公司，為本公司非全資附屬公司   |
| “Hibaby”<br>「凱貝姆」   | 指 | Hibaby Healthcare Co., Ltd. (凱貝姆健康管理有限公司), a limited liability company established in the PRC, an associated company of our Company<br>凱貝姆健康管理有限公司，於中國成立的有限公司，為本公司之聯營公司   |
| “Homecare”<br>「Homecare」  | 指 | Homecare International Investment Limited<br>Homecare International Investment Limited  |
| “HKEx”<br>「香港交易所」   | 指 | Hong Kong Exchanges and Clearing Limited<br>香港交易及結算所有限公司  |

## DEFINITIONS (CONTINUED)

### 釋義 (續)

|   |   |   |
|---|---|---|
| “Hong Kong” or “HK”<br>「香港」               | 指 | the Hong Kong Special Administrative Region of the PRC<br>中國香港特別行政區   |
| “IFRSs”<br>「國際財務報告準則」                     | 指 | International Financial Reporting Standards<br>國際財務報告準則   |
| “Independent Third Party(ies)”<br>「獨立第三方」 | 指 | an individual(s) or a company(ies) who or which is/are not connected (within the meaning of the Listing Rules) with any directors, chief executive or substantial shareholders (within the meaning of the Listing Rules) of us, our subsidiaries or any of their respective associates 與我們、我們的附屬公司或彼等各自任何聯繫人的董事、行政總裁或主要股東(上市規則所定義者)概無關連(上市規則所定義者)的個人或公司 |
| “JCI”<br>「JCI」                            | 指 | the Joint Commission International, an international arm of The Joint Commission. The Joint Commission is a United States-based independent, not-for-profit organization which accredits and certifies healthcare organizations and programs<br>Joint Commission International, 聯合委員會的國際分支。聯合委員會是美國的獨立非營利性組織, 負責醫療機構和項目的授權和認證                           |
| “Listing Date”<br>「上市日期」                  | 指 | the date on which dealings in the Shares first commenced on the Stock Exchange i.e. 7 July 2015<br>股份首次開始於聯交所買賣之日期(即2015年7月7日)  |
| “Listing Rules”<br>「上市規則」                 | 指 | the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time<br>聯交所證券上市規則(經不時修訂)   |
| “Model Code”<br>「標準守則」                    | 指 | the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules<br>上市規則附錄10所載上市發行人董事進行證券交易的標準守則   |
| “Nantong Hemeijia Hospital”<br>「南通和美家醫院」  | 指 | Nantong Hemeijia Obstetrics and Gynecology Hospital Co., Ltd. (南通和美家婦產科醫院有限公司), a limited liability company established in the PRC, a non-wholly-owned subsidiary of our Company<br>南通和美家婦產科醫院有限公司, 在中國成立的有限公司, 為本公司非全資附屬公司   |
| “Nomination Committee”<br>「提名委員會」         | 指 | the nomination committee of the Board<br>董事會提名委員會   |
| “ob-gyn”<br>「婦產」                          | 指 | obstetrics and gynecology<br>婦科及產科  |
| “Prospectus”<br>「招股章程」                    | 指 | the prospectus dated 25 June 2015 issued by the Company<br>本公司刊發的日期為2015年6月25日的招股章程   |

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|--|----------|---|
| <p>“Remuneration Committee”<br/>「薪酬委員會」</p>                                    | <p>指</p> | <p>the remuneration committee of the Board<br/>董事會薪酬委員會</p>   |
| <p>“Restricted Share Incentive Scheme”<br/>or “RSI Scheme”<br/>「限制性股份激勵計劃」</p> | <p>指</p> | <p>the restricted share incentive scheme of the Company approved and adopted by the Board on 21 December 2017<br/>董事會於2017年12月21日批准及採納的本公司限制性股份激勵計劃</p>   |
| <p>“Review Period”<br/>「回顧期間」</p>  | <p>指</p> | <p>the period from 1 January 2018 to 31 December 2018<br/>2018年1月1日至2018年12月31日期間</p>   |
| <p>“RMB”<br/>「人民幣」</p>   | <p>指</p> | <p>Renminbi, the lawful currency of the PRC<br/>人民幣，中國法定貨幣</p>  |
| <p>“Selford”<br/>「賽爾福」</p>   | <p>指</p> | <p>Selford Medical Technology (Beijing) Co., Ltd. (賽爾福醫療科技(北京)有限公司), a limited liability company established in the PRC, an associated company of our Company<br/>賽爾福醫療科技(北京)有限公司，於中國成立的有限公司，為本公司之聯營公司</p>  |
| <p>“SFO”<br/>「證券及期貨條例」</p>   | <p>指</p> | <p>the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time<br/>經不時修訂、補充或以其他方式修改的香港法例第571章證券及期貨條例</p>  |
| <p>“Shanghai Taiyuan”<br/>「上海泰源」</p>   | <p>指</p> | <p>Shanghai Taiyuan Jiange Equity Investment Fund (Limited Partnership)<br/>上海泰源健良股權投資合夥企業(有限合夥)</p>  |
| <p>“Shanxi Modern Hospital”<br/>「山西現代醫院」</p>                                   | <p>指</p> | <p>Shanxi Modern Obstetrics and Gynecology Hospital Co., Ltd.<br/>山西現代婦產醫院有限責任公司</p>  |
| <p>“Share(s)”<br/>「股份」</p>   | <p>指</p> | <p>share(s) with par value of HK\$0.001 each in the capital of the Company<br/>本公司股本中每股面值0.001港元的股份</p>   |
| <p>“Shareholder(s)”<br/>「股東」</p>   | <p>指</p> | <p>holder(s) of the Share(s)<br/>股份持有人</p>  |
| <p>“Share Option Scheme”<br/>「購股權計劃」</p>                                       | <p>指</p> | <p>the share option scheme conditionally adopted by the Company pursuant to a resolution passed by the Shareholders on 9 June 2015 which became effective on the Listing Date<br/>本公司依據股東於2015年6月9日通過的一項決議案有條件採納的購股權計劃(已於上市日期生效)</p>  |
| <p>“Shenzhen HarMoniCare Hospital”<br/>「深圳和美醫院」</p>                            | <p>指</p> | <p>Shenzhen HarMoniCare Gynecology and Paediatrics Hospital (深圳和美婦兒科醫院), previously known as “Shenzhen HarMoniCare Gynecology and paediatrics Hospital Co., Ltd. (深圳和美婦兒科醫院有限公司)”, a limited liability company established in the PRC, a non-wholly-owned subsidiary of our Company<br/>深圳和美婦兒科醫院(前稱「深圳和美婦兒科醫院有限公司」)，在中國成立的有限公司，為本公司非全資附屬公司</p> |

## DEFINITIONS (CONTINUED)

### 釋義 (續)

|  |   |   |
|--|---|---|
| “Stock Exchange”<br>「聯交所」                    | 指 | The Stock Exchange of Hong Kong Limited<br>香港聯合交易所有限公司  |
| “Tai He Tang”<br>「太和堂」                       | 指 | Shanxi Tai He Tang Pharmaceuticals Co., Ltd. (山西太和堂藥業有限公司), a limited liability company established in the PRC, a wholly-owned Subsidiary of our Company<br>山西太和堂藥業有限公司，在中國成立的有限公司，為本公司全資附屬公司                                 |
| “TK Harmony”<br>「TK Harmony」                 | 指 | TK Harmony Limited<br>TK Harmony Limited  |
| “Written Guidelines”<br>「書面指引」               | 指 | written guidelines on securities transactions by employees<br>僱員進行證券交易的書面指引   |
| “Wuhan Modern Hospital”<br>「武漢現代醫院」          | 指 | Wuhan Modern Obstetrics and Gynecology Hospital Co., Ltd. (武漢現代婦產醫院有限公司), a limited liability company established in the PRC, a wholly-owned subsidiary of our Company<br>武漢現代婦產醫院有限公司，在中國成立的有限公司，為本公司之全資附屬公司                 |
| “Wuxi HarMoniCare Hospital”<br>「無錫和美醫院」      | 指 | Wuxi HarMoniCare Obstetrics and Gynecology Hospital Co. Ltd. (無錫和美婦產醫院有限公司), a limited liability company established in the PRC, independent of the Company and its connected persons<br>無錫和美婦產醫院有限公司，在中國成立的有限公司，獨立於本公司及其關連人士 |
| “Xiamen HarMoniCare Hospital”<br>「廈門和美醫院」    | 指 | Xiamen HarMoniCare Gynecology and Paediatrics Hospital Co., Ltd. (廈門和美婦兒醫院有限公司), a limited liability company established in the PRC, a non-wholly-owned subsidiary of our Company<br>廈門和美婦兒醫院有限公司，在中國成立的有限公司，為本公司非全資附屬公司      |
| “YoY”<br>「按年」                                | 指 | year-on-year<br>與去年同期相比   |
| “Zhengzhou HarMoniCare Hospital”<br>「鄭州和美醫院」 | 指 | Zhengzhou HarMoniCare Gynecology and Paediatrics Hospital Co., Ltd. (鄭州市和美婦兒醫院有限公司), a limited liability company established in the PRC, a non-wholly-owned subsidiary of our Company<br>鄭州市和美婦兒醫院有限公司，在中國成立的有限公司，為本公司非全資附屬公司 |

In this annual report, the terms “associate”, “connected person”, “subsidiary” and “substantial shareholder” shall have the meanings ascribed to such terms in the Listing Rules, unless the context otherwise requires. The English names of the companies established in the PRC are for identification purposes only.

在本年報中，除文義另有所指外，「聯繫人」、「關連人士」、「附屬公司」及「主要股東」應具有上市規則所賦予該等詞彙的涵義。在中國成立的公司英文名稱僅供識別。





和美醫療控股有限公司  
HARMONICARE MEDICAL HOLDINGS LIMITED