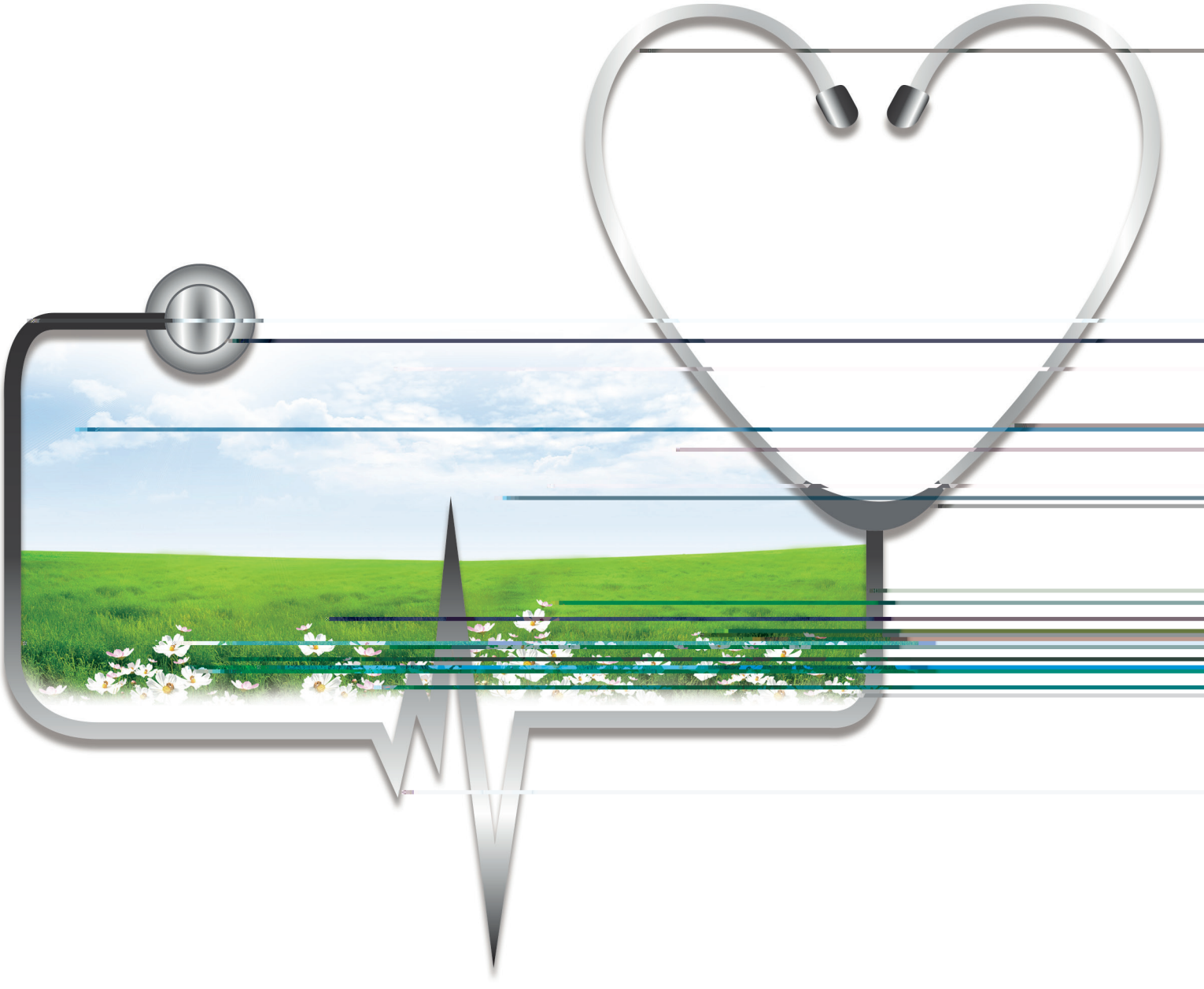

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Corporate Information

Registered and Principal Office in Hong Kong

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

Hong Kong Branch Share Registrar

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

Stock Code

2120

Company's Website

[redacted]

Investor Relations

Tel: (86) 577 8877 1689
Fax: (86) 577 8878 9117
Email: @[redacted]

F a a H

	F t N t J 30,	
	2017	2016
	B'000)	(RMB'000)
	a t)	(U a , ,)
R	283,136	189,680
R	42,319	36,818
I	(12,014)	(10,531)
N	30,305	26,287
N C	31,710	28,208
N	(1,405)	(1,921)

	A J 30,	A D 31,
	2017	2016
	B'000)	(RMB'000)
	a t)	(A , ,)
T	1,757,386	1,603,382
T	689,664	562,012
T	1,067,722	1,041,370
E C	1,022,149	1,008,384
N	45,573	32,986

a a • W tD a A a

B R O

I 2017, C G D

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

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

I 2017, G A H Y H L Y H T L Y H C L S K H A C H K H H G Y H C L S Y H M R L T G H Y H

a a tD a A a

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

F R

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

R , C R

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

[illegible]

[illegible]:

	F[illegible] J[illegible] 30,	
	2017	2016
	([illegible] B'000)	(RMB'000)
	([illegible])	([illegible])
R[illegible]	**226,529**	178,979
M[illegible]	**11,579**	8,838
R[illegible]	**987**	1,863
T[illegible]	**239,095**	189,680
R[illegible]	**44,041**	—
[illegible]	**283,136**	189,680

D[illegible] R[illegible] R[illegible], [illegible] G[illegible] RMB283.1 [illegible] 49.3% [illegible] 2016, [illegible] G[illegible] 26.6%, [illegible] 31.0% [illegible] RMB41.4 [illegible] P[illegible] II W[illegible] B[illegible] G[illegible] W[illegible] H[illegible] E[illegible] M[illegible] G[illegible] W[illegible] G[illegible] R[illegible] G[illegible] 94.7% [illegible] (J[illegible] 30, 2016: 94.4%) [illegible] 4.8% [illegible] (J[illegible] 30, 2016: 4.7%). T[illegible]

Management Discussion and Analysis

Financial Review

Revenue increased by RMB36.8 million, or 28.4%, from RMB129.4 million for the year ended December 31, 2016 to RMB166.2 million for the year ended December 31, 2017. The following table sets forth our revenue, cost of sales and gross profit by segment for the years indicated:

	Year ended December 31,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Audited)	(Audited)
Inpatient services		
Revenue	166,226	129,416
Cost of sales	102,118	73,792
Gross profit	64,108	55,624
Outpatient services		
Revenue	60,303	49,563
Cost of sales	49,515	40,834
Gross profit	10,788	8,729
Total		
Revenue	226,529	178,979
Cost of sales	151,633	114,626
Gross profit	74,896	64,353

During the Reporting Period, the Group declared dividends of RMB226.5 million, of which RMB47.6 million was declared during the year ended December 31, 2016, to the then shareholders of Liu Kang Holdings, Gao Hang Holdings, Qi Yuan Holdings and Su Yuan Holdings. Pursuant to the Reorganization, the Group declared dividends of RMB22.8 million (December 31, 2016: RMB0.5 million).

Management Discussion and Analysis

The following table sets forth certain operating data of the Group's [illegible] for the periods indicated:

	For the Nine Months Ended June 30,	
	2017	2016
Income		
Income from [illegible]	3,050	2,300
Electricity [illegible]	552,050	418,600
Utilization [illegible] (%)	85.9%	88.6%
Net [illegible]		

RMB187.0 30.1%0.399 0 T)0 T

Management Discussion and Analysis

Revenue

The Group's revenue increased by RMB44.0 million (or 6.2%) from RMB707.4 million for the six months ended June 30, 2016 to RMB751.4 million for the six months ended June 30, 2017, primarily attributable to RMB41.4 million increase in revenue from the Group's existing hospitals and RMB2.6 million increase in revenue from the Group's hospitals acquired in 2016. The Group's existing hospitals refer to the hospitals operated by the Group for the entire six months ended June 30, 2016 and 2017. The Group's hospitals acquired in 2016 refer to the hospitals acquired by the Group in 2016 and operated by the Group for the entire six months ended June 30, 2017, which contributed RMB37.6 million revenue to the Group for the six months ended June 30, 2017 as compared to RMB6.4 million for the six months ended June 30, 2016.

Gross Profit and Gross Profit Margin

During the Reporting Period, the Group recorded gross profit of RMB92.0 million, representing a decrease of 31.2% from the six months ended June 30, 2016. The Group recorded gross profit margin of 16.4% for the six months ended June 30, 2017, representing a decrease of RMB81.6 million from the six months ended June 30, 2016. The following table sets forth the gross profit margin of the Group's hospitals:

	For the six months ended June 30,	
	2017	2016
	(unaudited)	(Unaudited)
Tertiary general hospitals	38.6%	43.0%
Psychiatric hospitals	17.9%	17.6%
Maternity hospitals	54.6%	51.1%
Rehabilitation hospitals	23.9%	66.0%
Children hospitals	32.5%	37.0%

During the Reporting Period, the Group's gross profit margin was 32.5% (six months ended June 30, 2016: 37.0%), mainly attributable to the Group's gross profit margin of tertiary general hospitals decreased by 34.1%, as the Group's tertiary general hospitals recorded a decrease of 2.9 percentage points in gross profit margin in 2016, including Guangzhou Huangpu Qingyuan Hospital, Pingdingshan Yuanhua Hospital, Suzhou Yuanhua Hospital, and

Management Discussion and Analysis

Liquidity and Capital Resources

During the Reporting Period, the Group's net cash inflow from operating activities was RMB3.9 million (six months ended June 30, 2016: RMB34.1 million), mainly attributable to the net profit generated from our Western Guangdong Region.

Capital Expenditure

During the Reporting Period, the Group's capital expenditure was RMB0.4 million (six months ended June 30, 2016: RMB1.0 million), which was mainly attributable to the increase of 56.3% in property, plant and equipment as at June 30, 2017 as compared to December 31, 2016, and the increase of 0.2% in intangible assets as at June 30, 2017 as compared to December 31, 2016 (December 31, 2016: 0.5%), which was mainly attributable to the acquisition of property, plant and equipment in the ordinary course of business during the six months ended June 30, 2017 as compared to December 31, 2016.

Asset Structure

During the Reporting Period, the Group's assets mainly consisted of property, plant and equipment, intangible assets, deferred tax assets, cash and cash equivalents, trade receivables and other assets. The following table sets forth the Group's assets as at the dates indicated:

	As at June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Property, plant and equipment	17,968	15,247
Intangible assets	7,956	8,477
Deferred tax assets	3,980	3,708
Cash and cash equivalents	2,667	1,791
Trade receivables	1,615	1,492
Other assets	5,628	5,644
Total assets	39,814	36,359

a a tD a A a

D R R G RMB39.8 (J 30, 2016: RMB36.4), 9.5% 2016, RMB2.7 . T G 16.3% (J 30, 2016: 19.2%), ( ) G G ; ( ) S Y H M 2017,

F a (E)/I -

O T :

	F J 30,	
	2017	2016
	B'000)	(RMB'000)
	(a)	(U)
I	1,907	3,102
E ( )/	(7,730)	9,592
B	(1,691)	—
T	(2,725)	(2,777)
O	(198)	(131)
F ( )/	(10,437)	9,786

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

Financial Review

Interest Income/(Loss)

Our interest income/(loss) mainly consisted of interest income from bank deposits and interest income/(loss) from financial assets at fair value through profit or loss. The following table sets forth the breakdown of our interest income/(loss) for the periods indicated:

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Interest income/(loss) from financial assets at fair value through profit or loss	(2,852)	(2,200)
Gain on disposal of financial assets at fair value through profit or loss	5,243	—
	2,391	(2,200)

During the Reporting Period, our interest income from bank deposits was RMB2.4 million (for the six months ended June 30, 2016: RMB2.2 million), which was mainly attributable to the Bank Y and the Bank H with a total balance of 49.0% and 32.7% of our total bank deposits as at June 30, 2017, respectively. The interest income/(loss) from financial assets at fair value through profit or loss was RMB5.2 million, which was mainly attributable to the investment in 16.3% equity interest in the Bank Y and the investment in the C Bank H and the K Bank H, the H Bank H and the I Bank H.

Administrative Expenses

During the Reporting Period, our administrative expenses were RMB2.8 million (for the six months ended June 30, 2016: RMB1.2 million), representing an increase of 137.4% from 2016. The increase was mainly attributable to the 1.2% equity interest in the Bank Y (for the six months ended June 30, 2016: 0.6%), which we acquired from the Bank Y during the second half of 2016. As at June 30, 2017 and December 31, 2016, our total assets were RMB10.4 billion and RMB8.1 billion, respectively, representing an increase of 5.1% and 5.4%.

Management Discussion and Analysis

Other Income and Other Gains

Other income and other gains mainly consisted of government grants, interest income and others. The following table sets forth the breakdown of other income and other gains for the periods indicated:

	For the Six Months Ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(unaudited)	(unaudited)
Government grants	5,246	143
Others	131	42
Total other income	5,377	185
Donations	(2,247)	(1,935)
Loss on disposal of property, plant and equipment	(96)	(84)
Others	(326)	(435)
Total other expenses	(2,669)	(2,454)
Net amount	2,693	—

Donations. Our donations were RMB5.4 million, which were mainly used to support the construction of Guangning Hospital. RMB4.8 million of the donations were used to support the construction of Guangning Hospital. The remaining RMB2.7 million of donations were mainly used to support the construction of Guangning Hospital. Other donations of RMB2.7 million were mainly used to support the construction of Guangning Hospital.

F a P

I

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

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

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

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

Management Discussion and Analysis

Accounts Receivable

As at June 30, 2017, our accounts receivable amounted to RMB80.5 million (as at December 31, 2016: RMB43.3 million), representing an increase of RMB29.4 million from the corresponding period of last year. We

Accounts Payable

As at June 30, 2017, our accounts payable amounted to RMB60.7 million (as at December 31, 2016: RMB71.1 million), mainly due to the payment to Pingtan II Wenhou Business Group Wenhou Hospital Equipment Medical Group for the purchase of medical equipment, which amounted to RMB14.9 million as at the end of the year.

Other Payables

As at June 30, 2017, our other payables amounted to RMB87.8 million (as at December 31, 2016: RMB38.9 million), mainly due to the payment to Kangning Hospital for the acquisition of Yongpu Pingtan Hospital.

Liquidity, Capital Resources

The following table sets out the cash flow information of the Group for the periods indicated:

	For the Six Months Ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	3,472	37,984
Net cash used in investing activities	(134,699)	(159,031)
Net cash generated from financing activities	61,809	22,062
Net decrease in cash and cash equivalents	(76,732)	(96,088)

Capital Commitments and Capital Expenditure

As at the end of the reporting period, June 30, 2017, the Group had contracted but not yet paid for capital expenditure of RMB3.5 million, mainly including RMB30.3 million for the construction of the Group's hospitals, and RMB20.9 million for the purchase of medical equipment. The Group had RMB58.3 million of capital commitments for the acquisition of equity interests in RMB33.6 million for the purchase of medical equipment.

[illegible]

[illegible]

D[illegible] R[illegible] [illegible] RMB134.7 [illegible], [illegible] RMB158.1 [illegible] W[illegible] K[illegible] H[illegible], [illegible] C[illegible] K[illegible] H[illegible] S[illegible] Y[illegible] H[illegible] H[illegible] Y[illegible] H[illegible]; [illegible] RMB37.9 [illegible].

[illegible]

D[illegible] R[illegible] [illegible] RMB61.8 [illegible], [illegible] RMB90.0 [illegible] RMB37.7 [illegible].

[illegible]

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

[illegible]

Ba[illegible] B[illegible]

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

C[illegible] [illegible]

A[illegible] J[illegible] 30, 2017, [illegible] G[illegible].

A[illegible]

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

[illegible]

[illegible]

[illegible] [illegible] [illegible] [

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

D[illegible] R[illegible] B[illegible] C[illegible] C[illegible]

CHANGE IN DIRECTORS

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

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

CHANGE IN SUPERVISORS

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

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

C... at G... a... a... t... I...

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

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

...	... G...	... G...	...
M... WANG L...	Y... K...H... M... C..., L...	...	E... J... 2017 ...

...	... C...	C...
M... WANG H...	E... D...	M... WANG H... S... U... F... E... (上海財經大學) ... J... 2017.
M... YANG Y...	N... D...	M... YANG Y... G... K... E... I... C... L..., (廣州康旭股權投資有限公司), ... J... 2017.

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

RELOCATION OF CANGNAN KANGNING HOSPITAL

O... J... 7, 2016, ... C... W... D... P... C... L..., (...), ... C... L... V..., C... C... H..., ... I... S... 2016, ... O... 28, 2017, C... K...H... C... C... C... R... E... T... N. 0018361. F... ... C... ...

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

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

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

A... J... 30, 2017, ... G...:

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

DISCLOSURE OF INTEREST

D..., ... C... E... I...

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

... D...	C...	... I...	...	...	A... ... C...[1]	A... ... C... I... ... C...[1]
M... GUAN W...	D... S...	B... I...	18,350,250(L) 3,794,500(L)[2]	22,144,750 (L)	41.94%	30.32%
M... WANG L...	D... S...	B... I...	3,794,500(L) 18,350,250(L)[2]	22,144,750 (L)	41.94%	30.32%
M... WANG H...	D... S...	B... I... ...	3,984,350(L) 1,543,000(L)[3]	5,527,350(L)	10.46%	7.57%

C[illegible] at G[illegible] a[illegible] t[illegible] I[illegible]

N[illegible]:

(L): L[illegible]

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

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

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

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

C[illegible] G[illegible] I[illegible]

I[illegible]

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

C[illegible] at G[illegible] a[illegible] t[illegible] I[illegible]

[illegible]	C[illegible]	[illegible] I[illegible]	[illegible]	A[illegible] [illegible] a[illegible] C[illegible] [illegible]	A[illegible] [illegible] C[illegible] [illegible] I[illegible] [illegible] C[illegible] [illegible]
J[illegible] I[illegible] C[illegible], L[illegible] [8]	D[illegible] S[illegible]	I[illegible]	2,780,000 (L)	5.27%	3.81%
C[illegible] I[illegible]	H S[illegible]	I[illegible] /B[illegible]	2,822,966 (L) 58,266 (S)	13.95% 0.29%	3.86% 0.08%
B[illegible] A[illegible] M[illegible] L[illegible]	H S[illegible]	I[illegible]	3,052,400 (L)	15.08%	4.18%
B[illegible] LLC ([illegible] B[illegible] C[illegible] M[illegible] LLC)	H S[illegible]	I[illegible]	3,034,200 (L)	14.99%	4.15%
N[illegible] T[illegible] F[illegible] S[illegible] ([illegible]) L[illegible]	H S[illegible]	T[illegible]	2,093,700 (L)	10.34%	2.87%
Q[illegible] M[illegible] A[illegible] LLC	H S[illegible]	I[illegible]	1,454,000 (L)	7.18%	2.00%
Q[illegible] M[illegible] C[illegible] LLC	H S[illegible]	I[illegible]	2,150,900 (L)	10.63%	2.94%
Q[illegible] M[illegible] P[illegible] M[illegible] F[illegible] L[illegible]	H S[illegible]	B[illegible]	1,279,900 (L)	6.32%	1.75%
R[illegible] C[illegible] M[illegible] C[illegible] L[illegible]	H S[illegible]	I[illegible]	2,803,800 (L)	13.85%	3.84%
Q[illegible] M[illegible] P[illegible] II, LP	H S[illegible]	B[illegible]	1,052,000 (L)	5.20%	1.44%
M[illegible] S[illegible]	H S[illegible]	I[illegible]	1,208,534 (L) 1,143,634 (S)	5.97% 5.65%	1.65% 1.57%
UBS G[illegible] AG	H S[illegible]	I[illegible]	1,343,800 (L)	6.64%	1.84%

C... at G... a... t... I...

N...:

(L): L...

(S): S...

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

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

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

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

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

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

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

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

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

B...
...
K... H... C., L...
G...
C...

...
PRC
A... 18, 2017

C[illegible] at B[illegible]

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

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

C[illegible] at B[illegible]

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

	N[illegible]	30 J[illegible] 2017 ([illegible])	31 D[illegible] 2016 (A[illegible])
LIABILI IE A D E 'E I			
G[illegible]			
S[illegible]	4(17)	**120,000,000**	30,000,000
A[illegible]	4(18)	**80,476,871**	43,271,014
A[illegible]	4(19)	**60,655,362**	71,147,900
E[illegible]	4(20)	**15,316,09**	

C[illegible] at Ba[illegible]

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

	N[illegible]	30 J[illegible] 2017 ([illegible])	31 D[illegible] 2016 (A[illegible])
[illegible]			
S[illegible]	4(27)	**73,040,000**	73,040,000
C[illegible]	4(28)	**795,919,512**	795,604,861
S[illegible]	4(29)	**18,548,942**	18,548,942
R[illegible]	4(30)	**134,640,863**	121,190,550
[illegible]		**1,022,149,317**	1,008,384,353
[illegible]		**45,572,551**	32,985,630
[illegible]		**1,067,721,868**	1,041,369,983
AL LIABILI IE A D E 'E I		**1,757,385,705**	1,603,381,923

T[illegible]

L[illegible]: R[illegible] H[illegible]:

C[illegible] a Ba[illegible]

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

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

C[illegible] a Ba[illegible]

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

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

C[illegible] a Ba[illegible]

A[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

	N[illegible]	30 J[illegible] 2017 ([illegible])	31 D[illegible] 2016 (A[illegible])
[illegible]			
S[illegible]		73,040,000	73,040,000
C[illegible]		800,028,177	799,821,777
S[illegible]		18,548,942	18,548,942
R[illegible]		108,256,231	108,895,141
[illegible]		999,873,350	1,000,305,860
AL LIABILI IE A D E ’E I		1,446,837,269	1,356,471,576

T[illegible]

L[illegible]: R[illegible]: H[illegible]:

C[illegible] at I[illegible]

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

[illegible]

C a I t

E 30 J 2017

(A RMB Y)

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

T

I : R H :

C [illegible] at [illegible] t [illegible] Ca F [illegible]

F [illegible] 30 J [illegible] 2017

(A [illegible] RMB Y [illegible])

I [illegible]	N [illegible]	[illegible] 30 J [illegible] 2017	2016
1. Ca [illegible]			
C [illegible]		218,044,330	185,216,096
C [illegible]	4(44) (a)	16,104,834	13,577,071
[illegible]		234,149,164	198,793,167
C [illegible]		(84,493,508)	(57,860,296)
C [illegible]		(74,861,390)	(60,575,485)
P [illegible]		(33,608,262)	(14,053,392)
C [illegible]	4(44) (b)	(37,714,356)	(28,319,590)
[illegible]		(230,677,516)	(160,808,763)
[illegible]		3,471,648	37,984,404
2. Ca [illegible]			
C [illegible]		3,225,000	
N [illegible]	4(44) (f)	–	2,039,728
C [illegible]	4(44) (c)	91,007,687	898,631
[illegible]		94,232,687	2,938,359
C [illegible]		(158,053,650)	(71,372,976)
C [illegible]		(37,878,286)	(88,096,114)
C [illegible]	4(44) (d)	(33,000,000)	(2,500,000)
[illegible]		(228,931,936)	(161,969,090)
[illegible]		(134,699,249)	(159,030,731)

C[illegible] at [illegible] t Ca F[illegible]

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

I[illegible]	N[illegible]	30 J[illegible] 2017	2016

C V a t t C a F

F t 30 J 2017

(A RMB Y)

I V	N	30 J	
		2017	2016
1.	Ca		
	C	138,290,861	133,520,211
	C	12,987,817	15,641,017
	- t a	151,278,678	149,161,228
	C	(51,345,969)	(42,855,139)
	C	(48,111,926)	(44,515,564)
	P	(20,784,880)	(7,441,244)
	C	(164,067,042)	(51,366,039)
	- t a	(284,309,817)	(146,177,986)
	t a ( )/ a	(133,031,139)	2,983,242
2.	Ca		
	C	3,225,000	10,400,000
	C	10,000,000	21,700,000
	C	91,533,764	852,986
	- t a	104,758,764	32,952,986
	C	(54,850,765)	(32,914,353)
	C	–	(131,118,614)
	C	(30,000,000)	
	- t a	(84,850,765)	(164,032,967)
	t a ( )/ a	19,907,999	(131,079,981)

C[illegible] a[illegible] t[illegible] Ca F[illegible]

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

I[illegible]	N[illegible]	[illegible] 30 J[illegible] 2017	2016
3. Ca[illegible]			
Ca[illegible]		50,000,000	50,000,000
[illegible]		50,000,000	50,000,000
Ca[illegible]		(1,000,000)	(30,000,000)
Ca[illegible]			
[illegible]		(1,348,500)	
Ca[illegible]		(2,758,166)	
[illegible]		(5,106,666)	(30,000,000)
[illegible]		44,893,334	20,000,000
4. E[illegible]		(7,312,748)	2,896,587
5. [illegible]		(75,542,554)	(105,200,152)
A[illegible]: C[illegible]		356,529,786	339,907,374
6. Ca[illegible]		280,987,232	234,707,222

T[illegible]

L[illegible]: R[illegible] H[illegible]:

C [illegible] at [illegible] t C a [illegible] E [illegible] t

E [illegible] 30 J [illegible] 2017

(A [illegible] RMB Y [illegible])

	N [illegible]	E [illegible] a [illegible]	Ca [illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ba [illegible] a1 Ja [illegible] a 2017		73,040,000	795,604,861	18,548,942	121,190,550	32,985,630	1,041,369,983
[illegible]							
[illegible] 30 J [illegible] 2017							
T [illegible]							
N N [illegible]							

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

(Amounts in RMB Yuan unless otherwise stated)

		Equity attributable to owners of the Company					
	Note	Share capital	Capital reserve	Surplus reserve	Retained earnings	Non-controlling interests	Total shareholders' equity
Balance at 1 January 2016		73,040,000	797,510,642	11,343,566	77,824,436	2,512,383	962,231,027
Comprehensive income for the year ended 30 June 2016							
Total comprehensive income					28,208,189	(1,920,926)	26,287,263
Capital contributions and reduction by shareholders							
Capital contributions from non-controlling interests						2,400,000	2,400,000
Share-based payments	9		1,155,567				1,155,567
Others						11,729,151	11,729,151
Profit distribution							
Profit distribution to owners of the Company	4(31)				(18,260,000)		(18,260,000)
Balance at 30 June 2016		73,040,000	798,666,209	11,343,566	87,772,625	14,720,608	985,543,008

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

Legal representative: Responsible person in charge of accounting: Head of accounting department:

C[illegible] a[illegible] t[illegible] C[illegible] E[illegible]

E[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

	N[illegible]	a[illegible]	Ca[illegible]	[illegible]	[illegible]	[illegible]
Ba[illegible] at 1 Ja[illegible] 2017		73,040,000	799,821,777	18,548,942	108,895,141	1,000,305,860
[illegible] 30 J[illegible] 2017						
T[illegible]						
N[illegible]		–	–	–	21,231,390	21,231,390
C[illegible]						
S[illegible]	9	–	206,400	–	–	206,400
R[illegible]						
R[illegible]	4(31)	–	–	–	(18,260,000)	(18,260,000)
Ba[illegible] at 30 J[illegible] 2017		73,040,000	800,028,177	18,548,942	111,866,531	1,003,483,650
Ba[illegible] at 1 Ja[illegible] 2016		73,040,000	797,510,642	11,343,566	62,306,757	944,200,965
[illegible] 30 J[illegible] 2016						
T[illegible]						
N[illegible]					21,633,902	21,633,902
C[illegible]						
S[illegible]	9		1,155,567			1,155,567
R[illegible]						
R[illegible]	4(31)				(18,260,000)	(18,260,000)
Ba[illegible] at 30 J[illegible] 2016		73,040,000	798,666,209	11,343,566	65,680,659	948,730,434

T[illegible]

L[illegible] R[illegible] H[illegible]

Notes to Financial Statements

For the year ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

1. General information

The Company was established as Wenzhou Kangning Psychiatric Rehabilitation Hospital (溫州市康寧精神康復醫院) in the PRC on 7 February 1996. The registered address of the Company is Shuangrui Road, Huancheng District, Wenzhou, Zhejiang Province, PRC.

On 15 October 2014, the Company was converted into a joint stock limited company and changed its name to Wenzhou Kangning Hospital Co., Ltd. (溫州康寧醫院股份有限公司).

The Company's ultimate holding company is Global Growth Investment Limited, a company incorporated in the British Virgin Islands.

The Company's immediate holding company is Top Success Enterprises Holdings Limited, a company incorporated in Hong Kong on 20 November 2015.

These financial statements were approved and authorised for issue by the Company's Board of Directors on 18 August 2017.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are prepared for the Company as an individual entity. Investments in subsidiaries are accounted for at cost less impairment (Note 2(10)), investments in associates are accounted for at cost less impairment (Note 2(11)), and investments in other equity instruments are accounted for at fair value (Note 2(23)).

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Note 2(28) discloses the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(1) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), International Financial Reporting Interpretations Committee ("IFRIC") interpretations and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 effective for the accounting period beginning 1 July 2015. IFRSs comprise International Accounting Standards ("IAS") and related interpretations.

These financial statements have been prepared under the historical cost convention.

These financial statements were approved by the Board of Directors on 18 August 2017. Subsequent events relating to these financial statements have been considered up to this date.

[illegible] Financial Statements

For the [illegible] 30 June 2017

(Amounts are in RMB Yuan [illegible])

2. Significant [illegible] (continued)

(2) [illegible] Accounting Standards for Business Enterprises

The [illegible] Company's [illegible] 30 June 2017 [illegible] Accounting Standards for Business Enterprises [illegible] Company's [illegible] 30 June 2017 [illegible]

(3) Accounting [illegible]

The Company's [illegible] 1 January [illegible] 31 December [illegible].

(4) [illegible]

The [illegible] Renminbi (RMB).

(5) Business [illegible]

Business [illegible]

The [illegible] Company [illegible] Company [illegible] Company

[illegible] Financial Statements

For the year ended 30 June 2017

(All amounts are in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies and accounting estimates (continued)

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment loss. The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to 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. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising in investments in associates are recognised in the income statement.

In the Company's balance sheet, investments in subsidiaries are stated at cost less provision for impairment. The cost of investments is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Notes to Financial Statements

For the six months ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies (continued)

(7) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks that can be readily drawn on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

All regular way purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

[illegible] Financial Statements

For the year ended 30 June 2017

(All amounts are presented in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies and accounting estimates (continued)

(9) Fixed assets (continued)

(a) Fixed assets (continued)

(i) Good condition fixed assets (continued)

Accounting policies

Accounting estimates

Accounting estimates are made based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions may change from time to time, and actual results may differ from estimates. Accounting estimates and assumptions that may result in significant adjustments to the carrying amounts of assets and liabilities in the next 12 months are as follows:

(ii) Revaluation

Fixed assets are initially measured at cost. The cost of purchased fixed assets comprises the purchase price, related taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use. Fixed assets contributed by shareholders are recognized at the value agreed in the contract, except for the value agreed in the contract is unfair, in which case they are recognized at fair value. Subsequent expenditure incurred on fixed assets is included in the cost of the fixed asset when it is probable that economic benefits will flow to the Group and the cost can be measured reliably. All other subsequent expenditure is recognized in profit or loss in the period in which it is incurred.

Accounting estimates

Accounting estimates are made based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions may change from time to time, and actual results may differ from estimates. Accounting estimates and assumptions that may result in significant adjustments to the carrying amounts of assets and liabilities in the next 12 months are as follows:

Notes to Financial Statements

For the six months ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

2. Significant accounting policies and accounting estimates (continued)

(9) Financial instruments (continued)

(a) Financial assets (continued)

(i) Initial recognition and measurement

The Group classifies financial assets at initial recognition into financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives designated as effective hedging instruments, as appropriate. The Group determines the classification of financial assets at initial recognition.

The Group initially recognises financial assets at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets, except for financial assets at fair value through profit or loss, for which transaction costs are directly recognised in profit or loss. The Group

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[illegible] Financial Statements

For the year ended 30 June 2017

(All amounts are RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies and accounting estimates (continued)

(9) Fixed assets (continued)

(1) Fixed assets

Fixed assets refer to the tangible assets held for production of goods, provision of services, leasing or operation management, with a useful life over one year and a unit value relatively high. Fixed assets can be recognized only when the economic benefits associated with the fixed assets are likely to flow to the Group and the cost of the fixed assets can be measured reliably.

Purchased fixed assets are recognized at the actual purchase price, relevant taxes and other expenditures incurred before the fixed assets reach the intended state of use, and borrowing costs that should be capitalized.

Buildings and other fixed assets invested by shareholders are recognized at the value agreed upon in the investment contract or agreement, but the value agreed upon in the contract or agreement is unfair, the actual value is recognized.

Other fixed assets are recognized at the fair value of the initial cost of the exchange (or

Notes to Financial Statements

For the six months ended 30 June 2017

(Amounts are expressed in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies and accounting estimates (continued)

(10) Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease terms. Contingent rentals arising under operating leases are recognised as an expense in the accounting period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

When the Group is the lessee:

(a) Recognition of finance lease assets

The Group recognises finance leases as assets and liabilities at the lower of the fair value of the leased asset at the inception date and the present value of the minimum lease payments.

The Group depreciates a leased asset that is consistent with the depreciation policy applicable to similar assets that are owned by the Group.

(b) Recognition of operating lease expenses

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease terms. When the Group receives incentives to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

(c) Recognition of initial direct costs

Initial direct costs incurred in connection with finance leases are recognised as expenses in the period in which they are incurred.

The Group depreciates a leased asset that is consistent with the depreciation policy applicable to similar assets that are owned by the Group.

For the year ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies and accounting estimates (continued)

(10) Fixed assets (continued)

(1) Recognition criteria for fixed assets

Fixed assets refer to tangible assets held for the production of goods, the provision of services, leasing or operation management, with a useful life of more than one year. Fixed assets are recognized only when the economic benefits associated with the fixed assets are likely to flow into the Group and the cost of the fixed assets can be reliably measured. Subsequent expenditures incurred on fixed assets that meet the above recognition criteria are included in the cost of fixed assets, and the carrying amount of any replaced part is derecognized. Other subsequent expenditures that do not meet the above recognition criteria are recognized in profit or loss when incurred.

Notes to Financial Statements

For the six months ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies (continued)

(12) Long-term prepaid expenses

Long-term prepaid expenses of the Company and its subsidiaries mainly include the cost of land use rights leased from the Government, and other expenses that have been incurred but should be recognized as expenses over more than one year in the current and subsequent periods.

Such expenses are amortized on a straight-line basis over the shorter of the expected beneficial period or the lease term. The amortization amount is recognized in the income statement.

If a long-term prepaid expense item cannot benefit subsequent accounting periods, the unamortized balance of the item is transferred to the income statement.

(a) Land use rights

Land use rights leased from the Government are amortized on a straight-line basis over the lease term.

(b) Subsidies for land use rights

Government subsidies for land use rights are recognized as long-term prepaid expenses and amortized on a straight-line basis over the lease term.

Government subsidies for land use rights are recognized as long-term prepaid expenses and amortized on a straight-line basis over the lease term. When the Group ceases to use the land use rights before the end of the lease term, the unamortized balance of the subsidies for land use rights is transferred to the income statement. When the Group transfers the land use rights before the end of the lease term, the unamortized balance of the subsidies for land use rights is transferred to the income statement.

Notes to Financial Statements

For the year ended 30 June 2017

(All amounts are in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies (continued)

(12) Long-term prepaid expenses (continued)

(a) Specialized equipment for the Group's hospitals

Upon the acquisition of the Group's hospitals, the Group identified certain specialized equipment which is unique to the hospitals' operations. The Group's management considers that the specialized equipment is essential to the hospitals' operations and the hospitals would not be able to operate without the specialized equipment. However, the Group's management considers that the specialized equipment is not expected to be used for more than one year. The Group's management considers that the specialized equipment is not expected to be used for more than one year. The Group's management considers that the specialized equipment is not expected to be used for more than one year. The

[illegible]

E[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

2. S[illegible] ([illegible])

(13) I[illegible]

I[illegible] S[illegible] G[illegible]

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

W[illegible] W[illegible] I[illegible]

A[illegible] T[illegible]

2. S ( )

(14) E a t

(a) B

F G F G S T G T A

(b) D

D E

T :

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

Notes to Financial Statements

For the six months ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies (continued)

(14) Fixed assets (continued)

(c) Depreciation of fixed assets (continued)

The estimated useful lives, estimated residual values and depreciation rates of each category of fixed assets are as follows:

The estimated useful lives, estimated residual values and depreciation rates of each category of fixed assets are as follows: (Note 2(19)).

(d) Disposal of fixed assets

A fixed asset is derecognised upon disposal or when no future economic benefits are expected to be generated from its use or disposal. The amount arising from the disposal of a fixed asset, after deducting its carrying amount and related taxes and expenses, is recognised in profit or loss.

(15) Construction in progress

Construction in progress is measured at actual cost. Actual cost includes all necessary construction costs incurred during the construction period, borrowing costs eligible for capitalisation and other necessary expenses incurred to bring the construction in progress to the intended state for use. Construction in progress is transferred to fixed assets when it reaches the intended state for use. The criteria and timing for the transfer of each category of construction in progress to fixed assets are as follows: (Note 2(19)).

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E 30 J 2017

(A RMB Y)

2. S ( )

(16) B

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T C 3

E

E 1.212 0 T (( )T 1.212 0 T (AT( )T( )T( )T( )T 0.569 0 T)T( )T( )T(76 0.9383 0

F 30 J 2017

(A RMB Y)

2. S

(17) I a t (t)

( ) S

S 5

( ) C

C A :

	C a t a
Y F I T C W M H (a a F H)	19.75
P H P H (a H)	30
C H K H (C H)	30
Y M H G (H G)	20

( ) R

F

( ) I

T (N 2(19)).

Notes to Financial Statements

For the year ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies (continued)

(18) Long-term deferred expenses

Long-term deferred expenses are expenses that have been incurred but should be amortized over more than one year (excluding one year) in the current and subsequent periods. Long-term deferred expenses are amortized on a straight-line basis over the expected benefit period.

(19) Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives, investments in subsidiaries, investments in associates and joint ventures, and investment properties measured at cost model are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. If the recoverable amount is less than the carrying amount, the difference is recognized as an impairment loss and provision for impairment of assets is made accordingly. The recoverable amount is the higher of the fair value less disposal costs and the present value of expected future cash flows. Impairment losses are not reversed in subsequent periods.

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually, regardless of whether there is any indication of impairment. For the purpose of impairment testing, goodwill is allocated to the relevant asset group or group of asset groups that is expected to benefit from the synergies of the business combination. The asset group or group of asset groups is the smallest group of assets that can generate cash inflows independently and is not larger than a reportable segment.

Other long-term assets are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date. If the recoverable amount is less than the carrying amount, the difference is recognized as an impairment loss and provision for impairment of assets is made accordingly. The recoverable amount is the higher of the fair value less disposal costs and the present value of expected future cash flows. Impairment losses are not reversed in subsequent periods.

Notes to Financial Statements

For the six months ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies and accounting estimates (continued)

(20) Employee benefits

Employee benefits refer to various forms of consideration or compensation given by the Group in exchange for services rendered by employees or for the termination of employment relationships. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits. Employee benefits provided to the spouses, children, dependents of employees, survivors of deceased employees, as well as to the agents appointed by employees, are also employee benefits.

(a) Short-term benefits

Short-term benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. The Group's employee benefits mainly include salaries, bonuses, allowances and subsidies, staff welfare, medical insurance premiums, housing provident fund, labor union fees and employee education fees. During the accounting period in which employees render services, the Group recognizes the actual short-term benefits as liabilities and charges to profit or loss or related asset costs according to the beneficiary of the services rendered by employees.

(b) Post-employment benefits

The Group's post-employment benefits are mainly defined contribution plans. Defined contribution plans mainly include basic pension insurance, unemployment insurance and annuity plan. During the accounting period in which employees render services, the Group recognizes the payable amount calculated according to the defined contribution plans as liabilities and charges to profit or loss or related asset costs. When the Group makes contributions to the basic pension insurance, unemployment insurance and annuity plan for employees according to the relevant regulations of the local government, it recognizes the contribution amount as liabilities and charges to profit or loss or related asset costs. When the Group makes contributions to the basic pension insurance, unemployment insurance and annuity plan for employees according to the relevant regulations of the local government, it recognizes the contribution amount as liabilities and charges to profit or loss or related asset costs.

(c) Benefits

The Group's termination benefits are mainly the compensation paid to employees for the termination of labor relationships with employees before the expiration of the employment contracts or the compensation offered to encourage employees to accept voluntary redundancy. When the Group cannot withdraw unilaterally the termination benefits provided due to labor relationship plans or redundancy proposals, and when the Group recognizes costs or expenses related to restructuring involving the payment of termination benefits, whichever is earlier, it recognizes employee benefits liabilities arising from termination benefits and charges to profit or loss. When the Group cannot withdraw unilaterally the termination benefits provided due to labor relationship plans or redundancy proposals, and when the Group recognizes costs or expenses related to restructuring involving the payment of termination benefits, whichever is earlier, it recognizes employee benefits liabilities arising from termination benefits and charges to profit or loss.

F 30 J 2017

(A RMB Y)

2. S ( )

(21) D t t

C

(22) a - a a t

(a) T

S W G W G . F 30 J 2017, G

T G) G . T T G , B G

( ) M

T

( ) B

A G . I

[illegible] Financial Statements

For the [illegible] 30 June 2017

(Amounts are in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies and accounting estimates (continued)

(23) [illegible]

The [illegible] Group's [illegible] Related [illegible]

Related [illegible] Group, [illegible] Group's [illegible] Group's [illegible]

(a) Sales of goods - The [illegible]

Revenue [illegible] Group [illegible] Group [illegible] Group [illegible]

(b) Provision [illegible]

Revenue [illegible] Group [illegible] The [illegible]

(c) Management [illegible]

Management [illegible] Group [illegible]

(d) Rental [illegible]

Rental [illegible]

(e) Service [illegible]

Revenue [illegible] Group [illegible] Depending [illegible]

For the year ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies (continued)

(24) Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are measured at the fair value of the amount received or receivable.

Government grants related to assets are recognised as deferred income and amortised to profit or loss over the useful lives of the related assets on a straight-line basis. Government grants related to income are recognised as deferred income and amortised to profit or loss over the periods in which the related costs are recognised. Government grants related to income are recognised directly in profit or loss if they are used to compensate for related costs that have already been incurred.

Notes to Financial Statements

For the year ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

2. Summary of significant accounting policies (continued)

(25) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or Board of Directors, where appropriate.

[illegible]

[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

2. S[illegible]

(26) L[illegible]

A[illegible]
A[illegible]

(a) O[illegible]

L[illegible]

L[illegible]

(b) F[illegible]

T[illegible]. A[illegible]

(27) [illegible]

T[illegible]

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

F 30 J 2017

(A RMB Y)

2. S ( )

(28) C a a t a

T G

(a) G

T :

( ) E

A 30 J 2017, RMB82,535,100 (31 D 2016: RMB84,839,100). M Y F H T

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

* I

A 30 J 2017,

2. S ( )

(28) C a a t a t ( )

(a) G ( )

( ) R

I T R G W T G T T E B G RMB10,382,663 (31 D 2016: RMB8,104,505).

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

( ) U

T G I I

2. S ( )

(28) C t a a t a (t)

(a) G ( )

( ) R

A N 5(1), T G 51% W G I C (G a I). T G E E T

T G W H A E C L T

T

	30 J 2017 Fa a	a a	I	A a	a / a a a / a
I					
	72,191,872	I	R /	4.65%	(a) U
			M (RMB/ /)	32-40.84	
			V	2.74%	

T

- T
- T
- T

2. S ( )

(28) C t a a t a t (t)

( ) G C

( ) C

T G A G

I G A G I

( ) E

T G T

T G :

- ;
- ;
- ;

I G

F 30 J 2017

(A RMB Y)

3. T a

T G :

Ca	a at	a a
C	25%	T
V -g (a)	3%, 5% 6%	T
B (a)	5%	T
C 7%	T	
E 3%	T	
L 2%	T	
R 1.2% 12%	T 70%	
L (a)	5	T
L -g	30%-60%	T

(a) P C O B P B L VAT R B T (C S 2016 N 36) M F S A T , 1 M 2016, C Q K H C., L (Ka H), C K H C., L (C K H), Y K H C., L (Y K H), Y K H C., L (Y K H), L K H C., L (L K H) W Y G H C., L (W Y G H) -

P S N S P T , P M S B T V A T P T S (C S 2012 N 86) C O B P B L VAT R B T (C S 2016 N 36) M F S A T , C ' , W K J F G (J F G) 3%.

3. T ( )

(a) ( )

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

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

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

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

F
30 J 2017
(A RMB Y

4. N

(1) Ca a a a

	30 J 2017	31 D 2016
	(a)	(A)
Ca a		

4. N ( )

(2) A ( )

( ) T :

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

A G

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

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

t t t F a a tat t

E 30 J 2017

(A RMB Y)

4. N (.)

(2) A t a (t)

(.) A

	30 J 2017				A 31 D 2016			
	E %		%		%		%	
	A		A		A		A	
B R	44,276,416	22%	–	–	13,109,257	9%		
R	62,032,955	30%	–	–	64,937,971	43%		
R	11,540,890	6%	10,382,663	90%	9,052,068	6%	8,104,505	90%
R	62,167,652	29%	–	–	49,472,011	32%		
M R	19,749,723	10%	–	–	14,471,638	10%		
R	5,828,613	3%	–	–				
	205,596,249	100%	10,382,663	/	151,042,945	100%	8,104,505	/

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

T G

( ) I 30 J 2017, RMB277,949 (30 J 2016: RMB311,391)

4. N ( )

(2) A ( )

( ) T

30 J 2017 ( )

%

Ba

T

4235 T( )T(0.6705 T ( )T ET7.0( )T(.)T( )T)T3653 500.6705 T (0.)T(.)XBDC BTD244 471.1705 T (423

F 30 J 2017

(A RMB Y)

4. N ( )

(3) ( )

(a) T :

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

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

(b) O :

30 J 2017 ( )	B		%	
R G X H M	2,156,116	1,210,030	56%	( )
R W M R E D C., L (C., L)	267,043	267,043	100%	( )
	2,423,159	1,477,073		

( ) A 30 J 2017 31 D 2016, G

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

4. N ( )

(3) ( )

( ) T 30 J 2017 (30 J 2016: N).

( ) A 30 J 2017, :

		30 J 2017		%	
		Ba	A		
C R H ( )	B	10,983,642	3	19%	–
P H ( )	B	8,832,388	2	15%	–
Y F H	D	6,652,219	2	12%	–
H Q	G	5,000,000	1	9%	–
C H	B	3,628,323	2	6%	–
		35,096,572		61%	–

( ) T C S H P C L (H), M 2015

4. N ( )

(3) ( )

( ) A 30 J 2017, : ( )

( ) T C W M C A W M , RMB1,500,000 W M N 2009 24 , 2- . W 2013. U W L D B ' C , W M , U 30 J 2017, C RMB1,232,957 RMB267,043 3 . T 100% .

(4) A

( ) T :

	30 J 2017 ( ) % A
W 1	19,293,120 98%
1 - 2	424,464 2%
	19,717,584 100%

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

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

4. N ( )

(4) A ( )

( ) A 30 J 2017,

	30 J 2017	
	A	%
T	12,991,804	66%

(5) I

	30 J 2017	31 D 2016
	( )	(A)
P	10,262,343	7,564,623
M	4,253,603	1,740,424
R	–	153,522,647
R ( )	162,051,463	
	176,567,409	162,827,694

A 30 J 2017 31 D 2016,

( ) F

	C	C
T H E N 2012 J 2017	173,507,594	162,051,463

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

4. N ( )

(6) A a a -

	30 J 2017 (a t)	31 D 2016 (A)
M O (a)	50,000,000	50,000,000

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

(7) L -t

	30 J 2017 (a t)	31 D 2016 (A)
A (a)	60,198,228	22,429,070
L : R	–	
	60,198,228	22,429,070

T G

4. N ( )

(7) L -

(a) A

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

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

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

4. N ( )

(7) L -t F a t ( )

(a) A (*)*

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

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

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

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

(8) I t

C 31 D 2016 30 J 2017	**72,191,872**

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

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

4. N ( )

(9) F a t

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

F 30 J 2017

(A RMB Y)

4. N (9) F a t (t)

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

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

A 30 J 2017 31 D 2016, G

F :

30 J 2017		
B	58,291,056	( ) ( )

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

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

4. N ( )

(10) C

	30 J 2017 ( )		
	Ba		
T W K H	244,254,548	–	244,254,548
T H Y H C L (Ha H)	10,240,028	–	10,240,028
T C K H C L (Ca Ka H)	290,572	–	290,572
T S K H C L (Ka H)	400,922	–	400,922
T S Y H C L (H)	144,000	–	144,000
T L Y H C L (La H)	894,829	–	894,829
O	867,505	–	867,505
	257,092,404	–	257,092,404

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

A 30 J 2017 31 D 2016, G

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

F 30 J 2017

(A RMB Y)

4. N ( )

(10) C ( )

(a) T

		31 D 2016	I a / -d	30 J 2017			A a	I : B a 30 J 2017	C a a	
T a W K H a	289,640,000	164,228,489	80,026,059		244,254,548	71%	84%	8,349,520	3,115,208	0 /
T a W Y G H a	45,000,000	668,020	580,365	(1,248,385)		83%	100%			0
T a P K	27,000,000	16,285,626	7,748,943	(24,034,569)		84%	100%			0
T a S Y	20,000,000	10,248,479	9,267,485	(19,371,964)	144,000	74%	98%			0
T a Q Y	10,000,000	4,878,405	3,611,838	(8,490,243)		84%	100%			0
T a H Y H a	15,000,000	458,670	9,781,358		10,240,028	51%	68%			
		196,767,689	111,016,048	(53,145,161)	254,638,576			8,349,520	3,115,208	

A 30 J 2017 31 D 2016, G

4. N ( )

(11) I

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

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

A 30 J 2017 31 D 2016, G

A 30 J 2017 31 D 2016, G

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

4. N ( )

(11) I a t ( )

(a) T G Y H G Y H F R C M T G RMB30,000,000 Y H G T A 2017 M 2037, T Y T G RMB30,000,000,

(12) G

	31 D 2016 (A)	A	D	30 J 2017 ( )
G W G I	8,533,389			8,533,389

T G 30 J 2017 T

(13) L -t a

	31 D 2016 (A)	A	A	30 J 2017 ( )
L	88,125,992	30,131,530	(9,484,274)	108,773,248
O	729,800		(114,600)	615,200
	88,855,792	30,131,530	(9,598,874)	109,388,448

4. N ( )

(14) D a t a t a t

(a) D

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

4. N ( )

(14) D a t a a t a ( )

( ) D

	30 J 2017 ( )		31 D 2016 (A)	
	a a T	D	T	D
A	53,123,352	13,444,342	65,681,732	16,420,433
I				
E		2,920,416		2,351,146
E		10,523,926		14,069,287
		13,444,342		16,420,433

( ) D

	30 J 2017 ( )	31 D 2016 (A)
D	7,532,393	5,914,753

( ) D

	30 J 2017 ( )	31 D 2016 (A)
2021	4,982,645	5,914,753
2022	2,549,748	
	7,532,393	5,914,753

4. N ( )

(15)

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

(16)

	30 J 2017 ( )	31 D 2016 (A)
R	**1,214,124**	3,864,010
R	**12,526,610**	14,913,078
R	**536,694**	8,670,165
R	**555,750**	
I ( )	**2,500,000**	
	17,333,178	27,447,253

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

4. N ( )

(17)

	30 J 2017 ( )	31 D 2016 (A)
G (N 8(4) ( ))	80,000,000	30,000,000
R ( )	40,000,000	
	120,000,000	30,000,000

( ) T RMB40,000,000 (N 4(9)) W G RMB72,192,000, W G W G L W C .

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

(18) A

	30 J 2017 ( )	31 D 2016 (A)
P	27,427,167	19,318,370
P	10,223,558	10,227,427
P	42,826,146	13,451,955
O	–	273,262
	80,476,871	43,271,014

4. N ( )

(18) A t a a (t)

T :

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

T . T

(19) A a W t

	30 J 2017 ( )	31 D 2016 (A)
A ( )	52,473,265	67,375,827
A	8,182,097	3,772,073
	60,655,362	71,147,900

( ) I W G I .

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

4. N ( )

(20) E

	30 J 2017	31 D 2016
		(A)
S (a)	**9,368,961**	13,537,978
D (b)	**5,947,134**	6,014,372
	15,316,095	19,552,350

(a) S

	31 D 2016	I	D	30 J 2017
	(A)			( )
W	13,286,552	60,486,900	(64,846,518)	**8,926,934**
S		1,368,435	(1,366,251)	**2,184**
S	251,426	2,348,073	(2,159,656)	**439,843**
I M	210,780	2,077,400	(1,894,395)	**393,785**
W				
	25,325	105,176	(116,356)	**14,145**
M	15,321	165,497	(148,905)	**31,913**
H		3,052,749	(3,052,749)	**–**
L		400,000	(400,000)	**–**
	13,537,978	67,656,157	(71,825,174)	**9,368,961**

4. N

(20) E

(a) D

	31 D 2016 (A)	I	D	30 J 2017 ( )
B	5,998,514	3,445,891	(3,519,791)	**5,924,614**
U	15,858	175,542	(168,880)	**22,520**
	6,014,372	3,621,433	(3,688,671)	**5,947,134**

(b) T

D 30 J 2017 30 J 2016, T G

(21)

	30 J 2017 ( )	31 D 2016 (A)
C	**11,245,354**	27,734,872
R	**753,397**	605,565
VAT	**424,085**	48,208
L	**14,343,585**	12,436,229
O	**402,139**	370,781
	27,168,560	41,195,655

4. N (

(22) t a a

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

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

( ) I Y H G

( ) I G

( ) I W G I 6.16%

( ) I W G I

( ) I W G I

4. N ( )

(23) G t t

	30 J 2017 (a t)	31 D 2016 (A)
C (N 4(24))	–	36,700,000
C (N 4(25))	17,480,304	17,480,304
	17,480,304	54,180,304

(24) L -t

	30 J 2017 (a t)	31 D 2016 (A)
R ( )	19,950,190	56,650,190
G ( )	129,000,000	130,000,000
	148,950,190	186,650,190
L : C (N 4(23))		
M ( )	–	(36,700,000)
	148,950,190	149,950,190

4. N ( )

(24) L -t ( )

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

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

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

(25) L -t a a

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

( ) T G. T

4. N ( )

(26) D

	31 D 2016 (A)	I	D	30 J 2017 ( )
G	10,632,800			**10,632,800**

G	31 D 2016 (A)	I	A /	30 J 2017 ( )	R /
T ( )	10,632,800			10,632,800	R

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

(27)

	31 D 2016 (A)	I	30 J 2017 ( )
S	73,040,000		**73,040,000**

	31 D 2015 (A)	I	31 D 2016 (U)
S	73,040,000		73,040,000

F 30 J 2017

(A RMB Y)

4. N (28) Ca

	31 D 2016 (A)	I	D	30 J 2017 ( )
S	760,289,830			**760,289,830**
O				
S (N 9)	5,590,960	206,400		**5,797,360**
O ( )	29,724,071	108,251		**29,832,322**
	795,604,861	314,651		**795,919,512**

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

( ) T C H Y C J F M 2017, C J H Y RMB16,000,000, RMB16,000,000 RMB1 1 T G 100% 60% T G RMB108,251

4. N (

(29)

	31 D 2016 (A)	A	D	30 J 2017 ( )
S	18,548,942			**18,548,942**

	31 D 2015 (A)	A	D	31 D 2016 (U)
S	11,343,566	7,205,376		18,548,942

I C L A A C , C 10% C 50% T

F 30 J 2017

(A RMB Y)

4. N ( )

(30)

	30 J	
	2017	2016
	(a t)	(U)
R	**121,190,550**	77,824,436
A : N	**31,710,313**	28,208,189
Q (a)	**(18,260,000)**	(18,260,000)
R	**134,640,863**	87,772,625

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

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

4. N (

(31)

	30 J 2017 C ( )	S R (U)	30 J 2016 C (U)
R	156,885,868	187,817,343	118,945,305
R	34,267,178	1,862,962	633,295
	191,153,046	189,680,305	119,578,600

(a) R

	30 J 2017 C ( )	S R (U)	30 J 2016 C (U)
P	49,515,173	49,563,165	40,834,453
T	102,118,496	129,416,332	73,791,802
M	5,252,199	8,837,846	4,319,050
	156,885,868	187,817,343	118,945,305

(b) R

	30 J 2017 C ( )	S R (U)	30 J 2016 C (U)
R	33,683,175		
R	–		
O	584,003	1,862,962	633,295
	34,267,178	1,862,962	633,295

4. N ( )

(32) a a a

	30 J		B
	2017	2016	
	(a)	(U)	
B	–	30,564	R N 3
C	115,922	2,139	R N 3
E	48,397	842	R N 3
L	32,264	562	R N 3
R (a)	884,304		R N 3
L (a)	41,925		R N 3
L	2,765,489		R N 3
O (a)	48,777		
	3,937,078	34,107	

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

2016.

(33)

	30 J	
	2017	2016
	(a)	(U)
R	445,240	1,017,758

4. N ( )

(34) G a a a tat

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

4. N ( )

(35) E at

T :

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

4. N ( )

(36) F a a ( )/ - ta t

	30 J	
	2017	2016
	(a)	(U)
N ( )/	(7,730,248)	9,592,376
I	1,907,398	3,101,872
I	(5,689,153)	(2,257,917)
L	3,998,564	2,257,917
T ( )	(2,724,600)	(2,776,747)
O	(198,512)	(131,710)
	(10,436,551)	9,785,791

( ) T (N 4(25)).

(37) I t

	30 J	
	2017	2016
	(a)	(U)
S (N 4 (7))	2,852,505	2,199,509
N ( )	(5,243,377)	
	(2,390,872)	2,199,509

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

4. N ( )

(38) A

	30 J	
	2017	2016
	(a)	(U)
B	2,823,150	1,188,953

(39)

	30 J 2017 (a)	(a)
G (a)	5,245,868	5,245,868
O	131,583	131,583
	5,377,451	5,377,451

	S 30 J 2016 (U)	T (U)
G (a)	142,968	142,968
O	41,847	41,847
	184,815	184,815

4. N ( )

(39) ( )

(a) I

	30 J		
	2017	2016	/
	( )	(U)	
N	–	127,968	R
G F A O ( )	4,835,868		R
G F A O ( )	400,000		R
O	10,000	15,000	R
	5,245,868	142,968	

( ) T C RMB490,000 RMB4,345,868 W L D R ' G F A O F 2017 M 2017 N *I P C M (W C S 2016 N 573)* W M F R ' G F A O .

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

[illegible]

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

4. N[illegible] ([illegible])

(40) [illegible]

	[illegible] 30 J[illegible] 2017 ([illegible])	[illegible] ([illegible])
D[illegible] ()	2,247,255	2,247,255
M[illegible]	260,000	260,000
L[illegible]	95,691	95,691
I[illegible] L[illegible]	95,691	95,691
O[illegible]	65,965	65,965
	2,668,911	2,668,911

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

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

4. N ( )

(41)

	30 J 2017 ( )	a /
S ( )	1,020,000	a
R ( )	1,672,900	a
	2,692,900	

( ) T C RMB1,020,000 W F B A 2017, *N P G T S H F R 2017* W H F R C

( ) T C RMB1,672,900 A 2017, *N I M G S F R M I 2016* (W C S 2016 N 600) W F B W H F R C

(42) I

	30 J	
	2017 ( )	2016 (U)
C	14,743,399	13,915,240
D	(2,729,673)	(3,384,030)
	12,013,726	10,531,210

4. N ( )

(43) Ea a ( )

( ) D /

D C T C 30 J 2017. A

(44) a

(a) C /

	30 J	
	2017	2016
	(a)	(U)
C	7,086,718	12,960,272
G	7,938,768	15,000
O	1,079,348	601,799
	16,104,834	13,577,071

( ) C /

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

4. N o o a a o o (o t)

(44) t t t F a a t t (t o)

( ) C a o o a o o

	30 J o	
	2017	2016
	(a t)	(U a o)
I o o	1,556,687	898,631
T o o o o o	89,451,000	
	91,007,687	898,631

( ) C a o o a o o

	30 J o	
	2017	2016
	(a t)	(U a o)
L a o o ( )	3,000,000	2,500,000
T o o o o (N o 4(1))	30,000,000	
	33,000,000	2,500,000

( ) F o t y a 30 J o , 2017, RMB3,000,000 o o P H
RMB1,000,000 C H RMB2,000,000 7.2%
H

( ) C a o o a o o

	30 J o	
	2017	2016
	(a t)	(U a o)
T o o o o (N o 4(23))	300,000	

4. Notes to the consolidated financial statements (continued)

(44) Cash flow statement (continued)

(a) Cash and cash equivalents

	As at 30 June	
	2017	2016
	(Parent)	(Unit: RMB)
Cash on hand and bank deposits – A share	1,718,279	338,363
Cash on hand and bank deposits – H share	1,039,887	
	2,758,166	338,363

(b) Cash and cash equivalents not held by the Group

As at 30 June 2017, cash and bank deposits of the Company's B share, Y share and H share, B share, Y share and H share of subsidiaries amounted to RMB24,773,012, RMB10,306,594 and RMB8,266,866, RMB2,039,728 respectively. See Note 2015 and May 2016.

(45) Supplementary information to the cash flow statement

(a) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities

	As at 30 June	
	2017	2016
	(Parent)	(Unit: RMB)
Net profit	30,305,485	26,287,263
Add: Asset impairment provision	2,823,150	1,188,953
Depreciation of fixed assets	7,605,063	4,775,340
Amortization of intangible assets	3,662,798	3,005,935
Amortization of long-term deferred expenses	9,598,874	5,712,058
Net loss on disposal of fixed assets, intangible assets and other long-term assets (gain: "-")	95,691	84,100
Fair value loss (gain: "-")	9,820,539	(8,289,294)
Financial expenses (income: "-")	(2,390,872)	2,199,509
Investment loss (gain: "-")	–	(127,968)
Decrease in deferred income tax assets	(407,598)	(3,384,030)
Increase in deferred income tax liabilities	(2,976,091)	
Increase in inventories	(13,739,715)	(1,805,595)
Decrease in operating receivables	206,401	1,155,567
Increase in operating payables (decrease: "-")	(47,078,441)	9,130,173
Increase in other items (decrease: "-")	5,946,364	(1,947,607)
Net cash flows from operating activities	3,471,648	37,984,404

[illegible] Financial Statements

For the [illegible] 30 June 2017

(Amounts are expressed in RMB Yuan unless otherwise stated)

4. Notes to the consolidated financial statements (continued)

(45) [illegible] (continued)

(a) Segment [illegible] (continued)

Segment [illegible]

For the [illegible] 30 June 2017 and 2016, the Group [illegible] RMB98,610,800 (For the [illegible] 30 June 2016: RMB93,187,500) [illegible] Yangtze Financial Holding [illegible]

4. N (

(46)

	30 J 2017 ( )		
	A	E	E B
C			
USD	2,396,175	6.7744	16,232,648
HKD	255,752,199	0.8679	221,972,449

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

5. C

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

T Y K H M L L C (K H

Notes to Financial Statements

For the year ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

6. Investments in associates and joint ventures

(1) Investments in associates

(a) The Group

						(%)	
						Direct	Indirect

Notes to Financial Statements

For the year ended 30 June 2017

(Amounts are expressed in RMB Yuan unless otherwise stated)

6. Interests in other entities (continued)

(1) Interests in subsidiaries (continued)

(a) The Group (continued)

Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Proportion of ownership interest (%)		Note
				Directly	Indirectly	
Shanxi Kangning Hospital	Shanxi	Shanxi	Medical service		51%	Incorporated
Nanjing Kangning Hospital	Nanjing	Nanjing	Hospital Management	100%		Incorporated
Hangzhou Yuhang Kangning Hospital	Hangzhou	Hangzhou	Medical service		60%	Incorporated
Qingdao Yuhang Kangning Hospital	Qingdao	Qingdao	Medical service		60%	Incorporated
Wuhan Yuhang Kangning Geriatric Hospital	Wuhan	Wuhan	Medical service		100%	Incorporated
Pingliang Kangning Hospital	Pingliang	Pingliang	Medical service		100%	Incorporated
Taiyuan Kangning Hospital	Taiyuan	Taiyuan	Medical service		51%	Business combination not under common control
Wuhan Guangai Hospital	Wuhan	Wuhan	Rehabilitation		75%	Business combination not under common control
Luoyang Yuhang Kangning Hospital	Taiyuan	Taiyuan	Medical service		100%	Set up
Yuxi Kangning Hospital	Yuxi	Yuxi	Hospital Management		100%	Incorporated

F o p e r i o d 30 J e 2017

(A a e RMB Y a e e p e)

6. I e e e e (e)

(1) I t t a a (t e)

( ) S g e g a e e g e

e a	S g e g	D a a	
	% a e e g	a e e	e a
	30 J e 2017	30 J e 2017	30 J e 2017
H a	48.78%	406,787	–	13,406,214
W G a I e	25%	978,974	–	13,349,254
		1,385,761	–	26,755,468

T e G

6. I ( )

(2) I a

(a) S /

	B	B	G B	D I
S S X'a	X'a	H	N	30%

( ) F /

	30 J 2017 ( )
C	27,571,709
N	59,561,064
T	87,132,773
C	776,636
N	–
T	776,636
N	14,980,954
E	71,375,183
N ( )	21,412,555
A G	4,494,286
C	25,906,841

	30 J 2017
R	5,051,287
N R	711,811

( ) T

F 30 J 2017

(A RMB Y)

6. I ( )

(2) I a at ( )

( ) S

T C N 4(7)

	30 J	
	2017	2016
	(a)	(U)
Al	34,291,387	6,223,428
Al :		
N ( )	(2,659,950)	(2,199,509)
O ( )	–	
T	(2,659,950)	(2,199,509)

( ) N

7. S

T G D T G

T G :

- H ;
- R

T

T I T

7. S ( )

(a) T 30 J 2017 :

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

( ) N

F 30 J 2016, G

(b) T G

F 30 J 2017

(A RMB Y)

8. R

(1) G a a t C a

T C I C G W W L 30%,

(2) a t a

T N 6(1).

(3) a t a a t

T :

a t	
W S S G	N C
P S S G	N C
C S S G	N C
Y S S G	N C
Q S S G	N C
W K M H I	N C
H Y Y D C G	N C
Q K	N
O	I

(4) a t a t a t

(a) B

T

[illegible]

For the year ended 30 June 2017

(All amounts are RMB Yuan unless otherwise stated)

8. Related party relationships and transactions (continued)

(4) Key management personnel (continued)

(1) Management personnel

	For the year ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Remuneration	–	1,700,000

(2) Remuneration

	For the year ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Others	14,400	14,400

(3) Key management 0 SQ/S /Ma /P <</MCID 0>>BDC ( )Tj ( )Tj ( )749 T (S)T( )T,71 T.9 0 0 9 489.482 SQ/S /Ma /P <</MCID -US3 7Tj (K)T3

8. R ( )

(4) a t a t ( )

( ) P

	30 J	
	2017	2016
	(a)	(U)
N G	1,405,303	366,619
B Y H	328,964	1,653,923
	1,734,267	2,020,542

(.) R

	30 J	
	2017	2016
	(a)	(U)
N G	777,482	1,353,493
B Y H	6,309,236	15,064,006
	7,086,718	16,417,499

(9) P G

	30 J	
	2017	2016
	(a)	(U)
H H	60,221	

8. R ( )

(4) ( )

( ) B

	30 J	
	2017	2016
O	45,087	50,219

( ) A

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

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

( ) E

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

8. R (

(4) a t a t a t (t)

( ) A

	30 J 2017 ( )	30 J 2016 (U)
Q K	300,000	

(5) Ba t a t a t

(a) O

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

( ) O

	30 J 2017 ( )	31 D 2016 (A)
Q K	3,410,000	3,110,000
H H	60,221	
	3,470,221	3,110,000

T

Notes to Financial Statements

For the year ended 30 June 2017

(All amounts are expressed in RMB Yuan unless otherwise stated)

9. Subsequent events

Pursuant to the Reply on Approving Wenzhou Kangning Hospital Co., Ltd. to Issue Shares to Specific Investors (Zheng Jian Xu Ke [2014] No. 1284) issued by China Securities Regulatory Commission on 21 July 2014, the Company issued 25,000,000 RMB ordinary shares (A shares) to specific investors.

The Company's shares were listed on Shenzhen Stock Exchange on 12 August 2014:

(1) Information on the Company's shares listed on Shenzhen Stock Exchange: The Company's shares were listed on Shenzhen Stock Exchange, with 25,000,000 shares (A shares) with a par value of RMB1.00 per share.

10. C

(1) Ca

C T G

	30 J 2017 ( )	31 D 2016 (A)
B	145,259,995	153,326,228

(2)

T

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

11. E

A

12. F

T G ' ( ), T G ' G ' .

(1)

(a) F

T G ' M C RMB. T G '

A 30 J 2017 31 D 2016, (RMB):

	30 J 2017 ( )		
	HKD	D	
F - C	221,972,449	16,232,648	238,205,097

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

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

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

(1) a[illegible]s ([illegible])

(a) I[illegible]

T[illegible] G[illegible]'[illegible] [illegible]. F[illegible] [illegible] G[illegible] [illegible]. F[illegible] [illegible] G[illegible] [illegible]. T[illegible] G[illegible] [illegible]. A[illegible] 30 J[illegible] 2017, T[illegible] G[illegible]'[illegible] [illegible] RMB[illegible]. RMB148,950,190 (31 D[illegible] 2016: RMB179,950,190).

T[illegible] G[illegible] [illegible] G[illegible]. I[illegible] [illegible] G[illegible]'[illegible] [illegible] G[illegible]'[illegible] [illegible]. T[illegible] G[illegible] [illegible].

(2) C[illegible]

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

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

T[illegible] G[illegible] [illegible]. H[illegible] G[illegible] [illegible]. G[illegible]' [illegible]. T[illegible] G[illegible] [illegible]. E[illegible] B[illegible] G[illegible]'[illegible] RMB10,382,663 [illegible] RMB8,105,000 [illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] (N[illegible] 4(2)(a)).

13. F

T

L 1: Q

L 2: I L 1

L 3: U

(1) A a a a a a a

A 30 J 2017 31 D 2016,

	L 1	L 2	L 3	
F - A			50,000,000	50,000,000
N - I			72,191,872	72,191,872
T			122,191,872	122,191,872

T G W H A V C L T R N 2(28) ( )

T G T G

(2) A a a a a a

T G

T

14. C[illegible]

T[illegible] G[illegible]

I[illegible] G[illegible]

T[illegible] G[illegible]

[illegible]

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

(1) A[illegible] ([illegible])

(a) T[illegible]:

	30 J[illegible] 2017	31 D[illegible] 2016
	([illegible])	(A[illegible])
W[illegible]	**92,691,944**	

15. N C (

(1) A ( )

( ) A :

	30 J 2017				A 31 D 2016	
	E %		%		%	
	A		A		A	
R	25,848,193	26%	–	–	10,567,765	12%
R	31,081,359	31%	–	–	39,872,555	46%
R	7,896,283	8%	6,342,610	80%	6,58	

15. N C ' (C)

(1) A ( )

( ) A 30 J 2017, [illegible]

	Ba	30 J 2017 %	
T [illegible]	33,539,706	–	33%

(2)

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

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

15. N C ' ( )

(2)

(a) T

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

A 30 J 2017 31 D 2016, C

(b) O

30 J 2017	B	%	
R E G X H M	2,156,116	1,210,030	56%	( )
R W M R E D C., L (C., L)	267,043	267,043	100%	(...)
	2,423,159	1,477,073		

( ) A 30 J 2017 31 D 2016, G

15. N C ' (...)

(2) (...)

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

( ) T 30 J 2017 (... 30 J 2016: N)

( ) A 30 J 2017,

			30 J 2017 ( )	
			%	
		Ba		
K	R	95,999,004	23%	–
W Y	R	65,865,097	16%	–
G H C K H	R	65,367,853	16%	–
W G I	R	36,700,000	9%	–
P K H	R	31,853,982	8%	–
		295,785,936	72%	–

(3) L -

	30 J 2017 ( )	31 D 2016 (A)
S (a)	**100,782,135**	100,782,135
A (...)	**14,458,938**	15,072,785
	115,241,073	115,854,920

T G

15. N C

(3) L

(a) S

30 J

	31 D 2016	I	D	A	30 J 2017	Ca
Q K H	1,000,000				1,000,000	
Y K H	1,000,000				1,000,000	
C K H	1,000,000				1,000,000	
Y K H	1,000,000				1,000,000	
J E G	500,000				500,000	
S Y M						
I C	10,000,000				10,000,000	
L K H	1,600,000				1,600,000	
L Y H						
M C	10,000,000				10,000,000	
H C	24,682,135				24,682,135	
K	50,000,000				50,000,000	
	100,782,135				100,782,135	

15. N C (3) L

(a) A

	31 D 2016	I	D		30 J	C	A	30 J 2017
H	507,450			(1,149,040)				(641,590)
S	14,54(4)T(,,6771 0 0	31.181 0	SQ/S	-US)/MCID 9401	DC BT/GS	-US)/MCID 9401S)/MCID 94086	7MCID 94086	7M 0 0 9 333(ID -US)/MCID 9414 DC BT/T1

15. N C (continued)

(4)

(a)

	30 J 2017 C	S R	30 J 2016 C
	( )	(U)	(U)
P	42,430,403	39,051,448	30,281,560
T	97,002,193	84,015,433	53,200,980
M	9,165,461	8,012,930	4,113,366
	148,598,057	131,079,811	87,595,906

(b)

	30 J 2017 C	S R	30 J 2016 C
	( )	(U)	(U)
O	48,176	–	23,520

(5)

	30 J 2017	2016
	( )	(U)
S	(613,847)	(2,199,509)
	(613,847)	(2,199,509)

T C .

[illegible] Financial Statements

For the year ended 30 June 2017

(All amounts are in RMB Yuan unless otherwise stated)

1. [illegible]

	[illegible] 30 June	
	2017	2016
	(Audited)	(Unaudited)
[illegible]	95,691	84,100
[illegible]	(7,938,768)	(142,968)
[illegible]	(350,711)	
[illegible]	2,247,255	1,935,018
[illegible]	194,382	393,305
[illegible]	(5,752,151)	2,269,455
[illegible]	1,573,716	(333,609)
[illegible]	–	
[illegible]	(4,178,435)	1,935,846

Basis of [illegible]

[illegible] *IFRS 10 – Consolidated Financial Statements* [illegible] *2008* [illegible] Circular on Relevant Issues Concerning [illegible] [illegible]

[illegible] [illegible] [illegible] RMB [illegible] [illegible]

2. Restatement of previous period's financial statements

Wen Kangning Hospital Co., Ltd. (the "Company") was converted from a limited liability company to a joint stock limited company with registered capital of RMB [illegible] on [illegible] 2010 pursuant to the Notice No. 9 [illegible] 2010 [illegible] issued by the Company.

	Weighted average return on net assets (%)	
	2017	2016
Net profit attributable to ordinary shareholders of the Company	3.12	6.99
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	2.71	6.72

	Earnings per share			
	Year ended 30 June 2017		2016	
	Basic earnings per share	Diluted earnings per share	Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	0.43	0.43	0.94	0.94
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	0.38	0.38	0.91	0.91

D

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

D[illegible]

G[illegible]	C[illegible]
HS (上)	[illegible] (上) [illegible] C[illegible], [illegible] RMB1.00[illegible], [illegible] M[illegible] B[illegible] H[illegible]K[illegible]S[illegible] E[illegible]
H[illegible] H[illegible] I[illegible]	H[illegible] H[illegible] I[illegible] T[illegible] C., L[illegible]. (杭州宏瀾信息科技有限公司), [illegible] PRC [illegible] N[illegible] 20, 2015[illegible] 35% [illegible] G[illegible]
H[illegible] Y[illegible]H[illegible]	H[illegible] Y[illegible]H[illegible] C., L[illegible]. (杭州怡寧醫院有限公司), [illegible] PRC [illegible] A[illegible] 25, 2016, [illegible] C[illegible]
HK$ 或 HKD 或 H[illegible]K[illegible]	H[illegible]K[illegible], [illegible] H[illegible]K[illegible]
H[illegible]K[illegible]	H[illegible]K[illegible]S[illegible] A[illegible] R[illegible] PRC
H[illegible]K[illegible]L[illegible]R[illegible]	R[illegible] G[illegible] L[illegible] S[illegible] T[illegible] S[illegible] E[illegible] H[illegible]K[illegible] L[illegible]
H[illegible]K[illegible]S[illegible] E[illegible]	T[illegible] S[illegible] E[illegible] H[illegible]K[illegible]L[illegible]
L[illegible]Y[illegible]H[illegible]	L[illegible]Y[illegible]H[illegible] M[illegible] C., L[illegible]. (廊坊市怡寧醫院管理有限公司), [illegible] PRC [illegible] D[illegible] 2, 2015, [illegible] C[illegible]
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