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康宁

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

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

(**Stock Code: 2120**)

## A AE A O CE E FO
## E EA E DED DECE BE 31, 2015

### 1 OD C O

1.1 The b a d f di ec ( he **Boa d**) f We h Ka g i g H i al C ., L d. ( he **Company**) i lea ed a ce he c lida ed a al e l f he C a a d i b idia ie (c llec i el , he **o p**, **we**, **o** ) f he fi a cial ea e ded Dece be 31, 2015 ( he **epo tin P e iod**) i h c a a i e fig e f he ecedi g fi a cial ea e ded Dece be 31, 2014.

1.2 The fi a cial a e e f he G , f he Re i g Pe i d ( he **Finan ia tatements**) a e e a ed i acc da ce i h he I e a i al Fi a cial Re i g S a da d ( he **F s**).

## 2 F A CA

### 2.1 P incipa Financia Data and ndicato s

| | For the yea ended Decembe 31, | | | |
|---|---|---|---|---|
| | **2015** | 2014 | 2013 | 2012 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Re e e | **343,674** | 296,296 | 226,363 | 170,813 |
| P fi bef e i c e a | **70,170** | 68,567 | 47,576 | 17,964 |
| I c e a e e e | **(18,548)** | (17,369) | (11,383) | (4,733) |
| T al c ehe i e i c e | **51,622** | 51,198 | 36,193 | 13,231 |
| A ib able : | | | | |
| E i h lde f he C a | **55,709** | 51,198 | 36,193 | 13,231 |
| N -c lli g i e e | **(4,087)** | | | |

| | As of Decembe 31, | | | |
|---|---|---|---|---|
| | **2015** | 2014 | 2013 | 2012 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| T al a e | **1,224,434** | 372,339 | 305,679 | 226,667 |
| T al liabili | **262,205** | 111,249 | 96,818 | 202,601 |
| T al e i | **962,229** | 261,090 | 208,861 | 24,066 |
| E i a ib able : | | | | |
| O e f he C a | **959,716** | 261,090 | 208,861 | 24,066 |
| N -c lli g i e e | **2,513** | | | |

## 3 B E E E A D O OO

### 3.1 Business Review

I 2015, he G c i l e ha ced he e a i al ca abili ie f i h i al e w k, facili a ed e ce ha i g a g i e be h i al a d i ed e a i al efficie c ia ce e- a elli e del. I 2015, he fi e h i al w ed b he G e j ed g w i g be f bed i e a i w hich i c ea ed f 1,760 bed i 2014 2,010 i 2015, a d high ili a i a e f bed w hich ge e a ed able e e e f he G .

While c lida i g w h i al b i e w e al ade a egic la i ke egi ac he c a d e eed a ke i he egi h gh he a e-ligh e e a age e del. I 2015, he G a ed de aki g e e a age e f Ya jia F e H i al f T adi i al Chi e e a d We e Medici e* (燕郊輔仁中西醫結合醫院, **anjiao F en ospita** ), he chia ic heal hca e de a e f Che gd Re i H i al C a Li i ed* (成都仁一醫院有限公司, a i de e de hi d a e abli hed i he Pe le' Re blic f Chi a ( he **P C China** ) J e 29, 2010 a d i a e w a cha ged f Che gd Jih g H i al C a Li i ed* (成都濟宏醫院有限公司) he c e e J l 28, 2015) a d Beiji g Yi i g H i al C ., L d. (北京怡寧醫院有限公司, **Beijin inin ospita** ), i c ea i g he bed f he edical facili ie de i a age e f 150 i 2014 370 i 2015 a d la i g a lid f da i f f he c w ide e a i .

The G ha al w a belie ed ha ale a e he G ' c e c e i i e e a d he G i c ea ed i e e i cie ific e ea ch a d ale f e i g. I 2015, he G ' eciali ed e ea ch ea w h e e be w e e i c ea ed 12, bli hed 25 a e f diffe e e , 5 f w hich w e e i c a ed i he Scie ce Ci a i Da aba e, a d la ded a jec f ded b he Na i al Na al Scie ce F da i f he fi i e. A d i e b he e ha ce e f cie ific e ea ch, he be f he G ' d c i c ea ed f 150 a he begi i g f 2015 181 a he e d f 2015, h w ca i g a i i ial effec f ale acc la i .

### 3.2 Business i h i hts

O Ja a 22, 2016, he C a e e ed i (i) a f a e w k ag ee e w i h We h Medical U i e i * (溫州醫科大學) i ela i he ed e abli h e a d e a i f he P chia Sch l f We h Medical U i e i * (溫州醫科大學精神醫學學院); a d (ii) a e a d f de a di g w i h We h Medical U i e i A e Ma age e C a Li i ed* (溫州醫科大學資產經營有限公司) a d We h G da I f a i Tech l g C a Li i ed* (溫州國大信息科技有限公司) i ela i he ed ac i i i f 51% f he e i i e e i We h G da I e e C a * (溫州國大投資有限公

* *For identification purposes only*

司) b he C a f We h Medical U i e i A e Ma age e C a Li i ed h gh blic biddi g, bjec he e ei gi f ele a f al ag ee e ( ). F de ail , lea e efe he C a ' a ce e da ed Ja a 22, 2016. The P chia Sch l f We h Medical U i e i a e abli hed Ma ch 20, 2016. A f he da e f hi a ce e , he C a ha ac i ed a e i i ee i We h G da I e e C a .

O Ja a 28, 2016, he C a e e ed i a f a e k ag ee e i h M . HUANG Fe g a d M . HUANG Che (c llec i el , he **endo s**) i ela i (i) he ed e abli h e f a age c a ( he **a et Company**) b he Ve d ; (ii) he ed i i f a age e a d c l a c e ice b he Ta ge C a P jia g H a gfe g P chia S ecial H i al* (浦江黃鋒精神專科醫院) a d Ch 'a H a gfe g Ka g'e H i al* (淳安黃鋒康恩醫院); a d (iii) he ed ac i i i f 26% e i i ee a d b e e ca i al i cea e i he Ta ge C a b he C a ( he **P oposed ansa tion** ). U he c le i f he P ed T a ac i , i i e ec ed ha he C a ill h ld 51% e i i ee i he Ta ge C a . F de ail , lea e efe he C a ' a ce e da ed Ja a 28, 2016. The Ta ge C a a e abli hed Feb a 5, 2016. A f he da e f hi a ce e , he C a ha e e ed i a ag ee e i ela i he P ed T a ac i .

O Feb a 22, 2016, he C a e e ed i a a e hi ag ee e i h Sha ghai Ji Jia f E i I e e Ma age e C ., L d. (上海金浦健服股權投資管理有限公司, **inp ianf** ), Sha ghai Yi che g A e Ma age e Ce e L.P. (上海銀騁資產管理中心（有限合夥）), Ch g i g I d G ida ce a d E i I e e F d C ., L d. (重慶產業引導股權投資基金有限責任公司), Shi a Medical I e C ., L d. (山東新華醫療器械股份有限公司), Jia g Shaga g G C ., L d. (江蘇沙鋼集團有限公司) a d USUM I e e G C ., L d. (渝商投資集團股份有限公司) i ela i (i) he e abli h e f Ch g i g Ji Heal hca e Se ice I d ial E i I e e F d L.P.* (重慶金浦醫療健康服務產業股權投資基金合夥企業（有限合夥）, ( he **Investment Fund** ); a d (ii) he C a ' c ib i f RMB50.0 illi f he b c i i he I e e F d. O he a e da e, he C a a d Ji Jia f , he a agi g a e f he I e e F d, e e ed i a a egic c e a i ag ee e i ela i , a g he , ce ai igh f he C a a li i ed a e f he I e e F d. F de ail , lea e efe he C a ' a ce e da ed Feb a 23, 2016. The I e e F d a e abli hed i he PRC Ma ch 22, 2016. A f he da e f hi a ce e , ch c ib i ha bee ade a d he C a e ec ake ch c ib i i 2016.

* *For identification purposes only*

### 3.3 B siness O t ook

L ki g i he f , e, he C a w ill f ll le e age he fa able g e e licie i Chi a w hich e c age he blic e abli h edical facili ie a d a , a d e a d heal hca e facili e w k h gh e i g e w ed h i al i 2016. I i e ec ed ha Li hai Ka g i g H i al C ., L d.* (臨海康寧醫院有限公司) ( inhai an nin ospita ) a d We h Yi i g Ge ia ic H i al C ., L d.* (溫州怡寧老年醫院有限公司) ( en ho inin e iat i ospita , a w h ll - w ed b idia f he C a w hich w a efe ed a he L ia Medical A ea i he ec f he C a da ed N e be 10, 2015 ( he P ospe t s ) a d w h e i ci al b i e i ide edical e ice f he ge ia ic, i cl di g ge ia ic chia ic ch l gical ea e ) w ill c e ce e a i i he fi half f 2016. A he a e i e w e w ill al eed he e a a i f he e i g f Pi g a g Ka g i g H i al* (平陽康寧醫院), Q h Yi i g H i al* (衢州怡寧醫院) a d She he Yi i g H i al* (深圳怡寧醫院), ai i g f he c e ce e a i i he ec d half f 2016.

Mea w hile w e ha e la ched he E e e e ial P g a f 100 Pe le (百人創業計劃), a d w ill c e w i h e w w a f a ac i g ale a d i eg a i g e ce a d f he e a d he heal hca e facili ie e w k f he G h gh a i cha el i 2016. I addi i , he C a w ill c i e adhe e belie i g ha ale a e he c e c e i i e e , c e a e w i h We h Medical U i e i i e a i g he P chia Sch l f We h Medical U i e i e ha ce i ca abili ie i cie ific e ea ch a d ale f e i g, h ec i g a l f ale f he l g- e de el e f he G .

# 4 A A E E D C O A D A A

### 4.1 Finan ia Review

#### *4.1.1 Revenue*

The G ge e a e e e e ai l h gh he f ll w i g w w a : (i) e e e f e a i g i w ed h i al , a d (ii) a age e fee f a agi g heal hca e facili ie .

* *For identification purposes only*

*Revenue from operating the Group's owned hospitals*

Re e e f eaig he G ' w ed h ial c i f fee cha ged f he aie i i a d he i aie e ice a i a i h ial, i cl di g ea e a d ge e al heal hca e e ice, ha ace ical ale a d a cilla h ial e ice. The able belw e f h a b eakdw f e e e f a d c f eaig he G ' w ed h ial f he e i d i dica ed:

| | **Fo the yea ended Decembe 31,** | |
|---|---|---|
| | **2015** | 2014 |
| | ***(RMB'000)*** | *(RMB'000)* |
| T ea e a d ge e al heal hca e e ice | **240,103** | 206,790 |
| Pha ace ical ale | **87,740** | 77,384 |
| A cilla h ial e ice | **2,270** | 1,828 |
| T al e e e | **330,113** | 286,002 |
| C f e e e | **206,283** | 178,766 |
| G fi | **123,830** | 107,236 |

Re e e f he G ' w ed h ial a ed RMB330.1 illi , e e e i g a ea - - ea i c ea e f 15.4%, acc i g f 96.1% f he al e e e f he G f he Re i g Pe i d, d e he i c ea e i he a al effec i e e ice ca aci f w ed h ial a d i a e age i aie e di g e da e bed. Pa ie i i ecei ed b he fi e f he G ' w ed h ial hi a ew ec d w i h aie i i f a i a el 129,355 (2014: a i a el 119,425) a d i aie bed-da f 689,244 (2014: 615,242). A e age e di g e aie i i i c ea ed RMB486 (2014: a i a el RMB482), a d al a e age i aie e di g e da e bed i c ea ed RMB384 (2014: RMB369), a l d e highe ice f ce ai edical e ice cha ged b Ca g a Ka g i g H ial C ., L d. (蒼南康寧醫院有限公司) a d Y gjia Ka g i g H ial C ., L d. (永嘉康寧醫院有限公司) i ce Ma ch 1, 2015 a d Ja a 1, 2015, e ec i el .

Re e e f ea e a d ge e al heal hca e e ice acc ed f 72.7% f e e e f eaig w ed h ial (2014: 72.3%), a d e e e f ha ace ical ale acc ed f 26.6% f e e e f eaig w ed h ial (2014: 27.1%).

C f e e e f he w ed h ial f he G i a il c i ed f ha ace ical a d c able ed, e l ee be efi a d e e e, lea i g e e e, de ecia i a d a i a i , ca ee e e e a d e i g fee .

C f e e e f w ed h i al i c ea ed RMB206.3 illi , e e e i g a ea- -ea i c ea e f 15.4%, w hich w a i li e w i h he i c ea e f e e e. G fi a gi he ef e a ed a 37.5% (2014: 37.5%).

*Management service fee income*

The G ' a age e e ice fee i c e i i a il de i ed f e de i g a age e e ice he heal hca e facili ie . The able bel w e f h he b eakd w f a age e e ice fee i c e a d c f he e i d i dica ed:

| | **Fo the yea ended De embe 31,** | |
|---|---|---|
| | **2015** | 2014 |
| | ***(RMB'000)*** | *(RMB'000)* |
| Re e e | **13,561** | 10,294 |
| C f e e e | **7,006** | 2,547 |
| G fi | **6,555** | 7,747 |

Ma age e e ice fee i c e f he G a ed RMB13.6 illi , e e e i g a ea- -ea i c ea e f 31.7% a d acc i g f 3.9% f he al e e e f he G f 2015, d e he c ib i f he a age e fee i ela i he e w l -e ed Beiji g Yi i g H i al i 2015, w hich a ed RMB1.7 illi (2014: il).

C f he G f e de i g a age e e ice i a il i cl de be efi a d e e e f a age e aff a ig ed a d a i a i f e a i igh ac i ed f b ai i g a age e igh .

C f e e e f a age e e ice i c ea ed RMB7.0 illi , e e e i g a ea- -ea i c ea e f 175.1%, aci g he i c ea e f e e e, ai l beca e i A il 2015, w e c e ced a age e f Ya jia F e H i al. The G ac i ed 19 ea a d 9 h f e a i igh f hi h i al a d ec g i ed RMB93.1 illi f i a gible a e . RMB3.5 illi w a a i ed f ch e a i igh i 2015 a c f e e e f a age e e ice . Acc di gl , g fi a gi dec ea ed 48.3% (2014: 75.3%).

### *4.1.2 Gross Profit and Gross Profit Margin*

T al g fi f he G a ed RMB130.4 illi , e e e i g a ea- -ea i c ea e f 13.4%. O e all g fi a gi dec ea ed 37.9% (2014: 38.8%), eflec i g he fac ha de i e f he abili i g fi a gi f w ed h i al , he h ee e heal hca e facili ie de a age e j c e ced ea i i he Re i g Pe i d a d a e e be a e hich had a ega i e i ac he g fi a gi f he a age e a d e ice b i e .

### *4.1.3 Other Income*

O he i c e f he G c i f g e e g a a d i i f acc a able. I 2015, he i c e a ed RMB3.1 illi , e e e i g a ea- -ea i c ea e f 346.2%, i a il d e g e e g a a d b idie .

### *4.1.4 Selling Expenses*

I 2015, he elli g e e e f he G a ed RMB2.0 illi , e e e i g a ea- -ea dec ea e f 5.8%, acc i g f 0.6% f he al e e e f hi ea (2014: 0.7%).

### *4.1.5 Administrative Expenses*

Ad i i a i e e e e f he G i a il c i f be efi a d e e e f a age e a d ad i i a i e aff, e e e f he e l -b il h i al i hei c e ce e f e a i , de eciai , a i a i a d he .

I 2015, ad i i a i e e e e f he G a ed RMB62.5 illi (2014: RMB45.6 illi ), e e e i g a ea- -ea i c ea e f 37.1%, i a il d e : (i) a i c ea e f RMB6.2 illi i e l ee be efi a d e e e a a e l f (1) he i c ea e i a age e , e ea ch a d ad i i a i e aff a d (2) e f a ce-ba ed b e di ib ed he e l ee f hei c ib i b i e g h; (ii) a i c ea e f RMB3.2 illi i he e al fee f We h Yi i g Ge ia ic H i al hich i e c e ce e a i ; a d (iii) a i c ea e f RMB5.2 illi i he e- ff li i g e e ela ed i i ial blic ffe i g.

### 4.1.6 *Finance Income*

I 2015, fi a ce i c e i c ea ed RMB7.6 illi , e e e i g a ea - - ea i c ea e f 917.8%, i a il beca e he ceed f he i i ial blic ffe i g e e de i ed i H g K g d lla ( $ ). Highe e cha ge a e f HK$ agai Re i bi ( B ) i c ea ed he eali ed e cha ge gai b RMB9.8 illi hich ff e he fi a ce e e e ela i g l g- e a able f RMB4.0 illi .

### 4.1.7 *Share of Loss of Investments Accounted for Using the Equity Method*

I 2015, ha e f l f i e e acc ed f i g he e i e h d a ed RMB6.3 illi (2014: il) hich e e e 49% e i i e e i Beiji g Yi i g H i al hich c e ced i e a i i Se e be 2015 a d ec ded l af e a f RMB12.8 illi .

### 4.1.8 *Income Tax Expense*

I 2015, i c e a e e e i c ea ed RMB18.5 illi , e e e i g a ea - - ea i c ea e f 6.8%, i a il d e he highe fi bef e a f RMB70.2 illi (2014: RMB68.6 illi ). O effec i e a a e i 2015 a d 2014 e e 26.4% a d 25.3%, e ec i el .

### 4.1.9 *Net Profit*

I 2015, fi a ib able he ha eh lde f he C a ( he **ha eho de s** ) a ed RMB55.7 illi , e e e i g a ea - - ea i c ea e f 8.8% a c a ed i h 2014.

## 4.2 Finan ia P osition

### 4.2.1 *Inventory*

A f Dece be 31, 2015, i e bala ce dec ea ed RMB7.5 illi (a f Dece be 31, 2014: RMB7.9 illi ), i a il d e he dec ea e i ha ace ical i e .

4.2.2 *Trade Receivables*

A f Dece be 31, 2015, he bala ce f ade ecei able i c ea ed RMB123.1 illi (a f Dece be 31, 2014: RMB84.5 illi ), i a il d e : (i) he i c ea e i e e e e he a e e i d i li e w i h he b i e g w h f heal hca e facili ie ; a d (ii) he i c ea e i he a f ade ecei able a ib able edical i a ce g a . A i a el 79.5% f ade ecei able f he G w e e ei he bill e e ed aged w i hi i h .

4.2.3 *Other Receivables, Deposits and Prepayments*

A f Dece be 31, 2015, he ecei able , de i a d e a e i c ea ed RMB91.0 illi (a f Dece be 31, 2014: RMB41.2 illi ), i a il d e : (i) he i c ea e f RMB25.8 illi i e a e f e al e e e ela i g We h Yi i g Ge ia ic H i al; (ii) he i c ea e f RMB13.0 illi ela i g he e a e f he cha e f a e f Pi g a g Ka g i g H i al C ., L d.* (平陽康寧醫院有限公司) (**P in yan an nin Hospita** , a w h ll - w ed b idia f he C a ); a d (iii) a l a f RMB12.0 illi e w l e e ded Che gd Re i H i al C a Li i ed b he C a .

4.2.4 *Trade Payables*

A f Dece be 31, 2015, ade a able dec ea ed RMB20.0 illi (a f Dece be 31, 2014: RMB23.8 illi ), f w hich a i a el 84.5% aged w i hi 90 da .

4.2.5 *Accruals and Other Payables*

A f Dece be 31, 2015, acc al a d he a able i c ea ed RMB166.4 illi (a f Dece be 31, 2014: RMB60.0 illi ), i a il d e RMB90.5 illi f l g- e a able f c ac al igh i ela i i i f a age e e ice w hich e e e he a al i i e f a ce a ge f Ya jia F e H i al a e f hi a age e ag ee e f ch h i al, agg ega ed e he d a i f ch a age e ag ee e . Plea e efe a ag a h 4.3.4 bel w f e de ail .

4.2.6 *Net Current Assets*

A f Dece be 31, 2015, e c e a e f he G a ed RMB664.0 illi (a f Dece be 31, 2014: RMB86.2 illi ), i a il d e a i c ea e i c e a e i he a f RMB590.7 illi w hich a e he ca h fl w f he i i ial blic ffe i g, ff e b a i c ea e i c e liabili ie i he a f RMB50.0 illi a a e l f d a w i g d w a l a f Chi a CITIC Ba k w hich i d e w i hi e ea .

* *For identification purposes only*

## 4.3 Li uidity and Capita Resou ces

The able bel e f h he i f a i a e ac ed f he c lida ed ca h fl a e e f he G , f he e i d i dica ed:

| | **ea ended De embe 31,** | |
|---|---|---|
| | **2015** | 2014 |
| | ***RMB'000*** | *RMB'000* |
| Ne ca h ( ed i )/f e a i g ac i i ie | **(5,063)** | 33,328 |
| Ne ca h ed i i e i g ac i i ie | **(382,367)** | (60,663) |
| Ne ca h f /( ed i ) fi a ci g ac i i ie | **708,785** | (2,977) |
| Ne i c ea e/(dec ea e) i ca h a d ca h e i ale | **321,355** | (30,312) |

### 4.3.1 *Net Cash from Operating Activities*

I 2015, e ca h fl f e a i g ac i i ie a ed RMB5.1 illi . We had e ca h ge e a ed f e a i g ac i i ie bef e cha ge i ki g ca i al f RMB87.0 illi , i a il c i i g f fi bef e a f RMB70.2 illi a d adj e f de eciai f e , la a d e i e f RMB17.3 illi . Cha ge i ki g ca i al e l ed i ca h fl f RMB66.4 illi , i a il c i i g f a i c ea e f RMB58.2 illi i ade a d he ecei able a a e l f: (i) i c ea ed ea e l e a ib able he c i ed e a i a d cali g f heal hca e facili ie e k; a d (ii) e a e f e al e e e ela i g We h Yi i g Ge ia ic H i al. We had f he ca h fl f RMB25.7 illi a ib able i c e a aid.

### 4.3.2 *Net Cash Used in Investing Activities*

I 2015, e ca h ed i i e i g ac i i ie a ed RMB382.4 illi , i a il d e : (i) cha e f e , la a d e i e f RMB113.6 illi , c i i g f (1) a aid a d e aid e a e a d g ade We h Ka g i g H i al a d (2) a aid e a e Beiji g Yi i g H i al, Li hai Ka g i g H i al a d We h Yi i g Ge ia ic H i al i hei e i g; a d (ii) a e de i i h i i ial e e h ee h f RMB251.3 illi .

### 4.3.3 *Net Cash from Financing Activities*

I 2015, e ca h f fi a ci g ac i i ie a ed RMB708.8 illi , i a il d e : (i) e ceed f he i i ial blic ffe i g f RMB590.7 illi ; (ii) ceed f RMB78.4 illi f i a ce f ha e ca i al d e ca i al c ib i b i e i he i i ial blic ffe i g; a d (iii) a l a f RMB50.0 illi f Chi a CITIC Ba k.

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

The G e e ed i a e e a age e ag ee e i h Ya jia F e H i al i Ma ch 2015 a d a le e al ag ee e i A il 2015. The e f he e e a age e ag ee e i f A il 2015 Dece be 2034, e e dable if b h a ie ag ee h ee h i e i . D i g he e f he ag ee e , he G de ake ide a age e e ice Ya jia F e H i al a d ee a ede e i ed ched le f a al i i e f a ce a ge . The i i e f a ce a ge begi i h RMB2.7 illi f he e i d f A il 1, 2015 Dece be 31, 2015, i c ea e RMB4.0 illi f he ea 2016, a d b e e l i c ea e b a ede e i ed fi ed a e i hi he a ge f 4% 10% il he ea f 2034, f hich he i i e f a ce a ge i RMB14.1 illi . If Ya jia F e H i al fail ee ch a ge , he G i e i ed c ib e he h fall. O he he ha d, he G i e i led ecei e a i f fi (ba ed a acc f Ya jia F e H i al i h ce ai adj e ag eed b a ie f i he e e a age e ag ee e ) e ceedi g he e f a ce a ge a i a age e i c e f Ya jia F e H i al. A a e l, he G i effec i el bliga ed a Ya jia F e H i al a ede e i ed a e he e f he ag ee e i e cha ge f he c ac al igh ide a age e e ice he h i al e he a e e i d. The G ec g i e ch c ac al igh a age Ya jia F e H i al a d ecei e a age e e ice fee a i a gible a e f RMB93.1 illi he bala ce hee , ea ed i i iall a he a calc la ed b di c i g he f e a al i i e f a ce a ge i g he e aili g a ke i e e a e.

Sa e a di cl ed ab e, he G had ig ifica i e e , ac i i i di al i 2015.

O Feb a 22, 2016, he C a e ed i a ag ee e c ib e RMB50.0 illi he I e e F d hich hall i e i heal hca e a d he de e ice i d ie . I i ci le, he I e e F d' i e e i he heal hca e e ice i d hall be le ha 80% f i al a a ailable f i e e . F de ail , lea e efe he a ce e f he C a da ed Feb a 23, 2016. A f he da e f hi a ce e , ch c ib i ha bee ade a d he C a e ec ake ch c ib i i 2016.

### 4.3.5 *Capital Expenditure*

Ca i al e e di e f he G i ail c i ed f e e di e : (i) e , la a d e i e , c i i g b ildi g a d c c i , lea eh ld i e e , edical e i e , f i e a d ffice e i e a d ehicle ; (ii) la d e igh ; a d (iii) i a gible a e . Ca i al e e di e f he G i 2015 a RMB193.4 illi , e e e i g a i c ea e f 163.1% f 2014, i a il d e he ac i i i f he e a i igh f Ya jia F e H i al f 19 ea a d 9 h a a c ide a i f RMB93.1 illi .

### 4.3.6 *Use of Proceeds from Initial Public Offering*

The B a d cl el i ed he e f ceed f he i i ial blic ffe i g i h efe e ce h e a di cl ed i he P ec a d c fi ed ha he e a a e ial cha ge i he ed e a e i l di cl ed i he P ec . A f Dece be 31, 2015, he G a lied he ceed f he f ll i g:

- RMB20.0 illi f he dec a i e e e f We h Yi i g Ge ia ic H i al; a d
- RMB20.0 illi f c ib i he egi e ed ca i al f a d i i f a l a Pi g a g Ka g i g H i al, f hich RMB13.0 illi a ed f he cha e f e ie .

## 4.4 Indebtedness

### 4.4.1 *Bank Borrowings*

A f Dece be 31, 2015, he bala ce f ba k b w i g f he G a ed RMB50.0 illi (a f Dece be 31, 2014: il), all d e w i hi e ea .

### 4.4.2 *Contingent Liabilities*

A f Dece be 31, 2015, he G had c i ge liabili ie g a a ee ha w ld ha e a a e ial i ac he fi a cial i i e a i f he G .

### 4.4.3 *Asset Pledge*

A f Dece be 31, 2015, e f he G ' a e had bee ledged.

### 4.4.4 *Contractual Obligations*

The c ac al bliga i f he G i a il c i f e a i g lea e a a ge e . A f Dece be 31, 2015, he f e agg ega e i i lea e a e de -ca cellable lea e ag ee e w e e RMB209.0 illi .

### 4.4.5 *Financial Instruments*

Fi a cial i e f he G c i f ade ecei able , a d e f ela ed a ie , he ecei able , e de i , ca h a d ca h e i ale , ba k b w i g , ade a d he a able . The a age e a age a d i he e e e e a ia e ea e a e i le e ed a i el a d effec i e a e .

#### 4.4.6 *Exposure to Fluctuation in Exchange Rates*

The G , de i ce ai f i fi a cial a e i f eig c e c , a d i ai l e ed he fl c a i i e cha ge a e f H g K g d lla agai RMB. The G he ef e i e ed f eig e cha ge i k.

The G , ha ed a de i a i e fi a cial i e hedge agai i e e c e c i k. The a age e a age he c e c i k b cl el i i g he e e f he f eig c e c a e a d ill c ide hedgi g ig ifica f eig c e c e e h ld ch eed a i e.

#### 4.4.7 *Gearing Ratio*

A f Dece be 31, 2015, he G ' gea i g a i ( al i e e -bea i g liabili ie di ided b al a e ) a 11.8% (2014: il).

## 5 IFICA E E

### 5.1 Issue of ha es and istin

The C a ' H ha e ( he **ha es**) e e li ed The S ck E cha ge f H g K g Li i ed ( he **to k E han e**) N e be 20, 2015 ( he **istin Date**). A f Dece be 31, 2015, he C a ' e ceed f he i i ial blic ffe i g a ed a i a el HK$693.2 illi (e i ale a i a el RMB580.7 illi ) af e ded c i g de i i g c i i a d all ela ed e e e . A f he da e f hi a ce e , he C a d e a ici a e a cha ge i la he e f ceed a a ed i he P ec .

### 5.2 Dividend

The fi al di ide d di ib i la f he ea e ded Dece be 31, 2015 ( he **P oposed Fina Dividend**) a a ed a he i h ee i g f he Fi Se i f he B a d. S bjec he a al f he P ed Fi al Di ide d b he Sha eh lde a he a al ge e al ee i g f he C a f he ea 2015 ( he **A** ) be held J e 14, 2016, he P ed Fi al Di ide d ill be di ib ed ab J l 14, 2016 he Sha eh lde h e a e a ea he egi e f e be f he C a J e 24, 2016 ( he **Reco d Date**).

The egi e f e be f he C a ill be cl ed f Ma 15, 2016 J e 14, 2016, b h da i cl i e, d i g hich e i d a fe f he Sha e ill be effec ed. I de de e i e he ide i f he Sha eh lde wh a e e i led a e d a d e a he AGM, all ha e a fe d c e acc a ied b he ele a ha e ce ifica e , be l dged wi h he C a ' H Sha e Regi a , C e ha e H g K g I e Se ice L d. ( **Comp te sha e** ) a Sh 1712-1716, 17 h Fl , H ewell Ce e, 183 Q ee ' R ad Ea , Wa chai, H g K g la e ha 4:30 . . Ma 13, 2016.

The a f fi al di ide d di ib i hall be calc la ed ba ed he al be f ha e f he C a ( he **ha es** ) i i e a f Dece be 31, 2015 a d he fi al ca h di ide d di ib i hall be ba ed RMB0.25 e Sha e (i cl i e f a licable a ). I de alif f he P ed Fi al Di ide d, he h lde f H Sha e l dge all ha e ce ifica e acc a ied b he a fe d c e wi h C e ha e (add e : Sh 1712-1716, 17/F, H ewell Ce e, 183 Q ee ' R ad Ea , Wa Chai, H g K g) bef e 4:30 . . J e 17, 2016. F he e f a ce ai i g Sha eh lde wh alif f he P ed Fi al Di ide d, he egi e f e be f H Sha e will be cl ed f J e 19, 2016 J e 24, 2016 (b h da i cl i e).

The P ed Fi al Di ide d will be de i a ed a d decla ed i RMB. The h lde f d e ic Sha e will be aid i RMB a d he h lde f H Sha e will be aid i H g K g d lla . The e cha ge a e f he P ed Fi al Di ide d be aid i H g K g d lla will be he ea f he e cha ge a e f H g K g d lla RMB a a ced b he Pe le' Ba k f Chi a d i g he fi e b i e da i he da e f decla a i f he P ed Fi al Di ide d.

I acc da ce wi h he E e i e I c e Ta Law f he Pe le' Re blic f Chi a (中華人民共和國企業所得稅法) a d i i le e a i eg la i which ca e i effec Ja a 1, 2008, he C a i e i ed wi hh ld a d a e e i e i c e a a he a e f 10% behalf f he - e ide e e i e Sha eh lde wh e a e a ea he egi e f e be f H Sha e whe di ib i g he ca h di ide d . A H Sha e egi e ed de he a e f a i di id al Sha eh lde , i cl di g HKSCC N i ee Li i ed, he i ee , age ee , he ga i a i g , hall be dee ed a Sha e held b - e ide e e i e Sha eh lde . The ef e, hi ba i , e e i e i c e a hall be wi hheld f di ide d a able ch Sha eh lde . If h lde f H Sha e i e d cha ge i Sha eh lde a , lea e e i e ab he ele a ced e wi h age ee . The C a will ic l c l wi h he law he e i e e f he ele a g e e a h i a d wi hh ld a d a e e i e i c e a behalf f he ele a Sha eh lde ba ed he egi e f e be f H Sha e a f he Rec d Da e.

If he i di id al h lde f H Sha e a e H g K g Maca e ide e ide f he c ie vv hich had a ag eed a a e f 10% f he ca h di ide d he vv i h he PRC de he ele a a ag ee e , he C a h ld vv i hh ld a d a i di id al i c e a behalf f he ele a Sha eh lde a a a e f 10%. Sh ld he i di id al h lde f H Sha e be e ide f he c ie vv hich had a ag eed a a e f le ha 10% vv i h he PRC de he ele a a ag ee e , he C a hall vv i hh ld a d a i di id al i c e a behalf f he ele a Sha eh lde a a a e f 10%. I ha ca e, if he ele a i di id al h lde f H Sha e vv i h eclai he e a a vv i hheld d e he a lica i f 10% a a e, he C a ca a l f he ele a ag eed efe e ial a ea e ided ha he ele a Sha eh lde b i he e ide ce e i ed b he ice f he a ag ee e C e ha e. The C a vv ill a i vv i h he a ef d af e he a al f he c e e a a h i . Sh ld he i di id al h lde f H Sha e be e ide f he c ie vv hich had a ag eed a a e f e 10% b le ha 20% vv i h he PRC de he a ag ee e , he C a hall vv i hh ld a d a he i di id al i c e a a he ag eed ac al a e i acc da ce vv i h he ele a a ag ee e . I he ca e ha he i di id al h lde f H Sha e a e e ide f he c ie vv hich had a ag eed a a e f 20% vv i h PRC, vv hich ha e e ed i a a ag ee e vv i h PRC, he vv i e, he C a hall vv i hh ld a d a he i di id al i c e a a a a e f 20%.

## 5.3 P chase, a e and edemption of isted e ities

D i g he e i d f he Li i g Da e Dece be 31, 2015, ei he he C a a f i b idia ie cha ed, ld edee ed a f he C a ' li ed ec i ie .

## 5.4 eview of Ann a es ts

The C a ' a di c i ee ha e ie vv ed he G ' a al e l f he fi a cial ea e ded Dece be 31, 2015 a d ha i ed ha a licable acc i g a da d a d e i e e ha e bee c lied vv i h a d ha ade a e di cl e ha e bee ade b he C a .

The C a ' a di c i ee c i f vv i de e de -e ec i e di ec f he C a , M . HUANG Zhi ( he chai a f he a di c i ee) a d M . WONG Ra d F k La , a d e -e ec i e di ec f he C a , M . HE Xi . A g he , M . HUANG Zhi ha he a ia e fe i al alifica i (a ce ified blic acc a acc edi ed b he Chi e e I i e f Ce ified P blic Acc a (中國註冊會計師協會)).

## 6 CO P A CE CO O A E O E A CE CODE

The C a c lied i h all c de i i i he C a e G e a ce C de ( he **Co po ate ove nan e Code**) e i A e di 14 he R le G e i g he Li i g f Sec i ie The S ck E cha ge f H g K g Li i ed d i g he e i d f he Li i g Da e Dece be 31, 2015, a e f he de ia i f c de i i A.2.7 hich a i a il d e he h e i d f i e f he Li i g Da e Dece be 31, 2015. C de i i A.2.7 e i e ha he chai a h ld a lea a all h ld ee i g i h he -e ec i e di ec (i cl di g i de e de -e ec i e di ec ) i h he e ec i e di ec e e . The C a ha c i ed aki g ece a a a ge e c l i h all he c de i i . The C a ill c i e e ie a d e ha ce i c a e g e a ce e e ha i ill c i e ee he e i e e f he C a e G e a ce C de.

## 7 F A C A O

### 7.1 ope of wo k of P i ewate house Coope s

The fig e i hi a ce e f he G ' e l f he ea e ded Dece be 31, 2015 ha e bee ag eed b he C a ' e e al a di , P ice a e h e C e (**P wC**), he a e i he G ' a di ed c lida ed fi a cial a e e f he ea e ded Dece be 31, 2015. The k e f ed b P C i hi e ec did c i e a a a ce e gage e i acc da ce i h H g K g S a da d A di i g, H g K g S a da d Re ie E gage e H g K g S a da d A a ce E gage e i ed b he H g K g I i e f Ce ified P blic Acc a a d c e e l , a a ce ha bee e e ed b P C hi a ce e .

### 7.2 A ountin po i ies

C a ed he la a di ed fi a cial a e e f he G , he e a e ig ifica cha ge acc i g licie .

## 7.3 Financia tatements

### *7.3.1 Consolidated Statement of Comprehensive Income*

| | Yea ended Decembe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| Re e e | **343,674** | 296,296 |
| C f e e e | **(213,289)** | (181,313) |
| **oss p ofit** | **130,385** | 114,983 |
| O he i c e | **3,074** | 689 |
| O he l e | **(144)** | (151) |
| Selli g e e e | **(1,970)** | (2,092) |
| Ad i i a i e e e e | **(62,520)** | (45,611) |
| **Ope atin p ofit** | **68,825** | 67,818 |
| Fi a ce i c e | **11,625** | 749 |
| Fi a ce e e e | **(4,002)** | |
| **Finance income – net** | **7,623** | 749 |
| Sha e f l f i e e acc ed f i g he e i e h d | **(6,278)** | |
| **P ofit befo e income ta** | **70,170** | 68,567 |
| I c e a e e e | **(18,548)** | (17,369) |
| **et p ofit** | **51,622** | 51,198 |
| O he c ehe i e i c e | **–** | |
| **ota comp ehensive income** | **51,622** | 51,198 |
| A ib able : | | |
| E i h lde f he C a | **55,709** | 51,198 |
| N -c lli g i e e | **(4,087)** | |
| Ea i g e ha e | | |
| Ba ic a d dil ed *(in RMB)* | **1.03** | 1.02 |

### *7.3.2 Consolidated Balance Sheets*

| | As of De embe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| **A E** | | |
| **on- ent assets** | | |
| P e , la a d e i e | **233,200** | 160,799 |
| La d e igh | **20,738** | 21,210 |
| I a gible a e | **90,581** | 1,229 |
| I e e i a a cia e | **8,422** | |
| Defe ed i c e a a e | **10,071** | 4,641 |
| De i a d e a e | **48,324** | 13,904 |
| **ota non- ent assets** | **411,336** | 201,783 |
| **C ent assets** | | |
| I e ie | **7,506** | 7,911 |
| T ade ecei able | **123,067** | 84,532 |
| O he ecei able , de i a d e a e | **42,690** | 27,340 |
| A d e f ela ed a ie | **20,044** | 13,502 |
| Te de i | **251,334** | |
| Ca h a d ca h e i ale | **368,457** | 37,271 |
| **ota ent assets** | **813,098** | 170,556 |
| **ota assets** | **1,224,434** | 372,339 |
| **EQ** | | |
| **E ity att ib tab e to owne s of the Company** | | |
| Sha e ca i al | **73,040** | 50,000 |
| Ca i al e e e | **797,510** | 159,153 |
| S l e e e | **11,342** | 5,708 |
| Re ai ed ea i g | **77,824** | 46,229 |
| | **959,716** | 261,090 |
| N -c lli g i e e | **2,513** | |
| **ota e ity** | **962,229** | 261,090 |

| | As of De embe 31, 2015 | 2014 |
|---|---|---|
| | RMB'000 | RMB'000 |
| **IABI I E** | | |
| **on- ent iabi ities** | | |
| Defe ed g e e g a | **14,284** | 14,156 |
| L g- e a able | **98,821** | 12,688 |
| **ota non- ent iabi ities** | **113,105** | 26,844 |
| **C ent iabi ities** | | |
| T ade a able | **19,976** | 23,829 |
| Acc al a d he a able | **63,209** | 47,340 |
| C e i c e a liabili ie | **11,559** | 13,236 |
| Ba k b i g | **50,000** | |
| C e i f l g- e a able | **4,356** | |
| **ota ent iabi ities** | **149,100** | 84,405 |
| **ota iabi ities** | **262,205** | 111,249 |
| **ota e ity and iabi ities** | **1,224,434** | 372,339 |

## 7.4 otes to the Finan ia tatements

### 7.4.1 *General Information*

The C a a e abli hed a a j i ck c e a i e e e i e de he a e f We h Ka g i g Me al C ale ce H i al (溫州市康寧精神康復醫院) i he PRC Feb a 7, 1996. The add e f he C a ' egi e ed ffice i a She gji R ad, H a gl g Re ide ial Di ic , We h , Zhejia g, he PRC.

O Oc be 15, 2014, he C a a c e ed i a j i ck li i ed c a a d e a ed a We h Ka g i g H i al C ., L d. (溫州康寧醫院股份有限公司).

The G i e gaged i e a i g chia ic h i al i he PRC.

The C a had i i a li i g he S ck E cha ge N e be 20, 2015.

The c lida ed fi a cial a e e a e e e ed i RMB a d ded he ea e h a d a , le he i e a ed.

### 7.4.2 *Basis of Preparation*

The c lida ed fi a cial a e e f he G ha e bee e a ed i acc da ce i h he IFRS . The c lida ed fi a cial a e e ha e bee e a ed de he hi ical c c e i .

*(a) New and amended standards adopted by the Group*

The f ll i g a e d e a da d ha e bee ad ed b he G f he fi i e f he fi a cial ea begi i g af e Ja a 1, 2015:

A e d e IAS 19 c ib i f e l ee hi d a ie defi ed be efi la .

A e d e f a al i e e IFRS 2010-2012 C cle, IFRS 8, 'O e a i g eg e ', IAS 16, 'P e , la a d e i e ', IAS 38, 'I a gible a e ' a d IAS 24, 'Rela ed a di cl e '.

A e d e f a al i e e IFRS 2011-2013 C cle, IFRS 3, 'B i e c bi a i ', IFRS 13, 'Fai al e ea e e '.

A e d e IAS 27 'E i e h d i e a a e fi a cial a e e '.

The di ec f he C a ed ha he ad i f he e a d e i ed IFRS had a e ial i ac he G ' e a i g e l a d fi a cial i i .

*(b) New Hong Kong Companies Ordinance (Cap. 622)*

I addi i , he e i e e f Pa 9 Acc a d A di f he e H g K g C a ie O di a ce (Ca . 622) c e i effec d i g he fi a cial ea , a a e l , he e a e cha ge e e ai a d di cl e f ce ai i f a i i he c lida ed fi a cial a e e .

*(c) New standards and interpretations not yet adopted*

A , be f e⊠ a da d a d a e d e a da d a d i e. e a i a e effec i e f a , al. e i d begi i g af e Ja , a 1, 2015 a d ha e bee a. lied i . e. a i g he e c lida ed fi a cial a e e . N e f he e i e. ec ed ha e a ig ifica effec he c lida ed fi a cial a e e f he g , . , e ce. he f ll⊠i g e , bel⊠:

IFRS 9, 'Fi a cial i , e '

IFRS 15, 'Re e , e f c ac ⊠i h c, e '

IFRS 16, 'Lea e '

The e a e he IFRS IFRIC i e. e a i ha a e e effec i e ha⊠ , ld be e. ec ed ha e a a e ial i . ac he G , . .

### *7.4.3 Trade Receivables*

| | **As of Decembe 31,** | |
|---|---|---|
| | **2015** | 2014 |
| | ***RMB'000*** | *RMB'000* |
| T ade ecei able | **130,738** | 89,537 |
| Le :. i i f i . ai e f ade ecei able | **(7,671)** | (5,005) |
| T ade ecei able e | **123,067** | 84,532 |

The ca i g a , f he G , .' ade ecei able a e de i a ed i RMB, a d a. . i a e hei fai al, e .

A f Dece be 31, 2014 a d 2015, he agi g a al i f he ade ecei able w a a f ll w :

| | As of Decembe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | ***RMB'000*** | *RMB'000* |
| Agi g a al i ba ed he billi g da e: | | |
| Bill e e ed | **9,580** | 9,927 |
| 1-3 h | **74,718** | 45,694 |
| 4-6 h | **19,635** | 13,082 |
| 7-12 h | **19,937** | 14,635 |
| 1-2 ea | **5,075** | 4,574 |
| 2-3 ea | **1,426** | 1,544 |
| O e 3 ea | **367** | 81 |
| | **130,738** | 89,537 |

Acc di g he G ' e f b i e , all bill a e a able e e ai .

A f Dece be 31, 2014 a d 2015, he G ' ade ecei able a d e b i ai ed w e e RMB73,442,000 a d RMB113,297,000, e ec i el . The e a e ai l ela ed he a be clai ed f l cal cial i a ce b ea a d i ila g e e de a e w hich a e e ible f he ei b e e f edical e e e f a ie w h a e c e ed b g e e edical i a ce che e .

The a age e c ide ha ba ed a a e hi h e a ca be ec e ed i ea able i e. The agi g a al i f he e ade ecei able w a a f ll w :

| | As of Decembe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | ***RMB'000*** | *RMB'000* |
| Le ha 1 ea | **110,355** | 71,136 |
| 1-2 ea | **2,800** | 2,269 |
| 2-3 ea | **142** | 3 |
| O e 3 ea | **–** | 34 |
| | **113,297** | 73,442 |

A f Dece be 31, 2014 a d 2015, ade ecei able f RMB6,168,000 a d RMB7,861,000 we e i ai ed, e ec i el . The a f he i i we e RMB5,005,000 a d RMB7,671,000 a f Dece be 31, 2014 a d 2015, e ec i el . The agi g f he e ade ecei able i a f llw :

| | As of De embe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| Le ha 1 ea | **3,935** | 2,275 |
| 1-2 ea | **2,275** | 2,305 |
| 2-3 ea | **1,284** | 1,541 |
| O e 3 ea | **367** | 47 |
| | **7,861** | 6,168 |

M e e f he G ' i i f i ai e f ade ecei able a e a f llw :

| | As of De embe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| A Ja a 1, | **5,005** | 3,699 |
| P i i f ecei able | **4,907** | 2,957 |
| Recei able w i e ff a c llec ible | **(2,241)** | (1,304) |
| W i e-back ec e ed | **–** | (347) |
| A Dece be 31, | **7,671** | 5,005 |

The i i f ecei able i ai e ha bee i cl ded i ad i i a i e e e e i he c lida ed a e e f c ehe i e i c e. A a e ge e all w i e ff w he he e i e ec a i f ec e i g addi i al ca h.

The a i e e c edi i k a f he ea -e d i he ca i g a f ade ecei able . The G d e h ld a c lla e al a ec i .

### 7.4.4 *Other Receivables, Deposits and Prepayments*

| | As of De embe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| O he ecei able [a] | **14,337** | 1,408 |
| De i [b] | **17,268** | 16,823 |
| A d e b a hi d a [c] | **12,304** | |
| P e a e f e al | **30,007** | 16,686 |
| P e a e f cha e f e [d] | **13,000** | |
| P e a e f c c i i g e | **2,594** | 1,216 |
| P e a e f g d a d e ice | **2,539** | 1,511 |
| P e a e f IPO e e e | **–** | 3,477 |
| O he | **43** | 123 |
| Le : i i f i ai e f he ecei able | **(1,078)** | |
| T al | **91,014** | 41,244 |
| C e | **42,690** | 27,340 |
| N -C e | **48,324** | 13,904 |
| T al | **91,014** | 41,244 |

The ca i g a f he G ' he ecei able , de i a d e a e a e de i a ed i RMB a d a i a e hei fai al e .

(a) I cl ded i he ecei able a f Dece be 31, 2015 a a ad a ce a e a i g RMB9,210,000 Ya jia F e H i al. S ch ad a ce ill be e aid he G b Ya jia F e H i al he a d a i ca h fl all a ag eed b b h a ie .

(b) I cl ded i de i a f Dece be 31, 2014 a d 2015 a a de i f RMB12,688,000 he c ac f he e h i al c c i k a he g a a ee f f lfill e f bliga i f he G de he c c i c ac . The de i ill be e aid he G af e he c c i i c le ed a d all G ' bliga i ha bee di cha ged.

(c) The C a e e ed i a ag ee e i h Sich a H gji Pa ace ical C a Li i ed ( **i hwan on ji** , a i de e de hi d a ) i Ma ch 2015 a d la ed de el ce ai b i e i h Sich a H gji. The C a laced a de i f RMB12,000,000 Sich a H gji a f e ca i al c ib i . S b e e l , he ag ee e a ca celled a d a le e al ag ee e a e e ed i b Sich a H gji, Che gd Jih g H i al C a Li i ed ( **Chen d ihon** , a h ll - ed b idia f Sich a H gji) a d he C a J e 29, 2015. P a he le e al ag ee e , he h ee a ie ag eed aba d he b i e la a d he de i h ld be e aid b Che gd Jih g he G i hi 12 h c e ci g f J e 29, 2015, bea i g a i e e a e f 5% e a . The a i g a a eed b he ha eh lde f Sich a H gji.

O J l 28, 2015, Che d Jih g cha ged i a e Che gd Re i H i al C a Li i ed.

(d) The C a e e ed i a ag ee e i h Pi g a g Mi ia S eciali ed F d C e a i e (**P in yan intian**, a i de e de hi d a ) i Oc be 2015 cha e a e f Pi g a g Mi ia . The al c ide a i f he e i RMB18,000,000. A f Dece be 31, 2015, RMB13,000,000 a aid Pi g a g Mi ia .

### 7.4.5 *Accruals and Other Payables*

| | As of De embe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| Acc ed e l ee be efi | **18,637** | 17,939 |
| Recei i ad a ce | **3,194** | 3,416 |
| Re al a able | **3,004** | 3,362 |
| G a a ee de i ecei ed f c c i c ac [(a)] | **12,688** | 12,688 |
| O he a able f e , la a d e i e | **20,831** | 19,916 |
| O he a e a able | **412** | 641 |
| Ad a ce ecei ed f a -c lli g ha eh lde [(b)] | **3,110** | 1,500 |
| L g- e a able f c ac al igh ide a age e e ice | **90,489** | |
| Acc ed li i g e e e | **11,606** | |
| O he | **2,415** | 566 |
| **ota** | **166,386** | 60,028 |
| C e | **63,209** | 47,340 |
| C e i f l g- e a able f c ac al igh ide a age e e ice | **4,356** | |
| N -c e | **98,821** | 12,688 |
| **ota** | **166,386** | 60,028 |

The ca i g a f acc al a d he a able a e de i a ed i RMB. The ca i g a a i a e hei fai al e d e hei h -e a i ie .

*(a)* The a a ided b he c ac f he h i al c c i k he G . The a ill be aid he c ac af e i di cha ge all i bliga i de he c ac , i cl di g b li i ed f ll e le e f c c i ke age a d ala ie .

*(b)* I e e ed ad a ce ecei ed f a -c li g ha eh lde f e f he G ' b idia ie .

### 7.4.6 *Revenue*

| | **ea ended De embe 31,** | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| T ea e a d ge e al heal hca e e ice | **240,103** | 206,790 |
| Pha ace ical ale | **87,740** | 77,384 |
| A cilla h i al e ice | **2,270** | 1,828 |
| Ma age e e ice fee | **13,561** | 10,294 |
| | **343,674** | 296,296 |

### 7.4.7 *Expenses by Nature*

| | **ea ended De embe 31,** | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| E l ee be efi e e e | **99,988** | 82,750 |
| Pha ace ical a d c able ed | **86,483** | 75,419 |
| De ecia i a d a i a i | **21,706** | 15,067 |
| O e a i g lea e e al e e e | **8,563** | 10,055 |
| O e a i g lea e e al e e e e aid f i eli e heal hca e facili ie | **7,388** | 6,612 |
| Ca ee e e e | **11,280** | 8,404 |
| U ili ie e e e | **5,820** | 5,381 |
| E a i a i a d e i g fee | **3,388** | 3,900 |
| P i i f i ai e f ade ecei able | **4,907** | 2,610 |
| P i i f i ai e f he ecei able | **1,078** | |
| T a elli g e e e | **2,481** | 3,086 |
| P i a d a ke i g | **1,970** | 2,092 |
| D a i cha i ie | **1,814** | 1,834 |
| C e a i aid a ie | **345** | 1,147 |
| Li i g e e e | **5,177** | |
| A di ' e e a i | | |
| A di e ice | **1,532** | 315 |
| N -a di e ice | **–** | |
| O he | **13,859** | 10,344 |
| | **277,779** | 229,016 |

### *7.4.8 Income Tax Expense*

The i c e a e e e f he G f he ea e ded Dece be 31, 2014 a d 2015 i a al ed a f ll :

| | ea ended De embe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | ***RMB'000*** | *RMB'000* |
| C e i c e a : | | |
| PRC c a e i c e a | **23,978** | 19,054 |
| Defe ed i c e a | **(5,430)** | (1,685) |
| | **18,548** | 17,369 |

The a he G ' fi bef e i c e a diffe f he he e ical a ha ld a i e i g he a a e f he PRC, he i ci al lace f he G ' e a i , a f ll :

| | ea ended De embe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | ***RMB'000*** | *RMB'000* |
| P fi bef e i c e a | **70,170** | 68,567 |
| Calc la ed a he a a e f 25% | **17,543** | 17,142 |
| E e e a ded c ible | **2,507** | 227 |
| I c e bjec a | **(167)** | |
| O e i i f i ea | **(1,335)** | |
| | **18,548** | 17,369 |

*PRC corporate income tax*

The i c e a i i f he G i e ec f e a i i he PRC ha bee calc la ed a he a a e f 25% he e i a ed a e able fi f he ea , ba ed he e i i g legi la i , i e e a i a d ac ice i e ec he e f, le efe e ial a a e e e a licable.

## 7.4.9 *Earnings per Share*

*Basic earnings per share*

The calc la i f ba ic ea i g e ha e i ba ed fi a ib able di a e i ha eh lde f he C a f RMB51,198,000 a d RMB55,709,000 f he ea e ded Dece be 31, 2014 a d 2015, e ec i el , a d he eigh ed a e age be f di a ha e i i e a f he e d f each e i g e id, calc la ed a f ll :

*Weighted average number of ordinary shares*

| | ea ended De embe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | *No. of shares* | *No. of shares* |
| O di a ha e i ed a begi i g f he e i d | **50,000,000** | 50,000,000 |
| Effec f i a ce f ha e | **4,253,370** | |
| Weigh ed a e age be f di a ha e a he e d f ea | **54,253,370** | 50,000,000 |

The C a a c e ed i a j i ck li i ed c a Oc be 15, 2014. The calc la i f ea i g e Sha e f he ea e ded Dece be 31, 2014 i ba ed 50,000,000 di a Sha e i i e , he c e i a if h e Sha e e e , a di g f he begi i g f he ea . The calc la i f ea i g e Sha e f he ea e ded Dece be 31, 2015 i ba ed 54,253,370 di a Sha e .

*Diluted earnings per Share*

The C a did ha e a e ial dil i e Sha e h gh he ea . Acc di gl , dil ed ea i g e Sha e a e he a e a he ba ic ea i g e Sha e.

### 7.4.10 *Final Dividends*

O Ma 11, 2015, he B a d decla ed a fi al di ide d f RMB18,480,000 f he ea e ded Dece be 31, 2014. The ed di ide d a a ed b he Sha eh lde ' ee i g J e 1, 2015 a d he C a aid he di ide d J l 23, 2015.

O Ma ch 24, 2016, he B a d decla ed a fi al di ide d f RMB18,260,000 f he ea e ded Dece be 31, 2015, hich i calc la ed ba ed 73,040,000 i ed Sha e a f Dece be 31, 2015. The ed di ide d i eflec ed a a di ide d a able i he c lida ed fi a cial a e e a f Dece be 31, 2015, a d ill be eflec ed a a a ia i f e ai ed ea i g f he ea e di g Dece be 31, 2016.

| | **ea ended Decembe 31,** | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| P ed fi al di ide d f RMB0.25 (2014: RMB0.35) e di a Sha e | **18,260** | 18,480 |

### 7.4.11 *Commitments*

*Capital commitments*

| | **As of Decembe 31,** | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| C ac ed b ided f | | |
| c c i b ildi g | **36,635** | 86,130 |
| lea eh ld i e e | **60,529** | 1,784 |
| e , la a d e i e | **10,935** | 794 |
| | **108,099** | 88,708 |

*Operating lease commitments*

The G lea e ce ai ffice b ildi g a d h i al de -ca cellable e a i g lea e ag ee e .

*The Group's future aggregate minimum lease payments under non-cancellable operating leases are as follows:*

| | As of De•embe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| N la e ha 1 ea | **28,593** | 26,654 |
| La e ha 1 ea a d | | |
| la e ha 5 ea | **74,546** | 80,867 |
| La e ha 5 ea | **105,831** | 129,116 |
| | **208,970** | 236,637 |

*Investment in subsidiaries*

| | As of De•embe 31, | |
|---|---|---|
| | **2015** | 2014 |
| | *RMB'000* | *RMB'000* |
| N la e ha 1 ea | **43,000** | 8,600 |
| La e ha 1 ea a d | | |
| la e ha 5 ea | **15,600** | 2,400 |
| | **58,600** | 11,000 |

### 7.4.12 *Principal Subsidiaries*

The f ll w i g i a li f he i ci al b idia ie f he C a a f Dece be 31, 2015:

| ame | P ace of inco po ation and kind of e a entity | P incipa activities and p ace of ope ation | P a tic a s of issued sha e capita and debt sec ities | P opo tion of o dina y sha es di ect y he d by pa ent *(%)* | P opo tion of o dina y sha es he d by the o p *(%)* | P opo tion of o dina y sha es he d by non-cont o in inte ests *(%)* |
|---|---|---|---|---|---|---|
| Ca g a Ka g i g H i al C ., L d. (蒼南康寧醫院有限公司) | The PRC, Li i ed liabili c a | P chia ic h i al i PRC | Paid-i ca i al f RMB1,000,000 | 100% | 100% | |
| Qi g ia Ka g i g H i al C ., L d. (青田康寧醫院有限公司) | The PRC, Li i ed liabili c a | P chia ic h i al i PRC | Paid-i ca i al f RMB1,000,000 | 100% | 100% | |
| Y gjia Ka g i g H i al C ., L d. (永嘉康寧醫院有限公司) | The PRC, Li i ed liabili c a | P chia ic h i al i PRC | Paid-i ca i al f RMB1,000,000 | 100% | 100% | |
| Y e i g Ka g i g H i al C ., L d. (樂清康寧醫院有限公司) | The PRC, Li i ed liabili c a | P chia ic h i al i PRC | Paid-i ca i al f RMB1,000,000 | 100% | 100% | |
| She he Yi i g H i al C ., L d. (深圳市怡寧醫院有限公司) | The PRC, Li i ed liabili c a | P chia ic h i al i PRC | Paid-i ca i al f RMB16,600,000 | | 52% | 48% |
| We h Ka g i g J dicial F e ic Ce e (溫州康寧司法鑒定所) | The PRC, S le ie hi e e ie | F e ic chia ic i de ifica i i PRC | Paid-i ca i al f RMB500,000 | 100% | 100% | |
| Li hai Ka g i g H i al C ., L d. (臨海康寧醫院有限公司) | The PRC, Li i ed liabili c a | P chia ic h i al i PRC | Paid-i ca i al f RMB2,000,000 | 80% | 80% | 20% |
| We h Yi i g Ge ia ic H i al C ., L d. (溫州怡寧老年醫院有限公司) [(a)] | The PRC, Li i ed liabili c a | P chia ic h i al i PRC | Paid-i ca i al f RMB10,000,000 | 100% | 100% | |
| Pi g a g Ka g i g H i al C ., L d. (平陽康寧醫院有限公司) [(b)] | The PRC, Li i ed liabili c a | P chia ic h i al i PRC | Paid-i ca i al f RMB6,000,000 | 100% | 100% | |
| She he Yi i g Medical I e e C ., L d. (深圳怡寧醫療投資有限公司) [(c)] | The PRC, Li i ed liabili c a | I e e h ldi g i PRC | Nil | 100% | 100% | |
| Q h Yi i g H i al C ., L d. (衢州怡寧醫院有限公司) [(d)] | The PRC, Li i ed liabili c a | P chia ic h i al i PRC | Nil | 60% | 60% | 40% |
| Ha g h H gla I f ai Tech l g C ., L d. (杭州宏瀾信息科技有限公司) [(e)] | The PRC, Li i ed liabili c a | O li e edical c li g i PRC | Nil | 100% | 100% | |
| La gfa g Yi i g H i al Ma age e C ., L d. (廊坊市怡寧醫院管理有限公司) [(f)] | The PRC, Li i ed liabili c a | H i al a age e c li g i PRC | Nil | 100% | 100% | |

All he b idia ie a e e abli hed i he PRC a li i ed liabili c a ie e ce We h Ka g i g J dicial F e ic Ce e hich i a le ie hi e e i e.

*(a)* We h Yi i g Ge ia ic H i al C ., L d a e abli hed N e be 2, 2015 i h a egi e ed ca i al f RMB10,000,000. I aid-i ca i al a RMB10,000,000 a f Dece be 31, 2015.

*(b)* Pi g a g Ka g i g H i al C ., L d a e abli hed N e be 2, 2015 i h a egi e ed ca i al f RMB6,000,000. I aid-i ca i al a RMB6,000,000 a f Dece be 31, 2015.

*(c)* She he Yi i g Medical I e e C ., L d a e abli hed Se e be 23, 2015 i h a egi e ed ca i al f RMB10,000,000. I aid-i ca i al a il a f Dece be 31, 2015.

*(d)* Q h Yi i g H i al C ., L d a e abli hed N e be 20, 2015 i h a egi e ed ca i al f RMB30,000,000. I aid-i ca i al a il a f Dece be 31, 2015.

*(e)* Ha g h H gla I f a i Tech l g C ., L d a e abli hed N e be 20, 2015 i h a egi e ed ca i al f RMB5,000,000. I aid-i ca i al a il a f Dece be 31, 2015.

*(f)* La gfa g Yi i g H i al Ma age e C ., L d a e abli hed Dece be 2, 2015 i h a egi e ed ca i al f RMB10,000,000. I aid-i ca i al a il a f Dece be 31, 2015.

B de f he B a d
**en ho an nin ospita Co., td.**
**A ei i**
*Chairman*

Zhejia g, he PRC
Ma ch 29, 2016

*As of the date of this announcement, the Company's executive directors are Mr. GUAN Weili, Ms. WANG Lianyue and Ms. WANG Hongyue; the non-executive directors are Mr. YANG Yang and Ms. HE Xin; and the independent non-executive directors are Mr. CHONG Yat Keung, Mr. HUANG Zhi and Mr. WONG Raymond Fook Lam.*