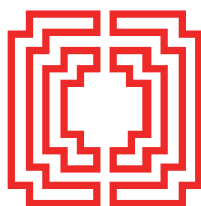


溫州康寧醫院股份有限公司
Wenzhou Kangning Hospital Co., Ltd.
(A joint stock limited liability company incorporated in the People's Republic of China)
Stock code: 2120



溫州康寧醫院股份有限公司

Wenzhou Kangning Hospital Co., Ltd.

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ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

1 INTRODUCTION

- 1.1 **Board** (溫州康寧醫院股份有限公司董事會) and **Company** (溫州康寧醫院股份有限公司) (collectively referred to as **Group**, **we**, **our**) have completed the annual results announcement for the year ended December 31, 2017 (**Reporting Period**) and the annual results announcement for the year ended December 31, 2016.
- 1.2 **Financial Report** (財務報告) for the year ended December 31, 2017 and the annual results announcement for the year ended December 31, 2016 have been reviewed by the **Accounting Firm** (會計師事務所) and the **Board** (董事會) of the Company.

2 FINANCIAL HIGHLIGHTS

2.1 Principal Financial Data and Indicators

	For the year ended	
	December 31,	
	2017	2016
	(RMB'000)	(RMB'000)
Cost of sales	666,436	415,409
Administrative expenses	69,863	92,139
Depreciation and amortization	(22,027)	(26,588)
Financial expenses	47,836	65,551
Income tax expense	49,071	68,832
Net foreign exchange gain	(1,235)	(3,281)
	As of	As of
	December 31,	December 31,
	2017	2016
	(RMB'000)	(RMB'000)
Prepaid expenses	1,690,401	1,603,382
Prepaid expenses	579,904	562,012
Prepaid taxes	1,110,497	1,041,370
Prepaid expenses	1,051,835	1,008,383
Prepaid expenses	58,662	32,987

3 BUSINESS REVIEW AND OUTLOOK

3.1 Business Review

2017 年，本公司实现营业收入 10,451.978 万元，较 2016 年增加 1,978.40 万元，增幅为 23.40%。2017 年，本公司实现净利润 50.403 万元，较 2016 年增加 458.0 万元，增幅为 1000.0%。2017 年，本公司实现归属于母公司所有者的净利润 50.403 万元，较 2016 年增加 458.0 万元，增幅为 1000.0%。

[illegible]

for the year 2017, the number of people who were not employed in the agricultural sector was 1,400.

... and the ... ☒ ...

4.1.1 Revenue and Cost of Revenue

Revenue consists of the following components: (i) revenue from the sale of products; (ii) revenue from the sale of services; (iii) revenue from the sale of real estate; (iv) revenue from the sale of other assets; and (v) revenue from the sale of other services.

The following table sets forth the revenue and cost of revenue for the periods indicated:

	For the year ended December 31,	
	2017 (RMB'000)	2016 (B'000)
Revenue from the sale of products	520,175	391,505
Revenue from the sale of services	26,386	18,943
Revenue from the sale of real estate	546,561	410,448
Revenue from the sale of other assets	2,318	2,955
Revenue from the sale of other services	117,557	2,006
Total revenue	666,436	415,409

Revenue from the sale of products was RMB666.4 million, or 60.4% of total revenue for 2016, as compared to RMB611.2 million, or 59.3% of total revenue for 2015. Revenue from the sale of services was RMB26.4 million, or 3.9% of total revenue for 2016, as compared to RMB18.9 million, or 4.5% of total revenue for 2015. Revenue from the sale of real estate was RMB546.6 million, or 81.7% of total revenue for 2016, as compared to RMB410.4 million, or 98.8% of total revenue for 2015. Revenue from the sale of other assets was RMB2.3 million, or 0.3% of total revenue for 2016, as compared to RMB2.9 million, or 0.7% of total revenue for 2015. Revenue from the sale of other services was RMB117.6 million, or 17.6% of total revenue for 2016, as compared to RMB2.0 million, or 0.5% of total revenue for 2015.

...and the management of the company's financial and operational risks. The company's management is responsible for the preparation and the fair presentation of the financial statements, which are the responsibility of the management. The management is also responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risks of material misstatement of the financial statements, whether due to fraud or error. The management is also responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risks of material misstatement of the financial statements, whether due to fraud or error. The management is also responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risks of material misstatement of the financial statements, whether due to fraud or error.

	For the year ended	
	December 31,	
	2017	2016
	(RMB'000)	(B'000)
Treatment and general healthcare services		
Revenue	389,494	285,599
Cost of sales	235,839	174,139
Profit	153,655	111,460
Pharmaceutical sales		
Revenue	130,681	105,906
Cost of sales	107,405	86,970
Profit	23,276	18,936
Owned hospitals		
Revenue	520,175	391,505
Cost of sales	343,244	261,109
Profit	<u>176,931</u>	<u>130,396</u>

During the year ended December 31, 2017, the company's management is responsible for the preparation and the fair presentation of the financial statements, which are the responsibility of the management. The management is also responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risks of material misstatement of the financial statements, whether due to fraud or error. The management is also responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risks of material misstatement of the financial statements, whether due to fraud or error. The management is also responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risks of material misstatement of the financial statements, whether due to fraud or error.

the company's revenue is derived from the sale of pharmaceutical products, and the company's revenue is derived from the sale of pharmaceutical products.

	For the year ended December 31,	
	2017	2016
Inpatients		
Number of inpatient beds	3,420	2,577
Number of inpatient beds that are fully occupied (%)	1,248,300	943,182
Number of inpatient beds that are fully occupied (%)	87.8%	86.5%
Number of inpatient beds that are fully occupied (%)	1,095,389	815,883
Number of inpatient beds that are fully occupied (%)	371,663	268,555
Number of inpatient beds that are fully occupied (%)	339	329
Number of inpatient beds that are fully occupied (%)	64,896	48,262
Number of inpatient beds that are fully occupied (%)	59	59
Total inpatient revenue (RMB'000)	436,559	316,817
Total average inpatient spending per bed-day (RMB)	398	388
Outpatients		
Number of outpatient visits	160,015	145,696
Number of outpatient visits that are fully occupied (%)	17,831	17,044
Number of outpatient visits that are fully occupied (%)	111	117
Number of outpatient visits that are fully occupied (%)	65,785	57,644
Number of outpatient visits that are fully occupied (%)	411	396
Total outpatient revenue (RMB'000)	83,616	74,688
Total average outpatient spending per visit (RMB)	522	513
Total treatment and general healthcare services revenue (RMB'000)	389,494	285,599
Total pharmaceutical sales revenue (RMB'000)	130,681	105,906

Discontinued operations resulted in a net loss of RMB436.4 million, or 37.8% of operating profit for 2016, as compared to a net loss of RMB436.4 million, or 34.3% of operating profit for 2015. The net loss was primarily due to the loss of the investment in the subsidiary, which was accounted for as discontinued operations; and the loss of the investment in the subsidiary, which was accounted for as discontinued operations. The net loss was primarily due to the loss of the investment in the subsidiary, which was accounted for as discontinued operations; and the loss of the investment in the subsidiary, which was accounted for as discontinued operations. (2016: 80.9%).

Discontinued operations resulted in a net loss of RMB83.6 million, or 12.0% of operating profit for 2016, as compared to a net loss of RMB83.6 million, or 9.8% of operating profit for 2015. The net loss was primarily due to the loss of the investment in the subsidiary, which was accounted for as discontinued operations; and the loss of the investment in the subsidiary, which was accounted for as discontinued operations. The net loss was primarily due to the loss of the investment in the subsidiary, which was accounted for as discontinued operations; and the loss of the investment in the subsidiary, which was accounted for as discontinued operations. (2016: 19.1%), primarily due to the loss of the investment in the subsidiary, which was accounted for as discontinued operations; and the loss of the investment in the subsidiary, which was accounted for as discontinued operations.

Discontinued operations resulted in a net loss of RMB36.4 million, or 36.4% of operating profit for 2016, as compared to a net loss of RMB36.4 million, or 74.9% of operating profit for 2015. The net loss was primarily due to the loss of the investment in the subsidiary, which was accounted for as discontinued operations; and the loss of the investment in the subsidiary, which was accounted for as discontinued operations. The net loss was primarily due to the loss of the investment in the subsidiary, which was accounted for as discontinued operations; and the loss of the investment in the subsidiary, which was accounted for as discontinued operations. (2016: 72.9%), and the loss of the investment in the subsidiary, which was accounted for as discontinued operations. (2016: 27.1%).

The net loss was primarily due to the loss of the investment in the subsidiary, which was accounted for as discontinued operations; and the loss of the investment in the subsidiary, which was accounted for as discontinued operations. The net loss was primarily due to the loss of the investment in the subsidiary, which was accounted for as discontinued operations; and the loss of the investment in the subsidiary, which was accounted for as discontinued operations.

	For the year ended	
	December 31,	
	2017	2016
	(RMB'000)	(RMB'000)
Operating profit	131,949	103,962
Operating expenses	116,085	87,060
Operating income	20,358	12,830
Discontinued operations	29,331	17,697
Operating income	17,401	14,018
Operating expenses	9,975	6,062
Operating income	18,145	19,480
Operating income	343,244	261,109

B343.2 31.5% 2016, 26.9% 33.3% B19.2 62.8%.

38.4% (2016: 39.8%). 33.8% (2016: 33.3%). 14.5% (2016: 11.7%).

32.6% (2016: 34.5%), Δ 0.518 0.1 (p) Δ 0.518 0.1 (p)

B91.8, which represents 31.3 % of the total for 2016, represents: (i) 42.7% of the total for 2016; and (ii) 42.7% of the total for 2017. B6.4, which represents 16.8% (2016: 17.0%), represents: (i) 15.8% of the total for 2016; and (ii) 15.8% of the total for 2017.

4.1.6 Finance (Expenses)/Income – Net

The net finance expenses for the year ended 31 December 2017 were \$1,000,000, which represents 0.1% of the total for 2017. The net finance expenses for the year ended 31 December 2016 were \$1,000,000, which represents 0.1% of the total for 2016.

For the year ended

4.1.7 Investment Income/(Loss)

[illegible]

	For the year ended	
	December 31,	
	2017	2016
	(RMB'000)	(B'000)
Cost of goods sold		
Cost of services sold	(6,462)	(6,202)
Cost of goods sold	350	4,541
	<u>(6,112)</u>	<u>(1,661)</u>

[illegible]

4.1.8 Assets Impairment Losses

(2016: B3.9), 389.7% (2016: 1.0%), 3.5% (2016: 1.0%), B7.5, 3() 0.514 0 () .70.514 0 () .70.514 0. 51

4.1.9 Non-Operating Income (Expenses) and Other Gains

[illegible]

	For the year ended December 31,	
	2017 (RMB'000)	2016 (RMB'000)
Operating income	9,619	8,019
Operating expenses	196	549
Non-operating income	9,815	8,568
Non-operating expenses	4,166	4,478
Non-operating gains	7,215	-
Non-operating losses	1,821	205
Non-operating expenses	13,202	4,683
Other gains	9,417	-

B9.8
 B9.6
 B13.2
 B 6.7
 A
 B9.4

4.1.10 Income Tax Expense

[illegible]

4.1.11 Total Comprehensive Income

B49.1 28.7%

B8.3

... **B14.9** ...
... **B** ...

... *... ..* B7.5 *... ..*
... ..
... ..

B6.7 *How does the rate of change of the area of a circle depend on the radius?*

B
B18.8
B67.9
35.8%
2016,

4.2 Financial Position

4.2.1 Inventory

A. 31, 2017, B23.5),
A. 31, 2016: B162.8),
B14.1), A. 31, 2016: B9.3);
B9.4), A. 31, 2016:
B153.5), B

appropriate. **B** **3-289403**
 75%
 (A) () 6,602.26
 (A) () 30,557.34
 30, 2017

4.2.2 Accounts Receivables

As of December 31, 2017, **B232.2**
 (December 31, 2016: **B142.9**), **B220.1** 54.0%
 December 31, 2016, **2016**.
 121 (2016: 117).

4.2.3 Other Receivables and Prepayments

As of December 31, 2017, **B54.6**
 (December 31, 2016: **B77.0**).

4.2.4 Investment Properties

[illegible]

The following are the results of the analysis:
 (3) & (4)

At the same time, the *Journal of the American Medical Association* (*JAMA*) published a letter to the editor from a physician in the United States, who had been asked to review the *Journal* for the *Journal of the American Medical Association*. The letter stated that the *Journal* was "a very good journal" and that it was "well written and well edited." The letter also stated that the *Journal* was "a very good journal" and that it was "well written and well edited."

0136789
0136790
0136791
0136792
0136793

... 75%

$$= 3,722.29$$

..... (A.....) 12,854.06
(.....)

Journal of Management Studies, 19(1), 67-80.

On September 29, 2023, I met with [redacted] at his residence at [redacted].

Accounting period ended December 31, 2017, net of allowance for doubtful accounts of \$1,000 (2016: \$1,000).

Accounts receivable are stated at net realizable value. The allowance for doubtful accounts is based on management's estimate of the amount of receivables that will not be collected.

Accounts receivable are stated at net realizable value (2016: \$1,000).

Accounts receivable are stated at net realizable value.

Accounts receivable (A/R) (Net) 6,602.26

Accounts receivable (A/R) 11,850.34
(Net)

Accounts receivable are stated at net realizable value.

Accounts receivable are stated at net realizable value. The allowance for doubtful accounts is based on management's estimate of the amount of receivables that will not be collected. 29, 2043, net of allowance for doubtful accounts.

4.2.5 Available-for-Sale Financial Assets

Accounts receivable, December 31, 2017, net of allowance for doubtful accounts of \$1,000 (2016: \$1,000), net of allowance for doubtful accounts of \$1,000 (2016: \$1,000), net of allowance for doubtful accounts of \$1,000 (2016: \$1,000).

4.2.6 Accounts Payable

Accounts receivable, December 31, 2017, net of allowance for doubtful accounts of \$1,000 (2016: \$1,000), net of allowance for doubtful accounts of \$1,000 (2016: \$1,000), net of allowance for doubtful accounts of \$1,000 (2016: \$1,000).

4.2.7 Advanced from Customers

Accounts receivable, December 31, 2017, net of allowance for doubtful accounts of \$1,000 (2016: \$1,000), net of allowance for doubtful accounts of \$1,000 (2016: \$1,000), net of allowance for doubtful accounts of \$1,000 (2016: \$1,000).

4.2.8 Other Payables

At December 31, 2017, other payables were B99.8 million (December 31, 2016: B38.9 million), primarily consisting of payables to related parties. ☒ None of the other payables are due within one year.

4.3 Liquidity and Capital Resources

The following table summarizes the company's cash flows from operating, investing and financing activities:

	For the year ended	
	December 31,	
	2017	2016
	(RMB'000)	(B'000)
Cash generated by operating activities	81,499	49,867
Cash used in investing activities	(223,628)	(92,788)
Cash (outflow)/inflow from financing activities	(21,900)	69,080
Cash (outflow)/inflow from non-current assets and liabilities	(169,625)	38,706

4.3.1 Net Cash Generated from Operating Activities

Net cash generated from operating activities was B81.5 million for 2017 (B47.8 million for 2016). The increase was primarily due to the increase in net cash generated from operating activities of B18.6 million, which was mainly due to the increase in net cash generated from operating activities of B101.9 million (B47.6 million for 2016) and the decrease in net cash generated from operating activities of B18.6 million (B47.8 million for 2016). ☒ None of the cash generated from operating activities is due within one year.

4.3.2 Net Cash Used in Investing Activities

Net cash used in investing activities was B223.6 million for 2017 (B208.9 million for 2016). The increase was primarily due to the increase in net cash used in investing activities of B18.6 million, which was mainly due to the increase in net cash used in investing activities of B101.9 million (B47.6 million for 2016) and the decrease in net cash used in investing activities of B18.6 million (B47.8 million for 2016). ☒ None of the cash used in investing activities is due within one year.

4.3.3 Net Cash Used in Financing Activities

During the reporting period, the company used net cash in financing activities of RMB21.9 million, mainly due to the company's payment of dividends of RMB90.0 million and the company's payment of interest on bank borrowings of RMB107.7 million.

4.3.4 Significant Investment, Acquisition and Disposal

During the reporting period, the company did not have any significant investment, acquisition and disposal of assets.

4.4 Indebtedness

4.4.1 Bank Borrowings

As at December 31, 2017, the company's bank borrowings were RMB200.0 million (as at December 31, 2016: RMB216.7 million), mainly composed of short-term bank borrowings of RMB90.0 million and long-term bank borrowings of RMB106.7 million.

4.4.2 Contingent Liabilities

As at December 31, 2017, the company did not have any contingent liabilities payable or receivable.

4.4.3 Asset Pledge

As at December 31, 2017, the company's bank borrowings of RMB40.0 million were secured by the company's bank deposits of RMB40.0 million. As at December 31, 2017, the company's bank borrowings of RMB40.0 million were secured by the company's bank deposits of RMB40.0 million.

4.4.4 Contractual Obligations

As at December 31, 2017, the company's contractual obligations were RMB334.2 million, mainly composed of the company's contractual obligations of RMB334.2 million.

4.4.5 Financial Instruments

During the reporting period, the company did not have any financial instruments.

4.4.6 Exposure to Fluctuation in Exchange Rates

The Company's financial statements are presented in Hong Kong dollars, which are the functional currency of the Company. The Company's operations are conducted in Hong Kong dollars.

As at December 31, 2017, the Company's assets and liabilities are denominated in Hong Kong dollars. The Company's operations are conducted in Hong Kong dollars. The Company's financial statements are presented in Hong Kong dollars, which are the functional currency of the Company.

4.4.7 Gearing Ratio

As at December 31, 2017, the Company's gearing ratio (as a percentage of total assets) was 34.3% (as at December 31, 2016: 35.1%).

4.4.8 Employees and Remuneration Policy

As at December 31, 2017, the Company had 1,860 employees (as at December 31, 2016: 1,348 employees). The Company's remuneration policy is based on the employees' performance (as a percentage of total assets) and the Company's financial performance. The Company's remuneration policy is based on the employees' performance (as a percentage of total assets) and the Company's financial performance. The Company's remuneration policy is based on the employees' performance (as a percentage of total assets) and the Company's financial performance.

The Company's remuneration policy is based on the employees' performance (as a percentage of total assets) and the Company's financial performance.

5 SIGNIFICANT EVENTS

5.1 CSRC did not approve the Company's application for the initial public offering of A Shares of the Company

As a result of the Company's application for the initial public offering of A Shares of the Company, the CSRC did not approve the Company's application for the initial public offering of A Shares of the Company. The Company's application for the initial public offering of A Shares of the Company was not approved by the CSRC. The Company's application for the initial public offering of A Shares of the Company was not approved by the CSRC.

5.2 Dividend

B. 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。本公司 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。本公司 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。

2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。本公司 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。本公司 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。

2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。本公司 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。本公司 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。

2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。本公司 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。本公司 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。

2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。本公司 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。本公司 2018 年 1 月 13 日 (Record Date) 以前, 本公司已派發 2017 年度股息, 每股派發 1.3 元。

9 COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

9.1 The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as its own code of conduct for the Directors and Senior Management. The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers as its own code of conduct for the Directors and Senior Management.

10 IMPORTANT EVENTS AFTER THE REPORTING PERIOD

10.1 There have been no important events after the reporting period.

11 AUDITORS AND ACCOUNTING STANDARDS

11.1 The Company's financial statements for the year ended 31, 2017, were audited by the independent member of the audit firm, **Audit firm** **B** (PricewaterhouseCoopers-), who has been appointed as the independent member of the audit firm since the year ended 31, 2017. The Company's financial statements for the year ended 31, 2017, were audited in accordance with the accounting standards applicable in Hong Kong. The Company's financial statements for the year ended 31, 2017, were audited in accordance with the accounting standards applicable in Hong Kong. The Company's financial statements for the year ended 31, 2017, were audited in accordance with the accounting standards applicable in Hong Kong.

12 FINANCIAL REPORT

12.1 Accounting Policies

12.1.1 The Company's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong. The Company's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong. The Company's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong.

12.1.2 The Company's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong.

12.1.3 The Company's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong. The Company's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong. The Company's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong.

12.2 Change In Accounting Policies

[illegible][illegible]

(a) *Complete A* by putting the missing values in the table below and
 (b) *Complete B* by writing the missing values in the spaces:

	For the year ended December 31,	
	2017 RMB	2016 B
1. Revenue	666,435,528	415,408,969
Revenue	(449,331,902)	(272,071,264)
Government subsidies	(9,780,313)	(1,169,328)
Supplies and services revenue	(1,752,173)	(3,144,314)
Revenue from the sale of goods	(91,754,247)	(69,855,467)
Interest (expense)/income	(24,262,625)	24,764,573
Allowance expenses	(19,104,920)	(3,902,289)
Allowance expenses	(6,111,760)	(1,661,152)
Supplies and services revenue	(6,461,760)	(6,201,867)
Revenue from the sale of goods	(505,331)	(115,556)
Revenue from the sale of goods	9,417,463	
2. Operating profit	73,249,720	88,254,172
Allowance expenses	9,814,600	8,567,750
Interest (expense)/income	(13,201,645)	(4,683,423)
3. Total profit	69,862,675	92,138,499
Interest (expense)/income	(22,026,917)	(26,587,505)
4. Net profit	47,835,758	55,550,994

[illegible]

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12.2.2 Annual Consolidated Balance Sheets

ASSETS	December 31, 2017 RMB	December 31, 2016 B
Current assets		
Monetary funds	279,334,159	496,614,542
Accounts receivable	232,179,323	142,938,440
Prepaid expenses	43,447,939	54,672,733
Accounts payable	11,132,676	22,283,987
Other receivables	23,532,469	162,827,694
Less: non-current assets held for sale	12,688,704	12,688,704
Total current assets	602,315,270	892,026,100
Non-current assets		
Long-term equity investments	50,000,000	50,000,000
Long-term debt investments	89,683,865	22,429,070
Long-term receivables	128,568,963	72,191,872
Intangible assets	502,649,528	97,666,540
Investments in real estate	22,290,670	198,066,153
Other long-term assets	151,842,863	125,865,371
Goodwill	4,823,557	8,533,389
Long-term restricted assets	96,335,653	88,855,792
Deferred income taxes	22,571,944	20,300,383
Less: non-current assets held for sale	19,318,211	27,447,253
Total non-current assets	1,088,085,254	711,355,823
TOTAL ASSETS	1,690,400,524	1,603,381,923

LIABILITIES AND OWNERS' EQUITY	December 31, 2017 RMB	December 31, 2016 B
Current liabilities		
Accounts payable	90,000,000	30,000,000
Accounts receivable	83,787,338	43,271,014
Accounts payable for purchases	7,511,284	71,147,900
Prepaid expenses and other receivables	23,714,318	19,552,350
Other receivables	34,912,381	41,195,655
Other payables	99,796,754	38,922,694
Liabilities for employee compensation and benefits	22,751,104	54,180,304
Total current liabilities	362,473,179	298,269,917
Non-current liabilities		
Accounts payable	110,000,000	149,950,190
Accounts receivable	86,932,300	86,738,600
Accounts payable	10,556,851	10,632,800
Accounts payable	9,941,379	16,420,433
Total non-current liabilities	217,430,530	263,742,023
Total liabilities	579,903,709	562,011,940
Owners' equity		
Capital	73,040,000	73,040,000
Reserves	808,244,186	795,604,861
Capital surplus	23,710,012	18,548,942
Minority interests	146,840,254	121,190,550
Total equity attributable to owners of the parent company	1,051,834,452	1,008,384,353
Minority interests	58,662,363	32,985,630
Total owners' equity	1,110,496,815	1,041,369,983
TOTAL LIABILITIES AND OWNERS' EQUITY	1,690,400,524	1,603,381,923

12.2.3 Annual Consolidated Statements of Cash Flow

	For the year ended	
	December 31,	
	2017 RMB	2016 B
1. Cash flows generated from operating activities		
cash generated by operating activities	502,692,532	415,653,362
change in non-current assets	35,442,492	28,832,288
Sub-total of cash inflows	538,135,024	444,485,650
interest on bank deposits	(172,416,737)	(168,939,165)
interest on bank deposits of others	(158,956,031)	(118,573,469)
depreciation and amortization	(47,590,827)	(25,779,704)
interest on bank deposits of others	(77,672,510)	(81,326,450)
Sub-total of cash outflows	(456,636,105)	(394,618,788)
Net cash flows generated from operating activities	81,498,919	49,866,862
2. Cash flows used in investing activities		
cash generated by disposing property	5,675,000	1,075,000
cash generated by disposing	—	2,039,728
cash generated by disposing	—	1,500,000
cash generated by disposing	310,446,972	256,999,636
Sub-total of cash inflows	316,121,972	261,614,364
interest on bank deposits	(208,923,550)	(183,852,005)
cash generated by disposing	(60,498,286)	(71,708,000)
interest on bank deposits	—	(280,995)
cash generated by disposing	(270,328,000)	(98,561,000)
Sub-total of cash outflows	(539,749,836)	(354,402,000)
Net cash flows used in investing activities	(223,627,864)	(92,787,636)

		For the year ended	
		December 31,	
		2017	2016
		RMB	B
3.	Cash flows (used in)/generated from financing activities		
	Issuance of long-term debt	27,020,000	9,200,000
	Repayment of long-term debt		
	Repayment of short-term debt		
	Repayment of long-term debt	27,020,000	9,200,000
	Repayment of long-term debt	90,000,000	160,000,000
	Repayment of long-term debt	300,000	
	Sub-total of cash inflows	117,320,000	169,200,000
	Interest expense	(107,650,190)	(67,496,810)
	Interest expense	(27,084,188)	(18,260,000)
	Interest expense	(4,485,351)	(14,362,579)
	Sub-total of cash outflows	(139,219,729)	(100,119,389)
	Net cash flows (used in)/generated from financing activities	(21,899,729)	69,080,611
4.	Effect of changes in foreign exchange rate	(5,596,209)	12,546,534
5.	Net (decrease)/increase in cash and cash equivalents	(169,624,883)	38,706,371
	At the beginning of the year	407,163,542	368,457,171
6.	Cash and cash equivalents at end of the year	237,538,659	407,163,542

12.2.4 Annual Consolidated Statement of Changes In Equity

	Equity attributable to owners of the parent company				Non-controlling interests	Total owners' equity
	Share capital	Capital surplus	Surplus reserve	Retained earnings		
Balance at 1 January 2017	73,040,000	795,604,861	18,548,942	121,190,550	32,985,630	1,041,369,983
Profit for the year	—	—	—	49,070,774	(1,235,016)	47,835,758
Transfer from retained earnings to surplus reserve	—	—	—	—	27,020,000	27,020,000
Transfer from surplus reserve to retained earnings	—	412,805	—	—	—	412,805
Transfer from retained earnings to non-controlling interests	—	12,226,520	—	—	(108,251)	12,118,269
Dividend paid	—	—	—	—	—	—
Share repurchase	—	—	5,161,070	(5,161,070)	—	—
Share issue	—	—	—	(18,260,000)	—	(18,260,000)
Balance at December 31, 2017	<u>73,040,000</u>	<u>808,244,186</u>	<u>23,710,012</u>	<u>146,840,254</u>	<u>58,662,363</u>	<u>1,110,496,815</u>

Notes to the consolidated financial statements

	Share capital	Capital surplus	Surplus reserve	Retained earnings	Non-controlling interests	Total owners' equity
Balance at 1 January 2016	73,040,000	797,510,642	11,343,566	77,824,436	2,512,383	962,231,027
Profit for the year	—	—	—	68,831,490	(3,280,496)	65,550,994
Transfer from retained earnings to surplus reserve	—	—	—	—	9,200,000	9,200,000
Transfer from surplus reserve to retained earnings	—	2,311,135	—	—	—	2,311,135
Transfer from retained earnings to non-controlling interests	—	(4,216,916)	—	—	15,946,066	11,729,150
Dividend paid	—	—	—	—	—	—
Share repurchase	—	—	—	—	8,607,677	8,607,677
Share issue	—	—	7,205,376	(7,205,376)	—	—
Share repurchase	—	—	—	(18,260,000)	—	(18,260,000)
Balance at December 31, 2016	<u>73,040,000</u>	<u>795,604,861</u>	<u>18,548,942</u>	<u>121,190,550</u>	<u>32,985,630</u>	<u>1,041,369,983</u>

12.3 Notes to the Consolidated Annual Financial Information prepared in accordance with the China Accounting Standard for Business Enterprises

12.3.1 Accounts receivable

	December 31, 2017	December 31, 2016
	RMB	B
Accounts receivable	2,250,000	-
Accounts receivable allowance	245,277,585	151,042,945
Net accounts receivable	247,527,585	151,042,945
Accounts receivable from related parties	(15,348,262)	(8,104,505)
Accounts receivable from non-related parties	232,179,323	142,938,440

Accounts receivable from non-related parties, December 31, 2017 and 2016, are as follows:

	31 December 2017	31 December 2016
	RMB	B
Within 1 year	215,379,873	137,552,824
1 - 2 years	29,274,942	10,835,771
2 - 3 years	2,441,995	2,211,065
Over 3 years	430,775	443,285
	247,527,585	151,042,945

Accounts receivable from related parties are as follows:

12.3.2 Accounts payable

Accounts payable, December 31, 2017 and 2016, are as follows:

	December 31, 2017	December 31, 2016
	RMB	B
Within 3 years	42,078,771	39,665,783
3-6 years	7,390,442	2,933,736
6-12 years	20,557,648	223,574
1 - 2 years	13,579,346	103,052
2 - 3 years	27,315	344,869
Over 3 years	153,816	-
	83,787,338	43,271,014

12.3.3 Revenue and cost of sales

	For the year ended December 31,	
	2017	2016
	RMB	B
Revenue from main businesses	546,561,325	410,447,911
Revenue from other businesses	119,874,203	4,961,058
	<u>666,435,528</u>	<u>415,408,969</u>
Cost of sales from main businesses	354,933,687	270,663,677
Cost of sales from other businesses	94,398,215	1,407,587
	<u>449,331,902</u>	<u>272,071,264</u>

Revenue and cost of sale from main businesses

	For the year ended December 31,	
	RMB	B
Revenue from main businesses		
Property development	130,681,392	107,405,332
Property management and property services	389,493,815	235,838,816
Other businesses	26,386,118	11,689,539
	<u>546,561,325</u>	<u>354,933,687</u>

	For the year ended December 31,2016	
	<i>RMB</i>	<i>B</i>
Revenue	105,905,729	86,970,397
from main businesses	285,599,012	174,138,929
other businesses	18,943,170	9,554,351
	<u>410,447,911</u>	<u>270,663,677</u>

12.3.5 Income tax expenses

	For the year ended December 31,	
	2017	2016
	RMB	B
Income tax expense	30,123,517	32,874,281
Deferred tax expense	(8,096,600)	(6,286,776)
	<u>22,026,917</u>	<u>26,587,505</u>

The income tax expense is comprised of current income tax expense and deferred income tax expense. The current income tax expense is calculated based on the taxable income of the Company and its subsidiaries in the People's Republic of China ("PRC") and other jurisdictions, and the applicable income tax rates.

	For the year ended December 31,	
	2017	2016
	RMB	B
Current income tax expense	<u>69,862,675</u>	<u>92,138,499</u>
Deferred income tax expense		
Income tax expense on current income tax expense	17,465,669	23,034,625
Income tax expense on current income tax expense	3,741,704	2,394,514
As of 12/31/2017	579,395	(320,322)
Income tax expense on current income tax expense	(42,417)	-
Income tax expense on current income tax expense	415,248	1,478,688
Income tax expense on current income tax expense	207,837	-
Income tax expense on current income tax expense	(340,519)	-
Income tax expense	<u>22,026,917</u>	<u>26,587,505</u>

12.3.6 Dividends

23, 2018, B 10,956,000
31, 2017, 73,040,000
31, 2017. ☒ A

24, 2017, B. 18,260,000
31, 2016.
2016 14, 2017
14, 2017.

13 DEFINITIONS

- ▲ **A** — 2017 年 12 月 31 日及 2018 年 1 月 13 日
- ▲ **A** — **B**
- ▲ **B** — **B** (北京怡寧醫院有限公司), 2015 年 17 月, 2015 年 32.67%
- ▲ **B** — **B**
- ▲ **B** — **B** (蒼南康寧醫院有限公司), 2012 年 15 月, 2012 年 15 月
- ▲ **B** — **B** (成都怡寧醫院有限公司), 2010 年 29 月, 2010 年 41.67%
- ▲ **B** — **B** (成都怡寧醫院有限公司)
- ▲ **B** — **B** (重慶合川康寧醫院有限公司), 2015 年 5 月, 2015 年 40%
- ▲ **B** — **B** (淳安黃鋒康恩醫院)
- ▲ **B** — **B** (重慶合川康寧醫院有限公司), 2015 年 5 月, 2015 年 40%
- ▲ **B** — **B** (重慶合川康寧醫院有限公司), 2015 年 5 月, 2015 年 40%

▲       

                (燕郊輔仁中西醫結合醫院),                 26, 2015

▲       

                (樂清康寧醫院有
限公司),                 3, 2013,

▲       

                (永嘉康寧醫院有限公
司),                 12, 2012,

▲ %-

B           B          
Wenzhou Kangning Hospital Co., Ltd.
GUAN Weili
       

                               26, 2018

A                                A                                A                                A                               