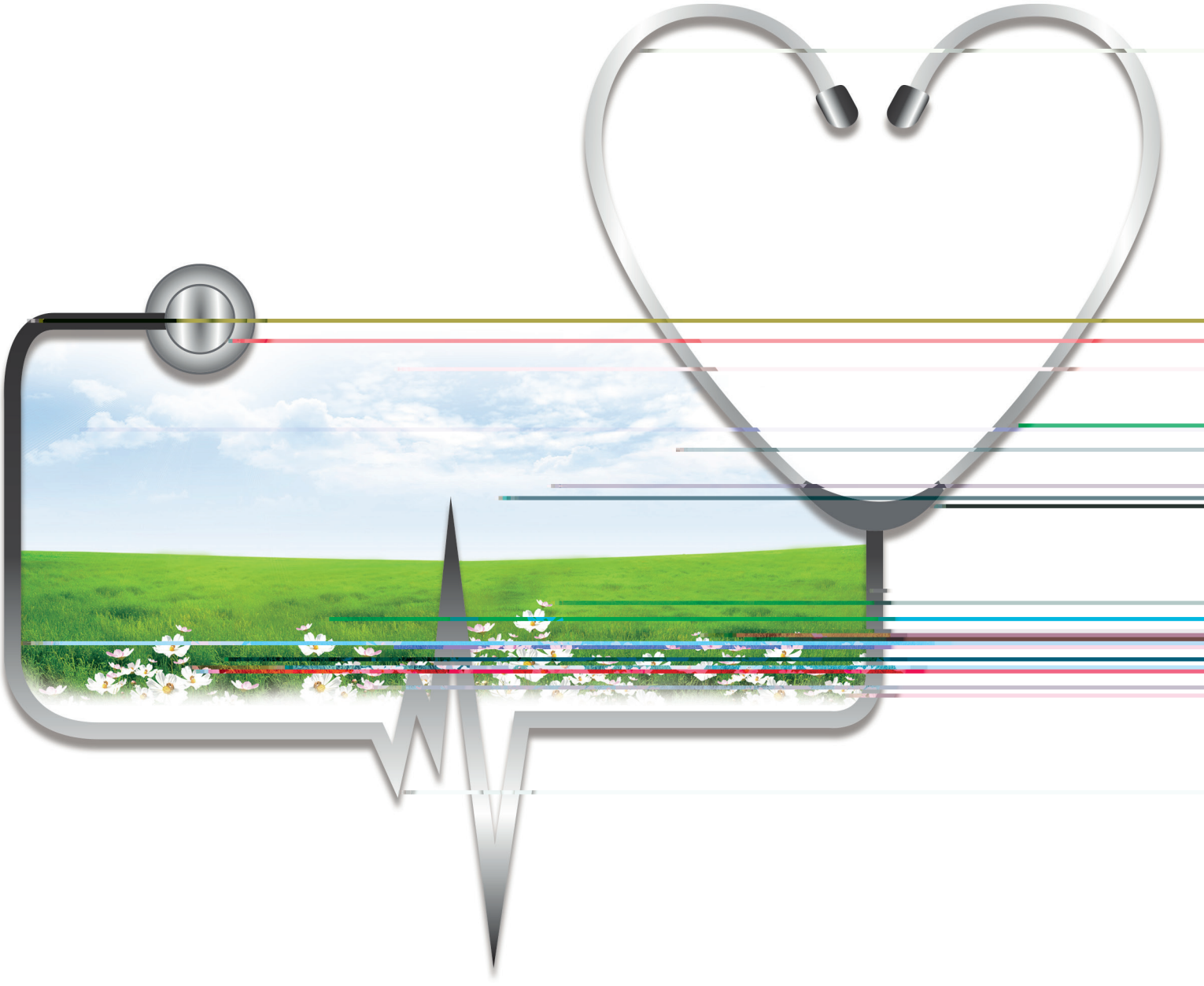

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Corporate Information

B. . D.

Executive Directors

Mr. GUAN W. (C)
Ms. WANG L.
Ms. WANG H.

Non-Executive Directors

Mr. YANG Y.
Mr. LIN L.

Independent Non-Executive Directors

Mr. CHONG Y. K.
Mr. HUANG
Mr. GOT C. K.C.

A. C.

Mr. HUANG (C)
Mr. GOT C. K.C.
Mr. LIN L.

N. C.

Mr. GOT C. K.C. (C)
Mr. CHONG Y. K.
Mr. GUAN W.

R. C.

Mr. CHONG Y. K. (C)
Mr. HUANG
Mr. YANG Y.

S. R. M. C.

Mr. GUAN W. (C)
Mr. HUANG
Mr. YANG Y.

S. C.

Mr. SUN F. (C)
Ms. HUANG J.
Mr. XIE T.
Mr. QIAN C.
Mr. MA J.

J. C. G. S.

Mr. WANG J.
Ms. NG W. S.

A. R.

Ms. WANG H.
Ms. NG W. S.

A.

P. C. T. LLP

Corporate Information

P P B
H K

18/F, T C
28 Q ' R E
W
H K

H S R

C H K I S L
S 1712-1716, 17 F
H C
183 Q ' R E
W
H K

S C

2120

C W

I R

T : (86) 577 8877 1689
F : (86) 577 8878 9117
E : @

Financial Highlights

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(U[illegible])
R[illegible]	283,136	189,680
P[illegible]	42,319	36,818
I[illegible]	(12,014)	(10,531)
N[illegible]	30,305	26,287
N[illegible] C[illegible]	31,710	28,208
N[illegible]	(1,405)	(1,921)

	As of	A[illegible]
	June 30,	D[illegible] 31,
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(A[illegible])
T[illegible]	1,757,386	1,603,382
T[illegible]	689,664	562,012
T[illegible]	1,067,722	1,041,370
E[illegible] C[illegible]	1,022,149	1,008,384
N[illegible]	45,573	32,986

Management Discussion and Analysis

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 C 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 . G Y H C ., L S Y H M P L . T G H Y H C .,( )T( )T 0 T (C)T( )T 2H

Management Discussion and Analysis

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

F R

T G RMB283.1 R P , 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 P 34.1% (J 30, 2016: 37.0%). D R P , RMB31.7 , 12.4% 2016, RMB5.8 , 2016 RMB7.2 .

R C R

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

T [illegible]:

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(U[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	—
Total revenue	283,136	189,680

D[illegible] R[illegible] P[illegible], [illegible] G[illegible] RMB283.1 [illegible], [illegible] 49.3% [illegible] 2016, [illegible] ( ). [illegible] G[illegible]' [illegible] 26.6%, ( ). [illegible] 31.0% ( ). [illegible] RMB41.4 [illegible] P[illegible] II W[illegible] B[illegible] C[illegible] W[illegible] H[illegible] E[illegible] M[illegible] C[illegible] W[illegible] G[illegible] R[illegible] G[illegible]' [illegible] 94.7% [illegible] (J[illegible] 30, 2016: 94.4%) [illegible] 4.8% [illegible] (J[illegible] 30, 2016: 4.7%). T[illegible]

Revenue and cost of revenue from operating the Group's owned hospitals

R[illegible] G[illegible]'s [illegible]. T[illegible]:

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(U[illegible])
Treatment and general healthcare services		
R[illegible]	166,226	129,416
C[illegible]	102,118	73,792
G[illegible]	64,108	55,624
Pharmaceutical sales		
R[illegible]	60,303	49,563
C[illegible]	49,515	40,834
G[illegible]	10,788	8,729
Owned hospitals		
R[illegible]	226,529	178,979
C[illegible]	151,633	114,626
G[illegible]	74,896	64,353

D[illegible] R[illegible] P[illegible], [illegible] G[illegible]' [illegible] RMB226.5 [illegible], [illegible] RMB47.6 [illegible] 2016, [illegible] L[illegible] K[illegible] H[illegible], G[illegible] H[illegible], Q[illegible] Y[illegible] H[illegible] S[illegible] Y[illegible] H[illegible]. R[illegible] R[illegible] P[illegible] RMB22.8 [illegible] (J[illegible] 30, 2016: RMB0.5 [illegible]).

Management Discussion and Analysis

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

	For the six months ended June 30,	
	2017	2016
I[illegible]		
I[illegible]	3,050	2,300
E[illegible]	552,050	418,600
U[illegible] (%)	85.9%	88.6%
N[illegible]		

Management Discussion and Analysis

D R P RMB187.0 30.1%0.399 0 T (-)0 T

Management Discussion and Analysis

R

T G ' D R P RMB44.0 (J 30, 2016:), RMB41.4 RMB2.6 W G , G A 2016, R P . W G W G 2016. T RMB37.6 , W G R P RMB6.4 .

Gross Profit and Gross Profit Margin

D R P , G RMB92.0 , 31.2% 2016. T RMB81.6 , 16.4% 2016. T :

	For the six months ended June 30, 2017 (Unaudited)	2016 (U)
T	38.6%	43.0%
P	17.9%	17.6%
M	54.6%	51.1%
P	23.9%	66.0%
Consolidated gross profit margin	32.5%	37.0%

D R P , G 32.5% (J 30, 2016: 37.0%), W G , 34.1%, 2.9 2016, G H , Q Y H , P K H S Y H , ,

Tax and Surcharge

D R P , G RMB3.9 (
J 30, 2016: RMB34.1), W G .

Selling Expenses

D R P , G RMB0.4 (
J 30, 2016: RMB1.0), 56.3% 2016
0.2% G (J 30, 2016: 0.5%),
R P
2016.

Administrative Expenses

D R P , G T
G :

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(U)
E	17,968	15,247
L	7,956	8,477
D	3,980	3,708
C	2,667	1,791
T	1,615	1,492
Q	5,628	5,644
Total administrative expenses	39,814	36,359

D R P , 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,

Finance (Expense)/Income - Net

O :

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(U)
I	1,907	3,102
E ( )/	(7,730)	9,592
B	(1,691)	—
T	(2,725)	(2,777)
Q	(198)	(131)
Finance (expenses)/income – Net	(10,437)	9,786

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

Investment Income/(Loss)

O /( ) /( ) /( ) T :

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(U)
S /( )	(2,852)	(2,200)
G	5,243	—
	2,391	(2,200)

D R P G RMB2.4 (J 30, 2016: RMB2.2), B Y H 49.0% 32.7% T RMB5.2 16.3% B Y H C H K H H H I

Assets Impairment Losses

D R P RMB2.8 (J 30, 2016: RMB1.2), 137.4% 2016 1.2% (J 30, 2016: 0.6%), R P D 31, 2016, A J 30, 2017 D 31, 2016, G RMB10.4 RMB8.1 5.1% 5.4%

Non-Operating Income (Expenses) and Other Income

Q [illegible] T [illegible]:

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(U[illegible])
G[illegible]	5,246	143
Q[illegible]	131	42
Non-operating income	5,377	185
D[illegible]	(2,247)	(1,935)
L[illegible]	(96)	(84)
Q[illegible]	(326)	(435)
Non-operating expenses	(2,669)	(2,454)
Other gain	2,693	—

D[illegible] R[illegible] P[illegible] G[illegible] RMB5.4 [illegible] RMB4.8 [illegible] G[illegible]. T[illegible] G[illegible] RMB2.7 [illegible]. Q[illegible] G[illegible] RMB2.7 [illegible].

Income Tax Expense

D R P , RMB12.0 (J 30, 2016: RMB10.5), 14.1% 2016, G ' R P 14.9% 2016. F J 30, 2017 2016, 28.4% 28.6%, T R P

Total Comprehensive Income

D R P , C RMB31.7 , 12.4% 2016, :

RMB3.4 W G R P ;

RMB7.7 HKD RMB R P .

B C RMB3.9 R P . E C R P RMB35.6 , 26.2% 2016, L K H , R P 2016.

F P

Inventory

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 C W H E M C W G T R P :

C	P II W B C W H E M C
A	S W H E M C , C S , W C , P , 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

Trade Receivables

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

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

Management Discussion and Analysis

Accounts Payables

As at June 30, 2017, [illegible] RMB80.5 million (as at December 31, 2016: RMB43.3 million), [illegible] RMB29.4 million [illegible] W[illegible] G[illegible].

Advanced from Customers

As at June 30, 2017, [illegible] RMB60.7 million (as at December 31, 2016: RMB71.1 million), [illegible] P[illegible] II W[illegible] B[illegible] C[illegible] W[illegible] H[illegible] E[illegible] M[illegible] C[illegible] [illegible] RMB14.9 million.

Other Payables

As at June 30, 2017, [illegible] RMB87.8 million (as at December 31, 2016: RMB38.9 million), [illegible] W[illegible] K[illegible] H[illegible] Y[illegible] P[illegible] H[illegible] C[illegible].

L[illegible] C[illegible] R[illegible]

T[illegible] G[illegible]:

	For the six months ended June 30,	
	2017	2016
	(RMB'000)	(RMB'000)
	(Unaudited)	(U[illegible])
N[illegible]	3,472	37,984
N[illegible]	(134,699)	(159,031)
N[illegible]	61,809	22,062
N[illegible]	(76,732)	(96,088)

Net Cash Generated from Operating Activities

As at June 30, 2017, [illegible] RMB3.5 million, [illegible] RMB30.3 million [illegible] RMB20.9 million. C[illegible] RMB58.3 million. W[illegible] RMB33.6 million [illegible].

Net Cash Used in Investing Activities

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

Net Cash Generated from Financing Activities

D R P , RMB61.8 , RMB90.0 , RMB37.7 .

Significant Investment, Acquisition and Disposal

T G , J 30, 2017.

I

Bank Borrowings

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

Contingent Liabilities

A J 30, 2017, G G .

Asset Pledge

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

Contractual Obligations

T G . A J 30, 2017, RMB332.0 .

Financial Instruments

F G . T C

Exposure to Fluctuation in Exchange Rates

T G 0.282 0 T (.)T0.053 T (')T ,(.)T0.053 T (T 0.T (.)T 0

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

D [illegible] R [illegible] P [illegible], [illegible] C [illegible] [illegible], [illegible] [illegible] C [illegible].

CHANGE IN DIRECTORS

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

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

CHANGE IN SUPERVISORS

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

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

Corporate Governance and Other Information

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 :

		Position held with other members of the Group and term of office	
Name	Member of the Group	Positions held at members of the Group	Term of office
M . WANG L	Y K H M C ., L .		F J 2017

Name	Position held in the Company	Change in biographical details
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 F 28, 2017, C K H C C P ' C C 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

Directors', Supervisors' and Chief Executives' Interests in Securities

A J 30, 2017, D S C 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 :

Name of Directors	Class of Shares	Nature of Interest	Number of Shares	Total Number of Shares	Approximate Percentage in Shares of the Same Class[1]	Approximate Percentage of the Company's Total Issued Share Capital[1]
M . GUAN W	D S	B	18,350,250(L)	22,144,750 (L)	41.94%	30.32%
		I	3,794,500(L) [2]			
M . WANG L	D S	B	3,794,500(L)	22,144,750 (L)	41.94%	30.32%
		I	18,350,250(L) [2]			
M . WANG H	D S	B	3,984,350(L)	5,527,350(L)	10.46%	7.57%
		I	1,543,000(L) [3]			

Corporate Governance and Other Information

N :

(L): L

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

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

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

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

Corporate Governance and Other Information

Interests of Substantial Shareholders

A J 30, 2017, C S 336 SFO D / (D S C) S S

Corporate Governance and Other Information

Name	Class of Shares	Nature of Interest	Number of Shares	Approximate Percentage in Shares of the Same Class [1]	Approximate Percentage of the Company's Total Issued Share Capital [1]
J[illegible] I[illegible] C., 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]/P[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] (I[illegible]) L[illegible]	H S[illegible]	T[illegible]	2,093,700 (L)	10.34%	2.87%
O[illegible] M[illegible] A[illegible] LLC	H S[illegible]	I[illegible]	1,454,000 (L)	7.18%	2.00%
O[illegible] M[illegible] C[illegible] LLC	H S[illegible]	I[illegible]	2,150,900 (L)	10.63%	2.94%
O[illegible] M[illegible] P[illegible] M[illegible] F[illegible] L[illegible]	H S[illegible]	B[illegible]	1,279,900 (L)	6.32%	1.75%
P[illegible] C[illegible] M[illegible] C[illegible] L[illegible]	H S[illegible]	I[illegible]	2,803,800 (L)	13.85%	3.84%
O[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%

Corporate Governance and Other Information

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. ZHAO Y 99.90% S Q I M L.P.. T , P VX SFO, M. ZHAO 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
Wenzhou Kangning Hospital Co., Ltd.
Guan Weili
C

PRC
A 18, 2017

Consolidated Balance Sheet

As at 30 June 2017

(Amounts in RMB Yuan unless otherwise stated)

	Notes	30 June 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents	4(1)	360,431,821	496,614,542
Accounts receivable	4(2)	195,213,586	142,938,440
Other receivables	4(3)	56,099,625	54,672,733
Advances to suppliers	4(4)	19,717,584	22,283,987
Inventories	4(5)	176,567,409	162,827,694
Current portion of long-term receivables		12,688,704	12,688,704
Total current assets		820,718,729	892,026,100
Non-current assets			
Available-for-sale financial assets	4(6)	50,000,000	50,000,000
Long-term receivables	4(7)	60,198,228	22,429,070
Investments in associates	4(8)	72,191,872	72,191,872
Fixed assets	4(9)	188,059,052	97,666,540
Construction in progress	4(10)	257,092,404	198,066,153
Intangible assets	4(11)	153,162,424	125,865,371
Goodwill	4(12)	8,533,389	8,533,389
Long-term prepaid expenses	4(13)	109,388,448	88,855,792
Deferred income tax assets	4(14)	20,707,981	20,300,383
Other non-current assets	4(16)	17,333,178	27,447,253
Total non-current assets		936,666,976	711,355,823
TOTAL ASSETS		1,757,385,705	1,603,381,923

Consolidated Balance Sheet

As at 30 June 2017

(Amounts in RMB Yuan unless otherwise stated)

	Notes	30 June 2017 (Unaudited)	31 December 2016 (Audited)
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Short-term borrowings	4(17)	120,000,000	30,000,000
Accounts payable	4(18)	80,476,871	43,271,014
Advances from customers	4(19)	60,295,262.638j(l50,715,200 BT/T1 1 Tf9 (	
Employee benefits payable	4(20)	15,316,09vanNg (eno)Tj(s)Tj(-)Tj(m)Tj(e)Tj(	

Consolidated Balance Sheet

As at 30 June 2017

(Amounts are in RMB Yuan unless otherwise stated)

	Notes	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Owners' equity			
Share capital	4(27)	73,040,000	73,040,000
Capital reserve	4(28)	795,919,512	795,604,861
Surplus reserve	4(29)	18,548,942	18,548,942
Retained earnings	4(30)	134,640,863	121,190,550
Total equity attributable to owners of the parent company		1,022,149,317	1,008,384,353
Non-controlling interests		45,572,551	32,985,630
Total owners' equity		1,067,721,868	1,041,369,983
TOTAL LIABILITIES AND OWNERS' EQUITY		1,757,385,705	1,603,381,923

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

Legal representative: Person in charge of accounting: Head of accounting:

Company Balance Sheet

As at 30 June 2017

(Amounts in RMB Yuan unless otherwise stated)

	Notes	30 June 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		310,987,232	445,980,786
Accounts receivable	15(1)	94,014,286	82,359,131
Advances to suppliers		6,425,929	4,941,566
Other receivables	15(2)	411,296,181	263,651,111
Inventories		7,662,978	6,115,311
Deferred income tax assets		—	10,000,000
Current portion of long-term receivables		12,688,704	12,688,704
Total current assets		843,075,310	825,736,609
Non-current assets			
Available-for-sale financial assets	4(6)	50,000,000	50,000,000
Long-term receivables	15(3)	115,241,073	115,854,920
Long-term equity investments		—	
Fixed assets		61,421,643	59,318,225
Construction in progress		245,122,053	165,085,994
Intangible assets		103,775,836	106,549,041
Long-term deferred expenses		22,802,514	25,035,472
Deferred income tax assets		5,398,840	4,833,044
Other non-current assets		98,84098,8	

Company Balance Sheet

As at 30 June 2017

(Amounts in RMB Yuan unless otherwise stated)

	Note	30 June 2017 (Unaudited)	31 December 2016 (Audited)
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Short-term borrowings		80,000,000	30,000,000
Accounts payable		25,349,824	21,549,595
Advances from customers		5,467,815	2,997,368
Employee benefits payable		11,546,147	15,533,171
Taxes payable		5,381,943	18,302,075
Other payables		54,381,886	22,931,803
Dividends payable		18,260,000	
Non-current liabilities due within one year		17,480,304	17,480,304
Total current liabilities		217,867,919	128,794,316
Non-current liabilities			
Long-term borrowings		129,000,000	130,000,000
Long-term payables		89,463,200	86,738,600
Deferred income		10,632,800	10,632,800
Total non-current liabilities		229,096,000	227,371,400
Total liabilities		446,963,919	356,165,716

Company Balance Sheet

As at 30 June 2017

(Amounts in RMB Yuan unless otherwise stated)

	Note	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Owners' equity			
Share capital		73,040,000	73,040,000
Capital reserve		800,028,177	799,821,777
Surplus reserve		18,548,942	18,548,942
Retained earnings		108,256,231	108,895,141
Total owners' equity		999,873,350	1,000,305,860
TOTAL LIABILITIES AND OWNERS' EQUITY		1,446,837,269	1,356,471,576

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

Legal representative: Person in charge of accounting: Head of accounting:

Consolidated Income Statement

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

Six months ended 82T0 0 0 1 k/GS2 Tm60 9

Company Income Statements

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

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

T[illegible]

L[illegible]: P[illegible]: H[illegible]:

Consolidated Statements of Cash Flows

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

Item	N[illegible]	Six months ended 30 June 2017	2016
1. Cash flows from operating activities			
C[illegible]		218,044,330	185,216,096
C[illegible]	4(44) ( )	16,104,834	13,577,071
Sub-total of cash inflows		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) ( )	(37,714,356)	(28,319,590)
Sub-total of cash outflows		(230,677,516)	(160,808,763)
Net cash flows generated from operating activities		3,471,648	37,984,404
2. Cash flows used in investing activities			
C[illegible]		3,225,000	.
N[illegible]	4(44) ( )	—	2,039,728
C[illegible]	4(44) ( )	91,007,687	898,631
Sub-total of cash inflows		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) ( )	(33,000,000)	(2,500,000)
Sub-total of cash outflows		(228,931,936)	(161,969,090)
Net cash flows used in investing activities		(134,699,249)	(159,030,731)

Consolidated Statements of Cash Flows

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

Item	N[illegible]	Six months ended 30 June 2017	2016

Company Statements of Cash Flows

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

Item		N[illegible]	Six months ended 30 June 2017	2016
1.	Cash flows from operating activities			
	C[illegible]		138,290,861	133,520,211
	C[illegible]		12,987,817	15,641,017
	Sub-total of cash inflows		151,278,678	149,161,228
	C[illegible]		(51,345,969)	(42,855,139)
	C[illegible]		(48,111,926)	(44,515,564)
	P[illegible]		(20,784,880)	(7,441,244)
	C[illegible]		(164,067,042)	(51,366,039)
	Sub-total of cash outflows		(284,309,817)	(146,177,986)
	Net cash flows (used in)/generated from operating activities		(133,031,139)	2,983,242
2.	Cash flows used in investing activities			
	C[illegible]		3,225,000	10,400,000
	C[illegible]		10,000,000	21,700,000
	C[illegible]		91,533,764	852,986
	Sub-total of cash inflows		104,758,764	32,952,986
	C[illegible]		(54,850,765)	(32,914,353)
	C[illegible]		—	(131,118,614)
	C[illegible]		(30,000,000)	.
	Sub-total of cash outflows		(84,850,765)	(164,032,967)
	Net cash flows (used in)/generated from investing activities		19,907,999	(131,079,981)

Company Statements of Cash Flows

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

Item		N[illegible]	Six months ended 30 June 2017	2016
3.	Cash flows from financing activities			
	C[illegible]		50,000,000	50,000,000
	Sub-total of cash inflows		50,000,000	50,000,000
	C[illegible]		(1,000,000)	(30,000,000)
	C[illegible]		(1,348,500)	.
	C[illegible]		(2,758,166)	.
	Sub-total of cash outflows		(5,106,666)	(30,000,000)
	Net cash flows generated from financing activities		44,893,334	20,000,000
4.	Effect of changes in foreign exchange rate		(7,312,748)	2,896,587
5.	Net decrease in cash and cash equivalents		(75,542,554)	(105,200,152)
	A[illegible]: C[illegible]		356,529,786	339,907,374
6.	Cash and cash equivalents at end of the period		280,987,232	234,707,222

T[illegible]

L[illegible]: P[illegible]: H[illegible]:

Consolidated Statement of Changes in Equity

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

	N[illegible]	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
Movements for the six months ended 30 June 2017							
T[illegible]							
N[illegible]							

Consolidated Statement of Changes in Equity

F [illegible] 30 J [illegible] 2017

(A[illegible] RMB Y[illegible])

		Equity attributable to owners of the Company					
	Note	Share capital	Capital reserve	Surplus reserve	Retained earnings	Non-controlling interests	Total equity
Balance at 1 January 2016		73,040,000	797,510,642	11,343,566	77,824,436	2,512,383	962,231,027
Movements for the six months ended 30 June 2016							
T[illegible]							
N[illegible]		-	-	-	28,208,189	(1,920,926)	26,287,263
C[illegible]							
C[illegible]		-	-	-	-	2,400,000	2,400,000
S[illegible]	9	-	1,155,567	-	-	-	1,155,567
Q[illegible]		-	-	-	-	11,729,151	11,729,151
D[illegible]							
D[illegible]	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

T[illegible]

L[illegible]: P[illegible]: H[illegible]:

Company Statement of Changes in Equity

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

	N[illegible]	Share capital	Capital surplus	Surplus reserve	Retained earnings	Total owners' equity
Balance at 1 January 2017		73,040,000	799,821,777	18,548,942	108,895,141	1,000,305,860
Movements for the six months ended 30 June 2017						
T[illegible]						
N[illegible]		—	—	—	21,231,390	21,231,390
C[illegible]						
S[illegible]	9	—	206,400	—	—	206,400
D[illegible]						
D[illegible]	4(31)	—	—	—	(18,260,000)	(18,260,000)
Balance at 30 June 2017		73,040,000	800,028,177	18,548,942	111,866,531	1,003,483,650
Balance at 1 January 2016		73,040,000	797,510,642	11,343,566	62,306,757	944,200,965
Movements for the six months ended 30 June 2016						
T[illegible]						
N[illegible]					21,633,902	21,633,902
C[illegible]						
S[illegible]	9		1,155,567			1,155,567
D[illegible]						
D[illegible]	4(31)				(18,260,000)	(18,260,000)
Balance at 30 June 2016		73,040,000	798,666,209	11,343,566	65,680,659	948,730,434

T[illegible]

L[illegible]: P[illegible]: H[illegible]:

Notes to the Financial Statements

F 30 J 2017

(A RMB Y)

1. G

T C W C K P R H (溫州市康寧精神康復醫院) PRC 7 F 1996. T C S R , H R D , W , , PRC.

O 15 O 2014, C W K H C ., L . (溫州康寧醫院股份有限公司).

T C (Group) PRC.

T C T S E H K L 20 N 2015.

T C B D 18 A 2017. T .

2. S

T G . T (N 2(10)), (N 2(11)), (N 2(23)).

T G N 2(28)

(1) Basis of preparation

T A S B E B S 38 M F 15 F 2006 (the Accounting Standards for Business Enterprises CAS) D G B C S R C

T .

T C O H K 2015. S .

2. S ( )

(2) Statement of compliance with the Accounting Standards for Business Enterprises

T C 30 J 2017 A S B E C 30 J 2017 .

(3) Accounting year

T C 1 J 31 D .

(4) Recording currency

T R (RMB).

(5) Business combination

B

T W C T .

2. S ( )

(6) Preparation of consolidated financial statements

T C

S G F C T

I C C F

A T C U C U C U

I G C T G .

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

2. S[illegible] (continued)

(7) Cash and cash equivalents

C[illegible]

(8) Foreign currency translation

F[illegible] RMB[illegible]

A[illegible] RMB[illegible]

2. S ...

(9) Financial instruments (continued)

( ) *F ...*

( ) C ...

A ...

A ... A ...

12

( ) R ...

F ... T ...
G ... I ... F ...
A ... A ...

A ... I ...
G ... W ...

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

2. S[illegible]

(9) Financial instruments (continued)

( ) F[illegible]

(...) I[illegible]

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

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

W[illegible] (...). I[illegible]

[illegible]

2. S ( )

(9) Financial instruments (continued)

( ) F

F T T G

P B

Q (0 T ( )T 0.783 0 T ( )T 0.2800.375 0 T (

F 30 J 2017

(A RMB Y)

2. S ( )

(10) Receivables

R T

M

( ) *R*

T G

T

( ) *R*

F W G

M ,

( ) *R*

T G

M ,

2. S (continued)

(10) Receivables (continued)

( ) R

F G

T ( )T ( )T ( )T ( )T

F 30 J 2017

(A RMB Y)

2. S ( )

(12) Long-term equity investments

L C G

S C A G

I C

( ) D

F

( ) S

F

F G W G

2. S ... (...)

(12) Long-term equity investments (continued)

( ) *S* ... (...)

U ... G ... T ... G ... H ... G ... T ... G ... T ... T ... G ... T ... G ... T ... G ... T ... G ... T ... G ... A ... T ... G ...

( ) *B* ...

C ...

S ...

( ) *I* ...

T ... (N ... 2(19)).

F 30 J 2017

(A RMB Y)

2. S ( )

(13) Investment properties

I S G

T G T

W W I

A T

2. S ( )

(14) Fixed assets

( ) *R*

F

F G F G

S T G T A

( ) *D*

D F

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%

2. S ... (...)

(14) Fixed assets (continued)

( ) *D... (...)*

T...

T... (N... 2(19)).

( ) *D...*

A... T...

(15) Construction in progress

C... A... C... T... (N... 2(19)).

2. S ( )

(16) Borrowings costs

T

T

C 3

F

F 3 ( )T. ( )T. 0 T. ( )T. ( )T. ( )T. (3 4.861 ( )T. ( )T. ( )T. ( )T3.6 ( )T. ( )T.

2. S [illegible]

(17) Intangible assets (continued)

(c) S [illegible]

S [illegible] 5 [illegible].

(d) C [illegible]

C [illegible]

A [illegible]:

	Contractual terms
Y [illegible] F [illegible] I [illegible] T [illegible] C [illegible] W [illegible] M [illegible] H [illegible] (Yanjiao Furen Hospital)	19.75 [illegible]
P [illegible] H [illegible] P [illegible] H [illegible] (Pujiang Hospital)	30 [illegible]
C [illegible] H [illegible] K [illegible] H [illegible] (Chunan Hospital)	30 [illegible]
Y [illegible] M [illegible] H [illegible] C [illegible] (Yiwu Health Center)	20 [illegible]

(e) P [illegible]

F [illegible]

(f) I [illegible]

T [illegible] (N [illegible] 2(19)).

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)

(18) Long-term prepaid expenses

Long-term prepaid expenses are recognised at actual cost and amortised on a straight-line basis over the expected benefit period. Long-term prepaid expenses that cannot benefit future periods are fully expensed in the current period.

(19) Impairment of long-term assets

For long-term equity investments, investment properties measured using the cost model, fixed assets, construction in progress, intangible assets with finite useful lives, and other long-term assets, the Company assesses at the balance sheet date whether there is any indication that an asset may be impaired. If there is any indication that an asset may be impaired, the recoverable amount is estimated. Goodwill arising from business combinations and intangible assets with indefinite useful lives are tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount is the higher of the fair value less costs to sell and the present value of expected future cash flows. The Company estimates the recoverable amount on an individual asset basis; if it is difficult to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the asset group to which the asset belongs. An asset group is the smallest group of assets that can generate cash inflows independently.

Once an impairment loss is recognised, it is not reversed in subsequent periods.

F 30 J 2017

(A RMB Y)

2. S ( )

(20) Employee benefits

E

( ) S

S T E

( ) P

T G D T G D T G ,

( ) B

T G M H R S S M W T

2. S ( )

(21) Dividend distribution

C ’

(22) Share-based payments

( ) *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 .

F 30 J 2017

(A RMB Y)

2. S ( )

(23) Revenue recognition

T G R

R G G

( ) S T

R G T

( ) P

R T

( ) M

M G

( ) R

R

( ) S

R D

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.

Asset-related government grants are recognised as deferred income and amortised evenly over the useful lives of the related assets. Income-related government grants that compensate the Group for expenses to be incurred in future periods are recognised as deferred income and released to profit or loss in the same periods in which the expenses are recognised. Income-related government grants that compensate the Group for expenses already incurred are recognised immediately in profit or loss.

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

2. S[illegible]

(25) Deferred tax assets and deferred tax liabilities

D[illegible]

[illegible]

2. S (continued)

(26) Leases

A
A

( ) Q

L

L

( ) F

T . T . A

(27) Segment information

T G

A G : (1) ; (2) G , (3) T G . I

2. S ( )

(28) Critical accounting estimates and judgements

T G

( ) 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) Critical accounting estimates and judgements (continued)

( ) G ( )

( ) B

I T B G W

T G T T

F 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) Critical accounting estimates and judgements (continued)

( ) G ... (...)

( ) R ...

A ... N ... 5(1), T ... G ... 51% ... W ... G ... I ... C ... (Wenzhou Guoda Investment). T ... G ... F ... F ... T ...

T ... G ... W ... H ... A ... E ... C ..., L ... T ...

T ...:

			Unobservable materially inputs			
	30 June 2017 Fair value	Technical of valudation	Item	Scope/ Weighted Average	Relationship with the fair value	Observable/ Unobservable
I ...	72,191,872	I ...	R .../	4.65%	( ) U ...	
			M ... (RMB/ .../ ...)	32-40.84		
			V ...	2.74%		

T ...

- T ...
- T ...
- T ...

2. S[illegible] (continued)

(28) Critical accounting estimates and judgements (continued)

( ) G[illegible] C[illegible]

( ) C[illegible]

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

I[illegible] G[illegible] A[illegible] G[illegible] G[illegible]. I[illegible]

( ) E[illegible]

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

T[illegible] G[illegible]:

[illegible];

[illegible];

[illegible];

I[illegible] G[illegible]

3. T[illegible]

T[illegible] G[illegible]:

Category	Tax rate	Tax base
C[illegible]	25%	T[illegible]
V[illegible] ( )	3%, 5% 6%	T[illegible]
B[illegible] ( )	5%	T[illegible]
C[illegible]	7%	T[illegible]
E[illegible]	3%	T[illegible]
L[illegible]	2%	T[illegible]
P[illegible]	1.2% 12%	T 70%
L[illegible] ( )	5	T
L[illegible]	30%-60%	T

( ) P[illegible] *C[illegible] O[illegible] B[illegible] P[illegible] B[illegible] L[illegible] VAT P[illegible] B[illegible] T* (C S 2016 N 36) [illegible] M[illegible] F[illegible] S[illegible] A[illegible] T[illegible], 1 M[illegible] 2016, [illegible] C[illegible] Q[illegible] K[illegible] H[illegible] C., L (Qingtian Kangning Hospital), C[illegible] K[illegible] H[illegible] C., L (C[illegible] K[illegible] H[illegible]), Y[illegible] K[illegible] H[illegible] C., L (Y[illegible] K[illegible] H[illegible]), Y[illegible] K[illegible] H[illegible] C., L (Y[illegible] K[illegible] H[illegible]), L[illegible] K[illegible] H[illegible] C., L (L[illegible] K[illegible] H[illegible]) W[illegible] Y[illegible] G[illegible] H[illegible] C., L (W[illegible] Y[illegible] G[illegible] H[illegible]) [illegible].

P[illegible] *S[illegible] N[illegible] S[illegible] P[illegible] T[illegible] T[illegible] P[illegible] M[illegible] S[illegible] B[illegible] T[illegible] V[illegible] A[illegible] T P[illegible] T[illegible] S[illegible]* (C S 2012 N 86) *C[illegible] O[illegible] B[illegible] P[illegible] B[illegible] L[illegible] VAT P[illegible] B[illegible] T* (C S 2016 N 36) [illegible] M[illegible] F[illegible] S[illegible] A[illegible] T[illegible], [illegible] C[illegible] W[illegible] K[illegible] J[illegible] F[illegible] C[illegible] (J[illegible] F[illegible] C[illegible]) [illegible] 3%.

3. T[illegible] ([illegible])

( ) ([illegible])

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

P[illegible] B[illegible] R[illegible] P[illegible]' R[illegible] C[illegible] B[illegible] T ([illegible] S[illegible] C[illegible] D[illegible] N 540),[illegible] C[illegible] Q[illegible] K[illegible] H[illegible], C[illegible] K[illegible] H[illegible],Y[illegible] K[illegible] H[illegible] Y[illegible] K[illegible] H[illegible] 1 J[illegible] 2013 30 A[illegible] 2016.

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

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

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

4. N[illegible]

(1) Cash at bank and on hand

	30 June 2017 (Unaudited)	31 D[illegible] 2016 (A[illegible])
C[illegible]		

4. N[illegible]

(2) Accounts receivable (continued)

( ) T[illegible]:

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

A[illegible] G[illegible]'[illegible]

A[illegible] 30 J[illegible] 2017, [illegible] G[illegible]' [illegible] RMB143,950,330 (31 D[illegible] 2016: RMB128,826,301). T[illegible] M[illegible] T[illegible]:

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

4. N ... (...)

(2) Accounts receivable (continued)

( ) A ... :

	Unaudited 30 June 2017				A ... 31 D ... 2016			
	Ending balance		Provision for bad debts		E ...		B ...	
	Amount	% of total balance	Amount	% of total balance	A ...	% ...	A ...	% ...
B ...	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 ...	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 ... G ...

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

F [illegible] 30 J [illegible] 2017

(A[illegible] RMB Y[illegible])

4. N[illegible]

(2) Accounts receivable (continued)

(2) T[illegible]

	30 June 2017 (Unaudited)		
	Balance	Provision for bad debts	% of total balance
T[illegible]			
BDC B[illegible] 9 124.7244Q/S[illegible] LS (2)T. XEMC /SD4235 BDC BT/T1 1 T.9 0 0[illegible]			

4. N[illegible]

(3) Other receivables (continued)

( ) T[illegible]:

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

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

( ) Q[illegible]:

30 June 2017 (Unaudited)	Balance	Provision for bad debt	% of provision	Reason
R[illegible] G[illegible] X[illegible] H[illegible] M[illegible]	2,156,116	1,210,030	56%	(i)
R[illegible] W[illegible] M[illegible] R[illegible] E[illegible] D[illegible] C., L[illegible] (Wenzhou Mingou Co., Ltd)	267,043	267,043	100%	e(iii)
	2,423,159	1,477,073		

( ) A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible] [illegible].

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

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

(3) Other receivables (continued)

(c) T[illegible] 30 J[illegible] 2017 ([illegible] 30 J[illegible] 2016: N[illegible]).

(d) A[illegible] 30 J[illegible] 2017, [illegible]:

		30 June 2017			
	Natrure	Balance	Aging	% of total balance	Provision for bad debts
C[illegible] R[illegible] H[illegible] (i)	B[illegible]	10,983,642	Within 3 years	19%	—
P[illegible] H[illegible] (i)	B[illegible]	8,832,388	Within 2 years	15%	—
Y[illegible] F[illegible] H[illegible]	D[illegible]	6,652,219	Within 2 years	12%	—
H[illegible] Q[illegible]	G[illegible]	5,000,000	Within 1 years	9%	—
C[illegible] H[illegible]	B[illegible]	3,628,323	Within 2 years	6%	—
		35,096,572		61%	—

(i) T[illegible] C[illegible] S[illegible] H[illegible] P[illegible] C[illegible] L[illegible] (S[illegible] Sichuan Hongji), [illegible] M[illegible] 2015 [illegible]

4. N[illegible] ([illegible])

(3) Other receivables (continued)

(c) A[illegible] 30 J[illegible] 2017, [illegible] [illegible] [illegible]

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

(4) Advances to suppliers (continued)

( ) A[illegible] 30 J[illegible] 2017,[illegible]

	30 June 2017	
	Amount	% of total balance
T[illegible]	12,991,804	66%

(5) Inventories

	30 June 2017 (Unaudited)	31 D[illegible] 2016 (A[illegible])
P[illegible]	10,262,343	7,564,623
M[illegible]	4,253,603	1,740,424
R[illegible]	—	153,522,647
R[illegible] ( )	162,051,463	.
	176,567,409	162,827,694

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016,[illegible]

( ) *F*[illegible]

	Starting day	Completed day	Total amount of investment	Opening balance	Closing balance
T[illegible] H E[illegible]	N[illegible] 2012	J[illegible] 2017	173,507,594	.	162,051,463

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

4. N[illegible]

(6) Available-for-sale financial assets

	30 June 2017 (Unaudited)	31 D[illegible] 2016 (A[illegible])
M[illegible] Q[illegible] ( )	50,000,000	50,000,000

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

(7) Long-term equity investment

	30 June 2017 (Unaudited)	31 D[illegible] 2016 (A[illegible])
A[illegible] ( )	60,198,228	22,429,070
L[illegible]: P[illegible]	—	
	60,198,228	22,429,070

T[illegible] G[illegible]

4. N[illegible]

(7) Long-term equity investment (continued)

( ) A[illegible]

	31 D[illegible] 2016 (A[illegible])	I[illegible]	S[illegible] (L[illegible])	Q[illegible]	30 June 2017 (Unaudited)
S[illegible] Y[illegible] H[illegible] C., L. (Shandong Yining) ( )	14,565,336	.	535,193	.	15,100,529
B[illegible] Y[illegible] H[illegible] ( )	3,890,715	.	(1,289,536)	5,243,377	7,844,556
H[illegible] H[illegible] I[illegible] T[illegible] C., L. (Hangzhou Honglan) ( )	2,096,698	.	(1,149,040)	.	947,658
C[illegible] H[illegible] K[illegible] H[illegible] C., L. (Hechuan Kangning) ( )	1,876,321	7,804,000	(1,031,752)	.	8,648,569
S[illegible] S[illegible] H[illegible] M[illegible] C., L. (Shanxi Shanda) ( )	.	25,714,286	192,555	.	25,906,841
H[illegible] Y[illegible] H[illegible] C., L. (Heze Yining Hospital) ( )	.	1,860,000	(109,925)	.	1,750,075
	22,429,070	35,378,286	(2,852,505)	5,243,377	60,198,228

( ) S[illegible] Y[illegible] A[illegible] 2016 [illegible] G[illegible] T[illegible] RMB14,700,000 [illegible] G[illegible] 49% [illegible]

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

4. N[illegible]

(7) Long-term equity investment (continued)

( ) A[illegible]

( ) O[illegible] 14 S[illegible] 2016, C[illegible] 30% [illegible] N[illegible] M[illegible] B[illegible] P[illegible] A[illegible] H[illegible] I[illegible] M[illegible] P[illegible] (L[illegible] L[illegible] P[illegible]) (Ningbo Meishan) [illegible] RMB1,500,000. O[illegible] 20 S[illegible] 2016, N[illegible] M[illegible] [illegible] RMB5,000,000[illegible]. A[illegible], T[illegible] G[illegible]' [illegible] H[illegible] H[illegible] 35% [illegible] H[illegible] H[illegible] [illegible].

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

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

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

(8) Investment properties

	Properties and land use right
C[illegible] 31 D[illegible] 2016 [illegible] 30 J[illegible] 2017	72,191,872

A[illegible] 30 J[illegible] 2017, G[illegible]' [illegible] RMB40,000,000 [illegible] K[illegible] H[illegible] M[illegible] L[illegible] [illegible] B[illegible] M[illegible] 2015 (N[illegible] 4(18)) [illegible]. T[illegible] [illegible] RMB106,520,000. T[illegible] 9 M[illegible] 2017[illegible] 9 M[illegible] 2018. A[illegible] 30 J[illegible] 2017, [illegible] RMB40,000,000.

A[illegible] 31 D[illegible] 2016, G[illegible]' [illegible] RMB40,000,000 [illegible] K[illegible] H[illegible] M[illegible] L[illegible] [illegible] B[illegible] D[illegible] 2012 (N[illegible] 4(25)) [illegible]. T[illegible] [illegible] RMB220,490,000. T[illegible] 17 D[illegible] 2012[illegible] 7 F[illegible] 2017. A[illegible] 31 D[illegible] 2016, [illegible] RMB36,700,000.

4. N[illegible]

(9) Fixed assets

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

4. N[illegible] ([illegible])

(9) Fixed assets (continued)

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

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

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible].

F[illegible]:

30 June 2017	Net book value	Reason
B[illegible]	58,291,056	(i) (ii)

(i) T[illegible] 24[illegible] N[illegible].7 H[illegible] T[illegible] L[illegible] D[illegible] W[illegible] RMB2,220,000 [illegible].

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

4. N[illegible]

(10) Construction in progress

	30 June 2017 (Unaudited)		
	Balance	Provision	Net book value
T[illegible] W[illegible] K[illegible] H[illegible]	244,254,548	—	244,254,548
T[illegible] H[illegible] Y[illegible] H[illegible] C[illegible], L[illegible] (Hangzhou Yining Hospital)	10,240,028	—	10,240,028
T[illegible] C[illegible] K[illegible] H[illegible] C[illegible], L[illegible] (Cangnan Kangning Hospital)	290,572	—	290,572
T[illegible] S[illegible] K[illegible] H[illegible] C[illegible], L[illegible] (Sihui Kangning Hospital)	400,922	—	400,922
T[illegible] S[illegible] Y[illegible] H[illegible] C[illegible], L[illegible] (Shenzhen Yining Hospital)	144,000	—	144,000
T[illegible] L[illegible] Y[illegible] H[illegible] C[illegible], L[illegible] (Langfang Yining Hospital Management)	894,829	—	894,829
Q[illegible]	867,505	—	867,505
	257,092,404	—	257,092,404

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

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible]

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

4. N[illegible]

(10) Construction in progress (continued)

( ) T[illegible]

Project name	The budget	31 December 2016	Increase in the six months ended 30 June 2017	Transfer to fixed assets/ long-term prepaid expenses	30 June 2017	Proportion of project investment to budget	Project schedule	Accumulative amount of capitalised borrowings costs	Including: Borrowings costs capitalised in the six months ended 30 June 2017	Capitalisation rate	The source of the money
T[illegible] W[illegible] K[illegible] H[illegible]	289,640,000	164,228,489	80,026,059	.	244,254,548	71%	84%	8,349,520	3,115,208	.	O[illegible]
T[illegible] W[illegible] Y[illegible] G[illegible] H[illegible]	45,000,000	668,020	580,365	(1,248,385)	.	83%	100%	.	.	.	O[illegible]
T[illegible] P[illegible] K[illegible]	27,000,000	16,285,626	7,748,943	(24,034,569)	.	84%	100%	.	.	.	O[illegible]
T[illegible] S[illegible] Y[illegible]	20,000,000	10,248,479	9,267,485	(19,371,964)	144,000	74%	98%	.	.	.	O[illegible]
T[illegible] Q[illegible] Y[illegible]	10,000,000	4,878,405	3,611,838	(8,490,243)	.	84%	100%	.	.	.	O[illegible]
T[illegible] H[illegible] Y[illegible] H[illegible]	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[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible]

4. N[illegible]

(11) Intangible assets

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

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

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible]

A[illegible] 30 J[illegible] 2017 [illegible] 31 D[illegible] 2016, [illegible] G[illegible]

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

4. N[illegible] (continued)

(11) Intangible assets (continued)

( ) T[illegible] G[illegible] Y[illegible] H[illegible] C[illegible] Y[illegible] H[illegible] F[illegible] P[illegible] C[illegible] M[illegible] T[illegible] G[illegible] RMB30,000,000 Y[illegible] H[illegible] C[illegible] Y[illegible] H[illegible] C[illegible] T[illegible] A[illegible] 2017 M[illegible] 2037, T[illegible] Y[illegible] T[illegible] G[illegible] RMB30,000,000, [illegible]

(12) Goodwill

	31 D[illegible] 2016 (A[illegible])	A[illegible]	D[illegible]	30 June 2017 (Unaudited)
G[illegible] W[illegible] G[illegible] I[illegible]	8,533,389	.	.	8,533,389

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

(13) Long-term prepaid expense

	31 D[illegible] 2016 (A[illegible])	A[illegible]	A[illegible]	30 June 2017 (Unaudited)
L[illegible]	88,125,992	30,131,530	(9,484,274)	108,773,248
Q[illegible]	729,800	.	(114,600)	615,200
	88,855,792	30,131,530	(9,598,874)	109,388,448

4. N[illegible]

(14) Deferred tax assets and deferred tax liabilities

( ) D[illegible]

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

4. N[illegible]

(14) Deferred tax assets and deferred tax liabilities (continued)

( ) D[illegible]

	30 June 2017 (Unaudited)		31 D[illegible] 2016 (A[illegible])	
	Taxable temporary differences	Deferred tax liabilities	T[illegible]	D[illegible]
A[illegible]	53,123,352	13,444,342	65,681,732	16,420,433
I[illegible]:				
E[illegible] (C[illegible])		2,920,416		2,351,146
E[illegible]		10,523,926		14,069,287
		13,444,342		16,420,433

( ) D[illegible]:

	30 June 2017 (Unaudited)	31 D[illegible] 2016 (A[illegible])
D[illegible]	7,532,393	5,914,753

( ) D[illegible]:

	30 June 2017 (Unaudited)	31 D[illegible] 2016 (A[illegible])
2021	4,982,645	5,914,753
2022	2,549,748	
	7,532,393	5,914,753

4. N[illegible]

(15) Provision for assets impairment

	31 D[illegible] 2016 (A[illegible])	A[illegible]	R[illegible]	D[illegible] W[illegible]	30 June 2017 (Unaudited)
P[illegible]	9,314,535	2,823,150	.	(277,949)	11,859,736
I[illegible]	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) Other non-current assets

	30 June 2017 (Unaudited)	31 D[illegible] 2016 (A[illegible])
P[illegible]	1,214,124	3,864,010
P[illegible]	12,526,610	14,913,078
P[illegible]	536,694	8,670,165
P[illegible]	555,750	.
I[illegible] ( )	2,500,000	.
	17,333,178	27,447,253

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

4. Notes to the consolidated balance sheet (continued)

(17) Short-term borrowings

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Guaranteed loans (Note 8(4)(b))	80,000,000	30,000,000
Pledged loans (a)	40,000,000	—
	120,000,000	30,000,000

(a) The loan of RMB40,000,000 was pledged by the Group's trade receivables (Note 4(9)). Weighted average interest rate of the Group's pledged loans was 4.35% (31 December 2016: 4.35%), with maturity date of 1 year. The Group's pledged loans were denominated in RMB72,192,000, equivalent to USD10,500,000.

As at 30 June 2017, the annual interest rates of short-term borrowings ranged from 4.35%-6.003% (31 December 2016: 4.35%).

(18) Accounts payable

	30 June 2017 (Unaudited)	31 December 2016 (Audited)
Payables for purchase of goods	27,427,167	19,318,370
Payables for purchase of equipment	10,223,558	10,227,427
Payables for purchase of raw materials and consumables	42,826,146	13,451,955
Others	—	273,262
	80,476,871	43,271,014

4. N[illegible] (continued)

(18) Accounts payable (continued)

T[illegible]:

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

T[illegible]. T[illegible]

(19) Advances from customers

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

( ) I[illegible] W[illegible] G[illegible] I[illegible].

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

4. N[illegible]

(20) Employee benefits payable

	30 June 2017 (Unaudited)	31 D[illegible] 2016 (A[illegible])
S[illegible] ( )	9,368,961	13,537,978
D[illegible] ( )	5,947,134	6,014,372
	15,316,095	19,552,350

( ) S[illegible]

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

4. N[illegible]

(20) Employee benefits payable (continued)

(1) D[illegible]

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

(2) T[illegible]

D[illegible] 30 J[illegible] 2017 [illegible] 30 J[illegible] 2016, T[illegible] G[illegible]

(21) Taxes payable

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

4. N[illegible] ([illegible])

(22) Other payables

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

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

( ) I[illegible] Y[illegible] H[illegible] C[illegible]

( ) I[illegible] G[illegible]'

( ) I[illegible] W[illegible] G[illegible] I[illegible] 6.16%[illegible].

( ) I[illegible] W[illegible] G[illegible] I[illegible].

( ) I[illegible] W[illegible] G[illegible] I[illegible].

4. N[illegible]

(23) Current portion of non-current liabilities

	30 June 2017 (Unaudited)	31 D[illegible] 2016 (A[illegible])
C[illegible] (N[illegible] 4(24))	—	36,700,000
C[illegible] (N[illegible] 4(25))	17,480,304	17,480,304
	17,480,304	54,180,304

(24) Long-term borrowings

	30 June 2017 (Unaudited)	31 D[illegible] 2016 (A[illegible])
P[illegible] ( )	19,950,190	56,650,190
G[illegible] ( )	129,000,000	130,000,000
	148,950,190	186,650,190
L[illegible]: C[illegible] (N[illegible] 4(23))		
M[illegible] ( )	—	(36,700,000)
	148,950,190	149,950,190

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

(24) Long-term borrowings (continued)

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

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

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

(25) Long-term payable

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

(c) T[illegible] [illegible] G[illegible]. T[illegible] [illegible]

4. N[illegible]

(26) Deferred income

	31 D[illegible] 2016 (A[illegible])	I[illegible]	D[illegible]	30 June 2017 (Unaudited)
G[illegible]	10,632,800	.	.	10,632,800

G[illegible]	31 D[illegible] 2016 (A[illegible])	I[illegible]	A[illegible]	30 June 2017 (Unaudited)	R[illegible]
T[illegible] ( )	10,632,800	.	.	10,632,800	R[illegible]

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

(27) Share capital

	31 D[illegible] 2016 (A[illegible])	I[illegible]	30 June 2017 (Unaudited)
S[illegible]	73,040,000	.	73,040,000

	31 D[illegible] 2015 (A[illegible])	I[illegible]	31 D[illegible] 2016 (U[illegible])
S[illegible]	73,040,000	.	73,040,000

4. N[illegible]

(28) Capital surplus

	31 D[illegible] 2016 (A[illegible])	I[illegible]	D[illegible]	30 June 2017 (Unaudited)
S[illegible]	760,289,830	.	.	760,289,830
Q[illegible]				
S[illegible] (N[illegible] 9)	5,590,960	206,400	.	5,797,360
Q[illegible] ( )	29,724,071	108,251	.	29,832,322
	795,604,861	314,651	.	795,919,512

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

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

4. N[illegible]

(29) Surplus reserve

	31 D[illegible] 2016 (A[illegible])	A[illegible]	D[illegible]	30 June 2017 (Unaudited)
S[illegible]	18,548,942	.	.	18,548,942

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

I[illegible] C[illegible] L[illegible] A[illegible] A[illegible] C[illegible] C[illegible] 10% [illegible] C[illegible] 50% [illegible] T[illegible] T(T(T(T(T(T(T(T(T(T(0 T( )T)T 0.338 0

4. N[illegible]

(30) Retained earning

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
R[illegible]	121,190,550	77,824,436
A[illegible]: N[illegible]	31,710,313	28,208,189
O[illegible] ( )	(18,260,000)	(18,260,000)
R[illegible]	134,640,863	87,772,625

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

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

4. Notes to the consolidated financial statements (continued)

(31) Revenue and cost of sales

	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Revenue (Unaudited)	Cost (Unaudited)	Revenue (Unaudited)	Cost (Unaudited)
Revenue from principal operations	238,108,930	156,885,868	187,817,343	118,945,305
Revenue from other operations	45,027,377	34,267,178	1,862,962	633,295
	283,136,307	191,153,046	189,680,305	119,578,600

(1) *Revenue from principal operations*

	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Revenue (Unaudited)	Cost (Unaudited)	Revenue (Unaudited)	Cost (Unaudited)
Pharmaceutical products	60,303,304	49,515,173	49,563,165	40,834,453
Treatment and medical service income	166,226,213	102,118,496	129,416,332	73,791,802
Medical consumables	11,579,413	5,252,199	8,837,846	4,319,050
	238,108,930	156,885,868	187,817,343	118,945,305

(2) *Revenue from other operations*

	Six months ended 30 June 2017		Six months ended 30 June 2016	
	Revenue (Unaudited)	Cost (Unaudited)	Revenue (Unaudited)	Cost (Unaudited)
Revenue from property leasing	41,353,888	33,683,175	.	.
Revenue from training	2,686,536	—	.	.
Others	986,953	584,003	1,862,962	633,295
	45,027,377	34,267,178	1,862,962	633,295

4. N[illegible]

(32) Taxes and surcharges

	Six months ended 30 June		B[illegible]
	2017	2016	
	(Unaudited)	(U[illegible])	
B[illegible]	—	30,564	R[illegible] N[illegible]3
C[illegible]	115,922	2,139	R[illegible] N[illegible]3
E[illegible]	48,397	842	R[illegible] N[illegible]3
L[illegible]	32,264	562	R[illegible] N[illegible]3
P[illegible] ( )	884,304	.	R[illegible] N[illegible]3
L[illegible] ( )	41,925	.	R[illegible] N[illegible]3
L[illegible]	2,765,489	.	R[illegible] N[illegible]3
Q[illegible] ( )	48,777	.	
	3,937,078	34,107	

( ) A[illegible] *R[illegible] V[illegible] T (C[illegible] K[illegible] 2016 N[illegible] 22)* [illegible] M[illegible] F[illegible] D[illegible] 2016, [illegible] C[illegible] [illegible] 2016.

(33) Selling and distribution expenses

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
P[illegible]	445,240	1,017,758

4. Notes to the consolidated financial statements (continued)

(34) General and administrative expenses

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Employee benefit expenses	17,968,176	14,822,551
Quality control expenses	7,955,709	8,477,054
Depreciation expenses	3,481,869	2,034,134
Consumables	2,667,140	1,790,618
Amortization of intangible assets	79,456	1,337,465
Taxes	1,614,509	1,491,713
Consulting fees	1,118,455	1,147,411
Others	898,289	969,139
Share-based payments (Note 9)	82,152	424,555
Amortization of long-term deferred expenses	418,194	336,680
Operating lease	3,530,394	3,527,921
	39,814,343	36,359,241

4. N[illegible]

(35) Expenses by nature

T[illegible]:

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

4. N[illegible] ([illegible])

(36) Financial (expenses)/income- net amount

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
N[illegible] ([illegible])/	(7,730,248)	9,592,376
I[illegible]	1,907,398	3,101,872
I[illegible]	(5,689,153)	(2,257,917)
L[illegible]	3,998,564	2,257,917
T[illegible] ( )	(2,724,600)	(2,776,747)
Q[illegible]	(198,512)	(131,710)
	(10,436,551)	9,785,791

( ) T[illegible] (N[illegible] 4(25)).

(37) Investment losses

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
S[illegible] (N[illegible] 4 (7))	2,852,505	2,199,509
N[illegible] ( )	(5,243,377)	.
	(2,390,872)	2,199,509

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

4. N[illegible]

(38) Assets impairment losses

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
B[illegible]	2,823,150	1,188,953

(39) Non-operating income

	Six months ended 30 June 2017 (Unaudited)	The amount charged to non-recurring profit an loss (Unaudited)
G[illegible] ( )	5,245,868	5,245,868
Q[illegible]	131,583	131,583
	5,377,451	5,377,451

	S[illegible] 30 J[illegible] 2016 (U[illegible])	T[illegible] (U[illegible])
G[illegible] ( )	142,968	142,968
Q[illegible]	41,847	41,847
	184,815	184,815

4. Notes to the consolidated financial statements (continued)

(39) Non-operating income (continued)

(1) Items of non-operating income

	Six months ended 30 June 2017 (Unaudited)	2016 (Unaudited)	Related to assets/income
Net gain on disposal of non-current assets	—	127,968	Related to income
Government grants (i)	4,835,868		Related to income
Government grants (ii)	400,000		Related to income
Others	10,000	15,000	Related to income
	5,245,868	142,968	

(i) The Company received government grants amounting to RMB490,000 and RMB4,345,868 from Wenzhou Longwan District Finance Bureau's General Office for the year ended 30 June 2017 and 30 June 2017 respectively. Pursuant to *Notice on Issuing Policies for Promoting Industrial Development in Longwan District (Wen Long Zheng Ban Fa [2016] No.573)* issued by Wenzhou Municipal Longwan District People's Government General Office.

(ii) The Company received government grants amounting to RMB400,000 from Wenzhou Longwan District Medical and Health Bureau in 2015. Pursuant to *Work Plan for Implementing Public Hospital Reform in Longwan District in 2015 (Wen Long Zheng Ban [2016] No.634)* issued by Wenzhou Municipal Longwan District People's Government General Office.

4. N[illegible] ([illegible])

(40) Non-operating expenses

	Six months ended 30 June 2017 (Unaudited)	The amount charged to non-recurring profit an loss (Unaudited)
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
Q[illegible]	65,965	65,965
	2,668,911	2,668,911

	S[illegible] [illegible] 30 J[illegible] 2016 (U[illegible])	T[illegible] [illegible] (U[illegible])
D[illegible] ( )	1,935,018	1,935,018
L[illegible]	84,100	84,100
I[illegible]: L[illegible]	84,100	84,100
Q[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[illegible]

(41) Other gains

	Six months ended 30 June 2017 (Unaudited)	Revalant to assets/income
S[illegible] ( )	1,020,000	Relavant to income
R[illegible] ( )	1,672,900	Relavant to income
	2,692,900	

( ) T[illegible] RMB1,020,000 [illegible] W[illegible] F[illegible] B[illegible] A[illegible] 2017, [illegible] *N[illegible] P[illegible] G[illegible] T[illegible] S[illegible] H[illegible] F[illegible] P[illegible] 2017* [illegible] W[illegible] H[illegible] F[illegible] P[illegible] C[illegible].

( ) T[illegible] RMB1,672,900 [illegible] A[illegible] 2017, [illegible] *N[illegible] I[illegible] M[illegible] G[illegible] S[illegible] F[illegible] B[illegible] M[illegible] I[illegible] 2016* (W[illegible] C[illegible] S[illegible] 2016 N[illegible].600) [illegible] W[illegible] F[illegible] B[illegible] W[illegible] H[illegible] F[illegible] P[illegible] C[illegible].

(42) Income tax expenses

	Six months ended 30 June	
	2017 (Unaudited)	2016 (U[illegible])
C[illegible]	14,743,399	13,915,240
D[illegible]	(2,729,673)	(3,384,030)
	12,013,726	10,531,210

4. N[illegible]

(43) Earning per share (continued)

( ) D[illegible]

D[illegible]
C[illegible]. T[illegible] C[illegible] 30 J[illegible] 2017. A[illegible].

(44) Notes to the statement of cash flows

( ) C[illegible]

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
C[illegible]	7,086,718	12,960,272
G[illegible]	7,938,768	15,000
Q[illegible]	1,079,348	601,799
	16,104,834	13,577,071

( ) C[illegible]

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

4. Notes to the statement of cash flows (continued)

(44) Notes to the statement of cash flows (continued)

(a) Cash and cash equivalents at the end of the period

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Interest income	1,556,687	898,631
Time deposits with original maturity of more than three months when acquired	89,451,000	–
	91,007,687	898,631

(b) Cash and cash equivalents at the end of the period

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Loans from related parties (i)	3,000,000	2,500,000
Time deposits with original maturity of more than three months when acquired (Note 4(1))	30,000,000	–
	33,000,000	2,500,000

(i) For the six months ended 30 June 2017, RMB3,000,000 was borrowed from Poly Hong Kong Investment Limited, RMB1,000,000 was borrowed from China Poly Group Finance Co., Ltd., RMB2,000,000 was borrowed from Poly Finance Co., Ltd. at 7.2% per annum.

(c) Cash and cash equivalents at the end of the period

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Time deposits with original maturity of more than three months when acquired (Note 4(23))	300,000	–

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

(44) Notes to the statement of cash flows (continued)

(.) C[illegible]

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
C[illegible] A[illegible]	1,718,279	338,363
C[illegible] H[illegible]	1,039,887	.
	2,758,166	338,363

( ) C[illegible]

A[illegible] C[illegible] B[illegible] Y[illegible] H[illegible], B[illegible] Y[illegible] H[illegible] [illegible] RMB24,773,012, [illegible] RMB10,306,594[illegible]. T[illegible] C[illegible] [illegible] RMB8,266,866[illegible] RMB2,039,728[illegible] S[illegible] 2015[illegible] M[illegible] 2016[illegible]

(45) Supplementary information to the statement of cash flows

( ) S[illegible]

R[illegible]

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
N[illegible]	30,305,485	26,287,263
A[illegible]: A[illegible]	2,823,150	1,188,953
D[illegible]	7,605,063	4,775,340
A[illegible]	3,662,798	3,005,935
A[illegible]	9,598,874	5,712,058
N[illegible]	95,691	84,100
F[illegible]/([illegible])	9,820,539	(8,289,294)
I[illegible] ([illegible])/[illegible]	(2,390,872)	2,199,509
D[illegible] D[illegible]	—	(127,968)
I[illegible]	(407,598)	(3,384,030)
D[illegible]	(2,976,091)	.
I[illegible]	(13,739,715)	(1,805,595)
S[illegible]	206,401	1,155,567
(I[illegible])/[illegible]	(47,078,441)	9,130,173
I[illegible]/([illegible])	5,946,364	(1,947,607)
N[illegible]	3,471,648	37,984,404

4. N...

(45) Supplementary information to the statement of cash flows (continued)

( ) S...

S...

F... 30 J... 2017 ... 2016,... G... RMB98,610,800 (I...
30 J... 2016: RMB93,187,500)... Y... F... H...

4. N[illegible]

(46) Monetary items dominated in foreign currency

	30 June 2017 (Unaudited)		
	Amount in the original currency	Exchange rate	Equivalent to RMB
C[illegible]			
USD	2,396,175	6.7744	16,232,648
HKD	255,752,199	0.8679	221,972,449

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

5. C[illegible]

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

T[illegible] Y[illegible] K[illegible] H[illegible] M[illegible] L[illegible] L[illegible] C[illegible] (Yiwu Kangning Hospital Management

F [illegible] 30 J [illegible] 2017

(A [illegible] RMB Y [illegible])

6. I [illegible]

(1) Interests in subsidiaries

( ) T [illegible] G [illegible]

Name of the subsidiaries	Major business location	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
				Direct	Indirect	

6. I[illegible] ([illegible])

(1) Interests in subsidiaries (continued)

( ) T[illegible] ([illegible])

Name of the subsidiaries	Major business location	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
				Direct	Indirect	
S[illegible] K[illegible] H[illegible]	S[illegible]	S[illegible]	M[illegible]	.	51%	I[illegible]
[illegible] K[illegible]	N[illegible]	N[illegible]	H[illegible] M[illegible]	100%	.	I[illegible]
H[illegible] Y[illegible] H[illegible]	H[illegible]	H[illegible]	M[illegible]	.	60%	I[illegible]
Q[illegible] Y[illegible] H[illegible]	Q[illegible]	Q[illegible]	M[illegible]	.	60%	I[illegible]
W[illegible] Y[illegible] G[illegible] H[illegible]	W[illegible]	W[illegible]	M[illegible]	.	100%	I[illegible]
P[illegible] K[illegible] H[illegible]	P[illegible]	P[illegible]	M[illegible]	.	100%	I[illegible]
T[illegible] K[illegible] H[illegible]	T[illegible]	T[illegible]	M[illegible]	.	51%	B[illegible]
W[illegible] G[illegible] I[illegible]	W[illegible]	W[illegible]	R[illegible]	.	75%	B[illegible]
L[illegible] Y[illegible] H[illegible]	T[illegible]	T[illegible]	M[illegible]	.	100%	S[illegible]
Y[illegible] K[illegible] H[illegible] M[illegible]	Y[illegible]	Y[illegible]	H[illegible] M[illegible]	.	100%	I[illegible]

For the six month 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) Significant non-wholly-owned subsidiaries

Subsidiaries	Shareholding %	Net profit or loss attributable to non-controlling shareholders for six month ended 30 June 2017	Dividends paid to non-controlling shareholders for six month ended 30 June 2017	Non-controlling interests as at 30 June 2017
[redacted] H[redacted]	48.78%	406,787	—	13,406,214
W[redacted] G[redacted] I[redacted]	25%	978,974	—	13,349,254
		1,385,761	—	26,755,468

The [redacted] Group

6. I ... (...)

(2) Interests in associates

( ) S ...

	Principal Place of Business	Registry Place	Bustiness Nature	Is it Strategic to Group Business	Shareholding ratio Direct	Shareholding ratio Indirect
S ... S ...	X' ...	X' ...	H ...	N ...	.	30%

( ) F ...

	Six months ended 30 June 2017 (Unaudited)
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

	Six months ended 30 June 2017
R ...	5,051,287
N ... P ...	711,811

( ) T ... TTT ... -... (... -US)//S ... (... -... 8/S ... 1-US)/MCID608 T (()T. ( )T. ())T. ( )T. 2.52 ...

6. I ... (...)

(2) Interests in associates (continued)

(...) S ...

T ... C ... N ...4(7) ... G ...

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U ...)
A ...	34,291,387	6,223,428
A ...:		
N ... ()	(2,659,950)	(2,199,509)
Q ... ()	—	.
T ...	(2,659,950)	(2,199,509)

() N ...

7. S ...

T ... G ... D ... T G ...

T G ...:

H ...;

P ...

T ...

T ... I ...

7. S[illegible] ([illegible])

( ) T[illegible] 30 J[illegible] 2017[illegible]:

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

( ) N[illegible]

F[illegible] 30 J[illegible] 2016, G[illegible]

( ) T[illegible]

8. Related parties and related party transactions

(1) General information of the Company

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacturing and sales of wire and cable products. The Company's ultimate controlling shareholder is Mr. Wang Wenyin, who directly and indirectly owns approximately 30% of the Company's shares.

(2) The information of the subsidiaries

The information of the subsidiaries is set out in Note 6(1).

(3) The information of other related party

The information of other related party of the Company is as follows:

	Relationship
Wuxi Shangshang Cable Co., Ltd.	Non-controlling shareholder of the Company's subsidiary
Pingxiang Shangshang Cable Co., Ltd.	Non-controlling shareholder of the Company's subsidiary
Chengdu Shangshang Cable Co., Ltd.	Non-controlling shareholder of the Company's subsidiary
Yunnan Shangshang Cable Co., Ltd.	Non-controlling shareholder of the Company's subsidiary
Qujing Shangshang Cable Co., Ltd.	Non-controlling shareholder of the Company's subsidiary
Wuxi Kaimeite Hardware Industry Co., Ltd.	Non-controlling shareholder of the Company's subsidiary
Hunan Yongyou Yongda Cable Co., Ltd.	Non-controlling shareholder of the Company's subsidiary
Qu Kuaifu	Non-controlling shareholder of the Company's subsidiary
Qu Jiaqi	Immediate family member of Qu Kuaifu

(4) Related party transactions

(1) Purchase of goods

The Company's subsidiaries purchase raw materials from related parties from time to time. The pricing of the transactions is determined by reference to the market price.

8. R[illegible]

(4) Related party transactions (continued)

( ) M[illegible]

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
B[illegible] Y[illegible] H[illegible]	—	1,700,000

( ) R[illegible]

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
Q[illegible]	14,400	14,400

( ) K[illegible] 0 SQ/S[illegible] ( )T( )T( )ETEMC 1 0 0 167T ETEMC /S3 (-US)/MCID 8179 J

8. R[illegible]

(4) Related party transactions (continued)

(c) P[illegible]

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
N[illegible] G[illegible]	1,405,303	366,619
B[illegible] Y[illegible] H[illegible]	328,964	1,653,923
	1,734,267	2,020,542

(d) R[illegible]

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
N[illegible] G[illegible]	777,482	1,353,493
B[illegible] Y[illegible] H[illegible]	6,309,236	15,064,006
	7,086,718	16,417,499

(e) P[illegible] G[illegible]

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
H[illegible] H[illegible]	60,221	

8. R[illegible] (C[illegible])

(4) Related party transactions (continued)

(2) R[illegible]

	Six months ended 30 June	
	2017	2016
Q[illegible]	45,087	50,219

(3) A[illegible]

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

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

(4) E[illegible]

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

8. R[illegible]

(4) Related party transactions (continued)

( ) A[illegible]

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
Q[illegible] K[illegible]	300,000	.

(5) Balances with related parties

( ) Q[illegible]

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

( ) Q[illegible]

	30 June	31 D[illegible]
	2017	2016
	(Unaudited)	(A[illegible])
Q[illegible] K[illegible]	3,410,000	3,110,000
H[illegible] H[illegible]	60,221	.
	3,470,221	3,110,000

T[illegible]

9. Share-based payments

For the purpose of the Company's initial public offering, on 21 July 2014, the Company adopted a restricted shares scheme (the Restricted Shares Scheme).

The Restricted Shares Scheme is summarized as follows:

(1) Incentive objects: The Restricted Shares Scheme is applicable to the directors, senior management, middle management and core technical personnel of the Company and its subsidiaries (collectively referred to as "Incentive Objects").

10. C

(1) Capital commitments

C T G :

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

(2) Operating lease commitments

T :

	30 June 2017 (Unaudited)	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) Market risk

( ) *F*

T G ' M C RMB. T G '

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

	30 June 2017 (Unaudited)		
	HKD	USD	Total
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 G ' RMB4,994,380 (31 D 2016: RMB6,193,000) / HKD.

12. F [illegible]

(1) Market risk (continued)

( ) I [illegible]

T G [illegible]. F G [illegible]. F G [illegible]. T G [illegible]. A 30 J 2017, T G [illegible] RMB- [illegible], RMB148,950,190 (31 D 2016: RMB179,950,190).

T G [illegible] G. I [illegible] G, G [illegible]. T G [illegible].

(2) Credit risk

G [illegible]. G [illegible],

T G [illegible]. M [illegible].

T G [illegible]. H G [illegible], C [illegible]. T [illegible]. T G [illegible], [illegible]. T G [illegible]. F [illegible]. B G [illegible] RMB10,382,663 RMB8,105,000 30 J 2017 31 D 2016, (N 4(2) ( )).

13. F

T

L 1: Q ( ) .

L 2: I L 1 .

L 3: U .

(1) Assets and liabilities measured at fair value on a recurring basis

A 30 J 2017 31 D 2016, :

	Level 1	Level 2	Level 3	Total
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) Assets and liabilities not measured at fair value but disclosed

T G : .

T .

14. C

T G ’ G ’

I G

T G ’ 4(0 1 1 1

15. N C (continued)

(1) Accounts receivable (continued)

( ) T :

	30 June 2017 (Unaudited)	31 D 2016 (A)
W 1	92,691,944	

R 1,77,25 2% — — 0534.2943 34943 380.23(5)T (,)T 130

15. N C (

(1) Accounts receivable (continued)

( ) A :

R	Unaudited 30 June 2017				A 31 D 2016			
	Ending balance		Provision for bad debts		E		B	
	Amount	% of total balance	Amount	% of total balance	A	%	A	%
R	25,848,193	26%	—	—	10,567,765	12%		
R	31,081,359	31%	—	—	39,872,555	46%		
R	,77,896,283	%8%	6,342,610	80%	06,34[illegible]			

87% ,225,4

— —

% 2,7 % 727

15. N C ( )

(1) Accounts receivable (continued)

( ) A 30 J 2017,

	30 June 2017		
	Balance	The amount of provision	% of the balance of total account receivables
T	33,539,706	—	33%

(2) Other receivables

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

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

15. N C (

(2) Other receivables (continued)

( ) T :

	30 June 2017 (Unaudited)	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

( ) Q

30 June 2017	Balance	Provision for bad debt	% of provision	Reason
R F G X H M	2,156,116	1,210,030	56%	(i)
R W M R E D C ., L (Wenzhou Mingou Co., Ltd)	267,043	267,043	100%	e(iii)
	2,423,159	1,477,073		

( ) A 30 J 2017 31 D 2016, G

15. N C ’ ( )

(2) Other receivables (continued)

( ) 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 June 2017 (Unaudited)			
	Nature	Balance	aging	% of total amount of other receivable	provision for bad debts
K	R	95,999,004	Within one year	23%	—
W Y G H	R	65,865,097	Within one year	16%	—
C K H	R	65,367,853	Within one year	16%	—
W G I	R	36,700,000	Within one year	9%	—
K H	R	31,853,982	Within two years	8%	—
		295,785,936		72%	—

(3) Long-term equity investment

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

T G

15. N C (continued)

(3) Long-term equity investment (continued)

( ) S

		The change in the six months ended 30 June						
	31 D 2016	Increase	Decrease	Accrual for provision for impairment	Others	30 June 2017	Provision for impairment	Cash dividends declared in the current period
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 F C	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 (continued)

(3) Long-term equity investment (continued)

( ) A

	31 D 2016	Initial investment	Decrease	The change in the six months ended 30 June Share of net profit/ (loss) under equity method	the adjustment of other comprehensive income	the change of other equity	Cash dividends declared in the current period	Accrual for provision for impairment	Others	30 June 2017	The closing amount of provision for impairment
H . H ( )	507,450	.	.	(1,149,040)	.	.	.	.	.	(641,590)	.
$427 Y H ( )	1										

15. N C (continued)

(4) Revenue and cost of sales (continued)

(a) R

	Six months ended 30 June 2017		S 30 J 2016	
	Revenue (Unaudited)	Cost (Unaudited)	R (U)	C (U)
P	42,430,403	35,779,303	39,051,448	30,281,560
T	97,002,193	54,009,581	84,015,433	53,200,980
M	9,165,461	4,548,589	8,012,930	4,113,366
	148,598,057	94,337,473	131,079,811	87,595,906

(b) R

	Six months ended 30 June 2017		S 30 J 2016	
	Revenue (Unaudited)	Cost (Unaudited)	R (U)	C (U)
Q	48,176	—	23,520	

(5) Investment income

	Six months ended 30 June	
	2017 (Unaudited)	2016 (U)
S	(613,847)	(2,199,509)
	(613,847)	(2,199,509)

T C

Supplementary Information of Financial Statement

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

1. T[illegible]

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(U[illegible])
N[illegible]	95,691	84,100
T[illegible]	(7,938,768)	(142,968)
L[illegible]	(350,711)	.
D[illegible]	2,247,255	1,935,018
N[illegible]	194,382	393,305
S[illegible]	(5,752,151)	2,269,455
L[illegible]:	1,573,716	(333,609)
L[illegible]:	—	.
N[illegible]	(4,178,435)	1,935,846

Basis of preparation for the non-recurring profit and loss statement

A[illegible] P[illegible] N[illegible] N .1 -[illegible] 2008[illegible] C[illegible] S[illegible] R[illegible] C[illegible], [illegible]

W[illegible] K[illegible] H[illegible] C., L[illegible] ([illegible] C[illegible]) [illegible] RMB[illegible] P[illegible] N D 9676 D. T. ( )T 0.( )T ( )T ( )T61( )T61( )T61(6[illegible] .58397 0 T

Supplementary Information of Financial Statement

F[illegible] 30 J[illegible] 2017

(A[illegible] RMB Y[illegible])

2. R[illegible]

W[illegible] K[illegible] H[illegible] C., L[illegible] ([illegible] C[illegible] RMB [illegible] P[illegible] *N[illegible] 9-[illegible] 2010* [illegible] C[illegible]

	Weighted average return on equity(%)	
	2017	2016
T[illegible] C[illegible]	3.12	6.99
T[illegible] C[illegible]	2.71	6.72

	Earning per share			
	six months ended 30 June 2017		2016	
	Basic earning per share	Diluted earning per share	B[illegible]	D[illegible]
T[illegible] C[illegible]	0.43	0.43	0.94	0.94
T[illegible] C[illegible]	0.38	0.38	0.91	0.91

Definitions

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 G T. ( )T. 00.599 0 T. ( )T. 0.412 06T. 9 0 0 9 198.4252 248.0957 T (1)T. ( )T. 1.26 0

Definitions

G	C
HS ( )	( ) RMB1.00 M B H K S E
H H I	H H I T C., L. (杭州宏瀾信息科技有限公司), PRC N 20, 2015 35% G
H Y H	H Y H C., L. (杭州怡寧醫院有限公司), PRC A 25, 2016, C
HK$ HKD H K	H K H K
H K	H K S A R PRC
H K L R	R G L S T S E H K L
H K S E	T S E H K L
L Y H	L Y H M C., L. (廊坊市怡寧醫院管理有限公司), PRC D 2, 2015, C
L K H	L K H C., L. (臨海康寧醫院有限公司), PRC F 2, 2015, C
M	M S A R PRC
M C	M C S T D L I A 10 H K L R
N C	B
P K H	P K H C., L. (平陽康寧醫院有限公司), PRC N 2, 2015, C
P C W	P C H C., L. (平陽縣長庚醫院有限責任公司)

Definitions

Definitions

S K H	S K H C., L. (四會康寧醫院有限公司), PRC A 19, 2016, C
S R M C	B
	C O (C 622 H K)
( )	H K L R
S ( )	S C
S C	C S C PRC C L
US$ USD	U S
W G	W G I C., L. (温州國大投資有限公司), PRC F 9, 2002, C
Y F H	Y F H T C W M (燕郊輔仁中西醫結合醫院) C M 26, 2015 Y F H T C W M C
Y K H	Y K H C., L. (永嘉康寧醫院有限公司), PRC D 12, 2012, C
Y K H	Y K H C., L. (樂清康寧醫院有限公司), PRC S 3, 2013, C
%	

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