1 INTRODU

1.1 Board) W Company)

(we our) 醫院股份有 31, 2017 (

Reporting

31, 2016.

1.2 (

3 BUSINESS REVIEW AND OUTLOOK

3.1 Business Review

2017

2017, ... k ... A ... k. A ... k.

3.2 Business Highlights

2017, ... 1,400.

3.3 Business Outlook

... k:

(…) k ... 2015 ... 2017, ... 56.6%, 52.6% ... 53.8% ... ;

(…) k ... ;

4 MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Financial Review

B666.4 ... 60.4% ... 2016, ... B119.9

4.1.1 Revenue and Cost of Revenue

k , :

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

RMB520.2 , RMB128.7 2016, RMB83.1 (2016: RMB7.3). 35.7% 2016, 34.0% (2016: 33.3%).

	For the year ended December 31, 2017	2016
Inpatients		
[illegible]	**3,420**	2,577
[illegible]	**1,248,300**	943,182
[illegible] (%)	**87.8%**	86.5%
[illegible]	**1,095,389**	815,883
[illegible] *(RMB'000)*	**371,663**	268,555
A [illegible] *(RMB)*	**339**	329
[illegible] *(RMB'000)*	**64,896**	48,262
A [illegible] *(RMB)*	**59**	59
Total inpatient revenue *(RMB'000)*	**436,559**	316,817
Total average inpatient spending per bed-day *(RMB)*	**398**	388
Outpatients		
[illegible]	**160,015**	145,696
[illegible] *(RMB'000)*	**17,831**	17,044
A [illegible]		

, B436.4 ,
37.8% 2016, : ( )
34.3% -
; ;
( ) 2.6% - .
83.9% (2016: 80.9%).

, B83.6 ,
12.0% 2016, : ( )
9.8%; ( )
1.8%.
16.1% (2016: 19.1%),
.

, ,
36.4%
2016, 74.9% (2016:
72.9%), 23.4% 2016,
25.1% (2016: 27.1%).

, , ,
, . k
:

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

,

B343.2 , 31.5% 2016,

. : ( )

26.9%

; ( ) 33.3%

; ( )

B19.2

, , , ,

A 2016,

62.8%.

, 38.4% (2016: 39.8%).

, 33.8%

(2016: 33.3%). ,

, 14.5% (2016: 11.7%).

,

32.6% (2016: 34.5%), 0.51(8)0.518.3(5)1 0( ) ( )0.51.862 0 (0)35(1)

, , , ,

B91.8 , 31.3 % 2016, ,

: ( ) 42.7% , , ,

, , ; ( ) 42.7%; ( )

, B6.4 , A- ,

.

16.8% (2016: 17.0%), -

, , A- , ,

, ,

15.8%, : ( ) ,

, , ’ ;

( ) , 2017,

.

4.1.6 Finance (Expenses)/Income – Net

k

, k ,

, - . k

:

For the year ended

4.1.7 Investment Income/(Loss)

/( ) /( ) /( ) /( ) :

	For the year ended December 31,	
	2017	2016
	(RMB'000)	*(RMB'000)*
	(6,462)	(6,202)
	350	4,541
	(6,112)	(1,661)

RMB6.1 (2016: RMB1.7), , , A k , .

4.1.8 Assets Impairment Losses

RMB19.1 (2016: RMB3.9), 389.7% 2016 3.5% (2016: 1.0%), RMB7.5 ;

4.1.9 Non-Operating Income (Expenses) and Other Gains

4.1.11 Total Comprehensive Income

, B49.1 , 28.7%
2016, :

. B8.3
W ;

. B14.9
B ;

. B7.5
;

. - B6.7
A .

B

(2012) 3-289403

75%

(A.) (. .) 6,602.26

(A.) (. .) 30,557.34

30, 2017

4.2.2 Accounts Receivables

A 31, 2017, B232.2 (31, 2016: B142.9), B220.1 , 54.0% 31, 2016, 2016.

121 (2016: 117).

4.2.3 Other Receivables and Prepayments

A 31, 2017, B54.6 (31, 2016: B77.0).

4.2.4 Investment Properties

A 31, 2017, B128.6 (31, 2016: B72.2), k B (3 & 4) I k B (2 11) , . :

k B (3 & 4)

A	, , ,
	(2012) 3-290617, (2012) 3-290604, (2012) 3-290602, (2012) 3-290616, (2017) 0136790, (2017) 0136791, (2017) 0136792, (2017) 0136793
	75%
(A .) (.)	3,722.29
(A .) (.)	12,854.06
	-
	- , 29, 2043,

k B (2 11)

A

1270.2483 A (39)0.342 0 ( )370.339 ( )050.453 ( )380.342 0 ( )370.339 (7

(2012) 3-289403

126 0.287 A 75%

11 (A .) (.) 6,602.26

(A .) 11,850.34

1 (.) 17230.342 ( )450.451 (390.287 0 ( )330.287 ( )0 0.339 ( )0 0.339 0 ( )330

t a

4.2.8 Other Payables

A 31, 2017, B99.8 (31, 2016: B38.9),

4.3 Liquidity and Capital Resources

	For the year ended December 31,	
	2017	2016
	(RMB'000)	*(B'000)*
	81,499	49,867
	(223,628)	(92,788)
( )/	**(21,900)**	69,080
( )/	**(169,625)**	38,706

4.3.1 Net Cash Generated from Operating Activities

B81.5 B47.8 B18.6 k B101.9 B47.6

4.3.2 Net Cash Used in Investing Activities

B223.6 B208.9 B60.5

4.3.3 Net Cash Used in Financing Activities

, B21.9 , k B90.0 , k B107.7 .

4.3.4 Significant Investment, Acquisition and Disposal

, .

4.4 Indebtedness

4.4.1 Bank Borrowings

A 31, 2017, k B200.0 (31, 2016: B216.7), B90.0 - k , k B106.7 .

4.4.2 Contingent Liabilities

A 31, 2017, .

4.4.3 Asset Pledge

W , B W , B k k 31, 2017, B40.0 .

4.4.4 Contractual Obligations

. A 31, 2017, - B334.2 .

4.4.5 Financial Instruments

, - - , , , k , . .

4.4.6 Exposure to Fluctuation in Exchange Rates

k ... H ... B.

... k ... .

A ... 31, 2017, ... k. ... k ... , ...

4.4.7 Gearing Ratio

A ... 31, 2017, ... ' ... (...) ... 34.3% (... 31, 2016: 35.1%).

4.4.8 Employees and Remuneration Policy

A ... 31, 2028 0 3(21) 0.528 0 (,) 0.

5.2 Dividend

B ... A ... 13, 2018, ... 13, 2018 ... 25, 2018 (**Record Date**) 0 ( ) 0.279 0

10%

10%.

10%

10%.

10% ,

10% 20%

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

10 IMPORTANT EVENTS AFTER THE REPORTING PERIOD

11 AUDITORS AND ACCOUNTING STANDARDS

12.2 Change In Accounting Policies

2017, ... A ... B ... 42 ... A ... ', A ... B ... 16 ... ' A ... ' ... 2017 30). ... :

Content and reason for change in accounting policies	Impacted financial statement item	Amount of impact For the year ended December 31, 2017	Amount of impact For the year ended December 31, 2016
... 31, 2017 ... 31, 2016 ...	...	9,417,463	
	...	(9,417,463)	
... / ... 31, 2017 ... 31, 2016 ...	...	505,331	115,556
	... / ...	(505,331)	(115,556)

12.2 Consolidated Annual Financial Information

[illegible]

12.2.1 Annual Consolidated Income Statement

		For the year ended December 31, 2017 *RMB*	2016
1.	**Revenue**	**666,435,528**	415,408,969
	[illegible]	**(449,331,902)**	(272,071,264)
	[illegible]	**(9,780,313)**	(1,169,328)
	[illegible]	**(1,752,173)**	(3,144,314)
	[illegible]	**(91,754,247)**	(69,855,467)
	[illegible]	**(24,262,625)**	24,764,573
	[illegible]	**(19,104,920)**	(3,902,289)
	[illegible]	**(6,111,760)**	(1,661,152)
	[illegible]	**(6,461,760)**	(6,201,867)
	[illegible]	**(505,331)**	(115,556)
	[illegible]	**9,417,463**	
2.	**Operating profit**	**73,249,720**	88,254,172
	[illegible]	**9,814,600**	8,567,750
	[illegible]	**(13,201,645)**	(4,683,423)
3.	**Total profit**	**69,862,675**	92,138,499
	[illegible]	**(22,026,917)**	(26,587,505)
4.	**Net profit**	**47,835,758**	65,550,994
	[illegible]	**47,835,758**	65,550,994

12.2.2 *Annual Consolidated Balance Sheets*

ASSETS	December 31, 2017 *RMB*	31, 2016 *RMB*
Current assets		
[illegible]	**279,334,159**	496,614,542
A[illegible]	**232,179,323**	142,938,440
[illegible]	**43,447,939**	54,672,733
A[illegible]	**11,132,676**	22,283,987
[illegible]	**23,532,469**	162,827,694
[illegible]	**12,688,704**	12,688,704
Total current assets	**602,315,270**	892,026,100
Non-current assets		
A[illegible]	**50,000,000**	50,000,000
[illegible]	**89,683,865**	22,429,070
[illegible]	**128,568,963**	72,191,872
[illegible]	**502,649,528**	97,666,540
[illegible]	**22,290,670**	198,066,153
[illegible]	**151,842,863**	125,865,371
[illegible]	**4,823,557**	8,533,389
[illegible]	**96,335,653**	88,855,792
[illegible]	**22,571,944**	20,300,383
[illegible]	**19,318,211**	27,447,253
Total non-current assets	**1,088,085,254**	711,355,823
TOTAL ASSETS	**1,690,400,524**	1,603,381,923

LIABILITIES AND OWNERS’ EQUITY	**December 31, 2017**	31, 2016
	RMB	*RMB*
Current liabilities		
	90,000,000	30,000,000
A	**83,787,338**	43,271,014
A	**7,511,284**	71,147,900
	23,714,318	19,552,350
	34,912,381	41,195,655
	99,79	

12.2.3 Annual Consolidated Statements of Cash Flow

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

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

12.2.4 *Annual Consolidated Statement of Changes In Equity*

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

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance at 1 January 2016	73,040,000	797,510,642	11,343,566	77,824,436	2,512,383	962,231,027
[illegible]				68,831,490	(3,280,496)	65,550,994
[illegible]						
[illegible]					9,200,000	9,200,000
[illegible]		2,311,135				2,311,135
[illegible]		(4,216,916)			15,946,066	11,729,150
B [illegible]						
[illegible]						
[illegible]					8,607,677	8,607,677
A [illegible]						
[illegible]			7,205,376	(7,205,376)		
[illegible]						
[illegible]				(18,260,000)		(18,260,000)
Balance at December 31, 2016	73,040,000	795,604,861	18,548,942	121,190,550	32,985,630	1,041,369,983

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

12.3.1 Accounts receivable

	December 31, 2017	31, 2016
	RMB	*RMB*
	2,250,000	
	245,277,585	151,042,945
	247,527,585	151,042,945
:	**(15,348,262)**	(8,104,505)
	232,179,323	142,938,440

31, 2017 2016 :

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

A ’ , .

12.3.2 Accounts payable

A 31, 2017 2016, :

	December 31, 2017	**December 31, 2016**
	RMB	*RMB*
W 3	**42,078,771**	39,665,783
3- 6	**7,390,442**	2,933,736
6-12	**20,557,648**	223,574
1 - 2	**13,579,346**	103,052
2 - 3	**27,315**	344,869
3	**153,816**	0.4303 -

12.3.3 *Revenue and cost of sales*

	For the year ended December 31,	
	2017	2016
	RMB	*[illegible]*
[illegible]	**546,561,325**	410,447,911
[illegible]	**119,874,203**	4,961,058
	666,435,528	415,408,969
[illegible]	**354,933,687**	270,663,677
[illegible]	**94,398,215**	1,407,587
	449,331,902	272,071,264

Revenue and cost of sale from main businesses

	For the year ended December 31,	
	RMB	*[illegible]*
	Revenue from main businesses	[illegible]
[illegible]	**130,681,392**	107,405,332
[illegible]	**389,493,815**	235,838,816
[illegible]	**26,386,118**	11,689,539
	546,561,325	

	For the year ended December 31,2016	
	RMB	*[illegible]B*
	Revenue from main businesses	[illegible]
[illegible]	**105,905,729**	86,970,397
[illegible]	**285,599,012**	174,138,929
[illegible]	**18,943,170**	9,554,351
	410,447,911	270,663,677

12.3.5 Income tax expenses

	For the year ended December 31,	
	2017	2016
	RMB	*RMB*
	30,123,517	32,874,281
	(8,096,600)	(6,286,776)
	22,026,917	26,587,505

:

	For the year ended December 31,	
	2017	2016
	RMB	*RMB*
	69,862,675	92,138,499
25%	**17,465,669**	23,034,625
	3,741,704	2,394,514
A	**579,395**	(320,322)
	(42,417)	-
	415,248	1,478,688
	207,837	-
	(340,519)	-
	22,026,917	26,587,505

12.3.6 Dividends

23, 2018, B B10,956,000
31, 2017, 73,040,000
31, 2017. 8 00 (0) 0.28 [illegible]

13 DEFINITIONS

A	2017 ... 13, 2018
A	B
B	B ... (北京怡寧醫院有限公司), ... A 17, 2015 ... 32.67%
B ... B	
	(蒼南康寧醫院有限公司), ... 15, 2012,
	(成都怡寧醫院有限公司 ... k ... 成都仁一醫院有限公司), ... 29, 2010 ... 41.67%
W	(成都怡寧醫院有限公司)
	(重慶合川康寧醫院有限公司), ... 5, 2015 ... 40%
	(淳安黃鋒康恩醫院)
W	W ... k ... B ... k ... (k : 2120)

A 14

( )

( ) ( )

( ) ,

B1.00 ,

B 0 ( ) 0.284 0 (.45 0 (0( ) 0.3 0

(廊坊市怡寧醫院管理有限公司),

( )
( ) ( )

., . (深圳怡寧醫院
k .,
. 深圳市怡寧醫院有限公司),
22, 2014,

3 ( ) ( ) ( ) ., (四會康寧醫院有限公

A 19, 2016, ' 53 0 ( ) 0.20.799

(燕郊輔仁中西醫結合醫院)

26, 2015

(樂清康寧醫院有限公司),

3, 2013,

402.3762 392 636(,) .366 3.969

司),

12,