環球醫療金融與技術咨詢服務有限公司
UNIVERSAL MEDICAL FINANCIAL & TECHNICAL ADVISORY SERVICES COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 2666)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2015, the revenue amounted to approximately RMB2,193 million, representing an increase of 41.3% as compared with that of approximately RMB1,553 million for 2014.
- For the year ended 31 December 2015, the profit before tax amounted to approximately RMB900 million, representing an increase of 47.3% as compared with that of approximately RMB611 million for 2014.
- For the year ended 31 December 2015, the net profit amounted to approximately RMB659 million, representing an increase of 44.2% as compared with that of approximately RMB457 million for 2014.
- As at 31 December 2015, the total assets amounted to approximately RMB23,658 million, representing an increase of 44.4% as compared with that of approximately RMB16,385 million as at 31 December 2014.
- As at 31 December 2015, the total shareholders' equity amounted to approximately RMB5,881 million, representing an increase of 142.3% as compared with that of approximately RMB2,427 million as at 31 December 2014.
- For the year ended 31 December 2015, the return on equity was 15.85%.
- For the year ended 31 December 2015, the return on assets was 3.29%.

In this announcement, "we", "us" and "our" refer to the Company (as defined below) and where the context otherwise requires, the Group (as defined below).

The board (the "**Board**") of directors (the "**Directors**") of Universal Medical Financial & Technical Advisory Services Company Limited (the "**Company**") is pleased to announce that the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2015 with the comparative figures for the year ended 31 December 2014 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

	Notes	**2015** ***RMB'000***	2014 *RMB'000*
REVENUE	*4*	**2,193,398**	1,552,682
Cost of sales		**(884,851)**	(619,594)
Gross profit		**1,308,547**	933,088
Other income and gains	*4*	**58,751**	15,419
Selling and distribution costs		**(213,926)**	(126,295)
Administrative expenses		**(246,496)**	(190,614)
Other expenses		**(6,602)**	(20,516)
PROFIT BEFORE TAX	*5*	**900,274**	611,082
Income tax expense	*6*	**(241,748)**	(154,444)
PROFIT FOR THE YEAR		**658,526**	456,638
Attributable to:			
Owners of the parent		**658,526**	456,638
Non-controlling interests		**–**	–
		658,526	456,638
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic and diluted *(RMB)*	*8*	**0.44**	0.51

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015	2014
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**658,526**	456,638
OTHER COMPREHENSIVE INCOME		
Items not to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements into presentation currency	**446**	1,026
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	**446**	1,026
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**446**	1,026
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**658,972**	457,664
Attributable to:		
Owners of the parent	**658,972**	457,664
Non-controlling interests	**–**	–

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	31 December 2015 RMB'000	31 December 2014 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	**89,586**	90,056
Loans and accounts receivable	12	**15,397,495**	11,471,343
Restricted deposits	14	**14,055**	–
Prepayments, deposits and other receivables	13	**106,930**	20,554
Available-for-sale investments	10	**64,916**	20,955
Deferred tax assets	18	**21,777**	22,497
Total non-current assets		**15,694,759**	11,625,405
CURRENT ASSETS			
Inventories		**2,643**	3,119
Loans and accounts receivable	12	**5,919,463**	4,167,986
Prepayments, deposits and other receivables	13	**35,668**	34,733
Derivative financial assets	11	**28**	–
Restricted deposits	14	**139,650**	100,504
Cash and cash equivalents	14	**1,865,670**	453,569
Total current assets		**7,963,122**	4,759,911
CURRENT LIABILITIES			
Trade and bills payables	15	**94,773**	956,422
Other payables and accruals	16	**356,739**	325,695
Interest-bearing bank and other borrowings	17	**7,634,574**	4,118,187
Tax payable		**65,217**	12,145
Total current liabilities		**8,151,303**	5,412,449
NET CURRENT LIABILITIES		**(188,181)**	(652,538)

	Notes	**31 December 2015** **RMB'000**	31 December 2014 RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**15,506,578**	10,972,867
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*17*	**7,823,780**	7,290,065
Other payables and accruals	*16*	**1,736,682**	1,232,568
Other liabilities		**64,916**	20,955
Derivative financial liabilities	*11*	**–**	1,780
Total non-current liabilities		**9,625,378**	8,545,368
Net assets		**5,881,200**	2,427,499
EQUITY			
Share capital	*19*	**4,327,842**	1,579,905
Reserves	*20*	**1,553,358**	847,594
Total equity		**5,881,200**	2,427,499

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Notes	2015 RMB'000	2014 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**900,274**	611,082
Adjustments for:			
Finance costs	5	**864,165**	596,954
Interest income	4	**(7,877)**	(2,482)
Derivative financial instruments – transactions not qualifying as hedges:			
Unrealised fair value gains, net	5	**(1,804)**	(4,079)
Depreciation	9	**15,283**	15,150
Provision for impairment of lease receivables	12	**69,050**	85,854
Interest income from available-for-sale investments	4	**(894)**	–
Foreign exchange (gain)/loss, net		**(41,466)**	13,110
Equity-settled share-based compensation expense	21	**19,211**	4,742
		1,815,942	1,320,331
Decrease in inventories		**476**	202
Increase in loans and accounts receivable		**(5,764,438)**	(6,175,768)
(Increase)/decrease in prepayments, deposits and other receivables		**(64,139)**	281,771
Decrease in amounts due from related parties		**17,315**	15,253
(Decrease)/increase in trade and bills payables		**(753,248)**	613,386
Increase in other payables and accruals		**540,222**	689,974
(Decrease)/increase in amounts due to related parties		**(108,401)**	104,536
Increase in other liabilities		**43,961**	–
Net cash flows used in operating activities before interest and tax		**(4,272,310)**	(3,150,315)
Interest paid		**(868,486)**	(795,641)
Interest received		**7,877**	2,482
Income tax paid		**(187,956)**	(167,241)
Net cash flows used in operating activities		**(5,320,875)**	(4,110,715)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income from available-for-sale investments		**894**	–
Cash paid for acquisition of property, plant and equipment, intangible assets and other long term assets		**(28,903)**	(741)
Purchase of available-for-sale investments		**(43,961)**	–
Net cash flows used in investing activities		**(71,970)**	(741)

	Notes	2015 RMB'000	2014 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**2,775,518**	804,614
Increase in amounts due to related parties		**1,750,000**	–
Decrease in amounts due to related parties		**(2,279,005)**	(632,836)
Cash received from borrowings		**13,585,614**	6,206,195
Repayments of borrowings		**(9,102,592)**	(2,076,004)
Cash paid for restricted deposits		**(117,019)**	(100,504)
Repayment of restricted deposits		**63,818**	124,377
Dividends paid		**(8,264)**	(77,939)
Net cash flows from financing activities		**6,668,070**	4,247,903
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,275,225**	136,447
Cash and cash equivalents at beginning of year		**453,569**	318,998
Effect of exchange rate changes on cash and cash equivalents		**136,876**	(1,876)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,865,670**	453,569
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**1,994,723**	529,496
Less: Restricted deposits		**(129,053)**	(75,927)
Cash and cash equivalents as stated in the statement of financial position	*14*	**1,865,670**	453,569
Cash and cash equivalents as stated in the statement of cash flows		**1,865,670**	453,569

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in Hong Kong with limited liability on 19 April 2012. Pursuant to the special resolutions of shareholders dated 6 February 2015 and 10 June 2015, respectively, the Company changed its name from Universal International Leasing Co., Limited to Universal Medical Services & Health Management Company Limited and then to Universal Medical Financial & Technical Advisory Services Company Limited. The registered office of the Company is located at Room 3302~3303, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. The Company's shares have been listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 8 July 2015.

The Group is principally engaged in providing financing to its customers under finance lease arrangements, the provision of advisory services, sale of medical equipment, medical equipment leases under operating lease arrangements, and the provision of other services as approved by the Ministry of Commerce of the People's Republic of China (the "**PRC**") in mainland China.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**'"), and rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURE

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvement to *HKFRS 2010-2012 Cycle*
Annual Improvement to *HKFRS 2011-2013 Cycle*

2.3 CHANGE IN FUNCTIONAL CURRENCY

An entity's functional currency is the currency of the primary economic environment in which the entity operates.

As the financing capacity of the Company is strengthened following the completion of the Company's initial public offering ("IPO") and listing on the Stock Exchange at the beginning of July 2015, the directors of the Company expect that the Company would be principally engaged in raising funds outside mainland China to finance the business of its subsidiaries operated in the PRC, since then, the Company's operation would highly rely on RMB. Accordingly, the directors assessed and changed the functional currency of the Company from United States dollar ("**USD**") to RMB starting from July 2015.

The change in functional currency of the Company was applied prospectively from the date of change in accordance with HKAS 21 "The Effect of Changes in Foreign Exchange Rates". On the date of the change of functional currency, the Company translated all items into RMB using the exchange rate on that date.

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKAS 1	*Disclosure Initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012-2014 Cycle	*Amendments to a number of HKFRSs*[1]

1 Effective for annual periods beginning on or after 1 January 2016

2 Effective for annual periods beginning on or after 1 January 2018

3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

4 No mandatory effective date yet determined but is available for adoption

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in providing financing to its customers under finance lease arrangements, the provision of advisory services, sale of medical equipment, and medical equipment leases under operating lease arrangements in mainland China. For management purposes, the aforesaid businesses are integral and therefore the Group has not been divided by different operating segments.

Geographical information

(a) All the sales of the operations to external customers of the Group are generated in mainland China.

(b) All non-current assets of the operations are located in mainland China, except for financial instruments and deferred tax assets.

Information about a major customer

There was no single customer which constituted 10% or more of the total revenue of the Group during the year.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, net of value added tax, after allowances for returns and trade discounts; and the gross leasing income received and the value of services rendered, net of business tax or value added tax, during the year.

An analysis of revenue, other income and gains is as follows:

	2015	2014
	RMB'000	*RMB'000*
Revenue		
Finance lease income	**1,475,796**	1,043,888
Service fee income	**703,058**	487,689
Operating lease income	**17,983**	17,076
Sale of goods	**12,338**	18,425
Others	**2,960**	438
Business tax and surcharges	**(18,737)**	(14,834)
	2,193,398	1,552,682
Other income and gains		
Interest income	**7,877**	2,482
Foreign exchange gains	**44,614**	–
Derivative financial instruments – transaction not qualifying as a hedge:		
– Unrealised fair value gains, net	**1,804**	4,079
Government grants *(note 4a)*	**400**	4,756
Interest income from available-for-sale investments	**894**	–
Others	**3,162**	4,102
	58,751	15,419

4a. GOVERNMENT GRANTS

	2015	2014
	RMB'000	*RMB'000*
Value Added Tax ("VAT") refund	**–**	4,516
Others	**400**	240
	400	4,756

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Note	2015 RMB'000	2014 RMB'000
Cost of borrowings (included in cost of sales)		**864,165**	596,954
Cost of inventories sold		**6,284**	8,311
Cost of operating lease		**14,297**	14,226
Cost of others		**105**	103
Depreciation		**986**	924
Rental expenses		**18,905**	14,802
Auditors' remuneration		**2,300**	1,252
Listing expense		**31,559**	–
Employee benefit expense (including directors' remuneration)			
– Wages and salaries		**192,501**	124,470
– Equity-settled share-based compensation expense	*21*	**19,211**	4,742
– Pension scheme contributions		**19,573**	6,154
– Other employee benefits		**20,578**	15,990
		251,863	151,356
Impairment of loans and accounts receivable	*12c*	**69,050**	85,854
Foreign exchange (gain)/loss		**(44,614)**	13,129
Derivative financial instruments – transactions not qualifying as hedges:			
– Unrealised fair value gains, net		**(1,804)**	(4,079)
– Realised fair value losses, net		**3,921**	7,110

6. INCOME TAX EXPENSE

	Note	2015 RMB'000	2014 RMB'000
Current – Hong Kong			
Underprovision in prior years		**859**	193
Current – Mainland China			
Charge for the year		**240,293**	160,779
(Overprovision)/Underprovision in prior years		**(124)**	13
Deferred tax	*18*	**720**	(6,541)
Total tax charge for the year		**241,748**	154,444

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the year (2014: 16.5%).

The income tax provision of the Group in respect of its operations in mainland China has been calculated at the applicable tax rate of 25% on the estimated assessable profits for the year, based on existing legislation, interpretations and practices in respect thereof.

The subsidiaries incorporated in the Cayman Islands are exempted from income tax in the Cayman Islands.

A reconciliation of the tax charge applicable to profit before tax using the statutory/applicable rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax charge at the effective tax rate is as follows:

	2015	2014
	RMB'000	*RMB'000*
Profit before tax	**900,274**	611,082
At PRC statutory income tax rate of 25%	**225,068**	152,771
Lower tax rate enacted by local authority	**545**	(79)
Expenses not deductible for tax purpose	**11,427**	900
Income not subject to tax	**(8,930)**	(1)
Adjustment on current income tax in respect of prior years	**735**	13
Utilisation of previously unrecognised tax losses	**–**	(77)
Unrecognised tax losses	**1,903**	–
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**11,000**	917
Income tax expense as reported in the consolidated statement of profit or loss	**241,748**	154,444

7. DIVIDENDS

	2015	2014
	RMB'000	*RMB'000*
Dividends before listing	**–**	8,264
Proposed final dividend – HK$0.13 per ordinary share	**186,925**	–

The proposed final dividend for the year is subject to the approval of the Company's Shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic earnings per share for the years ended 31 December 2015 and 2014 are calculated by dividing the profits attributable to ordinary equity holders of the parent by the weighted average numbers of ordinary shares in issue during the respective periods, which have been adjusted retrospectively for the share split on 11 June 2015 as described in note 19(a) to the financial statements.

	2015	2014
	RMB'000	*RMB'000*
Profit attributable to ordinary equity holders of the parent	**658,526**	456,638

	2015	2014
Weighted average number of ordinary shares in issue	**1,484,397,155**	900,467,450

	2015	2014
	RMB	*RMB*
Basic and diluted earnings per share	**0.44**	0.51

The Company did not have any dilutive potential ordinary shares outstanding during the year and in prior year. Diluted earnings per share were equal to the basic earnings per share for both years.

9. PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2015

	Transportation equipment *RMB'000*	Office equipment *RMB'000*	Electronic equipment *RMB'000*	Medical equipment *RMB'000*	Leasehold improvements *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2015:							
Cost	2,641	605	4,209	132,602	–	588	140,645
Accumulated depreciation	(1,007)	(457)	(2,714)	(46,121)	–	(290)	(50,589)
Net carrying amount	1,634	148	1,495	86,481	–	298	90,056
At 1 January 2015, net of accumulated depreciation	1,634	148	1,495	86,481	–	298	90,056
Additions	220	1,367	1,337	1,000	9,713	1,176	14,813
Depreciation provided during the year	(328)	(78)	(483)	(14,297)	–	(97)	(15,283)
At 31 December 2015, net of accumulated depreciation	1,526	1,437	2,349	73,184	9,713	1,377	89,586
At 31 December 2015:							
Cost	2,861	1,972	5,546	133,602	9,713	1,764	155,458
Accumulated depreciation	(1,335)	(535)	(3,197)	(60,418)	–	(387)	(65,872)
Net carrying amount	1,526	1,437	2,349	73,184	9,713	1,377	89,586

As at 31 December 2014

	Transportation equipment *RMB'000*	Office equipment *RMB'000*	Electronic equipment *RMB'000*	Medical equipment *RMB'000*	Others *RMB'000*	Total *RMB'000*
At 1 January 2014:						
Cost	2,468	526	3,794	132,602	514	139,904
Accumulated depreciation	(695)	(391)	(2,262)	(31,873)	(218)	(35,439)
Net carrying amount	1,773	135	1,532	100,729	296	104,465
At 1 January 2014, net of accumulated depreciation	1,773	135	1,532	100,729	296	104,465
Additions	173	79	415	–	74	741
Depreciation provided during the year	(312)	(66)	(452)	(14,248)	(72)	(15,150)
At 31 December 2014, net of accumulated depreciation	1,634	148	1,495	86,481	298	90,056
At 31 December 2014:						
Cost	2,641	605	4,209	132,602	588	140,645
Accumulated depreciation	(1,007)	(457)	(2,714)	(46,121)	(290)	(50,589)
Net carrying amount	1,634	148	1,495	86,481	298	90,056

10. AVAILABLE-FOR-SALE INVESTMENTS

	2015 ***RMB'000***	2014 *RMB'000*
Asset-backed securities	**64,916**	20,955

As at 31 December 2015, the Group invested in asset-backed securities which were issued by special purpose trusts. Details of the asset-backed securities are disclosed in note 22 to the financial statements.

11. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	2015	2014
	RMB'000	*RMB'000*
Interest rate swaps	**28**	(1,780)

As at 31 December 2015, the Group's borrowings with floating interest rates determined with reference to London InterBank Offered Rate ("LIBOR") and measured at amortised cost amounted to US$36,000,000 (2014: US$165,669,000). To manage the interest rate exposure arising from these borrowings, the Company accordingly entered into interest rate swap contracts with certain banks in Hong Kong/Mainland China. As at 31 December 2015, the total nominal amount of interest rate swap contracts was US$36,000,000 (2014: US$165,669,000). Changes in the fair value of the financial derivatives amounting to a gain of RMB1,804,000 (2014: a gain of RMB4,079,000) was credited to the statement of profit or loss during the year ended 31 December 2015.

12. LOANS AND ACCOUNTS RECEIVABLE

	2015	2014
	RMB'000	*RMB'000*
Loans and accounts receivable due within 1 year	**5,919,463**	4,167,986
Loans and accounts receivable due after 1 year	**15,397,495**	11,471,343
	21,316,958	15,639,329

12a. Loans and accounts receivable by nature

	2015	2014
	RMB'000	*RMB'000*
Gross lease receivables *(note 12b)*	**25,812,062**	19,203,593
Less: Unearned finance income	**(4,211,410)**	(3,353,454)
Net lease receivables *(note 12b)*	**21,600,652**	15,850,139
Accounts receivable *(note 12d)*	**4,826**	8,660
Subtotal of loans and accounts receivable	**21,605,478**	15,858,799
Less:		
Provision for lease receivables *(note 12c)*	**(288,520)**	(219,470)
	21,316,958	15,639,329

12b(1). An aging analysis of lease receivables, determined based on the age of the receivables since the effective dates of the relevant lease contracts, as at the end of the reporting period is as follows:

	2015	2014
	RMB'000	*RMB'000*
Gross lease receivables		
Within 1 year	**12,979,870**	10,410,866
1 to 2 years	**7,477,834**	6,024,876
2 to 3 years	**3,968,858**	2,017,364
3 years and beyond	**1,385,500**	750,487
	25,812,062	19,203,593

	2015	2014
	RMB'000	*RMB'000*
Net lease receivables		
Within 1 year	**10,491,029**	8,325,909
1 to 2 years	**6,321,105**	5,072,871
2 to 3 years	**3,533,236**	1,784,898
3 years and beyond	**1,255,282**	666,461
	21,600,652	15,850,139

12b(2). The table below illustrates the gross and net amounts of lease receivables the Group expects to receive in the following three consecutive accounting years:

	2015	2014
	RMB'000	*RMB'000*
Gross lease receivables:		
Due within 1 year	**7,641,809**	5,550,908
Due in 1 to 2 years	**6,553,370**	4,926,903
Due in 2 to 3 years	**5,179,680**	4,128,943
Due after 3 years and beyond	**6,437,203**	4,596,839
	25,812,062	19,203,593

	2015	2014
	RMB'000	*RMB'000*
Net lease receivables:		
Due within 1 year	**6,036,410**	4,243,709
Due in 1 to 2 years	**5,301,893**	3,920,617
Due in 2 to 3 years	**4,395,572**	3,495,340
Due after 3 years and beyond	**5,866,777**	4,190,473
	21,600,652	15,850,139

12c. CHANGE IN PROVISION FOR LEASE RECEIVABLES

	Individually assessed		Collectively assessed		Total	
	2015	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
At beginning of year	**57,199**	44,251	**162,271**	89,365	**219,470**	133,616
Charge for the year	**7,184**	12,948	**61,866**	72,906	**69,050**	85,854
At end of year	**64,383**	57,199	**224,137**	162,271	**288,520**	219,470

As at 31 December 2015, the amount of the gross lease receivables pledged as security for the Group's borrowings was RMB7,530,865,000 (2014: RMB6,321,196,000) (see note 17).

12d. An aging analysis of accounts receivable, determined based on the age of the receivables since the recognition date of the accounts receivable, as at the end of the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**21**	8,660
1 year and beyond	**4,805**	–
	4,826	8,660

Accounts receivable were arising from the sale of medical equipment and advisory services. Except for some specific contracts, the Group generally does not provide credit term to customers.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Current:		
Prepayments	**978**	181
Other receivables	**26,948**	32,640
Lease deposit receivable due within 1 year	**5,386**	–
Due to related parties	**2,356**	1,912
	35,668	34,733
Non-current:		
Prepayments for non-current assets	**95,713**	3,950
Lease deposit receivable	**11,217**	16,604
	106,930	20,554
	142,598	55,287

14. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	2015	2014
	RMB'000	*RMB'000*
Cash and bank balances	**1,994,723**	529,496
Time deposits	**24,652**	24,577
	2,019,375	554,073
Less:		
Restricted deposits	**(153,705)**	(100,504)
Cash and cash equivalents	**1,865,670**	453,569

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB698,098,000 (2014: RMB447,218,000). RMB is not freely convertible into other currencies, however, under mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at either fixed or floating rates based on daily bank deposit balance.

As at 31 December 2015, bank balance of RMB105,631,000 (2014: RMB100,504,000) was pledged or charged for bank borrowings (see note 17).

As at 31 December 2015, cash and bank balance of RMB48,074,000 (2014: Nil) was not available for use by the Group in accordance with the arrangements entered by the Group and the special purpose trusts in the securitisation transactions described in note 22. The cash collected by the Group should be passed on to the investors of the asset-backed securities without material delay.

As at 31 December 2015, cash and bank balance of RMB378,797,000 (2014: RMB223,174,000) was deposited with Genertec Finance Co., Ltd., a related party.

15. TRADE AND BILLS PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables	**94,735**	847,983
Due to related parties	**38**	108,439
	94,773	956,422

The trade payables are non-interest-bearing and are repayable within one year.

15a. An aging analysis of the trade and bill payables as at the end of the reporting period, based on the invoice date, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**81,759**	900,577
1 to 2 years	**161**	6,005
2 to 3 years	**5,555**	4,163
3 years and beyond	**7,298**	45,677
	94,773	956,422

16. OTHER PAYABLES AND ACCRUALS

	2015	2014
	RMB'000	*RMB'000*
Current:		
Lease deposits due within 1 year	**72,053**	63,019
Accrued salary	**77,528**	52,075
Welfare payables	**3,690**	2,122
Advances from customers	**5,089**	1,569
Due to related parties	**1,271**	22,506
Other taxes payable	**52,055**	5,629
Interest payable	**87,068**	61,067
Other payables	**57,985**	117,708
	356,739	325,695
Non-current:		
Lease deposits due after 1 year	**1,633,849**	1,182,143
Accrued salary	**102,833**	50,425
	1,736,682	1,232,568
	2,093,421	1,558,263

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2015			2014		
	Effective interest rate (%)	**Maturity**	**RMB'000**	Effective interest rate (%)	Maturity	RMB'000
Current:						
Bank loans						
– unsecured	**1.84~5.74**	**2016**	**3,079,092**	5.60~6.18	2015	450,000
Current portion of long-term bank loans						
– secured	**4.75~6.60**	**2016**	**862,102**	2.55~7.36	2015	1,507,052
– unsecured	**3.60~6.30**	**2016**	**1,844,936**	3.94~6.30	2015	543,948
Current portion of long-term other loans						
– secured	**5.25**	**2016**	**9,216**	6.30~7.66	2015	203,707
– unsecured	**–**	**–**	**–**	7.30	2015	100,000
Finance lease payables						
– secured	**4.75~5.56**	**2016**	**303,040**	6.00~7.02	2015	288,836
Bonds payables						
– secured	**4.8**	**2016**	**138,180**	–	–	–
– unsecured	**3.80~3.85**	**2016**	**898,008**	–	–	–
Due to related parties						
– unsecured	**4.35**	**2016**	**500,000**	3.15~5.60	2015	1,024,644
			7,634,574			4,118,187
Non-current:						
Bank loans						
– secured	**4.75~6.60**	**2017~2020**	**1,527,020**	2.55~7.36	2016~2019	1,942,404
– unsecured	**3.08~6.30**	**2017~2018**	**2,229,423**	3.94~6.58	2016~2017	3,040,025
Other loans						
– secured	**4.80~5.25**	**2017**	**601,400**	6.30	2016~2017	10,617
– unsecured	**–**	**–**	**–**	7.30	2016	200,000
Bonds payables						
– secured	**5.20~6.43**	**2017~2020**	**2,363,729**	6.08	2017	1,591,521
– unsecured	**4.69**	**2018**	**897,570**	–	–	–
Finance lease payables						
– secured	**4.75~5.56**	**2016~2018**	**204,638**	6.00~7.02	2016~2017	505,498
			7,823,780			7,290,065
			15,458,354			11,408,252

	2015	2014
	RMB'000	*RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year	**5,786,130**	2,501,000
In the second year	**2,150,286**	2,551,134
In the third to fifth years, inclusive	**1,606,157**	2,431,295
	9,542,573	7,483,429
Analysed into:		
Other borrowings repayable:		
Within one year	**1,848,444**	1,617,187
In the second year	**2,405,338**	511,632
In the third to fifth years, inclusive	**1,661,999**	1,796,004
	5,915,781	3,924,823
	15,458,354	11,408,252

Notes:

(a) During the year ended 31 December 2014, the Company's wholly-owned subsidiary Universal Number One Co., Ltd. issued bonds with an aggregate principal amount of RMB1,600,000,000 at a fixed coupon rate of 5.70% in Hong Kong (the "Bonds"). The Bonds was listed on the Hong Kong Stock Exchange and due for repayment in 2017. The Company provides an unconditional and irrevocable guarantee in respect of the Bonds, which are also secured by the Group's lease receivables, time deposits and the shares of Universal Number One Co., Ltd. As at 31 December 2015, the amortised cost of the Bonds amounted to RMB1,592,922,000 (2014: RMB1,591,521,000).

(b) In May 2015, the Company's wholly-owned subsidiary China Universal Leasing Co., Ltd. ("CULC") issued a batch of leasing asset-backed securities with aggregate principal amount of RMB1,141,858,200 to institutional investors through an asset management plan. The asset-backed securities has four senior tranches and one subordinated tranche. The Group received proceeds of RMB912,000,000 from the senior tranches which have expected annualised yields ranging from 4.80% to 6.43% and maturity periods from one year to five years. The subordinated tranche amounting to RMB229,858,200 was purchased by CULC itself and thus no proceeds was received. As at 31 December 2015, the amortised cost of the debt securities issued amounted to RMB908,987,000 (2014: Nil).

(c) As at 31 December 2015, the Group's bank and other borrowings secured by lease receivables were RMB6,009,325,000 (2014: RMB4,500,924,000); the Group's gross lease receivables pledged or charged as security for the Group's bank and other borrowings were RMB7,530,865,000 (2014: RMB6,321,196,000).

(d) As at 31 December 2015, the Group's bank and other borrowings secured by cash and bank balances and time deposits amounted to RMB3,384,910,000 (2014: RMB 3,565,648,000).

(e) As at 31 December 2015, there was no bank and other borrowings of the Group guaranteed by Genertec Group (2014: RMB1,396,613,000).

(f) As at 31 December 2015, the balance due to a related party was due to Genertec Finance Co., Ltd. (2014: Genertec Finance Co., Ltd. and Genertec Hong Kong International Capital Limited).

18. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax assets

	Allowances for impairment losses *RMB'000*	Salary and welfare payable *RMB'000*	Fair value loss on derivative financial instruments *RMB'000*	Accrued expenses *RMB'000*	Total *RMB'000*
Gross deferred tax assets at 1 January 2015	**14,697**	**24,597**	**445**	**250**	**39,989**
Charged/(credit) to the statement of profit or loss during the year	**3,982**	**1,178**	**(445)**	**175**	**4,890**
Gross deferred tax assets at 31 December 2015	**18,679**	**25,775**	**–**	**425**	**44,879**
Gross deferred tax assets at 1 January 2014	8,711	15,749	1,452	–	25,912
Charged/(credit) to the statement of profit or loss during the year	5,986	8,848	(1,007)	250	14,077
Gross deferred tax assets at 31 December 2014	14,697	24,597	445	250	39,989

Deferred tax liabilities

	Lease deposits *RMB'000*	Fair value gain on derivative financial instruments *RMB'000*	Total *RMB'000*
Gross deferred tax liabilities at 1 January 2015	**17,492**	**–**	**17,492**
Charged to the statement of profit or loss during the year	**5,603**	**7**	**5,610**
Gross deferred tax liabilities at 31 December 2015	**23,095**	**7**	**23,102**
Gross deferred tax liabilities at 1 January 2014	9,956	–	9,956
Charged to the statement of profit or loss during the year	7,536	–	7,536
Gross deferred tax liabilities at 31 December 2014	17,492	–	17,492

For the purpose of the presentation of the consolidated statement of financial position, deferred tax assets and liabilities have been offset as the deferred taxes relate to the same taxable entity an the same taxation authority, and presented as follow:

	2015 ***RMB'000***	2014 *RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	**21,777**	22,497

The Group has tax loss arising in Hong Kong of RMB11,528,000 (2014: Nil) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses due to uncertainty in their recoverability.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2015, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in mainland China. In the opinion of the directors, the funds will be retained to expand the operation in mainland China and it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB1,286,072,000 (2014: RMB915,031,000).

19. SHARE CAPITAL

	2015	2014
	RMB'000	*RMB'000*
Issued and fully paid:		
1,716,304,580 (2014: 253,913,216) ordinary shares	**4,327,842**	1,579,905

A summary of movements in the Company's issued share capital is as follows:

	Number of shares in issue	**Share capital**
		RMB'000
At 1 January 2014	122,599,216	775,291
Issue of shares	131,314,000	804,614
As at 31 December 2014	253,913,216	1,579,905
Share split *(note(a))*	1,015,652,864	–
Effect of change in functional currency *(note 2.3)*	–	(27,581)
Issue of shares *(note(b))*	446,738,500	2,882,725
	1,716,304,580	4,435,049
Share issue expenses	–	(107,207)
As at 31 December 2015	1,716,304,580	4,327,842

Notes:

(a) Pursuant to the written resolutions passed by the general meeting of the shareholders of the Company on 10 June 2015, among others, each existing share in the capital of the Company was split into five shares with effect from 11 June 2015. After the share split, the total number of ordinary shares of the Company increased from 253,913,216 shares to 1,269,566,080 shares.

(b) On 8 July 2015, the Company issued 423,189,500 new ordinary shares at HK$8.18 per share by way of initial public offering. The gross proceeds amounted to HK$3,461,690,000 (equivalent to RMB2,730,720,000). On the same date, the Company's shares were listed on The Stock Exchange.

On 29 July 2015, the over-allotment option described in the prospectus of the Company dated 24 June 2015 was partially exercised and an additional 23,549,000 ordinary shares issued on 5 August 2015 at a price of HK$8.18 per share with gross proceeds of HK$192,631,000 (equivalent to RMB152,005,000).

20. RESERVES

The reserve accounts of retained earnings, capital reserve, statutory reserve and exchange fluctuation reserve comprise the consolidated reserves in the consolidated statement of financial position.

Capital reserve

The capital reserve represents share-based compensation reserve comprised the fair value of the shares awarded under the share transfer to the management of the Group (see note 21) recognised in accordance with the accounting policy adopted for equity compensation benefits.

Statutory reserve

Pursuant to the relevant laws and regulations and the article of association of the subsidiaries of the Company in the PRC, if a subsidiary is registered as a Sino-foreign joint venture, it is required to, at the discretion of the board of directors, transfer a portion of their profit after taxation reported in their statutory financial statements prepared under the applicable PRC accounting standards to the statutory surplus reserve.

If a subsidiary is registered as a wholly-foreign invested enterprise or a domestic limited liability company, it is required to appropriate 10% of each year's statutory net profits to the statutory surplus reserve according to the PRC accounting standards and regulations (after offsetting previous years' losses) to the statutory surplus reserve. The PRC subsidiary may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. Upon contribution to the statutory surplus reserve using its post-tax profit, a company may make further contribution to the surplus reserve using its post-tax profit in accordance with a resolution of the board of directors. The appropriation to statutory and discretionary surplus reserves must be made before distribution of dividends to owners. These reserves shall only be used to make up for previous years' losses, to expand production operations, or to increase the capital of the PRC subsidiary. The statutory reserve can be transferred to paid-in capital, provided that the balance of the statutory surplus reserve after such transfer is not less than 25% of its registered capital.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with a functional currency other than RMB.

21. SHARE-BASED PAYMENTS

On 10 October 2014, arrangements were entered into for CITIC Capital and Jublon to transfer a total of 5,177,976 shares of the Company (3% of total shares issued as at 10 October 2014) to three BVI companies which are wholly owned by the chief executive officer, the chief financial officer and 11 department heads of the Group respectively, for a consideration of US$1.14 per share. The consideration was below the fair value of the shares, which is determined by a professional valuer engaged by the Group, using the market approach, at US$2.18 per share as of 28 September 2014, the grant date.

The shares were transferred to the management of the Group at below fair value as incentives for the management to grow and develop the Group and prepare the Company for its initial public offering (the "IPO"). The shares transferred are subject to various conditions, including the successful IPO of the Company, the management not being dismissed due to serious breach of employee agreement, the Company's regulations or incompetence and their remaining in service at the end of 12 months after the completion of the IPO.

In relation to the transferred shares that CITIC Capital and Jublon had indirectly transferred to the management, the total amount of share-based payment expenses that will be amortised over the vesting period is RMB33,302,388, being the difference between the fair value of the shares at the grant date and the considerations paid by the management. Accordingly, the Group recognised an expense of RMB19,211,000 for the year ended 31 December 2015 (2014: RMB4,742,000) in respect of such share-based payments.

22. TRANSFERS OF FINANCIAL ASSETS

Securitisation transactions

The Group enters into securitisation transactions in the normal course of business by transferring lease receivables to special purpose trusts which in turn issue asset-backed securities to investors. The Group may acquire some subordinated tranches of securities and accordingly may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognise the associated lease receivables by evaluating the extent to which it retains the risks and rewards of the assets.

As at 31 December 2015, lease receivables with an original carrying amount of RMB1,241,577,000 (2014: RMB698,064,000) have been securitised by the Group under arrangements in which the Group retained continuing involvement in such asset. As at 31 December 2015, the carrying amount of assets that the Group continued to recognise amounted to RMB64,916,000 (2014: RMB20,955,000) and that of the associated liabilities, which represented the maximum amount of the cash flows the Group would forfeit under the subordination plus the consideration for the subordination, was RMB64,916,000 (2014: RMB20,955,000).

23. INTEREST IN THE UNCONSOLIDATED STRUCTURED ENTITY

The Group has interest in a structured entity arising from the securitisation transactions. The Group assessed and determined that the structured entity need not be consolidated as the Group has no control over it. As at 31 December 2015, the Group's interest in the unconsolidated structured entity, which was recognised as an available-for-sale investment, amounted to RMB20,955,000 (31 December 2014: RMB20,955,000). As at 31 December 2015, the carrying amount of associated liabilities, which represented the maximum amount of the cash flows the Group would forfeit under the subordination, amounting to RMB20,955,000 was recognised and included in other liabilities (31 December 2014: RMB20,955,000).

Neither the holders of preferential tranches nor the holders of subordinated tranches have contractual obligations for any financial support to the structured entity.

24. EVENTS AFTER THE REPORTING PERIOD

There are no further material subsequent events affecting the Group after 31 December 2015.

PERFORMANCE OVERVIEW

	For the year ended 31 December			
	2015	2014	2013	2012
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Operating Results				
Income	**2,193,398**	1,552,682	981,458	593,326
Finance Lease income	**1,475,796**	1,043,888	588,212	333,278
Industry, equipment and financing advisory income	**588,833**	444,859	350,985	239,631
Clinical department upgrade services income	**144,546**	78,331	54,195	38,280
Business taxes and surcharges	**(18,737)**	(14,834)	(11,947)	(17,867)
Cost of sales	**(884,851)**	(619,594)	(348,619)	(204,781)
Interest expense	**(864,165)**	(596,954)	(325,449)	(192,364)
Cost of clinical department upgrade services	**(20,581)**	(22,537)	(23,170)	(12,417)
Profit before tax	**900,274**	611,082	418,344	239,148
Profit for the year	**658,526**	456,638	312,738	177,652
Basic and diluted earnings per share *(RMB)*	**0.44**	0.51	0.51	0.38
Profitability Indicators				
Return on total assets(1)	**3.29%**	3.40%	3.83%	3.77%
Return on equity(2)	**15.85%**	25.40%	30.89%	30.15%
Net interest margin(3)	**3.42%**	3.73%	3.78%	3.68%
Net interest spread(4)	**2.56%**	2.93%	2.80%	2.64%
Net profit margin(5)	**30.02%**	29.41%	31.86%	29.94%
Cost to income ratio(6)	**29.91%**	24.76%	28.91%	32.28%

(1) Return on total assets = profit for the year/average balance of assets at the beginning and end of the year;

(2) Return on equity = profit for the year/average balance of equity at the beginning and end of the year;

(3) Net interest margin is calculated by dividing net interest income by average balance of interest-earning assets;

(4) Net interest spread is the difference between average yield of interest-earning assets and average cost rate of interest-bearing liabilities. Average balance of interest-earning assets is calculated based on the average balance of net lease receivables before provision as at each month end within the reporting year; average balance of interest-bearing liabilities is calculated based on the average balance of bank and other borrowings and lease deposits as at each month end within the reporting year;

(5) Net profit margin = net profit/income;

(6) Cost to income ratio = (selling and distribution cost + administrative expenses – provision for loans and accounts receivable)/gross profit.

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*	31 December 2013 *RMB'000*	31 December 2012 *RMB'000*
Assets and Liabilities				
Total assets	**23,657,881**	16,385,316	10,452,434	5,883,444
Net lease receivables	**21,600,652**	15,850,139	9,698,361	5,291,212
Total liabilities	**17,776,681**	13,957,817	9,283,691	5,027,441
Interest-bearing bank and other borrowings	**15,458,354**	11,408,252	7,905,816	3,788,699
Total equity	**5,881,200**	2,427,499	1,168,743	856,003
Net assets per share *(RMB)*	**3.43**	1.91	1.91	1.40
Financial Indicators				
Debt ratio(1)	**75.14%**	85.18%	88.82%	85.45%
Gearing ratio(2)	**2.63**	4.70	6.76	4.43
Current ratio(3)	**0.98**	0.88	0.79	0.68
Asset Quality				
Non-performing assets ratio(4)	**0.78%**	0.83%	0.91%	1.00%
Provision coverage ratio(5)	**171.47%**	166.10%	151.01%	104.88%
Write-off of non-performing assets ratio(6)	**0.00%**	0.00%	0.00%	0.00%
Overdue ratio (over 30 days)(7)	**0.46%**	0.96%	0.92%	2.27%

(1) Debt ratio = total liabilities/total assets;

(2) Gearing ratio = interest-bearing bank and other borrowings/total equity;

(3) Current ratio = current assets/current liabilities;

(4) Non-performing assets ratio = balance of non-performing assets/net interest-earning assets;

(5) Provision coverage ratio = provision for impairment of assets/balance of non-performing assets;

(6) Write-off of non-performing assets ratio = assets written-off/non-performing assets at the end of the previous year;

(7) Overdue ratio (over 30 days) is calculated based on net lease receivables which are more than 30 days overdue divided by total net lease receivables.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Review and Prospects

1.1 Economic Environment

In 2015, China's GDP growth slowed down and recorded an annual growth rate of 6.9%. Facing the complex international economic environment and the domestic economy downturn pressure, the Chinese government strengthened macro-control and actively implemented the supply side reform through institutional innovation. The trend of industrial transformation from the original industry-driven mode to service-driven mode has become clearer. The People's Bank of China continued to implement a prudent monetary policy with an emphasis on the balance between a tight and a loose monetary policy, and appropriate, timely, proactive and minor adjustments to it. Throughout 2015, the People's Bank of China lowered the deposit reserve ratio and deposit and lending benchmark rates five times. As a result of the RMB exchange rate reform and the interest rates hike by the Federal Reserve, depreciation of RMB continued in 2015, and the middle exchange rate of RMB against USD reduced by a total of 3,746 base points, representing a depreciation of 6%.

1.2 Healthcare Industry

In recent years, Chinese healthcare services market has been growing rapidly. From 2004 to 2014, China's healthcare expenditure per capita increased from RMB593.9 to RMB2,586.5, representing a CAGR of 15.9%. However, a large gap still exists between moderately developed countries and China in terms of healthcare expenditure per capita. In order to achieve the goal that "By 2020, Chinese residents' main health indicators will reach the level of moderately developed countries" set by the Chinese government, China's healthcare industry still has huge growth potential in the future.

The 5th Session of 18th Party Congress put forward a number of measures to build "Healthy China" by way of deepening healthcare system reform, advancing the coordination of medical services, medical insurance and medicine industry, establishing basic healthcare system and modern hospital management system covering both urban and rural areas. The State Council, the National Health and Family Planning Commission and other related authorities of the Chinese government issued a series of major policies to deepen healthcare system reform including to promote tiered medical services to ensure that "serious illness is treated in counties"; to require that the hospital beds per 1,000 residents will be increased from 4.84 in 2014 to 6 by 2020; to combine the basic medical insurance for urban residents and the new rural cooperative medical insurance and to increase the reimbursement rate for insured inpatients to 75%; to increase the actual reimbursement rate of medical expense for inpatients with severe diseases to 90% or more; not to require multi-sited practice of a doctor to be subject to a "written consent" of the first medical institution where the doctor works but a "consent" from such medical institution, which will further enhance the mobility of doctors. Meanwhile, the state policy encourages social capital to participate in public hospital reform in various ways to accelerate the diversification of participants in the investment in and operation of hospitals and to allow them to participate in the reform of public hospitals through entrusted management and equity cooperation, etc.

With the accelerated growth of China's aging population, the increase in old population will generate enormous demand for healthcare services. The Chinese government promotes integrated development of healthcare and elderly care services, and encourages private sectors to establish and operate institutions with integrated healthcare and elderly care services, and proposes to establish a number of healthcare institutions or elderly care institutions with qualification and capabilities of providing both healthcare and elderly care services by 2017. With the progress and implementation of the "combining healthcare with elderly care" policy, the Chinese healthcare market will generate opportunities for further growth.

1.3 Business Review

Steady improvement in operating results

In 2015, we focused on the goal of becoming an integrated healthcare services provider and firmly seized development opportunities. In addition to the reinforcement of our medical resources platform and the expansion of our hospital customer base, we accelerated business innovation, improved service quality, provided more in-depth integrated healthcare services solutions to hospital customers and achieved rapid growth in our operating results. The Group recorded a total revenue of RMB2,193 million and profit before tax of RMB900 million, representing an increase of 41.3% and 47.3% as compared to last year.

Continuous optimization in asset portfolio and quality

Our assets grew steadily with quality continuing to be optimized. As of 31 December 2015, the Group's total assets reached RMB23,658 million, representing a year-on-year increase of 44.4%. At the same time, we focused more on the healthcare industry, continued to extend industry value chain, established more extensive business relationships with customers, enhanced cooperation with customers and further improved the quality of our assets. Our asset portfolio was further optimized with the proportion of medical assets in finance lease receivables increased to 77.3%, non-performing assets ratio falling to 0.78%, the overdue ratio (over 30 days) reduced to 0.46%, which was an industry-leading level. We maintained a prudent provision policy and the Group's asset provision coverage ratio reached 171.47% in 2015.

Improving medical technology service capability

We continued to strengthen our professional capabilities and expand our medical resources which considerably enhanced our medical technology service capabilities. Focusing on Cerebral Vascular Accident ("**CVA**") prevention, screening and treatment, we introduced internationally advanced technology and managerial expertise, and we further optimized the clinical department upgrade business model that integrates specialists, technology, trainings, capital and equipment, and cooperated with experts and institutions in various fields of study to expand the CVA clinical department upgrade business model into other fields of major and difficult diseases in oncology, obstetrics and gynecology, and cardiology. Our improved abilities in providing medical technology services have allowed us to expand service chain and provide more extensive and in-depth clinical department upgrade services to more hospital customers. In 2015, the Group's gross profit of clinical department upgrade services reached RMB123 million, representing an increase of 123.5% over the previous year, and the gross profit of clinical department upgrade services as a percentage in total gross profit increased to 9.4% from 5.9% in 2014.

Major breakthrough in strategic business

We have made a major breakthrough in our hospital investment and management business. On 10 January 2016, we entered into a framework agreement with the First Affiliated Hospital of Xi'an Jiaotong University in connection with the joint establishment and operation of the International Land Port Hospital under First Affiliated Hospital with an aim to build a leading medical center of high standard in northeast China by establishing a medical management group and cooperating in construction and operation of International Land Port Hospital. Meanwhile, the Group will further integrate its medical resources, and gradually expand its services into over 100 local hospitals at primary level supported by the First Affiliated Hospital of Xi'an Jiaotong University. On 10 December 2015, we entered into a framework agreement with Bengbu Municipal Government of Anhui province in respect of the joint development of healthcare institutions and elderly care industry. Both parties will cooperate with large local hospitals to launch various projects phase by phase and step by step in accordance with the local requirements on deepening healthcare system reform. Projects in other provinces are also well underway.

In hospital investment and management business, we firmly grasped the development opportunities in response to the State's call to widely adopt public private partnership ("**PPP**") in public services sectors like healthcare, public health as well as elderly care, and would choose areas that have large population and good economic condition and need enhancement of medical supply capability, and corporated with regionally leading hospitals through entrusted management, equity cooperation and other modes. Also, we will use these hospitals as the base and gradually penetrate the surrounding areas. Based on the concept of "the large guiding the small and the old guiding the new", we will establish regional medical management group with coordination mechanism and resource sharing. At the same time, we will establish a long-term win-win cooperation model with the hospitals for a term of 20 to 30 years or a perpetual period. Through the introduction of capital, technology, talents, management philosophy and management mechanism to our cooperative hospitals, we will comprehensively enhance the quality of their medical services and management. Through the operation and management of hospitals, we will also benefit from the improvement of hospital services and share the interest generated by operating supply chain and related industries in a sustainable, stable and reasonable manner.

Continuous expansion of medical resources platform

In 2015, our medical resources platform continued to expand. We have cooperated with more than 200 well-known local and foreign medical experts from home and abroad, and established cooperative relationships with 13 internationally-renowned hospital management and consulting services companies, 11 well-known hospitals in Europe and America, 6 architectural design firms for hospitals and 4 international physician associations. Through strategic cooperation with internationally-renowned healthcare services institutions, we have gained rich experience in hospital management, grasped excellent hospital management methods, introduced advanced hospital design concepts and enhanced our abilities in providing integrated healthcare services.

Progressive establishment of regional medical resources network centers

As of 31 December 2015, the number of our hospital customers exceeded 1,200 covering 30 provinces in China. In order to achieve synergy of regional medical resources, we opened representatives offices in center cities of 5 provinces including Shandong, Henan, Hunan, Sichuan and Shaanxi based on population, the number of hospitals, existing customer base as well as geographical coverage. By doing so, we established a medical resources network covering the whole country, and it also laid the ground for establishing regional medical groups featuring coordination and resources sharing.

Continuous improvement of financing structure

In 2015, we continued to improve our financing structure and further enhanced our financing capacity. Our choice of financing currency and regions for financing have become more prudent. To reduce the exchange rate risk from the depreciation of RMB, we reduced the proportion of USD-denominated borrowings from 16.5% at the end of 2014 to 7.7% at the end of 2015; at the same time, for outstanding domestic and overseas USD borrowings, we actively used currency hedging method, which effectively minimized our exchange rate risk. The People's Bank of China's continued cuts of interest rates and reserve-deposit ratio and the continued significant increase of CNH (offshore RMB price) deposit and lending rates had resulted in smaller difference between domestic and overseas financing costs or even an "inversion" situation (i.e. overseas financing costs were higher than domestic financing costs). As such, we shifted our focus to domestic financing and controlled and reduced the proportion of our overseas financing, which effectively reduced our financing costs. Our proportion of overseas borrowings declined from 54.9% at the end of 2014 to 29.6% at the end of 2015 and will continue to be optimized in 2016.

1.4 Future Prospects

In the years to come, based on the guidance and support of national policies we will firmly seize the golden opportunities in China's medical service and elderly care market, focus on becoming a leading integrated healthcare services provider, constantly reinforce our operating base and expand our medical resources platform. We will steadily develop our medical financing services, and make it the Group's steadily growing profit source and the cornerstone for innovation. We will actively promote our medical technology services with a focus on clinical department upgrade, and make it the Group's incubator of new profit source. We will vigorously advance our hospital investment management business, and make it the Group's driving force of the rapid growth of its results. We will develop hospital digitalization services in a collaborative manner and contribute to the development of the cooperative hospitals that we invested in and manage. We will continue to innovate integrated healthcare services model to achieve synergy of medical financing services, hospital investment and management, medical technology services and hospital digitalization, constantly optimize business value chain with combination of industry and finance, and gradually achieve comprehensive optimization of the Company's business structure and financial structure, which will lay a solid ground for the sustainable development of the Group and create greater value for our shareholders.

2. Analysis of Statement of Profit or Loss

2.1 Overview

During 2015, facing the difficulty and challenge from the external economy, the Group seized the development opportunities of healthcare industry. With the strategic goal as an integrated healthcare services provider, we further developed the medical resources platform, extended our industry chain, developed a new business model with a combination of industry and finance and continuously strengthened risk prevention and control and achieved stable and healthy growth in operating results. During 2015, the Group realized a revenue of RMB2,193 million, representing an increase of RMB641 million or 41.3% as compared to the previous year. Profit before tax was RMB900 million, representing an increase of RMB289 million or 47.3% as compared to the previous year.

The following table sets forth the Group's statement of profit or loss for the indicated period

	For the year ended 31 December		
	2015	2014	Change %
	RMB'000	*RMB'000*	
Revenue	**2,193,398**	1,552,682	41.3%
Cost of sales	**(884,851)**	(619,594)	42.8%
Gross profit	**1,308,547**	933,088	40.2%
Other income and gains	**58,751**	15,419	281.0%
Selling and distribution costs	**(213,926)**	(126,295)	69.4%
Administrative expenses	**(246,496)**	(190,614)	29.3%
Other expenses	**(6,602)**	(20,516)	-67.8%
Profit before tax	**900,274**	611,082	47.3%
Income tax expense	**(241,748)**	(154,444)	56.5%
Profit for the year	**658,526**	456,638	44.2%
Basic and diluted earnings per share *(RMB)*	**0.44**	0.51	-13.7%

2.2 *Analysis of Revenue*

With the focus on healthcare sector, the Group further expanded its business into regional level hospitals to strengthen its medical resources platform and develop our hospital customer base. At the same time, we continuously optimized the business structure, strengthened business innovation and enhanced the quality of services. As the finance lease and industry, and equipment and financing advisory services achieved stable growth, the clinical department upgrade services also surged significantly.

The Group's gross profit by business segment

	For the year ended 31 December				
	2015		2014		
	Gross profit *RMB'000*	**% of total**	Gross profit *RMB'000*	% of total	Change %
Finance lease	**597,853**	**45.7%**	435,803	46.7%	37.2%
Industry, equipment and financing advisory	**585,555**	**44.7%**	441,973	47.4%	32.5%
Clinical department upgrade services	**122,871**	**9.4%**	54,977	5.9%	123.5%
Other business	**2,268**	**0.2%**	335	0.0%	577.0%
Total	**1,308,547**	**100.0%**	933,088	100.0%	40.2%

In 2015, the Group's gross profit was RMB1,309 million, increasing by RMB375 million or 40.2% as compared to last year. In particular, interest margin gross profit of finance lease business was RMB598 million, representing an increase of RMB162 million or 37.2% as compared to last year; gross profit of industry, equipment and financing advisory services was RMB586 million, representing an increase of RMB144 million or 32.5% as compared to last year; gross profit of clinical department upgrade services was RMB123 million, representing an increase of RMB67.89 million or 123.5% as compared to last year, and its gross profit as a percentage of total gross profit has increased from 5.9% in 2014 to 9.4% due to the further expansion of our medical resources platform and the consistent improvement of our medical technology services.

2.2.1 Finance lease business

Finance lease income by industry

	For the year ended 31 December				
	2015		2014		Change %
	RMB'000	**% of total**	*RMB'000*	% of total	
Healthcare	**1,021,007**	**69.2%**	703,756	67.4%	45.1%
Education	**398,132**	**27.0%**	311,018	29.8%	28.0%
Other	**56,657**	**3.8%**	29,114	2.8%	94.6%
Total	**1,475,796**	**100.0%**	1,043,888	100.0%	41.4%

The Group's finance lease income comes from interest income. In 2015, the Group recorded interest income (before business taxes and surcharges) was RMB1,476 million, representing an increase of RMB432 million or 41.4% as compared to last year. The Group focuses on healthcare sector, and the finance lease income from healthcare industry was RMB1,021 million, the percentage of which as total income of the Group further increased to 69.2% from 67.4% in 2014.

Yield of finance lease business

	2015			2014		
	Average balance	**Interest income[(1)]/ expense[(2)]**	**Average yield/cost rate**	Average balance	Interest income/ expense	Average yield/cost rate
	RMB'000	***RMB'000***		*RMB'000*	*RMB'000*	
Interest-earning assets	**17,902,971**	**1,475,796**	**8.24%**	11,998,222	1,043,888	8.70%
Interest-bearing liabilities	**15,220,242**	**864,165**	**5.68%**	10,341,544	596,954	5.77%
Net interest margin			**3.42%**			3.73%
Net interest spread			**2.56%**			2.93%

(1) Interest income represents the interest income from finance lease business;

(2) Interest expense represents financing cost of capital for finance lease business.

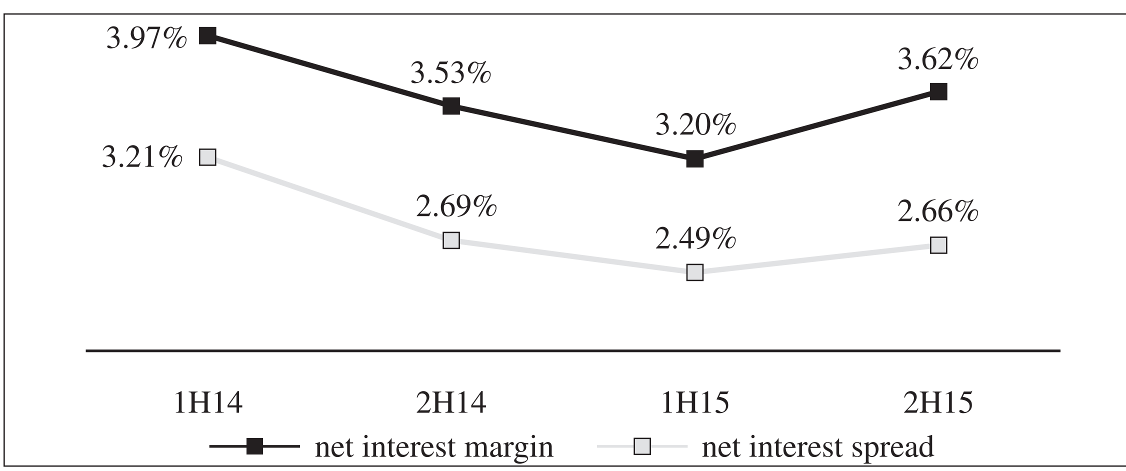
In 2015, the average yield of the Group's interest-earning assets was 8.24%, representing a decrease of 0.46 percentage point as compared to 8.70% in last year; the average cost rate of interest-bearing liabilities was 5.68%, representing a decrease of 0.09 percentage point as compared to 5.77% in last year. The net interest margin of finance lease was 3.42%, representing a decrease of 0.31 percentage point as compared to 3.73% in last year; the net interest spread was 2.56%, representing a decrease of 0.37 percentage point as compared to 2.93% in last year.

The decrease of the Group's net interest spread in 2015 was mainly because the decrease of average cost rate of interest-bearing liabilities was less than the decrease of average yield of interest-earning assets. The two reasons are as follows: on one hand, in order to control the exchange rate risk, the Group lowered the percentage of USD-denominated financing which was low in interest rate but exposed to exchange rate risks. As such, the percentage of USD-denominated liabilities decreased from 16.5% at the end of 2014 to 7.7% at the end of 2015, which resulted in the increase of the Group's average cost rate while the negative impact from RMB depreciation could be reduced. On the other hand, the weakened RMB against USD resulted in the tough position of offshore RMB and the increase of loan and deposit rates, which in turn resulted in the increase of average cost rate of the Group's offshore RMB borrowings at CNH Hibor.

From 2008 to 2014, affected by the implementation of quantitative easing policy of the United States after the global financial crisis, the overseas capital markets had sufficient liquidity and the interest rate was keeping at a low level. Therefore, the Group actively conducted overseas financing activities to reduce the financing cost. At the end of 2014, the Group's overseas financing amount accounted for 54.9% of the balance of interest-bearing liabilities, among which USD-denominated financing amount accounted for 16.5% and CNH financing amount accounted for 38.4%. During 2015, the strengthening USD against RMB increased the exchange rate risk of USD-denominated borrowings and the CNH Hibor had kept rising. In order to control the exchange rate risk, the Group actively lowered the percentage of USD-denominated financing amount; meanwhile, for CNH floating rate borrowings, the Group reduced the finance cost by adopting measures such as early repayment and interest rate adjustment in the second half of 2015. Through the aforesaid measures, the percentage of the Group's overseas financing amount decreased from 54.9% at the end of 2014 to 29.6% at the end of 2015, the average cost rate of interest-bearing liabilities decreased 0.3 percentage point from 5.83% in the first half of 2015 to 5.53% in the second half of 2015.

Through the active adjustments to the Group's financing structure, the net interest margin and net interest spread of the Group had recovered from the bottom and expected to continuously improve in 2016.

Change of the Yield of the Group's Finance Lease Business (2014 – 2015)



2.2.2 Industry, equipment and financing advisory services

Industry, equipment and financing advisory services is part of the Group's integrated medical services. In 2015, the gross profit from industry, equipment and financing advisory services was RMB586 million, representing an increase of RMB144 million or 32.5% as compared to 2014. During 2015, based on finance lease business, the Group continuously expanded its medical resources platform and strengthened its internal collaboration and staff training so as to provide its customers with more valuable, flexible and diversified advisory services and assist its customers in improving the quality of technical services. During 2015, the Group operated 229 advisory service projects as compared to 202 advisory service projects operated in last year and the number of contracts achieved a year-on-year growth of 13.4%; the average revenue per advisory service contract increased to RMB2.57 million from RMB2.20 million in 2014, representing a year-on-year growth of 16.8%.

2.2.3 Clinical department upgrade services

The Group's clinical department upgrade services business mainly includes the provision of services on certain medical subjects such as technical advisory, professional training, workflow construction, equipment and financial planning, in order to enhance the technical services ability and management efficiency of the partnered hospitals with operating lease and sales of equipment attached. In 2015, the gross profit of clinical department upgrade services was RMB123 million, representing an increase of RMB67.89 million or 123.5% as compared to 2014.

Breakdown of the Group's clinical department upgrade services

	2015			2014		
	Income *RMB'000*	**Gross profit** *RMB'000*	**% of total gross profit**	Income *RMB'000*	Gross profit *RMB'000*	% of total gross profit
Clinical department upgrade advisory services	**114,225**	**113,420**	**92.3%**	42,830	42,322	77.0%
Operating lease	**17,983**	**3,480**	**2.8%**	17,076	2,640	4.8%
Sales of medical equipment	**12,338**	**5,971**	**4.9%**	18,425	10,015	18.2%
Total	**144,546**	**122,871**	**100.0%**	78,331	54,977	100.0%

The core business of the Group's clinical department upgrade services is clinical department upgrade advisory services. During 2015, by following the path of CVA prevention, screening and treatment, the Group stuck to the philosophy of "Patients come first" and introduced international advanced technology and managerial expertise and further optimized the clinical department upgrade business model with integration of specialist, technology, training, capital and equipment, cooperated with more specialists from various fields of study, expanded the business model of CVA clinical department upgrade to other major and difficult diseases in oncology, obstetrics and gynecology and cardiology, provided customers with equipments, patients screening diagnosis and treatment service, personnel training, surgery instruction, professional skills communication and improvement service, and continuously put greater effort into marketing so as to provide more clinical department upgrade services to the customers. As of 31 December 2015, the number of clinical department upgrade customers increased to 105 customers in 25 provinces from 55 customers in 22 provinces at the end of 2014. In 2015, the gross profit of clinical department upgrade advisory services was RMB113 million, representing an increase of RMB71.1 million or 168.0% as compared to last year, and accounted for 92.3% of the total gross profit of clinical department upgrade services, and the percentage as total gross profit increased by 15.3 percentage points as compared to last year.

In 2015, the Group's operating lease business remained stable, and its gross profit margin had increased. For sales business, affected by the more complicated approval procedures for hospital procurement resulted from the change of external environment, the government's encouragement on introduction of local brands and the longer time required for medical devices registration due to the change of regulations, both its revenue and gross profit had decreased.

2.3 *Other income and gains*

In 2015, the Group's other income and gains was RMB58.75 million, representing an increase of 43.33 million or 281.0% as compared to last year. This was mainly because of the appreciation of USD against RMB in 2015, the Group held the monetary assets in foreign currency while continuously decreased the liabilities in foreign currency and thus generated foreign exchange gains.

2.4 *Operating cost*

In 2015, the Group's sales and distribution cost and administrative expenses were RMB214 million and RMB246 million, respectively, representing an increase of RMB87.63 million and RMB55.88 million or 69.4% and 29.3%, respectively, as compared to last year. In 2015, the cost to income ratio was 29.91%, representing an increase of 5.15 percentage points as compared to 24.76% last year.

The operating cost increased mainly because: on one hand, to cater the need from the implementation of corporate strategies, the Group actively recruited high-quality professionals in the field of hospital investment & management and medical technology services, further optimized the structure of professionals and improved the compensation incentive mechanism, as such, the relevant salary and benefits expenses had increased. On the other hand, the Group had new listing expenses of RMB31.56 million in 2015. With the effect of listing expenses excluded, the cost to income ratio of 2015 was 27.50%, a slight increase from last year.

2.5 Income tax expenses

In 2015, the Group's income tax expenses increased by RMB87.30 million from last year, which was mainly due to the increase of profit before tax and the income tax expenses of RMB11.00 million resulted from the distribution of dividend in 2015.

3. Financial Position Analysis

In 2015, for strategic development purpose, the Group optimized its assets structure by controlling the investment amount and direction of finance lease assets and implementation of assets securitization. The Group also paid close attention to the domestic and overseas financial environment, actively adjusted the financing strategy and optimized the debt structure. As at 31 December 2015, the Group's debt ratio was 75.14%, representing a decrease of 10.04 percentage points compared to 31 December 2014.

3.1 Overview of assets

As at 31 December 2015, the Group's total assets was RMB23,658 million, representing an increase of RMB7,273 million or 44.4% as compared to 31 December 2014. In particular, our loan and accounts receivable was RMB21,317 million, representing an increase of RMB5,678 million or 36.3% as compared to the end of last year; our cash and cash equivalents was RMB1,866 million, representing an increase of RMB1,412 million or 311.3% as compared to the end of last year. For assets structure, our loan and accounts receivable accounted for 90.1% of the total assets; and the cash and cash equivalents accounted for 7.9% of the total assets.

The following table sets forth the analysis of the Group's assets for the dates indicated.

	31 December 2015		31 December 2014		
	RMB'000	**% of total**	*RMB'000*	% of total	Change %
Restricted deposits	**153,705**	**0.6%**	100,504	0.6%	52.9%
Cash and cash equivalents	**1,865,670**	**7.9%**	453,569	2.8%	311.3%
Inventories	**2,643**	**0.0%**	3,119	0.0%	-15.3%
Loans and accounts receivables	**21,316,958**	**90.1%**	15,639,329	95.5%	36.3%
Prepayments, deposits and other receivables	**142,598**	**0.6%**	55,287	0.3%	157.9%
Property, plant and equipment	**89,586**	**0.4%**	90,056	0.6%	-0.5%
Available for sale investments	**64,916**	**0.3%**	20,955	0.1%	209.8%
Deferred tax assets	**21,777**	**0.1%**	22,497	0.1%	-3.2%
Other assets	**28**	**0.0%**	–	–	100.0%
Total	**23,657,881**	**100.0%**	16,385,316	100.0%	44.4%

3.1.1 Cash and cash equivalents

In 2015, the Group received net proceeds from initial public offering of RMB2,776 million. As of 31 December 2015, the balance of proceeds from initial public offering was RMB1,169 million and will be utilized gradually in accordance with the use of proceeds disclosed in the prospectus (the "**Prospectus**") of the Company dated 24 June 2015.

3.1.2 Loans and accounts receivable

As at 31 December 2015, the Group's loans and accounts receivable was RMB21,317 million, among which the lease receivables was RMB21,312 million, accounted for 99.98% of the loans and accounts receivable.

Lease receivables

In 2015, the Group continued to increase the investment in finance lease business in healthcare industry and laid emphasis on the combination of adjustment to finance lease assets structure and risk prevention and control. As the industry structure being optimized, the scale of finance lease assets continuously increased, and the quality of assets was also improving.

Balance of lease receivables by industry

	31 December 2015		31 December 2014		
	RMB'000	**% of total**	*RMB'000*	% of total	Change %
Healthcare	**16,692,512**	**77.3%**	10,589,532	66.8%	57.6%
Education	**4,076,706**	**18.9%**	4,475,593	28.2%	-8.9%
Other	**831,434**	**3.8%**	785,014	5.0%	5.9%
Net lease receivables	**21,600,652**	**100.0%**	15,850,139	100.0%	36.3%
Less: Lease receivables provision	**288,520**		219,470		
Net value	**21,312,132**		15,630,669		

The Group further focused on healthcare industry. As at 31 December 2015, the net lease receivables from healthcare industry was RMB16,693 million, representing an increase of RMB6,103 million or 57.6% as compared to 31 December 2014, and accounted for 77.3% of the net lease receivables, an increase of 10.5 percentage points from the end of last year.

Maturity analysis of net lease receivables

	31 December 2015		31 December 2014		
	RMB'000	**% of total**	*RMB'000*	% of total	Change %
Within 1 year	**6,036,410**	**27.9%**	4,243,709	26.8%	42.2%
1-2 year	**5,301,893**	**24.5%**	3,920,617	24.7%	35.2%
2-3 year	**4,395,572**	**20.3%**	3,495,340	22.1%	25.8%
3 years and beyond	**5,866,777**	**27.3%**	4,190,473	26.4%	40.0%
Net lease receivables	**21,600,652**	**100.0%**	15,850,139	100.0%	36.3%

The Group formulated reasonable business investment strategies according to the strategic plan so as to ensure the sustained and steady cash inflow. At the end of 2015, the distribution of maturity of the Group's net lease receivables was relatively balanced.

Five-category classification of net lease receivables

	31 December 2015		31 December 2014		
	RMB'000	**% of total**	*RMB'000*	% of total	Change %
Pass	**18,242,578**	**84.45%**	13,358,461	84.28%	36.6%
Special mention	**3,189,810**	**14.77%**	2,359,549	14.89%	35.2%
Substandard	**123,592**	**0.57%**	90,765	0.57%	36.2%
Doubtful	**44,672**	**0.21%**	41,364	0.26%	8.0%
Loss	**–**	**–**	–	–	–
Net lease receivables	**21,600,652**	**100.00%**	15,850,139	100.0%	36.3%
Non-performing assets	**168,264**		132,129		
Non-performing asset ratio	**0.78%**		0.83%		

Note: Please refer to the paragraph headed "Management Discussion and Analysis – 7. Risk Management" in this announcement for the standard of five-category classification.

The Group has been implementing stable asset management policies and sustainably adopting stringent and prudent asset classification policies. As at 31 December 2015, the Group had non-performing assets of RMB168 million, representing an increase of RMB36.14 million as compared to the end of last year, which was mainly due to the increase in total lease receivables resulting from the expansion of the finance lease business of the Group; meanwhile, the Group continuously improved its risk management system, adopted effective risk prevention measures and increased the effort in the collection of non-performing assets. As at 31 December 2015, the Group's non-performing asset ratio was 0.78%, representing a decrease of 0.05 percentage point from 31 December 2014.

Ratio of overdue lease receivables (representing the lease receivables over 30 days overdue)

	31 December 2015	31 December 2014
Overdue ratio (over 30 days)[(1)]	**0.46%**	0.96%

(1) Calculated based on net lease receivables which are more than 30 days overdue divided by total net lease receivables.

The Group implements its prudent risk control and asset management policies consistently. The Group had an overdue ratio (over 30 days) of 0.46% as at 31 December 2015, decreased by 0.5 percentage point as compared to 31 December 2014.

Provision for impairment of lease receivables

	31 December 2015		31 December 2014	
	RMB'000	**% of total**	*RMB'000*	% of total
Allowance for asset impairment:				
Individually assessed	**64,383**	**22.3%**	57,199	26.1%
Collectively assessed	**224,137**	**77.7%**	162,271	73.9%
Total	**288,520**	**100.0%**	219,470	100.0%
Non-performing assets	**168,264**		132,129	
Provision coverage ratio	**171.47%**		166.10%	

As at 31 December 2015, the Group's provision coverage ratio was 171.47%, representing an increase of 5.37 percentage points from 31 December 2014. With the expansion of the Group's business, the Group's management believes that it is necessary to take more prudent measures to protect the Group against systemic risks and gradually adopt the international standards and practices.

Allocation of provision for impairment of lease receivables by five-category classification

	31 December 2015		31 December 2014	
	RMB'000	**% of total**	*RMB'000*	% of total
Allowance for asset impairment:				
Pass	**100,225**	**34.8%**	71,049	32.4%
Special mention	**123,912**	**42.9%**	91,224	41.6%
Substandard	**27,677**	**9.6%**	22,229	10.1%
Doubtful	**36,706**	**12.7%**	34,968	15.9%
Loss	**–**	**–**	–	–
Total	**288,520**	**100.0%**	219,470	100.0%

During the reporting period, the Group did not write off any finance lease assets and it did not have any finance lease assets classified as loss.

3.2 *Overview of liabilities*

As at 31 December 2015, the Group's total liabilities was RMB17,777 million, representing an increase of RMB3,819 million or 27.4% as compared to 31 December 2014.

The following table sets forth the Group's liabilities as at the dates indicated.

	31 December 2015		31 December 2014		
	RMB'000	**% of total**	*RMB'000*	% of total	Change %
Interest-bearing bank and other borrowings	**15,458,354**	**87.0%**	11,408,252	81.7%	35.5%
Trade and bills payable	**94,773**	**0.5%**	956,422	6.9%	-90.1%
Other payables and accruals	**2,093,421**	**11.7%**	1,558,263	11.2%	34.3%
Derivative financial instruments	**–**	**0.0%**	1,780	0.0%	-100.0%
Taxes payable	**65,217**	**0.4%**	12,145	0.1%	437.0%
Other liabilities	**64,916**	**0.4%**	20,955	0.1%	209.8%
Total	**17,776,681**	**100.0%**	13,957,817	100.0%	27.4%

Interest-bearing bank and other borrowings

During 2015, the Group continued to improve its financing capabilities based on its own credit and asset quality. Under the complicated domestic and overseas financial environment, the Group actively adjusted financing strategies, optimized its debt structure and continuously expanded into direct and indirect finance sectors. The Group's interest-bearing bank and other borrowings is mainly used to provide capital for its finance lease business. As at 31 December 2015, the Group's interest-bearing bank and other borrowings was RMB15,458 million, representing an increase of RMB4,050 million or 35.5% as compared to 31 December 2014.

Breakdown of Interest-bearing bank and other borrowings

	31 December 2015		31 December 2014		
	RMB'000	**% of total**	*RMB'000*	% of total	Change %
Bank loans	**9,542,573**	**61.7%**	7,483,429	65.6%	27.5%
Due to related parties	**500,000**	**3.2%**	1,024,644	9.0%	-51.2%
Bonds	**4,297,487**	**27.8%**	1,591,521	14.0%	170.0%
Other loans	**1,118,294**	**7.3%**	1,308,658	11.4%	-14.5%
Total	**15,458,354**	**100.0%**	11,408,252	100.0%	35.5%

As at 31 December 2015, the balance of the Group's bank loans amounted to RMB9,543 million, accounting for 61.7% (representing a decrease of 3.9 percentage points as compared to 31 December 2014) of its total interest-bearing bank and other borrowings. This was mainly because the Group further broadened its financing channels in 2015, issued asset-backed securities of RMB1,142 million and issued short-term financing bonds and domestic medium-term notes with a total of RMB1,800 million.

Breakdown of interest-bearing and other borrowings by currency

	31 December 2015		31 December 2014		
	RMB'000	**% of total**	*RMB'000*	% of total	Change %
RMB	**14,269,715**	**92.3%**	9,529,685	83.5%	49.7%
USD	**1,188,639**	**7.7%**	1,878,567	16.5%	-36.7%
Total	**15,458,354**	**100.0%**	11,408,252	100.0%	35.5%

As at 31 December 2015, the Group's interest-bearing bank and other borrowings denominated in RMB was RMB14,270 million, which accounted for 92.3% (representing an increase of 8.8 percentage points compared to 31 December 2014) of its total interest-bearing bank and other borrowings.

In 2015, the slowdown of China's economic growth and the appreciation of USD resulted in the significant depreciation of RMB against USD. In order to control exchange rate risk, the Group proactively reduced the proportion of USD borrowings with lower interest rate. For domestic and overseas borrowings denominated in USD, the Group minimized the risk from the significant fluctuation of the exchange rate between RMB and USD by implementing comprehensive measures including minimizing its net foreign currency position which effectively control the exchange rate risk.

Breakdown of the current and non-current interest-bearing bank and other borrowings

	31 December 2015		31 December 2014		
	RMB'000	**% of total**	*RMB'000*	% of total	Change %
Current	**7,634,574**	**49.4%**	4,118,187	36.1%	85.4%
Non-current	**7,823,780**	**50.6%**	7,290,065	63.9%	7.3%
Total	**15,458,354**	**100.0%**	11,408,252	100.0%	35.5%

As at 31 December 2015, the balance of the Group's current interest-bearing and other borrowings amounted to RMB7,635 million, accounting for 49.4% of our total interest-bearing bank and other borrowings. It represents an increase of 13.3 percentage points as compared to 36.1% as at 31 December 2014. In 2015, although the proportion of the Group's current liabilities increased in 2015 as compared to 2014, the Group's current assets increased significantly, as a result, the Group maintained sufficient liquidity and did not have liquidity gap.

Breakdown of secured and unsecured interest-bearing bank and other borrowings

	31 December 2015		31 December 2014		
	RMB'000	**% of total**	*RMB'000*	% of total	Change %
Secured	**6,009,325**	**38.9%**	6,049,635	53.0%	-0.7%
Unsecured	**9,449,029**	**61.1%**	5,358,617	47.0%	76.3%
Total	**15,458,354**	**100.0%**	11,408,252	100.0%	35.5%

As at 31 December 2015, the Group's secured interest-bearing bank and other borrowings amounted to RMB6,009 million, accounting for 38.9% of the total interest-bearing bank and other borrowings. It represents a decrease of 14.1 percentage points as compared to 53.0% as at 31 December 2014. The Group's secured assets are mainly finance lease assets, the decrease in its proportion indicates further improvement of the Group's own financing capabilities.

Breakdown of guaranteed and unguaranteed interest-bearing bank and other borrowings

	31 December 2015		31 December 2014		
	RMB'000	**% of total**	*RMB'000*	% of total	Change %
Guaranteed	**–**	**0.0%**	1,548,712	13.6%	-100.0%
Unguaranteed	**15,458,354**	**100.0%**	9,859,540	86.4%	56.8%
Total	**15,458,354**	**100.0%**	11,408,252	100.0%	35.5%

In 2015, the Group settled all the borrowings guaranteed by our related parties. As of 31 December 2015, the balance of the Group's guaranteed interest-bearing bank and other borrowings amounted to RMB nil, as compared to the balance of RMB1,549 million as at 31 December 2014.

Other payables and accruals

Other payables and accruals primarily include lease deposits paid by customers, certain accrued interest on borrowings, as well as accrued salary and welfare payables. As at 31 December 2015, other payables and accruals amounted to RMB2,093 million, representing an increase of RMB535 million or 34.3% as compared to the end of last year, which was mainly due to the increase in lease deposits paid by customers.

3.3 Shareholders' equity

At the end of 2015, the Group's total equity amounted to RMB5,881 million, representing an increase of RMB3,454 million or 142.3% as compared to the end of last year. The Company was listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 8 July 2015, and finished the over-allotment on 5 August 2015. The total offered share is 446,738,500 with a total proceeds of RMB2,883 million. After deducting the capitalization fees such as underwriting fee, the Group's share capital increased by RMB2,776 million. The Group's reserve increased by RMB706 million, which was mainly due to the increase in profit for the year.

4. Cash flows analysis

	For the year ended 31 December		
	2015	2014	Change %
	RMB'000	*RMB'000*	
Net cash flows used in operating activities	**(5,320,875)**	(4,110,715)	29.4%
Net cash flows used in investing activities	**(71,970)**	(741)	9612.6%
Net cash flows from financing activities	**6,668,070**	4,247,903	57.0%
Net increase in cash and cash equivalents	**1,275,225**	136,447	834.6%

Net cash flows used in operating activities:

New finance lease assets in finance lease industry are one-off items, and the rent will be recovered progressively during lease terms (most lease terms of the Group's projects range from three to five years). As finance lease business expands, net cash outflows will be recorded from operating activities. Therefore, with the Group's business expansion and increase in interest-earning assets, the Group's net cash outflows from operating activities was RMB5,321 million in 2015.

Net cash flows used in investing activities:

The Group's net cash used in investing activities primarily represents cash paid for acquisition of property, equipment and other long-term assets. In 2015, net inflow of investing activities was RMB71.97 million.

Net cash flows from financing activities:

In 2015, the Group's net cash inflows from financing activities was RMB6,668 million, mainly from issuing of new shares, fund raising and loans increased corresponding to the Group's business expansion.

5. Capital Management

The primary objective of the Group's capital management activities is to ensure that it maintains healthy capital ratios in order to support the Group's business and maximizes its shareholders' benefits. The Group uses debt ratio and gearing ratio (interest-bearing bank and other borrowings divided by total equity) to monitor its capital. In 2015, no changes were made to the Group's objectives, policies or processes for managing capital.

Debt ratio

	December 31 2015	December 31 2014
	RMB'000	*RMB'000*
Total assets	**23,657,881**	16,385,316
Total liabilities	**17,776,681**	13,957,817
Total equity	**5,881,200**	2,427,499
Debt ratio	**75.14%**	85.18%

Gearing ratio

	December 31 2015	December 31 2014
	RMB'000	*RMB'000*
Interest-bearing bank and other borrowings	**15,458,354**	11,408,252
Total equity	**5,881,200**	2,427,499
Gearing ratio	**2.63**	4.70

On 8 July 2015, the Company was listed on the Stock Exchange, raising a total proceeds of RMB2,883 million. As of 31 December 2015, the Group's debt ratio and gearing ratio have declined as compared to the end of last year.

6. Capital Expenditure

The Group's capital expenditure consists primarily of expenditure on the acquisition of medical equipment and other equipment relating to the Group's operating leasing business and expenditure on office equipment. In 2015, the Group had capital expenditure of RMB28.90 million, which consisted of primarily related expenses for purchase of equipment for operating lease business and office renovation costs.

Use of proceeds from the initial public offering

The Group's shares were listed on the Stock Exchange on 8 July 2015. After the partial exercise of the over-allotment option, after deducting underwriting commissions and all related expenses, the net proceeds from the initial public offering amounted to approximately RMB2,776 million. As at the date of this announcement, the Company does not anticipate any change to its plan on the use of proceeds as stated in the Prospectus.

The Board closely monitored the use of proceeds from the initial public offering with reference to the use of proceeds disclosed in the Prospectus and confirmed that there was no significant change in the proposed use of proceeds as previously disclosed in the Prospectus. As of 31 December 2015, the Group used the net proceeds for the following purposes:

- RMB1,249 million was used for supporting the ongoing growth of our finance lease business;

- RMB11 million was used for research of development and operation of hospital digitalization services. We further recruited and increased the size of our technology solutions team who developed a proprietary information management system for hospitals, and carried out several marketing activities;

- RMB25 million was used for the development of our hospital investment & management. We concentrated on market development and expansion of external medical resources, recruited a hospital management experts team and provided professional training to internal personnel;

- RMB44 million was used for further development of CVA project solutions and other new clinical department upgrade services for other medical areas. We increased the number of our internal experts with relevant medical background and provided the hospital customers with financial support for clinical department upgrade; and

- RMB278 million was used for funding general corporate purposes.

7. Risk Management

The Group's principal financial instruments comprises, among others, lease receivables, trade receivables, trade payables, bank loans and other interest-bearing borrowings, cash and short-term deposits. The main purpose of interest-bearing bank and other borrowings is to finance the Group's operations while other financial assets and financial liabilities such as lease receivables, trade receivables and trade payables are directly related to the Group's operating activities.

The Group is exposed to various types of market risks in the ordinary course of business, primarily including interest rate risk, currency risk, credit risk and liquidity risk.

7.1 Interest Rate Risk

Interest risk is the risk that a financial instrument or future cash flows will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank and other borrowings and lease receivables.

A principal part of the Group's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modeling). The Group aims to mitigate the impact of prospective interest rate movements which could reduce future net interest income, while balancing the cost of such risk mitigation measures.

The following table sets forth a sensitivity analysis to a reasonably possible change in interest rate, with all other variables unchanged, to the Group's profit before tax. The sensitivity of the profit before tax is the effect of the assumed changes in interest rates on profit before tax, based on the financial assets and financial liabilities held at the end of each reporting period subject to repricing within the coming year.

	Increase/(decrease) in profit before tax	
	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
Change in base points		
+100 base points	**92,855**	40,558
- 100 base points	**(92,855)**	(40,558)

7.2 *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, and also other currencies to a lesser extent. The Group's currency risk mainly arises from the transactions in foreign currencies excluding RMB. The Group seeks to limit its exposure to foreign currency risk by minimizing its net foreign currency position.

The exchange rate of RMB to USD is managed under a floating exchange rate system. The HK$ exchange rate has been linked to the USD and therefore the exchange rate of RMB to HK$ has fluctuated and will fluctuate in line with the changes in the exchange rate of RMB to USD.

The following table sets forth a sensitivity analysis of exchange rate change of the currency on the Group's monetary assets and liabilities and forecast cash flows.

	Change in foreign exchange rate%	Increase/(decrease) in profit before tax 31 December 2015 RMB'000	31 December 2014 RMB'000
If RMB strengthens against USD/HK$	**(1)**	**(984)**	18,191
If RMB weakens against USD/HK$	**1**	**984**	(18,191)

The analysis calculates the effect of a reasonably possible movement in the currency rate against RMB, with all other variables unchanged, on profit before tax. This effect, however, is based on the assumption that the Group's foreign exchange exposures as at the end of each reporting period remain unchanged and, therefore, has not taken into account actions that would be taken by the Group to mitigate the adverse impact of the foreign exchange risk.

7.3 Credit Risk

Credit risk is the risk of loss arising from a lessee's or counterparty's inability to meet its obligations. The Group enters into transactions only with the recognized and creditworthy third parties. In accordance with the policy of the Group, the Group examines and verifies the credit risk of all customers that the Group has credit transactions with. Besides, the Group monitors and controls the lease receivables regularly to mitigate the risk of significant exposure from bad debts. Other financial assets of the Group include cash and bank deposits, accounts receivable financial derivatives asset, available-for-sale investments and other receivables. The credit risk of these financial assets arises from the counterparty's inability to meet its obligations. The maximum exposure to credit risk equals to the carrying amounts of these assets.

In determining the classification of its lease receivables, the Group applies a set of criteria pursuant to its internal policies. These criteria are designed to assess the likelihood of repayment by the borrower and the collectability of principal and interest on lease receivables of the Group. Lease receivables classification criteria of the Group focus on a number of factors, to the extent applicable, and include the following ratings:

Classification criteria

Pass. There is no reason to doubt that the loan principal and interest will not be repaid by the lessee in full and/or in a timely manner. There is no reason whatsoever to suspect that the lease receivables will be impaired.

Special Mention. Even though the lessee has been able to pay the lease payments in a timely manner, there are still factors that could adversely affect its ability to pay. These factors include changes in economy, policies and regulations and industry environment, changes in property structures, significant negative events and significant fall in key financial indicators occurred to debtors, sharp lag of infrastructure projects behind the original plan, or heavy over-run of budget, impact of changes in core asset value on repayment abilities of the debtors, as well as emerging of position relating to guarantors impacting their financial and operating conditions. In addition, the Group takes into account impacts of subjective factors on asset quality such as changes in repayment willingness of the debtors, for example, if payments have been overdue and the financial position of the lessee has worsened, then the lease receivables for this lease contract should be classified as special mention or lower.

Substandard. The lessee's ability to pay the principal and interests of the lease receivables is in question as it is unable to make its payments in full with its operating revenues and the Group are likely to incur losses notwithstanding the enforcement of any guarantees underlying the lease contract. For example, if a lease payment that has been categorised as special mention continues to be overdue for a period of time, then the lease receivables for this lease contract should be classified as substandard or lower.

Doubtful. The lessee's ability to pay is in question as it is unable to make lease payments in full and/or on a timely basis with its operating revenues and we are likely to incur significant losses notwithstanding the enforcement of any guarantees underlying the lease contract. For example, if a lease payment that has been categorized as substandard continues to be overdue for a period of time, the lease receivables for this lease contract shall be classified as doubtful or lower.

Loss. After taking all possible steps or going through all necessary legal procedures, lease payments remain overdue or only a very limited portion has been recovered. For example, if a lease payment that has been categorised as doubtful continues to be overdue for a period of time, the lease receivables for this lease contract shall be classified as a loss.

Asset management measures

The Group took risk management measures to monitor the quality of its asset portfolio, the assets underlying its leases and the efficiency of its credit assessment workflow. These measures are integrated into continuing asset management efforts of the Group with the following key features:

Regular monitoring of asset portfolio. The Group will constantly monitor the collection of rental payments from our customers. For projects with overdue lease receivables, we will adopt a variety of measures to collect the overdue receivables, and collect data to facilitate our classification of risky assets.

On-site customer visits. The Group will formulate an annual on-site visit plan and inspect the business development and financial conditions of its customers on a continuing basis through such on-site visits, during which cross-selling opportunities could also be explored.

Material event reporting procedures. The Group implements a material event reporting system and, if any material negative event occurs to customers, such event will need to be reported to the senior management and the Board.

Regular assessment on asset quality and reclassification. The Group adopts a migration model to classify its relevant lease receivables and assets of its finance leasing projects. Under this categorization procedure, the Group's assets underlying lease receivables are divided into five categories, namely "pass", "special mention", "substandard", "doubtful" and "loss". The last three categories of assets are considered non-performing assets. The Group applies a series of criteria in determining the classification of each of its assets, which focus on a number of factors, including (1) the customer's ability to make lease payments, (2) the customer's payment history, (3) the customer's willingness to make lease payment, (4) the collateral provided for the lease, and (5) the possibility of legal enforcement in the event of delinquent lease payment. The Group closely monitors the asset quality by focusing on the aforementioned factors, and will decide whether to reclassify such assets and adopt appropriate measures to improve their management. The Group has also established concrete management measures for making relevant provisions for impairment to the extent such impairment is reasonably envisaged.

Credit Risk Analysis

Analysis on industry concentration of finance lease receivables

Credit risk is often greater when lessees are concentrated in one single industry or geographical location or have comparable economic characteristics. Customers of the Group are diversely located in different regions mainland China, and its lessees are from different industries as follows:

	31 December 2015		31 December 2014	
	RMB'000	**% of total**	*RMB'000*	% of total
Healthcare	**16,692,512**	**77.3%**	10,589,532	66.8%
Education	**4,076,706**	**18.9%**	4,475,593	28.2%
Others	**831,434**	**3.8%**	785,014	5.0%
Net lease receivables	**21,600,652**	**100.0%**	15,850,139	100.0%
Less: Lease receivables provision	**288,520**		219,470	
Net value	**21,312,132**		15,630,669	

The customers of the Group are mainly concentrated in the healthcare industry and the education industry. Since both the healthcare industry and the education industry belong to basic livelihood industries and are weakly correlated to the economic cycle, there is no significant credit risk concentration within the Group.

The quantitative data of exposure to credit risk arises from available-for-sale investments, derivative financial assets, loans and accounts receivables, deposits and other receivables, and credit commitments. The analysis of financial assets which are neither past due nor impaired is as follows:

	31 December 2015	31 December 2014
	RMB'000	*RMB'000*
Lease receivables	**21,393,331**	15,692,233
Accounts receivable	**4,826**	8,660
Deposits and other receivables	**96,709**	38,964
Derivative financial assets	**64,916**	20,955
Available for sale investments	**28**	–

As at 31 December 2015 and 31 December 2014, the financial assets which are past due but are not considered impaired amounted to RMB39.06 million and RMB25.78 million, respectively. The days overdue are analyzed as below:

	Within 90 days	**90 days to 1 year**	**1 year to 3 years**	**Over 3 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2015					
Net lease receivables	**39,057**	**–**	**–**	**–**	**39,057**
As at 31 December 2014					
Net lease receivables	11,707	14,070	–	–	25,777

Lease receivables that were past due but not impaired related to a number of customers that have good track records with the Group. Based on the past experience, the Directors are of the view that these balances are not considered impaired as there has not been a significant impact on credit rating and the balances are still considered fully recoverable.

The analysis of financial assets which are impaired is as follows:

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Net lease receivables	**168,264**	132,129

Impaired lease receivables are defined as those lease receivables have objective evidence of impairment as a result of one or more events that occurred after initial recognition and that event has an impact on the estimated future cash flows of the lease receivables that can be reliably estimated.

7.4 *Liquidity Risk*

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from mismatches in amounts or duration with regard to the maturity of financial assets and liabilities.

The Group manages its liquidity risk through daily, monthly and quarterly monitoring with the following objectives: maintaining flexibility in funding by keeping sufficient available loan facilities or loan commitments provided by banks and other financial institutions, making projections of future cash flows and evaluating the appropriate net current asset/ liability position, and maintaining an efficient internal funds transfer mechanism.

The tables below summarize the maturity profile of the Group's financial assets and liabilities based on the contractual undiscounted cash flows:

	Within 1 Year *RMB'000*	**1 to 5 years** *RMB'000*	**Over 5 years** *RMB'000*	**Total** *RMB'000*
As at 31 December 2015				
Total financial assets	**9,562,191**	**18,190,481**	**2,715**	**27,755,387**
Total financial liabilities	**(8,557,097)**	**(10,345,528)**	**–**	**(18,902,625)**
Net liquidity gap[1]	**1,005,094**	**7,844,953**	**2,715**	**8,852,762**
As at 31 December 2014				
Total financial assets	6,068,491	13,583,973	5,988	19,658,452
Total financial liabilities	(5,834,161)	(9,327,592)	(13,140)	(15,174,893)
Net liquidity gap[1]	234,330	4,256,381	(7,152)	4,483,559

(1) A positive net liquidity gap indicates financial assets are more than financial liabilities and there is no funding gap, while a negative net liquidity gap indicates otherwise.

As the Group repaid all borrowings from related parties due within 1 year with long-term borrowings from financial institutions in 2015, the durations of financial assets and liabilities match more closely.

8. Pledge of the Group's Assets

As at 31 December 2015, the Group had lease receivables of RMB7,531 million and cash of RMB106 million pledged or paid to banks to secure the bank borrowings.

9. Circumstances Including Contractual Obligations, Contingent Liabilities and Capital Commitment

9.1 Contingent Liabilities

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Legal proceedings		
Claimed amounts	**1,278**	1,278

9.2 Capital Commitments and Credit Commitments

The Group had the following capital commitments and credit commitments as at each of the dates indicated

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Contracted but not allocated capital expenditure	**5,628**	11,499
Credit commitments[1]	**804,604**	637,481

(1) The form of credit commitments is approved leasing agreement but not allocated before each settlement date. The commitments are conditionally revocable.

10. Human Resources

As of 31 December 2015, we had a total of 433 full-time employees, representing an increase of 69 or 18.96%, compared to 364 as of 31 December 2014.

We have a highly educated and high quality work force, with about 86.84% of our employees holding bachelor degrees and above, about 45.96% holding master's degrees and above and about 2.08% holding doctor's degrees as of 31 December 2015. 142 employees or 32.79% of our total employees have medical background.

We have established an effective incentive mechanism to link the remuneration of our employees with their overall performance and contribution to the Company and have established a remuneration and award system based on the fulfillment of annual performance indicator and work targets. We appraise employees with supervisory titles on an annual basis according to our Group's business objectives, organization construction and team management.

We have designed a practical ranking assessment and promotion system for the career development of our employees. By constructing the position system, we set the criteria for level and ranking assessment and promotion of each position, which provide employees with a clear corporate ladder, effectively enhance employees' sense of self-identity and sense of belonging and attract and retain excellent management personnel and professionals.

To establish and improve the mid-and-long-term incentive and restraint mechanism, promote the healthy, stable and sustainable development of the Company, fully mobilize the initiative and creativity of employees and enhance the cohesion of the Company, we had implemented a corporate annuity scheme in 2015.

Employee Welfare

In accordance with applicable PRC laws, we have made contributions to social security insurance funds (including pension, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance plans) and housing funds for our employees. We also provide other insurance plans for our employees such as supplementary pension, additional medical insurance and personal accident insurance in addition to those required under the PRC regulations. As of 31 December 2015, we had complied with all statutory social insurance and housing fund obligations applicable to us under PRC laws in all material aspects.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance.

The Company was listed on the Stock Exchange on 8 July 2015 (the "**Listing Date**"). Therefore, the code provisions as set out in the CG Code were not applicable to the Company during the period from 1 January 2015 to 7 July 2015. Since the Listing Date and up to the date of this announcement (the "**Period**"), the Company has complied with all code provisions as set out in the CG Code save for the deviations from code provisions A.4.2 and C.3.3(e)(i).

The articles of association of the Company stipulate that the executive Directors of the Company are not subject to the rotational retirement requirement thereunder without prejudice to the power of shareholders in general meeting to remove any such Director. To ensure continuity of leadership and stability for growth of the Company, the Board opined that the executive Directors should hold office on a continuous basis.

During the period from 8 July 2015 to 31 December 2015, the audit committee of the Board (the "**Audit Committee**") met the external auditor only once a year, as the CG Code was not applicable to the Company prior to the Listing Date, for reviewing the Company's interim results for the first half of 2015.

On 29 February 2016, Mr. Lim Yean Leng resigned as an independent non-executive Director and a member of the remuneration committee of the Board. Subsequent to his resignation, the number of independent non-executive Directors of the Company does not represent at least one-third of the Board and the majority of the remuneration committee are not independent non-executive Directors, which is not in compliance with respective requirement under Rules 3.10A and 3.25 of the Listing Rules. The Company is in the course of searching for a suitable candidate to fill the casual vacancy and endeavor to comply with the requirements under the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding directors' and employee's dealings in the Company's securities (the "**Securities Dealing Code**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

The Company was listed on the Stock Exchange on 8 July 2015. Therefore, the relevant requirements as set out in the Securities Dealing Code were not applicable to the Company during the period from 1 January 2015 to 7 July 2015.

Having made specific enquiry to all Directors, all the Directors have confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Period.

REVIEW OF FINANCIAL INFORMATION

Audit Committee

The Company has established the Audit Committee in compliance with Rules 3.21 and 3.22 of the Listing Rules. It comprises three members, including Mr. Li Yinquan, Mr. Chow Siu Lui and Mr. Liu Xiaoping.

The Audit Committee has discussed with the management and reviewed the audited annual consolidated financial statements of the Group for the year ended 31 December 2015 and this announcement.

In addition, Ernst & Young, the external auditor of our Company, has independently audited the consolidated financial statements of the Company which are prepared in accordance with Hong Kong Financial Reporting Standards for the year ended 31 December 2015 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. These financial statements are prepared in accordance with the Hong Kong Financial Reporting Standards.

DISCLOSURE UNDER SECTION 436 OF THE COMPANIES ORDINANCE

The financial information relating to the Company for the years ended 31 December 2015, 2014, 2013 and 2012 included in this announcement do not constitute the Company's statutory annual consolidated financial statements for these four years but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622) (the "**Companies Ordinance**") is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2014 to the Registrar of Companies as required by section 94 of the Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance in due course. The consolidated financial statements for the years ended 31 December 2013 and 2012 were not delivered and were not required to be delivered to the Registrar of Companies.

The Company's auditor has reported on the consolidated financial statements for the years ended 31 December 2015, 2014, 2013 and 2012. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities since the Listing Date and up to the date of this announcement.

DIVIDEND AND CLOSURE OF REGISTER

The Board recommends the payment of a final dividend of HK$0.13 per share for the year ended 31 December 2015 to shareholders whose names appear on the register of members of the Company on Thursday, 16 June 2016. The proposed final dividend will be paid on Monday, 27 June 2016, subject to the approval of the shareholders at the annual general meeting of the Company to be held on Tuesday, 7 June 2016 (the "**2016 AGM**").

The register of members of the Company will be closed during the following periods:

(i) From Friday, 3 June 2016 to Tuesday, 7 June 2016, both days inclusive and during which period no share transfer will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2016 AGM. In order to be eligible to attend and vote at the 2016 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 2 June 2016; and

(ii) From Tuesday, 14 June 2016 to Thursday, 16 June 2016, both days inclusive and during which period no share transfer will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 13 June 2016.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.universalmsm.com, respectively. The annual report of the Company for the year ended 31 December 2015 containing all the information required under the Listing Rules will be dispatched to the shareholders of the Company and published on the above-mentioned websites in due course.

By order of the Board of Directors
Universal Medical Financial & Technical Advisory Services Company Limited
環球醫療金融與技術咨詢服務有限公司
Guo Weiping
Executive Director

Hong Kong, 29 March 2016

As at the date of this announcement, the executive Directors are Mr. Guo Weiping and Ms. Peng Jiahong; the non-executive Directors are Mr. Zhang Yichen (Chairman), Mr. Jiang Xin (Vice-chairman), Mr. Liu Zhiyong, Mr. Liu Xiaoping, Mr. Su Guang and Mr. Chen Weisong; and the independent non-executive Directors are Mr. Li Yinquan, Mr. Chow Siu Lui and Mr. Kong Wei.