



廣東康華醫療股份有限公司  
Guangdong Kanghua Healthcare Co., Ltd.\*

(於中華人民共和國註冊成立的股份有限公司)  
(A joint stock company incorporated in the People's Republic of China with limited liability)

股份代號 Stock Code : 3689

\*僅供識別 For identification purposes only

蒼生為念  
厚德載醫

2018

ANNUAL  
REPORT  
年報





# Contents

## 目錄

2	Corporate Information 公司資料
4	Financial Highlights 財務概覽
6	2018 Milestones 2018 年度里程
8	The Chief Executive Officer's Statement 行政總裁報告
12	Management Discussion and Analysis 管理層討論及分析
39	Report of the Board 董事會報告
59	Report of the Supervisory Committee 監事會報告
60	Corporate Governance Report 企業管治報告
73	Environmental, Social and Governance Report 環境、社會及管治報告
113	Directors, Supervisors and Senior Management 董事、監事及高級管理層
124	Independent Auditor's Report 獨立核數師報告
131	Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表
132	Consolidated Statement of Financial Position 綜合財務狀況表
134	Consolidated Statement of Changes in Equity 綜合權益變動表
135	Consolidated Statement of Cash Flows 綜合現金流量表
137	Notes to the Consolidated Financial Statements 綜合財務報表附註
218	Financial Summary 財務概要
219	Definitions 釋義

# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Wang Junyang (*Chairman*)  
Mr. Chen Wangzhi (*Chief Executive Officer*)  
Mr. Wong Wai Hung Simon (*Vice Chairman*)  
Ms. Wang Aiqin

#### Non-executive Director

Mr. Lv Yubo

#### Independent Non-executive Directors

Mr. Yeung Ming Lai  
Dr. Chen Keji  
Mr. Chan Sing Nun

#### Audit Committee

Mr. Chan Sing Nun (*Chairman*)  
Dr. Chen Keji  
Mr. Yeung Ming Lai

#### Remuneration Committee

Mr. Chan Sing Nun (*Chairman*)  
Ms. Wang Aiqin  
Mr. Yeung Ming Lai

#### Nomination Committee

Mr. Wang Junyang (*Chairman*)  
Dr. Chen Keji  
Mr. Yeung Ming Lai

### SUPERVISORY COMMITTEE

Mr. Chen Shaoming (*Chairman*)  
Mr. Wang Shaofeng  
Mr. Wang Bingzhi (resigned on 2 October 2018)  
Mr. Yue Chunyang (appointed on 2 October 2018)

### JOINT COMPANY SECRETARIES

Mr. Wong Wai Hang Ricky  
Ms. Chau Hing Ling

### SECRETARY TO THE BOARD

Ms. Wang Yingda

### 董事會

#### 執行董事

王君揚先生(*主席*)  
陳旺枝先生(*行政總裁*)  
王偉雄先生(*副主席*)  
王愛勤女士

#### 非執行董事

呂玉波先生

#### 獨立非執行董事

楊銘澧先生  
陳可冀醫生  
陳星能先生

#### 審核委員會

陳星能先生(*主席*)  
陳可冀醫生  
楊銘澧先生

#### 薪酬委員會

陳星能先生(*主席*)  
王愛勤女士  
楊銘澧先生

#### 提名委員會

王君揚先生(*主席*)  
陳可冀醫生  
楊銘澧先生

### 監事會

陳少明先生(*主席*)  
王少鋒先生  
王炳枝先生(辭任於二零一八年十月二日)  
岳春陽先生(委任於二零一八年十月二日)

### 聯席公司秘書

黃偉恒先生  
周慶齡女士

### 董事會秘書

王櫻達女士

### AUTHORISED REPRESENTATIVES

Mr. Wong Wai Hung Simon  
Mr. Wong Wai Hang Ricky

### AUDITOR

Deloitte Touche Tohmatsu

### LEGAL ADVISERS AS TO HONG KONG LAWS

Allen & Overy

### REGISTERED OFFICE

3/F, Outpatient Zone One  
Dongguan Kanghua Hospital  
Nancheng Street Road  
Dongguan  
Guangdong Province  
PRC

### HEAD OFFICE IN THE PRC

1000 Dongguan Avenue  
Dongguan  
Guangdong Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3207, Metroplaza Tower 2  
223 Hing Fong Road  
Kwai Fong, New Territories  
Hong Kong

### H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### STOCK CODE

3689

### COMPANY'S WEBSITE

<http://www.kanghuagp.com>

### 授權代表

王偉雄先生  
黃偉恒先生

### 核數師

德勤 • 關黃陳方會計師行

### 香港法律顧問

安理國際律師事務所

### 註冊辦事處

中國  
廣東省  
東莞市  
南城街道  
東莞康華醫院  
門診一區3樓

### 中國總部

中國  
廣東省  
東莞市  
東莞大道1000號

### 香港主要營業地點

香港  
新界葵芳  
興芳路223號  
新都會廣場第二座3207室

### H股證券登記處

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東183號  
合和中心  
17樓1712–1716號舖

### 股份代號

3689

### 公司網站

<http://www.kanghuagp.com>

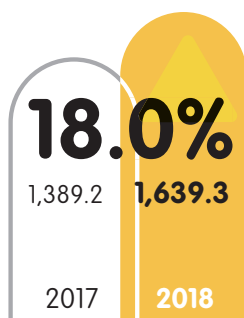
# Financial Highlights

## 財務概覽

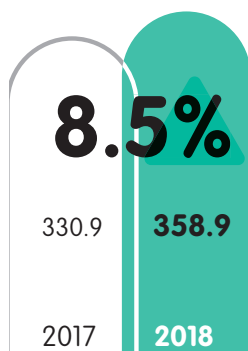
### KEY FINANCIAL PERFORMANCE 主要財務表現

RMB million 人民幣百萬元

#### Revenue 收益



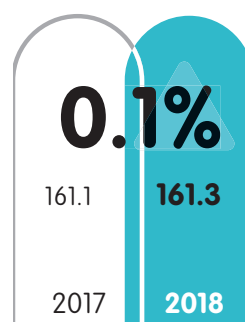
#### Gross Profit 毛利



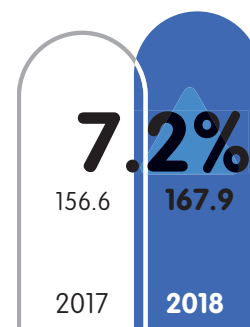
#### Final dividend 末期股息

RMB  
人民幣 **16** cent  
分

#### Profit for the Year 年內溢利



#### Profit for the year attributable to owners of the Company 本公司擁有人應佔年內溢利



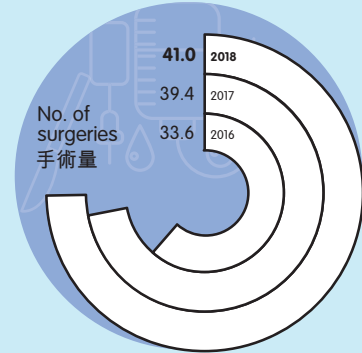
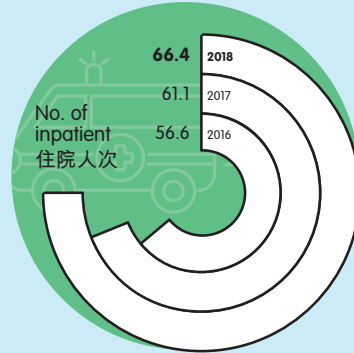
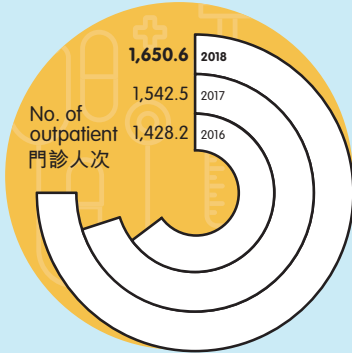
#### Payout ratio 派息率

**31.9%**

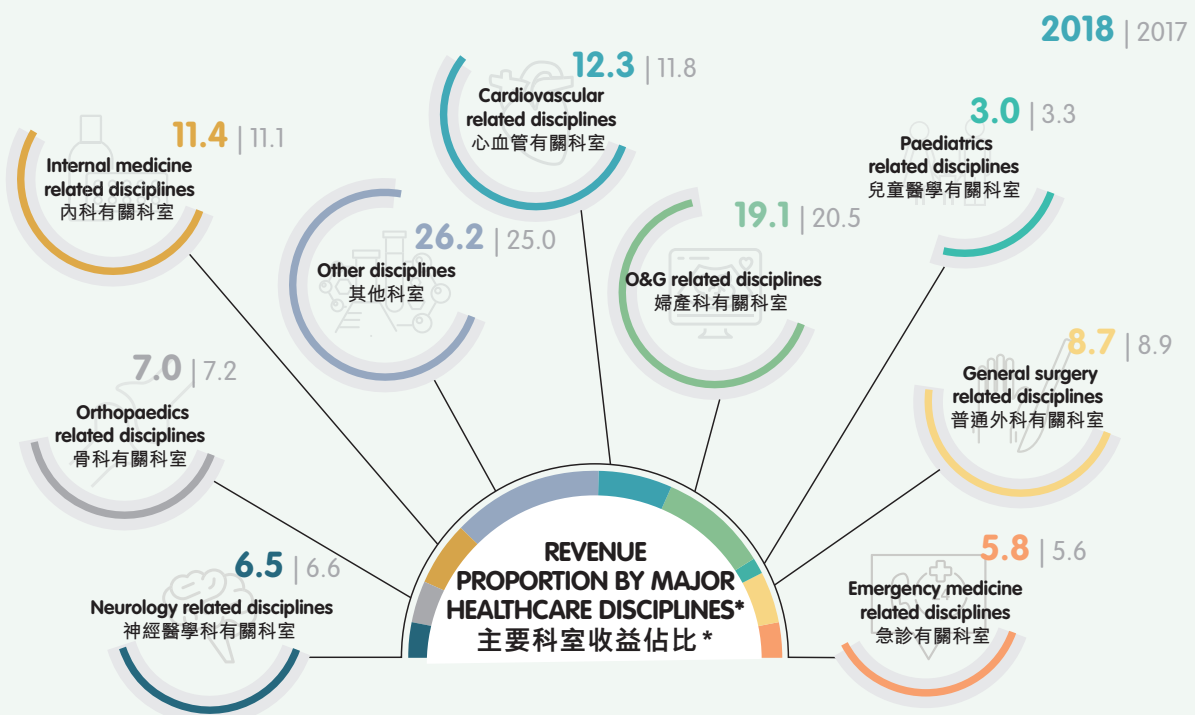
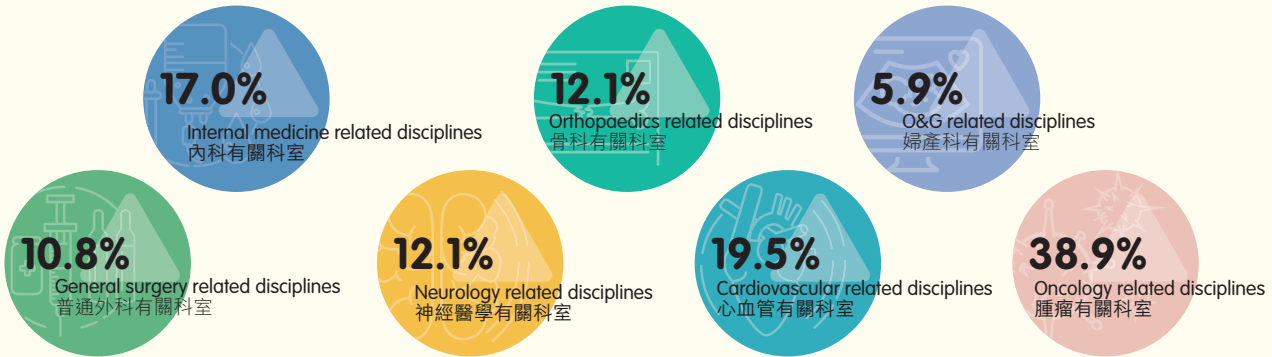
For the year ended 31 December  
截至十二月三十一日止年度

		2018 二零一八年 YoY Change 按年變動	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收益	+18.0%	1,639,287	1,389,169	1,240,390
Gross profit	毛利	+8.5%	358,904	330,876	296,911
Gross profit margin	毛利率	-1.9p.p.	21.9%	23.8%	23.9%
Profit before taxation	除稅前溢利	+1.7%	221,754	218,076	198,473
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	+7.2%	167,943	156,592	141,260
Earnings per share – basic	每股盈利—基本	+7.3%	50.2	46.8	53.8
Final dividend (RMB cents)	末期股息(人民幣分)	—	16.0	16.0	14.0
Total assets	總資產	+27.2%	2,203,052	1,732,393	1,595,978
Total liabilities	總負債	+56.6%	693,578	442,994	420,935
Equity attributable to owners of the Company	本公司擁有人應佔權益	+9.0%	1,378,937	1,265,224	1,155,415
Net gearing ratio	淨資產負債率	N/A 不適用	—	—	—

### PATIENT VISITS 病人人次 (Thousand Visits 千人次)



### REVENUE YOY GROWTH OF MAJOR HEALTHCARE DISCIPLINES 主要科室年內收益同比升幅



\* The amount does not include revenue from rehabilitation and other healthcare services, hospital management services, sale of pharmaceutical products and others.  
 \* 該金額不包括提供康復及其他醫療服務、醫院管理服務及銷售藥品的收益及其他。

## 2018 Milestones

### 2018 年度里程



#### Kanghua Hospital Passed the Review of Grade A Class III Rating 康華醫院通過三甲評級複審

In June 2018, Kanghua Hospital has successfully maintained its rating as a Grade A Class III general hospital after passing the review by the Health and Family Planning Commission of Guangdong Province. During the review, the hospital's healthcare capability, scientific research and academic capability and comprehensive operational strength have been further enhanced.

2018年6月，康華醫院順利通過廣東省衛生和計劃生育委員會對其進行的三級甲等綜合醫院評級複審，成功維持三甲醫院評級。在此期間，醫院的醫療服務能力、科研學術水平及綜合運營實力都得到了進一步提升。



#### Kanghua Hospital Established Multi-Disciplinary Oncology Team 康華醫院建立多學科腫瘤診療團隊

Kanghua Hospital strengthened its cross-disciplinary diagnosis and treatment system and established a multi-disciplinary oncology team in 2018. In August 2018, the oncology department of Kanghua Hospital was accepted into the Southern Radiotherapy Quality Management Specialist Alliance (南方放療質量管理專科聯盟).

2018年，康華醫院加強了多學科合作診療體系，並組建了多學科腫瘤診療團隊。2018年8月，康華醫院腫瘤科獲批成為南方放療質量管理專科聯盟成員單位。





Acquired Chongqing Kanghua Zhonglian Cardiovascular Hospital  
收購重慶康華眾聯心血管病醫院



In 2018, the Group has completed the acquisition of 60% equity interest in Zhonglian Cardiovascular Hospital at a consideration of RMB270.0 million. In 2018, Zhonglian Cardiovascular Hospital was rated as a district-level chest pain centre construction project (區級胸痛中心建設項目) in Jiangbei District, and its cardiology department was also rated as a city-level key clinical discipline (市級臨床重點專科) in Chongqing.

本集團於2018年完成收購眾聯心血管病醫院60%之股權，代價為人民幣270.0百萬元。2018年，眾聯心血管病醫院被評審為江北區區級胸痛中心建設項目，同時該醫院的心內科被評為重慶市市級臨床重點專科。

Acquired Anhui Hualin Rehabilitation Medical Group  
收購安徽樺霖康復醫療集團



In 2018, the Group completed the acquisition of 57% equity interest in Anhui Hualin. The Anhui Hualin Group is mainly engaged in rehabilitation medical services for the disabled and vocational training for the disabled. During the year, the Group and Anhui Hualin jointly opened Hefei Kanghua Rehabilitation Hospital, which further expanded the Group's network of rehabilitation medical institutions.

本集團於2018年完成收購安徽樺霖57%之股權。安徽樺霖集團主要從事殘疾人康復醫療服務及殘疾人職業培訓。年度內，本集團與安徽樺霖攜手開設合肥康華康復醫院，使集團旗下康復醫療機構網絡得以進一步擴大。



## The Chief Executive Officer's Statement

### 行政總裁報告

Looking ahead, the Group will further seize opportunities brought on by the reform of China's medical industry. The Group will accelerate the expansion of its medical network while ensuring the steady development of its existing medical institutions.

展望未來，本集團將進一步把握醫療行業改革帶來的機遇，在保證現有醫療機構穩健發展的同時，加速醫療網絡的擴張佈局。



Chen Wangzhi  
陳旺枝

*Chief Executive Officer*  
行政總裁



Dear Shareholders,

On behalf of the Company, I sincerely thank all Shareholders and other stakeholders from different parts of the community for your continuous support to the Group. In 2018, against the backdrop of the Healthy China Strategy and the medical and health care systems reform by the Central Government, the Group responded to the modern trends and the directives of the new policies. On the one hand, the Group strengthened the level of medical service with a focus on controlling the quality of medical care and ensuring medical safety, while providing high quality medical services to its patients. On the other hand, the Group also aimed to enhance its core competitive strengths and continued to deepen the development of its specialists and improve the diagnosis and treatment capability of multiple disciplines and collaboration between departments. The Group has been successful in establishing and operating disciplines with a significant industry standing, and further enhancing the Kanghua brand.

致股東：

本人謹代表本公司衷心感謝所有股東及社會各界其他利益相關人士對本集團的持續支持。二零一八年，在中央實施健康中國戰略和深化醫藥衛生體制改革的大背景下，本集團順應時代的脈絡和新政策的走向，一方面夯實醫療服務水平，以嚴控醫療質量及保障醫療安全為核心，為患者提供高質量的醫療服務；另一方面，本集團以提升醫學核心競爭力為重，不斷深化專科發展，提升各科診治能力和以及學科間合作，成功建立及營運具有行業地位的學科，進一步提升康華品牌。

# The Chief Executive Officer's Statement

## 行政總裁報告

Taking advantage of the capital platform as a listed company, the Group proactively expanded its healthcare network in 2018, and made acquisitions that are significant to the future development of the Group. In 2018, the Group acquired Zhonglian Cardiovascular Hospital and the Anhui Hualin Group, respectively, which not only expanded the scale of the Group's hospital services but also enhanced the Group's offering of rehabilitation medical services.

In terms of hospital services, in 2018, Kanghua Hospital, a subsidiary of the Group, successfully passed the Grade A Class III general hospital rating review by the Guangdong Provincial Health and Family Planning Commission. During the review process, all of the staff had made joint effort to strengthen the medical management and control the safety and quality of the hospitals' services. The level of capability in medical service, academic research and comprehensive operations has remarkably improved. In addition, Kanghua Hospital increased investment in medical equipment and medical personnel training with a view to ensuring that it has the capability to deliver a high level of clinical diagnosis and treatment. In conjunction, the Group's Renkang Hospital began preparations for the accreditation of Grade A Class II general hospital in 2018, and, for such purpose, effectively upgraded its hospital operational management and strengthened its medical technology management to the standards of a Grade A Class II hospital. In 2018, Renkang Hospital also established the first training base of Traditional Chinese Medicine in Dongguan, further expanding its influence in the field of Traditional Chinese Medicine in Dongguan.

As a strategic step to expand the Group's footprint, the Group completed the acquisition of 60% equity interest in Zhonglian Cardiovascular Hospital in August 2018 at a consideration of RMB270 million. Zhonglian Cardiovascular Hospital is positioned as a high-end hospital specialized in the cardiovascular discipline. It is dedicated to providing patients with the most professional, high-quality, and high-standard medical services. Along with the continuous growth of the team of experts and the constant improvement of services, Zhonglian Cardiovascular Hospital was able to rapidly grow its influence in the cardiovascular field in Southwest China with promising prospects. Through such acquisition, the Group officially set foot on the medical market in Southwest China, and further demonstrated its prominent status in the field of cardiovascular discipline, signifying long term strategic development of the Group.

In 2018, three of the Group's hospitals, including Kanghua Hospital, Renkang Hospital and the newly acquired Zhonglian Cardiovascular Hospital, had solid operations and recorded good operating performance, including 66,388 inpatient visits with a year-on-year increase of 8.6%, 1,650,592 outpatient visits with a year-on-year increase of 7.0% and 41,045 surgical operations with a year-on-year increase of 4.2%.

與此同時，利用上市公司的資本平台優勢，本集團於二零一八年積極擴張其醫療網絡，並作出對本集團未來發展具有重要意義的收購。於二零一八年，本集團收購了眾聯心血管病醫院及安徽樺霖集團，不僅擴大了本集團的醫院服務業務規模，同時本集團亦在提供康復醫療服務方面得到深化發展。

在醫院服務業務方面，於二零一八年，本集團旗下的康華醫院順利通過了廣東省衛生和計劃生育委員會對其進行的三級甲等綜合醫院評級復審。在復審過程中，全體員工共同努力，強化醫療管理、嚴控醫療安全與質量，使醫院的醫療服務、學術研究及綜合運營實力都得到了顯著提升。此外，康華醫院亦進一步加大了醫療設備投入及醫療人才的引進和培養力度，旨在保證其提供高水平臨床診斷和診治能力。同時，本集團的仁康醫院於二零一八年啓動迎接二級甲等綜合醫院評審的準備工作，並就此根據二級甲等醫院標準有效升級了其醫院運營管理及加強了醫療技術管理。於二零一八年，仁康醫院亦建立了東莞首個中醫培訓基地，進一步擴大了其於東莞中醫領域的影響力。

作為本集團戰略擴張佈局的重要一步，本集團於二零一八年八月以代價人民幣270百萬元完成收購眾聯心血管病醫院60%之股權。眾聯心血管病醫院是一家高端化定位的心血管病專科醫院，致力於為患者提供最專業、優質、高標準的醫療服務。隨著專家隊伍的不斷壯大及醫療服務水平的持續提升，眾聯心血管病醫院能夠在中國西南地區心血管專科領域快速擴大影響力，前景可觀。通過此項收購，本集團正式涉足中國西南地區醫療市場，並可進一步發揮本身於心血管醫學領域的突出優勢，為本集團帶來深遠的戰略發展意義。

於二零一八年，本集團旗下三家醫院，包括康華醫院、仁康醫院及新收購的眾聯心血管病醫院穩步運營並錄得良好的運營表現，包括：住院患者總數達66,388人次，按年計同比增加8.6%；門診患者總數達到1,650,592人次，按年計同比增長7.0%；共實施手術41,045例，按年計同比增長4.2%。

# The Chief Executive Officer's Statement

## 行政總裁報告

With respect to the development of rehabilitation services, in April 2018, the Group acquired 57% equity interest in Anhui Hualin for RMB58.66 million as consideration for transfer of equity interest and RMB20 million as capital injection. The Anhui Hualin Group is engaged in the provision of rehabilitation services, vocational training, investments in medical projects, management arrangements and healthcare information consultation for the disabled in Anhui Province. At present, the Anhui Hualin Group has 220 registered beds. The Anhui Hualin Group recorded RMB49.67 million as revenue in 2018. In 2018, the Anhui Hualin Group also received 36,451 outpatient visits and 1,295 inpatient visits. The acquisition signifies the expansion of the Group's healthcare network to East China and the strengthening of the Group's offering of rehabilitation services. We believe that the Anhui Hualin Group will consistently generate synergies to the Group.

Thanks to the solid operations and strategic planning of the Group in 2018, the Group recorded revenue of RMB1,639.3 million with a year-on-year increase of 18.0%, and gross profit of RMB358.9 million with a year-on-year increase of 8.5%. The profit for the year attributable to owners of the Company in 2018 increased by 7.2% to RMB167.9 million. The board of directors proposed to pay final dividends of RMB16 cents per share for the year ended 31 December 2018, with a dividend payout ratio of 31.9%.

The year 2018 marked the 40th anniversary of China's economic reform, the key year for the implementation of the 13th Five-Year Plan, and the year for strengthening the reform of China's medical policy. In 2018, China's medical industry had seen significant developments in many areas, including advancement of medical diagnosis and treatments, further reform of healthcare service price, improvement in the basic healthcare insurance system, establishment of a high-quality and efficient medical and healthcare service system, and promoting the development of internet+ healthcare. During the year, the Group actively responded to the policy requirements and continuously improved the management and operation of its medical institutions.

Looking ahead, the Group will further seize the opportunities brought on by the reform of China's medical industry. The Group will accelerate the expansion of its network while ensuring the steady development of its existing medical institutions. The Group will further consolidate its leading position in the private healthcare industry in China and strive to achieve excellent results and maximize return to Shareholders.

Chen Wangzhi  
Chief Executive Officer

28 March 2019

就康復醫療服務的發展而言，本集團於二零一八年四月以代價人民幣58.66百萬元及注資人民幣20百萬元收購了安徽樺霖57%的股權。安徽樺霖集團於安徽省從事提供殘疾人康復醫療服務、殘疾人職業培訓、醫療項目投資、醫療委託管理及醫療資訊諮詢等業務。目前安徽樺霖集團共有註冊床位220張，二零一八年收益為人民幣49.67百萬元，接待門診病人36,451人次，住院病人1,295人次。此次收購標誌著本集團的醫療網絡擴大覆蓋至華東地區，並使本集團的康復醫療服務得到縱深化的發展，相信安徽樺霖可為本集團帶來協同效益。

得益於本集團於二零一八年的穩健運營和戰略化佈局，本集團錄得收益為人民幣1,639.3百萬元，按年計同比增長18.0%；毛利為人民幣358.9百萬元，按年計同比上升8.5%。本公司擁有人於二零一八年應佔年內溢利上升7.2%，至人民幣167.9百萬元。董事會建議派發截至二零一八年十二月三十一日止年度之末期股息為每股人民幣16分，派息率31.9%。

二零一八年是改革開放40週年，亦是實施「十三五」規劃承上啓下的關鍵一年，更是深化我國醫療政策改革的一年。於二零一八年，中國的醫療行業於多方面取得了重要發展，包括：有序推進分級診療制度建設、深化醫療服務價格改革、完善基本醫保制度、建立優質高效的醫療衛生服務體系，以及促進互聯網+醫療健康的發展等。本集團於年內積極響應政策號召，不斷完善旗下醫療機構的管理及運作。

展望未來，本集團將進一步把握醫療行業改革帶來的機遇，在保證現有醫療機構穩健發展的同時，加速醫療網絡的擴張佈局，使康華醫療於中國民營醫療領域中的領先地位得到進一步鞏固，並致力獲得良好的業績表現，為股東帶來最大回報。

陳旺枝  
行政總裁

二零一九年三月二十八日

# Management Discussion and Analysis

## 管理層討論及分析



### BUSINESS REVIEW AND OUTLOOK

#### Business Overview for 2018

In 2018, the Group continued to deliver promising and solid operating results. The Group's consolidated revenue for the year ended 31 December 2018 has reached its record high to RMB1,639.3 million (2017: RMB1,389.2 million), representing a year-on-year increase of 18.0%, mainly attributable to the growth of its owned-hospital operations. However, at the same time, the Group had faced many challenges including increase in medical staff costs and adjustments in various government policies in the labour and healthcare sectors, and in particular, the loss incurred in relation to its newly acquired specialty hospital in Chongqing during the year had caused its profit for the year to achieve only a slight increase to RMB161.3 million (2017: RMB161.1 million), representing a year-on-year increase of 0.1%.

In April 2018, the Group successfully acquired 57% equity interest in Anhui Hualin Medical Investment Co., Ltd.\* ("Anhui Hualin"). On the acquisition date, Anhui Hualin directly and indirectly holds sponsor interests in certain private non-enterprise entities in the PRC, including one class II rehabilitation hospital, one class I general hospital, nine rehabilitation centres for the disabled and one vocational training school. The Board expects that the acquisition will generate significant synergistic value to the Group and further expand the Group's footprint in the healthcare industry in the PRC.

Furthermore, in August 2018, the Group acquired 60% equity interest in Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd.\* ("Zhonglian Cardiovascular Hospital"). Zhonglian Cardiovascular Hospital is a specialty hospital in cardiovascular diseases located in Chongqing, the PRC. Zhonglian Cardiovascular Hospital was also the Group's first managed hospital and its first presence outside of Guangdong Province. The Board considers that, although Zhonglian Cardiovascular Hospital has yet to become profitable as it is still in a start-up phase, its initial operations signify promising prospects. The Board considers that full integration and consolidation of Zhonglian Cardiovascular Hospital into the Group's operations will enable the Group to benefit from the operating prospects of Zhonglian Cardiovascular Hospital to a greater extent in the long term compared to the management arrangement.

\* English translated name is for identification purpose only.

### 業務回顧和展望

#### 二零一八年業務概覽

於二零一八年，本集團繼續創造良好及穩健的經營業績。截至二零一八年十二月三十一日止年度，本集團的綜合收益創下歷史新高，達人民幣1,639.3百萬元（二零一七年：人民幣1,389.2百萬元），比去年同期增長18.0%，主要歸因於其所擁有的醫院營運有所增長。然而，與此同時，本集團面臨諸多挑戰，包括醫療人員成本增加以及勞工及醫療行業各項政府政策的調整，尤其是年內於重慶新收購專科醫院所產生的虧損已導致年內溢利僅略增至人民幣161.3百萬元（二零一七年：人民幣161.1百萬元），同比增加0.1%。

於二零一八年四月，本集團成功收購安徽樺霖醫療投資有限公司（「安徽樺霖」）的57%股權。於收購日，安徽樺霖直接及間接持有中國若干民辦非企業單位的舉辦者權益，包括一家二級康復醫院、一家一級綜合醫院、九家殘疾康復中心及一家職業培訓學校。董事會預期收購將為本集團帶來重大協同效益，並可幫助本集團進一步拓展於中國醫療行業之版圖。

此外，於二零一八年八月，本集團收購重慶康華眾聯心血管病醫院有限公司（「眾聯心血管病醫院」）的60%股權。眾聯心血管病醫院為中國重慶市一家心血管疾病專科醫院，亦是本集團管理的首家醫院，及首次踏足廣東省以外經營業務。董事會認為，儘管眾聯心血管病醫院尚未盈利，原因為其仍處於初創階段，其初步營運意味著前景良好。董事會認為，與管理安排相比，將眾聯心血管病醫院全面整合及綜合計入本集團業務將有助本集團長遠受惠於眾聯心血管病醫院的營運前景。

\* 英文譯名僅供識別。

# Management Discussion and Analysis

## 管理層討論及分析

### Hospital Services

The Group's owned hospitals, namely Kanghua Hospital and Renkang Hospital, as well as the newly acquired Zhonglian Cardiovascular Hospital, have delivered promising operating results, in particular (i) the total number of inpatient visits reached 66,388 (2017: 61,143), representing a year-on-year increase of 8.6%; (ii) the overall average spending per inpatient visit amounted to RMB13,855.1 (2017: RMB13,361.1), representing a year-on-year increase of 3.7%; (iii) the overall bed utilisation rate decreased to 85.1% (2017: 90.0%), primarily caused by the impact of the newly acquired Zhonglian Cardiovascular Hospital during the year; (iv) the average length of stay was slightly increased to 8.0 days (2017: 7.7 days); (v) the total number of outpatient visits reached 1,650,592 (2017: 1,542,482), representing a year-on-year increase of 7.0%; (vi) the overall average spending per outpatient visit amounted to RMB334.7 (2017: RMB318.4), representing a year-on-year increase of 5.1%; and (vii) the total number of surgical operations reached 41,045 (2017: 39,407), representing a year-on-year increase of 4.2%.

The table below sets forth certain key operational data of the Group's owned hospitals for the years indicated:

### 醫院服務

本集團擁有的醫院，即康華醫院及仁康醫院以及新收購眾聯心血管病醫院已取得可喜的經營業績，特別是：(i) 住院人次總數達 66,388 名（二零一七年：61,143 名），按年計同比增加 8.6%；(ii) 每名住院病人的整體平均支出為人民幣 13,855.1 元（二零一七年：人民幣 13,361.1 元），按年計同比增長 3.7%；(iii) 主要因年內新收購眾聯心血管病醫院的影響導致病床的整體利用率減少至 85.1%（二零一七年：90.0%）；(iv) 平均住院時間略增至 8.0 天（二零一七年：7.7 天）；(v) 門診人次總數達到 1,650,592 名（二零一七年：1,542,482 名），按年計同比增長 7.0%；(vi) 每個門診病人的整體平均支出為人民幣 334.7 元（二零一七年：人民幣 318.4 元），按年計同比增長 5.1%；及 (vii) 外科手術總數達到 41,045 宗（二零一七年：39,407 宗），按年計同比增長 4.2%。

下表載列本集團擁有的醫院於所示年間的若干主要營運數據：

		For the year ended 31 December 截至十二月三十一日止年度		
		Change 變動	2018 二零一八年	2017 二零一七年
<b>Inpatient healthcare services</b>	<b>住院醫療服務</b>			
Number of registered bed	登記病床數目	+720	3,206	2,486
Inpatient visits	住院人次	+8.6%	66,388	61,143
Average length of stay (days)	平均住院日數(日)	+0.3	8.0	7.7
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+3.7%	13,855.1	13,361.1
<b>Outpatient healthcare services</b>	<b>門診醫療服務</b>			
Outpatient visits	門診人次	+7.0%	1,650,592	1,542,482
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+5.1%	334.7	318.4
<b>Physical examination services</b>	<b>體檢服務</b>			
Physical examination visits	體檢人次	+31.3%	219,191	166,959
Average spending per visit (RMB)	每人每次平均開支(人民幣元)	+6.2%	450.7	424.2



# Management Discussion and Analysis

## 管理層討論及分析

### Kanghua Hospital

Kanghua Hospital has successfully maintained its rating as a Grade A Class III general hospital after passing the review by the Health and Family Planning Commission of Guangdong Province. During the review, all the staff of Kanghua Hospital made joint efforts to enhance management and control of medical safety and quality, which led to significant improvement in the hospital's healthcare capability, scientific research and academic capability and comprehensive operational strength.

In respect of medical discipline development, through continuous efforts in improving the diagnosis and treatment capability of its departments in various disciplines, developing specialist medical centres and enhancing cross-disciplinary cooperation, Kanghua Hospital successfully developed a number of disciplines and medical centres in Dongguan, and made significant progress including: (i) the establishment of the National Stroke Centre (卒中中心), and entering into cooperation agreements with 15 hospitals in Dongguan; (ii) rapid development of its National Chest Pain Centre, which expanded its coverage area and made its services available to more patients in 2018, by authorizing 18 lower-tier hospitals in Dongguan as collaborative institutions of the National Chest Pain Centre of Kanghua Hospital; and (iii) the stem cell transplantation and cell treatment sector of its Hematology Centre having a leading position in Dongguan in terms of size, the number of treatment projects and research capability.

In addition, Kanghua Hospital enhanced its cross-disciplinary diagnosis and treatment significantly, including establishing a multi-disciplinary oncology team covering lung, liver, breast, stomach and colorectal cancer; as a result, the hospital's oncological diagnosis and treatment capability was enhanced. In August 2018, the oncology department of Kanghua Hospital was accepted into the Southern Radiotherapy Quality Management Specialist Alliance. The emergency, intensive care, cardiology and general surgery departments of the hospital also established a joint diagnosis and treatment protocol to provide patients with comprehensive healthcare with greatly improved efficiency, safety and convenience.

### 康華醫院

康華醫院順利通過廣東省衛生和計劃生育委員會對其進行的三級甲等綜合醫院評級複審，再次獲得三甲醫院評級。在此次三甲複審的過程中，康華醫院全體人員共同努力，強化管理、控制醫療安全與質量，使醫院的醫療服務能力、科研學術水平及綜合運營實力都得到了顯著提升。

在醫學學科發展方面，康華醫院通過不斷提升各科診治能力、大力發展專科醫學中心及加強多學科合作，成功打造了多個在東莞市內具有影響力的學科及醫學中心，取得的顯著進展包括：(i)國家級「卒中中心」建成，且目前已與東莞市內15家醫院簽訂合作協議；(ii)國家級胸痛中心發展迅速，於二零一八年內授牌東莞市18家下級醫院為康華醫院國家級胸痛中心的協作單位，使胸痛中心的接診及救治範圍得到進一步擴大，可造福更多患者；及(iii)血液病中心的幹細胞移植及細胞治療病區的規模、診療項目數目及研究能力於東莞市內處於領先水平。

此外，康華醫院的多學科合作診療明顯加強，肺癌、肝癌、乳腺癌、胃癌、結直腸癌等多學科腫瘤診療團隊組建運行，使醫院的腫瘤疾病診治能力得到提升。二零一八年八月，康華醫院腫瘤科獲批成為南方放療質量管理專科聯盟成員單位。同時，醫院的急診科、重症醫學科、心內科、普外科亦建立聯合診療，為患者提供綜合救治，大大提升了治療的效率、安全性及便捷性。



# Management Discussion and Analysis

## 管理層討論及分析

In order to achieve better and sustainable development of specialist medical services, Kanghua Hospital committed more resources to the purchase of medical equipment and recruitment efforts in attracting and grooming medical talent, which provided a strong backbone for high quality clinical diagnosis and improvement of medical service capability. With the establishment of medical union and the system of multiple-site practice of doctors, Kanghua Hospital also strengthened its connection with reputable experts in various major hospitals in Guangdong Province, and has established cooperation relationship with more than 60 expert doctors.

In 2018, Kanghua Hospital's market position was further enhanced, as exemplified by multiple awards bestowed upon it, including the "Top 50 Hospitals in the Guangdong-Hong Kong-Macau Bay Area of 2017", and its ranking as the third place nationwide among the "Top 100 Private Hospitals of 2017" at the China Hospital Competitiveness Conference 2018.

### Renkang Hospital

In 2018, Renkang Hospital officially started the preparation work for applying for the Grade A Class II general hospital rating, and has submitted the application and is preparing for the preliminary review. In the same year, Renkang Hospital took the opportunity to conduct a comprehensive upgrade of the hospital's operations and management, improve the management system, duties of various positions and diagnosis and treatment protocols according to the standards applicable to Grade A Class II hospitals, and enhance the management in relation to medical technology, quality control and medical insurance system.

Renkang Hospital obtained the qualification of Dongguan's occupational disease examination in 2017 and began offering such service in 2018, which significantly increased the business of the hospital's physical examination centre. In addition, after establishing the direct billing cooperation with Ping An Life Insurance, the Ping An Life Insurance direct billing channel was officially launched at Renkang Hospital in May 2018, which led to significant growth in the number of patients covered under the insurance programmes of Ping An Insurance. In 2018, Renkang Hospital established the first traditional Chinese medicine training base in Dongguan, which further promoted the development of its traditional Chinese medicine discipline, and enhanced the influence of Renkang Hospital in the industry generally and the local traditional Chinese medicine community in particular.

### Zhonglian Cardiovascular Hospital

During the year, the Group has completed the acquisition of 60% equity interest in Zhonglian Cardiovascular Hospital at a consideration of RMB270.0 million, following which Zhonglian Cardiovascular Hospital has become a non-wholly owned subsidiary of the Group. The acquisition represented an opportunity for the Group to implement its strategy in relation to southwest China, and achieve in-depth development in the cardiovascular area.

Since its opening in March 2017, Zhonglian Cardiovascular Hospital has achieved continuous development and rapid growth. In 2018, Zhonglian Cardiovascular Hospital received 10,004 outpatient visits in total, representing a year-on-year increase of 191.3%, and 1,187 in-patients in total, representing a year-on-year increase of 338.0%; the hospital also conducted 110 cardiac surgical operations in total, representing a year-on-year increase of 129.17%, and 363 cardiological intervention operations in total, representing a year-on-year increase of 150.3%.

為更好地實現專科醫療服務的持續性發展，康華醫院進一步加大了醫療設備投入及醫療人才的引進和培養力度，為高水平臨床診斷和醫療服務能力提升提供了有力保證。同時，伴隨醫聯體的組建及醫師多點執業的發展，康華醫院不斷加強與廣東省內各大醫院知名專家的聯系，目前已與超過60名專家醫生建立合作關係。

於二零一八年，康華醫院的市場地位進一步受到了行業認可，並獲得多項業內獎項，包括獲評為「2017粵港澳大灣區最佳醫院50強」，並且在2018中國醫院競爭力大會上以全國第三名的成績榮獲「2017年非公立醫院100強」。

### 仁康醫院

於二零一八年，仁康醫院正式啟動二級甲等綜合醫院評審的準備工作，目前已遞交申請及進行預審籌備工作。同年，該醫院以二甲評審為契機，全面升級醫院運營管理，並根據二甲標準完善了醫院的管理制度、崗位職責、診療方案，同時加強了醫療技術管理、質量控制管理及醫保系統管理。

仁康醫院於二零一七年取得東莞市職業病體檢資質，並於二零一八年正式開始職業病體檢服務，該項服務的開展使醫院體檢中心的業務量得到顯著提升。此外，繼與中國平安人壽保險達成現場直賠合作後，仁康醫院內的平安人壽直賠業務在二零一八年五月正式上線，帶動平安保險所保障患者人次明顯上升。於二零一八年，仁康醫院建立了東莞首個中醫培訓基地，進一步推動其傳統中醫科的發展，並擴大了仁康醫院於當地中醫領域的影響力。

### 眾聯心血管病醫院

年內，本集團完成收購眾聯心血管病醫院60%之股權，代價為人民幣270.0百萬元，此後眾聯心血管病醫院成為本集團的非全資附屬公司。此項收購是本集團布局西南地區的機會，並在心血管病醫療領域取得縱深發展。

自二零一七年三月開業以來，眾聯心血管病醫院不斷完善，迅速發展。二零一八年，眾聯心血管病醫院共接待門診人次10,004人，同比增長191.3%；接待住院人次1,187人，同比增長338.0%；共實施心外科手術110例，同比增長129.17%；實施心內科介入手術363例，同比增長150.3%。



## Management Discussion and Analysis

### 管理層討論及分析



Positioned as a high-end cardiovascular specialty hospital, Zhonglian Cardiovascular Hospital has been committed to providing the highest standard of professional and quality healthcare for its patients, and has been focusing on improving medical technologies to promote the development of its cardiovascular discipline. In 2018, Zhonglian Cardiovascular Hospital was rated as a district-level chest pain centre construction project in Jiangbei District, and its cardiology department was also rated as a city-level key clinical discipline in Chongqing.

In 2018, Zhonglian Cardiovascular Hospital also entered into a cooperation agreement with Heart Federation, the largest cardiovascular diseases treatment and prevention service organisation in China, with respect to the sharing of healthcare resource, including healthcare professionals and medical capability. The National Clinical Medical Research Center for Cardiovascular Diseases also set up a sub-center in Zhonglian Cardiovascular Hospital. The hospital is currently able to conduct 38 types or eight categories of cardiological intervention and cardiac surgical operations. It is the only private hospital in Chongqing that has capability of both cardiological operations and cardiac surgical operations, and has a leading position in the industry in Chongqing and even southwest China.

Zhonglian Cardiovascular Hospital will continue to enhance the introduction and innovation of medical technology, accelerate the improvement of its capability in critical and intensive care, focus on its strength and speciality in its existing disciplines, and improve the brand awareness and reputation of the hospital through external communication and marketing. The management of the Group has full confidence in the prospects of the hospital, and believes that it will contribute to the sustainable business development of the Group in the long term.

作為一家高端化定位的心血管病專科醫院，眾聯心血管病醫院一直致力於為患者提供最專業、優質、高標準的醫療服務，並專注於提升醫療技術，促進其心血管學科的發展。二零一八年，眾聯心血管病醫院被評審為江北區區級胸痛中心建設項目，同時該醫院的心內科亦被評審為重慶市市級臨床重點專科。

此外，眾聯心血管病醫院在二零一八年與心臟聯盟（中國最大的心血管病防治服務組織）就醫療資源（包括醫療專業人員及醫療技術）共享訂立合作協議。國家心血管病臨床醫學研究中心亦於眾聯心血管病醫院設立分中心。目前該醫院可開展8大類38種心臟介入和心臟外科手術，是重慶市唯一能同時開展心臟內、外科手術的民營醫院，在重慶乃至西南地區處於行業前列。

眾聯心血管病醫院將繼續加強醫療技術引進及創新，加速提升危急重症救治能力，突出自身專科醫療優勢及特色，結合對外溝通及推廣，提高醫院的品牌知名度。本集團管理層對該醫院的發展前景充滿信心，並認為其將為本集團的長期可持續業務發展作出貢獻。

# Management Discussion and Analysis

## 管理層討論及分析

The table below sets forth the revenue contribution by healthcare disciplines for the years indicated:

下表載列於所示年度按醫學專科劃分的收益貢獻：

Healthcare disciplines	醫學專科	Change	For the year ended 31 December 截至十二月三十一日止年度			
			2018 RMB'000 二零一八年 人民幣千元	% of revenue of the Group's owned hospitals 分佔本集團 擁有醫院的 收益百分比	2017 RMB'000 二零一七年 人民幣千元	% of revenue of the Group's owned hospitals 分佔本集團 擁有醫院的 收益百分比
O&G related disciplines	婦產科有關科室	+5.9%	300,043	19.1	283,234	20.5
Cardiovascular related disciplines	心血管有關科室	+19.5%	193,684	12.3	162,024	11.8
Internal medicine related disciplines	內科有關科室	+17.0%	178,675	11.4	152,679	11.1
General surgery related disciplines	普通外科有關科室	+10.8%	136,124	8.7	122,836	8.9
Orthopaedics related disciplines	骨科有關科室	+12.1%	110,588	7.0	98,678	7.2
Neurology related disciplines	神經醫學有關科室	+12.1%	101,970	6.5	90,975	6.6
Emergency medicine related disciplines	急診有關科室	+16.8%	90,549	5.8	77,547	5.6
Paediatrics related disciplines	兒童醫學有關科室	+5.6%	47,455	3.0	44,941	3.3
Medical aesthetic related disciplines	醫學美容有關科室	+1.9%	33,657	2.1	33,045	2.4
Nephrology related disciplines	腎臟科有關科室	+10.7%	34,116	2.2	30,807	2.2
Oncology related disciplines	腫瘤有關科室	+38.9%	35,827	2.3	25,785	1.9
Physical examination	體檢科	+39.5%	98,791	6.3	70,816	5.1
Other disciplines	其他臨床科室	+13.0%	209,633	13.3	185,442	13.4
<b>Total#</b>	<b>總計#</b>		<b>1,571,112</b>	<b>100.0</b>	<b>1,378,809</b>	<b>100.0</b>

# The amount does not include revenue from rehabilitation and other healthcare services, hospital management services, sale of pharmaceutical products and others.

# 該金額不包括提供康復及其他醫療服務、醫院管理服務及銷售藥品的收益及其他。

*Note:* The Group's healthcare disciplines can generally be classified into clinical disciplines and medical technology disciplines. Medical technology disciplines provide diagnostic and treatment support according to the requirements of clinical disciplines from time to time. Revenue derived from services delivered through medical technology disciplines is generally recognised in the relevant clinical disciplines that utilised such services.

*附註:* 本集團的醫療專科一般可分為臨床專科和醫療技術專科。醫療技術專科根據臨床專科的要求不時提供診斷和治療支援。通過醫療技術專科提供服務產生的收益通常在使用這些服務的相關臨床專科中確認。

# Management Discussion and Analysis

## 管理層討論及分析

In 2018, Kanghua Hospital performed 12,523 surgeries with level 3 or level 4 complexities (2017: 10,369), representing a year-on-year increase of 20.8%. Obstetrics and gynaecology ("O&G") disciplines, internal medicine disciplines, cardiovascular disciplines, general surgery disciplines and orthopaedics disciplines remained to be the top revenue generating disciplines of the Group for the year of 2018, accounting for approximately 58.5% of the Group's total revenue in hospital services in the same period (2017: 59.4%).

During the year ended 31 December 2018, the Group's medical capability has expanded considerably and delivered strong revenue growth across all disciplines. In particular, (a) O&G related disciplines continued to be the top and stable revenue driver and have recorded a year-on-year revenue increase of 5.9%, primarily attributable to (i) the expansion of O&G related workforce and medical facilities; (ii) growth in local demand and increased penetration of reputation in the discipline; and (iii) continuous strong demand for reproductive medicine services with a year-on-year revenue increase of 10.4%; (b) revenue from cardiovascular related disciplines recorded a strong year-on-year increase of 19.5%, primarily attributable to the Group's continuous growth in industry reputation within Guangdong Province and the consolidation of revenue from Zhonglian Cardiovascular Hospital since its acquisition in August 2018; (c) revenue from oncology related disciplines recorded a significant year-on-year increase of 38.9%, a turnaround from last year's decrease, primarily attributable to the recruitment of new oncology professionals in 2017, which had the effect of attracting patients to Kanghua Hospital; and (d) physical examination services recorded a year-on-year considerable increase of 39.5%, primarily as a result of the full impact of the additional revenue derived from Kanghua Hospital – Huawei Clinic, an outpatient division of the Group that commenced operations in August 2017.

The Group's special services are high-end healthcare services that extend beyond basic medical services and are specifically catered for the more affluent patients who are willing to pay a premium for higher quality and customised healthcare services not generally available in public hospitals. The Group's special services consist of VIP healthcare services, reproductive medicine, plastic and aesthetic surgery and laser treatment. In 2018, the total revenue derived from special services amounted to RMB161.7 million (2017: RMB134.0 million), representing a year-on-year increase of 20.7%. In 2018, revenue from VIP healthcare services including VIP inpatient and VIP outpatient services recorded a year-on-year increase of 34.5%, primarily attributable to more premium service offerings from Huaxin Building (a complex in Kanghua Hospital dedicated to VIP healthcare services), and wider recognition of the Group's comprehensive O&G services dedicated to VIP patients. The demand for reproductive medicine remains strong with a year-on-year increase of 10.4% in revenue. The Group will continue to accelerate the expansion of the Reproductive Medicine Center to enhance capacity to better meet the rapidly rising market demand.

於二零一八年，康華醫院已施行12,523次三、四級複雜手術(二零一七年：10,369次)，按年計同比增長20.8%。婦產科(「婦產科」)、內科、心血管科、普通外科和骨科仍然是二零一八年本集團產生最高收益的專科，佔本集團同期醫院服務總收益約58.5%(二零一七年：59.4%)。

截至二零一八年十二月三十一日止年度，本集團的醫療能力已大幅擴充，並在所有科室中實現強勁的收益增長。尤其是(a)婦產科有關科室仍是我們收益最高及穩定的驅動力，並按年錄得5.9%的同比增長，主要原因是(i)本集團不斷努力擴充婦產科有關科室勞動力及醫療設施；(ii)當地需求的增長及科室聲名遠揚；及(iii)對生殖醫學服務的持續強烈需求，收益按年同比增長10.4%；(b)心血管有關科室收益按年錄得19.5%的強勁同比增長，主要由於自二零一八年八月收購以來，廣東省的行業聲譽及自眾聯心血管病醫院所得的綜合收益持續增長；(c)與去年按年同比下降相比，腫瘤有關科室收益轉為按年錄得38.9%的大幅同比增長，主要由於二零一七年增聘新腫瘤學專業人員，這有助於吸引患者到康華醫院就醫；及(d)體檢服務按年錄得39.5%的可觀增長，主要由於康華醫院－華為門診部(本集團於二零一七年八月開始運營的門診部)產生的額外收益造成的全面影響。

本集團的特殊服務是在大眾醫療的基礎上延伸出的高端化醫療服務，主要針對高收入人群，彼等願意為普通公立醫院難以提供的高品質、定制化醫療服務支付額外費用。本集團的特殊服務包括貴賓醫療服務、生殖醫學、整形及美容手術及激光治療。於二零一八年，來自特殊服務的總收益為人民幣161.7百萬元(二零一七年：人民幣134.0百萬元)，按年計同比增長20.7%。於二零一八年，貴賓醫療服務收益包括貴賓住院服務及貴賓門診服務，按年錄得同比增長34.5%，主要是由於康華醫院華心樓(專門提供貴賓醫療服務的綜合大樓)可提供更多樣化服務並廣泛認可本集團為貴賓提供婦產科服務。生殖醫學的需求依然強勁，收益按年同比增長10.4%。本集團將繼續加快生殖醫學中心的擴建工作，以提升更好地滿足快速上升的市場需求的能力。

# Management Discussion and Analysis

## 管理層討論及分析

The table below sets forth some key operating data for the Group's special services for the years indicated:

下表列出所示年度本集團特殊服務的若干關鍵營運數據：

Special Services	特殊服務	Change 變動	For the year ended 31 December 截至十二月三十一日止年度	
			2018 二零一八年	2017 二零一七年
VIP healthcare services	貴賓醫療服務			
Inpatient visits	住院人次	+23.5%	2,715	2,198
Outpatient visits	門診人次	-1.8%	57,278	58,339
Revenue (RMB'000)	收益(人民幣千元)	+34.5%	83,652	62,207
Reproductive medicine	生殖醫學			
Number of outpatient visits	門診人次	+5.1%	60,808	57,878
Revenue (RMB'000)	收益(人民幣千元)	+10.4%	63,863	57,862
Plastic and aesthetic surgery	整形美容外科			
Revenue (RMB'000)	收益(人民幣千元)	-13.5%	4,664	5,393
Laser treatment	激光治療			
Revenue (RMB'000)	收益(人民幣千元)	+11.9%	9,553	8,539
Total revenue from special services (RMB'000)	特殊服務的總收益 (人民幣千元)	+20.7%	161,732	134,001

### Rehabilitation and other Healthcare Services

In 2018, the Group completed the acquisition of 57% equity interest in Anhui Hualin by way of (i) an equity transfer of 49.71% equity interest in Anhui Hualin from the vendor, an independent third party, at a consideration of RMB58.66 million; and (ii) capital injection into Anhui Hualin on a non-pro rata basis of RMB20.0 million. At present, Anhui Hualin directly and indirectly holds sponsor interests in certain private non-enterprise entities in the PRC, including two rehabilitation hospitals, one Class I general hospital (along with one clinic branch), nine rehabilitation centres for the disabled and one vocational training school. The Board expects that the acquisition will considerably enhance the Group's business of disability rehabilitation services, generate significant synergistic value to the Group and further expand the Group's footprint in the healthcare industry in the PRC.

The Anhui Hualin Group has a stable cooperation with the Anhui Disabled Persons Federation and local governments in the provision of home-based care services for the elderly and training services for the disabled. The Anhui Hualin Group is also a major organisation offering children rehabilitation services in Anhui Province, the PRC.

In 2018, leveraging the strength of the strategic cooperation and capital integration with the Group, the Anhui Hualin Group's network of rehabilitation medical institutions was further expanded, including the establishment of Hefei Kanghua Rehabilitation Hospital. Hefei Kanghua Rehabilitation Hospital is a rehabilitation specialty hospital aiming to be rated as a class III rehabilitation hospital in the long term. The hospital is equipped with advanced rehabilitation medical equipment and professional medical teams to provide patients with a wide range of high-end and convenient rehabilitation treatment programs.

### 康復及其他醫療服務

本集團於二零一八年完成收購安徽樺霖57%之股權，方式為(i)以代價人民幣58.66百萬元自賣方(一名獨立第三方)獲得安徽樺霖49.71%股權的股權轉讓；及(ii)以非按比例基準向安徽樺霖注資人民幣20.0百萬元。現時，安徽樺霖於中國多間民辦非企業單位直接及間接持有舉辦者權益，包括兩間康復醫院、一間一級綜合醫院(及其一間門診分支)、九間殘疾人康復中心及一間職業培訓學校。董事會預計，此次收購將大大增強本集團殘疾人康復服務業務，為本集團帶來巨大的協同價值，並進一步擴大本集團在中國醫療行業的影響力。

安徽樺霖集團與安徽省殘疾人聯合會及當地政府在提供老年人居家養老及殘疾人培訓服務方面有著穩定的合作關係。安徽樺霖集團亦為中國安徽省提供兒童康復服務的主要機構。

二零一八年，借助與本集團的戰略合作及資本整合，安徽樺霖集團的康復醫療機構網絡得以進一步擴大，包括新設立了合肥康華康復醫院。合肥康華康復醫院是一家以評級為三級康復醫院為發展目標的康復專科醫院，醫院配備先進康復醫療設備及專業醫療團隊，可為患者提供高端、全面、便捷的康復治療方案。合肥康華康復醫院彰顯本集團進

# Management Discussion and Analysis

## 管理層討論及分析

Hefei Kanghua Rehabilitation Hospital demonstrates the Group's commitment to further its rehabilitation medical offerings and capability. The Board envisages that the Anhui Hualin Group will operate as an integrated rehabilitation service platform combining medical rehabilitation, vocational rehabilitation, education rehabilitation and social rehabilitation centred around a class III rehabilitation specialty hospital.



Hospital Management Services

In June 2016, the Group entered into a management agreement with Zhonglian Cardiovascular Hospital. It was the Group's first managed hospital and represented its first step of extending the Group's footprint to outside of Guangdong Province. Zhonglian Cardiovascular Hospital commenced operations in March 2017 and has developed at a promising pace.

In August 2018, the Group completed the acquisition of 60% equity interest of Zhonglian Cardiovascular Hospital, which has since become a non-wholly-owned subsidiary of the Company. The Board considers that full integration and consolidation of Zhonglian Cardiovascular Hospital into the Group's operations will enable the Group to benefit from the operating prospects of Zhonglian Cardiovascular Hospital to a greater extent in the long term. Since the acquisition of Zhonglian Cardiovascular Hospital and up to date of this report, the Group has no other management arrangement with third party hospitals. The Company will continue to search for appropriate opportunities to undertake hospital management operations.

### Sale of Pharmaceutical Products

In July 2017, the Group established a pharmaceuticals and medical consumables trading company for the purpose of streamlining pharmaceuticals and medical consumables sales directly to the patients at the Group's hospitals and walk-in customers who may not be patients of the Group's hospitals. The Board believes the diversity of this operation can lower the overall cost of revenue through centralizing of purchase function and thereby increasing the overall margin of the Group. Revenue from sales of pharmaceutical products for the year ended 31 December 2018 amounted to RMB16.0 million (2017: RMB7.2 million), representing a year-on-year increase of 122.0%.

一步發展其康復醫療業務及服務能力的決心。未來，本集團將繼續推動康復醫療事業的發展，與安徽樺霖集團共同打造一個以三級康復專科醫院為中心，集醫療康復、職業康復、教育康復和社會康復為一體的康復連鎖集團。



醫院管理服務

於二零一六年六月，本集團已與眾聯心血管病醫院訂立管理協議。此乃本集團管理的首間醫院，代表本集團向廣東省外擴張的第一步。眾聯心血管病醫院於二零一七年三月開始運營，發展勢頭良好。

於二零一八年八月，本集團完成收購眾聯心血管病醫院60%的股權，自此眾聯心血管病醫院成為本公司的非全資附屬公司。董事會認為，將眾聯心血管病醫院全面整合及合併至本集團的運營中，可使本集團從該醫院的經營前景中獲得顯著的長期收益。自收購眾聯心血管病醫院及直至本報告日期，本集團並無與第三方醫院的其他管理安排。本公司將繼續尋找適當機會承接醫院管理業務。

### 銷售藥品

於二零一七年七月，本集團成立藥品及醫療耗材貿易公司，以將藥品及醫療耗材直接銷售予本集團醫院的患者，以及非本集團醫院患者的步入式客戶。董事會認為，該經營多樣性可透過集中採購功能降低整體收益成本，從而提高本集團的整體利潤率。截至二零一八年十二月三十一日止年度的藥品銷售收益為人民幣16.0百萬元（二零一七年：人民幣7.2百萬元），按年同比增長122.0%。

### Industry Outlook and Strategy

Year 2018 represented the first year of PRC's intensified healthcare policy reform. In January, the National Health Commission issued a notice on "Action Plan for Further Improving Medical Services (2018–2020)" indicating that from 2018 onwards, the nation's medical institutions shall establish an appointment diagnostic and treatment system, a telemedicine system, a clinical pathway management system, a system for the mutual recognition of inspection results, and a medical social worker and volunteer system. At the same time, local medical service institutions should actively carry out innovative medical services, focus on multi-disciplinary diagnosis and treatment protocols, open multi-disciplinary clinics and innovative emergency first-aid centres, so as to provide patients with a "one stop shop" for diagnostic and treatment services. In 2018, there was in-depth development of PRC's healthcare industry in the following areas:

- (i) *The orderly advancement of a graded diagnostic and treatment system:* standardization of the construction and development of medical complexes, support to the cooperation between public hospitals and private hospitals, encouragement of the participation by private medical institutions, rehabilitation and nursing institutions in the construction of medical complexes, the further improvement of the construction of medical complexes and the examination of graded diagnosis and treatment and the strengthening of industry supervision.
- (ii) *The improvement of the hospital management system:* improvement in supporting measures such as medical insurance payment, personnel management, service price, and financial input to promote the construction of medical complexes and telemedicine services. In addition, based on the actual situation of various medical and healthcare institutions, salary and compensation policies have been improved in a targeted manner to raise medical staff compensation to a reasonable level.
- (iii) *Deepening of reform in healthcare service prices:* by standardizing medical treatment protocols, the costs of pharmaceuticals and medical consumables have been reduced while the price of medical services has been increased, highlighting the value of medical personnel's technical services; and reducing the prices of inspection, treatment and examination based on the use of large medical equipment.
- (iv) *Improvement of the universal health insurance system:* improving the reform plan for the healthcare security system with Chinese characteristics, increasing the level of basic medical insurance and major illness insurance, raising individual contribution standards, fully implementing the policy of medical treatment settlement for different locations, and strengthening the Medical Insurance Bureau's supervision of medical insurance practices.
- (v) *The establishment of a high quality, efficient medical and health service system:* carrying out discipline development centering around key regional diseases, establishing a number of high-caliber regional medical centers and specialist alliances throughout the country, and promoting a balanced distribution of quality medical resources. In addition, efforts have been made to promote the implementation of the inheritance and innovation of Chinese medicine projects, generally improving the diagnosis and treatment of difficult diseases of Chinese medicine, and further improving the capabilities of Chinese medicine in basic healthcare organisations.

### 行業前景及策略

二零一八年為深化我國醫療政策改革的一年，國家衛生健康委員會於一月發布關於「進一步改善醫療服務行動計劃(2018–2020年)」的通知並指出，自二零一八年起，全國醫療機構要建立預約診療制度、遠程醫療制度、臨床路徑管理制度、檢查檢驗結果互認制度以及醫務社工和志願者制度。同時，各地醫療服務機構要積極開展創新醫療服務，重點推廣多學科診療模式、開設多學科診療門診及創新急診急救中心，從而為患者提供「一站式」診療服務。除此之外，二零一八年中國醫療行業亦於以下方面取得了縱深化的發展：

- (i) *有序推進分級診療制度建設：*規範醫療聯合體建設和發展，支持公立醫院與民營醫院合作，鼓勵社會辦醫療機構及康復、護理等機構參與醫療聯合體建設。進一步完善醫療聯合體建設和分級診療考核，並加強行業監管。
- (ii) *健全醫院管理制度：*完善醫保支付、人事管理、服務價格、財政投入等配套措施，促進醫療聯合體建設和遠程醫療服務。此外，根據不同醫療衛生機構實際情況，有針對性地完善薪酬分配政策，推動醫務人員薪酬達到合理水平。
- (iii) *深化醫療服務價格改革：*通過規範診療行為，降低藥品、醫用耗材等費用，提升醫療服務價格，突出醫務人員技術勞務價值，同時亦降低大型醫用設備檢查治療和檢驗的價格。
- (iv) *完善全民醫保制度：*完善中國特色醫療保障制度改革方案，提高基本醫保和大病保險保障水平，提高個人繳費標準以及全面落实異地就醫結算政策，並強化醫保局對醫療保險行為的監管。
- (v) *建立優質高效的醫療衛生服務體系：*圍繞區域重點疾病開展學科建設，在全國建立若干高水平的區域醫療中心和專科聯盟，促進優質醫療資源均衡布局。此外，推動實施中醫藥傳承創新工程，全面提高中醫藥疑難雜症診治能力和水平，並進一步提高基層機構的中醫藥服務能力。

# Management Discussion and Analysis

## 管理層討論及分析

(vi) *Promoting the development of "Internet + medical health":* promoting the construction of smart hospitals and universal health information platforms and accelerating the sharing of medical information among medical institutions. Telemedicine service management regulations are being formulated to improve Internet medical treatment pricing policies and to gradually include eligible Internet medical treatment services in the healthcare insurance coverage.

(vi) 促進「互聯網+醫療健康」發展：推進智慧醫院和全民健康信息平台建設，加快推動醫療機構之間實現診療信息共享。制定遠程醫療服務管理規範，健全互聯網診療收費政策，並逐步將符合條件的互聯網診療服務納入醫保支付範圍。

In 2018, the Group, in an effort to actively responding to policy changes, continually improved hospital management, actively participated in the development of medical complexes, promoted the development of key specialist medical centers and multi-disciplinary medical diagnostic and treatment teams, which collectively resulted in improved medical service capabilities and efficiency. Going forward, the Group will further seize the opportunities presented by industry development and accelerate the pace of resources deployment with a view to building an industry-leading comprehensive medical service platform.

本集團於二零一八年積極響應政策號召，不斷完善醫院管理，積極參與醫聯體建設、推動重點專科醫學中心及多學科診療團隊的發展，使醫療服務能力及效率得到持續提高。未來，我們將進一步把握行業發展的機遇，加速資源布局，打造行業領先的綜合醫療服務平台。



### Future Plans for Material Investments and Capital Assets

Save as disclosed in this report, the Group did not have other plans for material investments or capital assets as of the date of this report.

### 重大投資及資本資產之未來計劃

除本報告披露者外，本集團於本報告日期並無其他重大投資計劃或資本資產計劃。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Segment Revenue

The Group generates revenue primarily from: (i) hospital services – providing healthcare services through its owned hospitals, namely Kanghua Hospital, Renkang Hospital and Zhonglian Cardiovascular Hospital (since August 2018), comprising inpatient healthcare services, outpatient healthcare services and physical examination services; (ii) rehabilitation and other healthcare services – providing rehabilitation services to patients with physical or mental disabilities and other healthcare related services including elderly care and training service for the disabled; (iii) providing hospital management services to a hospital owned by an independent third party; (iv) sale of pharmaceutical products and medical consumables to patients of the Group's hospitals and walk-in customers who may not be patients of the Group's hospitals; and (v) others.

The following tables below set forth the revenue, cost of revenue, gross profit and gross profit margin of the Group by segment for the years indicated:

For the year ended 31 December 2018

		Hospital services	Rehabilitation and other healthcare services	Hospital management services	Sale of pharmaceutical products	Others	Total
		醫院服務	康復及其他醫療服務	管理服務	銷售藥品	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(note a)		(note b)		
			(附註 a)		(附註 b)		
Revenue	收益	1,571,112	49,670	2,258	16,043	204	1,639,287
Cost of revenue	收益成本	(1,232,085)	(33,687)	(1,746)	(12,678)	(187)	(1,280,383)
Gross profit	毛利	339,027	15,983	512	3,365	17	358,904
Gross profit margin	毛利率	21.6%	32.2%	22.7%	21.0%	8.3%	21.9%

For the year ended 31 December 2017

		Hospital services	Rehabilitation and other healthcare services	Hospital management services	Sale of pharmaceutical products	Total
		醫院服務	康復及其他醫療服務	管理服務	銷售藥品	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(note a)		(note b)	
			(附註 a)		(附註 b)	
Revenue	收益	1,378,809	N/A 不適用	3,135	7,225	1,389,169
Cost of revenue	收益成本	(1,050,544)	N/A 不適用	(1,711)	(6,038)	(1,058,293)
Gross profit	毛利	328,265	N/A 不適用	1,424	1,187	330,876
Gross profit margin	毛利率	23.8%	N/A 不適用	45.4%	16.4%	23.8%

Notes:

(a) Rehabilitation and other healthcare services was acquired in April 2018.

(b) Sale of pharmaceutical products commenced in July 2017.

### 財務回顧

#### 分部收益

本集團主要從以下各項賺取收益：(i) 醫院服務 – 通過其擁有的醫院（即康華醫院、仁康醫院及眾聯心血管病醫院（自二零一八年八月起））提供醫療服務，包括住院醫療服務、門診醫療服務及體檢服務；(ii) 康復及其他醫療服務 – 為身體或精神殘疾病人提供康復服務及其他醫療相關服務，包括老年護理及殘疾人訓練服務；(iii) 為一名獨立第三方擁有的醫院提供醫院管理服務；(iv) 向本集團醫院的病人及未必為本集團醫院病人的步入式客戶銷售藥品及醫療消耗品；及 (v) 其他。

下表載列所示年度按分部劃分的本集團的收益、收益成本、毛利及毛利率：

截至二零一八年十二月三十一日止年度

截至二零一七年十二月三十一日止年度

附註：

(a) 康復及其他醫療服務於二零一八年四月收購。

(b) 銷售藥品於二零一七年七月開始。



# Management Discussion and Analysis

## 管理層討論及分析

Revenue from the Group's hospital services amounted to RMB1,571.1 million (2017: RMB1,378.8 million), representing a year-on-year increase of 13.9% and accounting for 95.8% (2017: 99.3%) of the total revenue of the Group.

Revenue from hospital services comprised (i) revenue from inpatient healthcare services amounted to RMB919.8 million (2017: RMB816.9 million) representing a year-on-year increase of 12.6%, accounting for 56.1% (2017: 58.8%) of the total revenue of the Group; (ii) revenue from outpatient healthcare services amounted to RMB552.5 million (2017: RMB491.1 million), representing a year-on-year increase of 12.5%, accounting for 33.7% (2017: 35.3%) of the total revenue of the Group; and (iii) revenue from physical examination services amounted to RMB98.8 million (2017: RMB70.8 million), representing a year-on-year increase of 39.5%, accounting for 6.0% (2017: 5.1%) of the total revenue of the Group. The increase in revenue from hospital services was mainly due to (i) increase in the number of inpatient, outpatient and physical examination visits as well as overall average spending during the year, (ii) consolidation of revenue from Zhonglian Cardiovascular Hospital since August 2018; and (iii) the growth in revenue across all major disciplines and VIP special services during the year.

Revenue from rehabilitation and other healthcare services amounted to RMB49.7 million (2017: nil), accounting for 3.0% (2017: nil) of the total revenue of the Group. In April 2018, the Group acquired Anhui Hualin that is principally engaged in provision of rehabilitation services to patients with physical or mental disabilities and other healthcare related services including care services for elderly and training service for the disabled.

Revenue from hospital management services amounted to RMB2.3 million (2017: RMB3.1 million), accounting for 0.1% (2017: 0.2%) of the total revenue of the Group. Under management agreement with Zhonglian Cardiovascular Hospital, the Group had exclusive management rights over the hospital and was entitled to a monthly management fee of RMB200,000 (before applicable tax) plus 5% of hospital's monthly revenue. Zhonglian Cardiovascular Hospital only commenced operations on 1 March 2017 and is still in the phase of ramping up its operations. During the year ended 31 December 2018, the Group generated revenue amounting to RMB2.3 million from management agreement with Zhonglian Cardiovascular Hospital. Such arrangement ceased when the Group acquired the controlling interest in Zhonglian Cardiovascular Hospital in August 2018.

Revenue from the sale of pharmaceutical products and medical consumables amounted to RMB16.0 million (2017: RMB7.2 million), accounting for 1.0% (2017: 0.5%) of the total revenue of the Group. In July 2017, the Group established a pharmaceuticals and medical consumables trading company (which commenced operations in July 2017) for the purpose of streamlining pharmaceuticals and medical consumables sales directly to the patients at the Group's hospitals and walk-in customers who may not be patients of the Group's hospitals. The increase in revenue from the sale of pharmaceutical products and medical consumables was primarily due to the gradually maturing operation and more diversified medical consumables offerings to customers.

本集團醫院服務的收益為人民幣1,571.1百萬元(二零一七年：人民幣1,378.8百萬元)，相當於按年計同比增加13.9%，佔本集團總收益95.8%(二零一七年：99.3%)。

醫院服務的收益包括(i)住院醫療服務的收益為人民幣919.8百萬元(二零一七年：人民幣816.9百萬元)，相當於按年計同比增加12.6%，佔本集團總收益56.1%(二零一七年：58.8%)；(ii)門診醫療服務的收益為人民幣552.5百萬元(二零一七年：人民幣491.1百萬元)，相當於按年計同比增加12.5%，佔本集團總收益33.7%(二零一七年：35.3%)；及(iii)體檢服務的收益為人民幣98.8百萬元(二零一七年：人民幣70.8百萬元)，相當於按年計同比增加39.5%，佔本集團總收益6.0%(二零一七年：5.1%)。醫院服務收益增加主要由於(i)住院、門診及體檢次數以及年內平均開支全面增加；(ii)自二零一八年八月起眾聯心血管病醫院的收入合併；及(iii)年內所有主要科室及VIP特殊服務的收益增長。

康復及其他醫療服務的收益為人民幣49.7百萬元(二零一七年：無)，佔本集團總收益3.0%(二零一七年：無)。於二零一八年四月，本集團收購安徽樺霖，其主要從事為身體或精神殘障人士提供康復服務及其他醫療相關服務，包括老年護理服務及傷殘人士培訓服務。

醫院管理服務的收益為人民幣2.3百萬元(二零一七年：人民幣3.1百萬元)及佔本集團總收益0.1%(二零一七年：0.2%)。與眾聯心血管病醫院訂立的管理協議，本集團對該醫院擁有獨家管理權，並有權收取每月管理費人民幣200,000元(適用稅前)及另加該醫院每月收益的5%。由於眾聯心血管病醫院僅於二零一七年三月一日開始運作，經營仍處在初期上升階段。截至二零一八年十二月三十一日止年度，本集團就與眾聯心血管病醫院的管理協議中收取收益人民幣2.3百萬元。有關安排在本集團於二零一八年八月收購眾聯心血管病醫院的控股權時即停止。

銷售藥品及醫療消耗品的收益為人民幣16.0百萬元(二零一七年：人民幣7.2百萬元)，佔本集團總收益1.0%(二零一七年：0.5%)。於二零一七年七月，本集團成立藥品及醫療消耗品貿易公司(於二零一七年七月開始營運)，旨在精簡藥品及醫療消耗品的銷售業務，直接向本集團醫院的病人及未必為本集團醫院病人的步入式客戶銷售。銷售藥品及醫療消耗品的收益增加主要由於逐漸成熟的運營及為客戶提供更多元化的醫療消耗品。

### Cost of Revenue

Cost of revenue of the Group's hospital services (consisting of inpatient healthcare services, outpatient healthcare services and physical examination services) primarily consisted of pharmaceuticals, medical consumables, staff cost, depreciation, service expenses, utilities expenses, rental expenses and other costs. Cost of revenue of the Group's hospital services increased to RMB1,232.1 million (2017: RMB1,050.5 million), representing a year-on-year increase of 17.3%, which was in line with the increase of revenue. The greater extent of increase in cost of revenue for hospital services was primarily due to (i) pressure from the rise of medical staff costs and benefits due to shortage in medical professional in Guangdong Province; and (ii) consolidation of Zhonglian Cardiovascular Hospital which recorded a negative gross profit margin as its still at its infancy stage of ramping up its operation.

Cost of revenue of the Group's rehabilitation and other healthcare services amounted to RMB33.7 million (2017: nil), primarily consisting of staff costs, medical consumables, depreciation, utilities and rental expenses.

Cost of revenue of the Group's hospital management services amounted to RMB1.75 million (2017: RMB1.71 million) representing a year-on-year increase of 2.3%, which mainly represented staff costs in relation to management personnel assigned to Zhonglian Cardiovascular Hospital and other direct costs. As the management agreement with Zhonglian Cardiovascular Hospital ceased in August 2018, the Group has temporarily relocated certain management staff back to Kanghua Hospital and deploy a number of staff to Zhonglian Cardiovascular Hospital on a permanent basis.

Cost of revenue of the Group's sale of pharmaceutical products amounted to RMB12.7 million (2017: RMB6.0 million) representing a year-on-year increase of 111.7%, mainly representing cost of purchase of pharmaceutical products, which was in line with the increase of revenue.

For the year ended 31 December 2018, pharmaceuticals, medical consumables and staff cost accounted for approximately 31.1% (2017: 34.0%), 27.8% (2017: 27.1%) and 29.8% (2017: 26.8%), respectively, of the total cost of revenue of the Group. Our total staff related costs including salary, bonus and other benefits had increased by 34.5% as compared with the prior year, mainly attributable to (i) an increase in general salary level and bonus as well as other staff benefits with a view to retaining and attracting quality healthcare professionals in the healthcare industry that remains highly competitive; and (ii) the impact from the acquisition of the Anhui Hualin Group and Zhonglian Cardiovascular Hospital.

### 收益成本

本集團醫院服務(包括住院醫療服務、門診醫療服務及體檢服務)的收益成本主要包括藥品、醫療消耗品、員工成本、折舊、服務開支、水電費、租金開支和其他成本。本集團醫院服務的收益成本增加到人民幣1,232.1百萬元(二零一七年:人民幣1,050.5百萬元),按年計同比增長17.3%,與收益增長相符。醫院服務收益成本增幅更大的主要原因是(i)廣東省醫療專業人員短缺導致醫務人員成本及福利增加的壓力;及(ii)合併眾聯心血管病醫院,該醫院錄得毛利率負值,原因為其仍處於提升其營運的初期階段。

本集團康復及其他醫療服務的收益成本為人民幣33.7百萬元(二零一七年:無),主要包括員工成本、醫療消耗品、折舊、水電費及租金開支。

本集團醫院管理服務的收益成本為人民幣1.75百萬元(二零一七年:人民幣1.71百萬元),同比增長2.3%,主要指與分配至眾聯心血管病醫院的管理人員有關的員工成本及其他直接成本。由於與眾聯心血管病醫院的管理協議於二零一八年八月終止,本集團已暫時將若干管理人員遷回康華醫院,並將一些人員永久安排於眾聯心血管病醫院。

本集團銷售藥品的收益成本為人民幣12.7百萬元(二零一七年:人民幣6.0百萬元),相當於按年計同比增加111.7%,主要指藥品採購成本,此與收益增長一致。

截至二零一八年十二月三十一日止年度,藥品、醫療消耗品及員工成本分別佔本集團總收益成本約31.1%(二零一七年:34.0%)、27.8%(二零一七年:27.1%)及29.8%(二零一七年:26.8%)。我們的員工相關成本總額(包括薪金、獎金及其他福利)與去年相比增加34.5%,主要由於(i)本年度總薪酬水平及獎金以及其他員工福利增加,以挽留及吸引競爭激烈的醫療行業中優質的醫護專業人員;及(ii)安徽樺霖集團與眾聯心血管醫院收購的影響。

# Management Discussion and Analysis

## 管理層討論及分析

### Gross Profit and Gross Profit Margin

Total gross profit of the Group amounted to RMB358.9 million (2017: RMB330.9 million), representing a year-on-year increase of 8.5%. The overall gross profit margin decreased to 21.9% (2017: 23.8%), primarily due to:

- (i) in 2018, the Group had considerable growth in revenue from VIP inpatient and VIP outpatient healthcare services (a year-on-year growth of 34.5%). The growth in special services that are targeted towards high-end patients and typically command higher margin than basic healthcare services;
- (ii) the overall increase in the average spending of patients and the ability to increase healthcare consultation prices. In 2018, the Group has year-on-year growth of 3.7%, 5.1% and 6.3% in the average spending from inpatient, outpatient and physical examination healthcare services, respectively, from the owned-hospital operations; and
- (iii) however, the above impact has been considerably offset by (i) the consolidation of results of Zhonglian Cardiovascular Hospital which recorded a negative gross profit margin due to its infancy stage of ramping up its operations while incurring significant amount of fixed medical staff costs and other fixed costs; and (ii) an increase in overall staff related costs of 34.5% and depreciation of 32.8%. The increase in staff related costs includes general increase in overall salary level, more competitive compensation packages offered to healthcare professionals and the impact from the acquisition of Anhui Hualin Group and Zhonglian Cardiovascular Hospital.

### Key Operational Information of our Owned Hospitals

The follow table sets forth certain key operational information of each of the hospitals owned by the Group for the years indicated:

#### Kanghua Hospital

		For the year ended 31 December 截至十二月三十一日止年度		
		Change 變動	2018 二零一八年	2017 二零一七年
Inpatient healthcare services	住院醫療服務			
Inpatient visits	住院人次	+7.9%	51,159	47,425
Average length of stay (days)	平均住院日數(天)	-0.3	7.6	7.9
Average spending per visit (RMB)	每人次平均開支 (人民幣元)	+4.6%	15,308.8	14,634.2
Outpatient healthcare services	門診醫療服務			
Outpatient visits	門診人次	+5.5%	1,231,290	1,167,545
Average spending per visit (RMB)	每人次平均開支 (人民幣元)	+6.8%	370.6	346.9
Total revenue (RMB'000)	總收益(人民幣千元)	+14.3%	1,330,405	1,164,208

### 毛利及毛利率

本集團總毛利為人民幣358.9百萬元(二零一七年:人民幣330.9百萬元),按年計同比增長8.5%。整體毛利率減至21.9%(二零一七年:23.8%),主要原因是:

- (i) 於二零一八年,本集團擁有貴賓住院及貴賓門診醫療服務收益的可觀增長(按年計同比增長34.5%)。針對高端病人的特殊服務增長,通常比基本醫療服務的利潤率更高;
- (ii) 病人的平均開支增加且提升醫療諮詢價格的能力。於二零一八年,本集團自我們擁有的醫院運營的住院、門診及體檢醫療服務的平均支出分別按年同比增長為3.7%、5.1%及6.3%;及
- (iii) 然而,上述影響已大幅度由以下各項抵銷(i)眾聯心血管病醫院業績合併,由於其開始增加其營運而導致錄得負毛利率,而產生大額固定醫務人員成本及其他固定成本;及(ii)員工相關成本全面增加34.5%及折舊增加32.8%。員工相關成本的增加包括總體薪酬水平全面提升、向醫療專業人員提供更具競爭力的薪酬待遇以及收購安徽樞霖集團與眾聯心血管病醫院的影響。

### 我們擁有的醫院的主要營運資料

下表列出於所示年度本集團擁有的每間醫院的若干主要營運資料:

#### 康華醫院

# Management Discussion and Analysis

## 管理層討論及分析

Renkang Hospital

仁康醫院

		Change 變動	For the year ended 31 December 截至十二月三十一日止年度	
			2018 二零一八年	2017 二零一七年
<b>Inpatient healthcare services</b>	<b>住院醫療服務</b>			
Inpatient visits	住院人次	-2.5%	13,375	13,718
Average length of stay (days)	平均住院日數(天)	-0.2	7.1	7.3
Average spending per visit (RMB)	每人次平均開支 (人民幣元)	+2.4%	9,178.1	8,959.8
<b>Outpatient healthcare services</b>	<b>門診醫療服務</b>			
Outpatient visits	門診人次	+0.8%	378,094	374,937
Average spending per visit (RMB)	每人次平均開支 (人民幣元)	+8.2%	248.1	229.3
<b>Total revenue (RMB'000)</b>	<b>總收益(人民幣千元)</b>	<b>+4.6%</b>	<b>224,522</b>	<b>214,601</b>

Zhonglian Cardiovascular Hospital (note)

眾聯心血管病醫院(附註)

		Change 變動	For the year ended 31 December 截至十二月三十一日止年度	
			2018 二零一八年 (Note) (附註)	2017 二零一七年
<b>Inpatient healthcare services</b>	<b>住院醫療服務</b>			
Inpatient visits	住院人次	N/A 不適用	4,757	N/A 不適用
Average length of stay (days)	平均住院日數(天)	N/A 不適用	7.0	N/A 不適用
Average spending per visit (RMB)	每人次平均開支 (人民幣元)	N/A 不適用	24,819.3	N/A 不適用
<b>Outpatient healthcare services</b>	<b>門診醫療服務</b>			
Outpatient visits	門診人次	N/A 不適用	559	N/A 不適用
Average spending per visit (RMB)	每人次平均開支 (人民幣元)	N/A 不適用	485.8	N/A 不適用
<b>Total revenue (RMB'000)</b>	<b>總收益(人民幣千元)</b>	<b>N/A 不適用</b>	<b>16,185</b>	<b>N/A 不適用</b>

Note: The data and amounts accounts for the period from 1 August 2018 (date of acquisition of Zhonglian Cardiovascular Hospital by the Group) to 31 December 2018.

附註：本集團的數據及款項自二零一八年八月一日(收購眾聯心血管病醫院日期)至二零一八年十二月三十一日列賬。

# Management Discussion and Analysis

## 管理層討論及分析

### Other Income

The other income of the Group primarily consisted of bank and other interest income, investment income from financial assets at FVTPL/available-for-sale ("AFS") investments, fair value gain on financial assets at FVTPL, government subsidies, clinical trial and related income, rental income and others. In 2018, other income amounted to RMB46.8 million (2017: RMB32.7 million), representing a year-on-year increase of approximately 43.1%, primarily due to (i) the increase in income generated from financial assets at FVTPL/AFS investments to RMB18.3 million (2017: RMB11.7 million) and fair value gain on financial assets at FVTPL of RMB6.4 million (2017: nil); (ii) an increase in clinical trial and related income to RMB2.9 million (2017: RMB0.1 million); and (iii) partly offset by a decrease in bank and other interest income to RMB7.2 million (2017: RMB11.6 million) mainly as a result of decrease in average bank balances and cease of interest income arising from loan to Zhonglian Cardiovascular Hospital after the acquisition. As part of the Group's cash management to maximise return on idle cash, the Group invested in certain principal-protected structured deposit products issued by a PRC commercial bank, unlisted fund and portfolio investment fund (all classified as financial assets at FVTPL/AFS investments) to achieve higher interest income and return without interfering with business operations or capital expenditures to earn better return on the excess cash balance.

### Other Gains and Losses

The other gain and losses of the Group primarily consisted of net exchange gain/loss, loss on disposal of property, plant and equipment and allowance on credit loss on accounts receivables. In 2018, other gains and losses amounted to a net gain of RMB2.2 million (2017: net loss of RMB18.5 million), primarily due to (i) a recorded net exchange gain of RMB5.9 million (2017: net exchange loss of RMB14.7 million) mainly arising from the Hong Kong dollar denominated financial assets; and (ii) a slight decrease in allowance on credit loss on accounts receivables.

### 其他收入

本集團的其他收入主要包括銀行及其他利息收入、按公平值計入損益的金融資產／可供出售（「可供出售投資」）投資的投資收入、按公平值計入損益的金融資產的公平值收益、政府補貼、臨床試驗及相關收入、租金收入及其他。於二零一八年，其他收入為人民幣46.8百萬元（二零一七年：人民幣32.7百萬元），按年同比增長約43.1%，主要是由於：(i)按公平值計入損益的金融資產／可供出售投資產生的收入增加至人民幣18.3百萬元（二零一七年：人民幣11.7百萬元）及按公平值計入損益的金融資產的公平值收益人民幣6.4百萬元（二零一七年：無）；(ii)臨床試驗及相關收入增加至人民幣2.9百萬元（二零一七年：人民幣0.1百萬元）；及(iii)因銀行及其他利息收入減少至人民幣7.2百萬元（二零一七年：人民幣11.6百萬元）而部份抵銷，主要原因是收購後平均銀行結餘減少及貸款予眾聯心血管病醫院不再產生利息收入。作為本集團為盡量提高閒置現金回報的現金管理的一部份，本集團投資於一家中國商業銀行發行的若干保本結構性存款產品、非上市基金以及投資組合基金（全部分類為按公平值計入損益的金融資產／可供出售投資）以獲取更高利息收入及回報，以便在不影響業務營運或資本開支的情況下利用剩餘資金賺取更高的回報率。

### 其他收益及虧損

本集團的其他收益及虧損主要包括匯兌收益／虧損淨額、出售物業、廠房及設備的虧損及應收賬款信貸虧損撥備。於二零一八年，其他收益及虧損為淨收益人民幣2.2百萬元（二零一七年：淨虧損人民幣18.5百萬元），主要由於(i)錄得主要由港元計值金融資產產生的匯兌收益淨額人民幣5.9百萬元（二零一七年：匯兌虧損淨額人民幣14.7百萬元）；及(ii)應收賬款信貸虧損撥備略微減少。

# Management Discussion and Analysis

## 管理層討論及分析

### Administrative Expenses

The administrative expenses of the Group primarily consisted of staff costs, repairs and maintenance expenses, office expenses, depreciation and amortisation, rental expenses, utilities expenses, entertainment and travelling expenses and other expenses. In 2018, administrative expenses amounted to RMB185.2 million (2017: RMB127.0 million), representing a year-on-year increase of approximately 45.8%, primarily due to (i) an increase in administrative staff related costs to RMB72.6 million (2017: RMB49.2 million) as a result of general salary increase and increase in number of administrative staff headcounts together with the effects of acquisition of Anhui Hualin Group and Zhonglian Cardiovascular Hospital; (ii) an increase in building rentals and management fee to RMB22.0 million (2017: RMB16.1 million) as a result of more sub-contracted service fees paid to cope with business growth; and (iii) an increase in office and administration costs as well as other utilities expenses due to expansion of operations and acquisition of Anhui Hualin Group and Zhonglian Cardiovascular Hospital during the year.

### Finance Costs

Finance costs for the year amounted to RMB0.9 million (2017: nil). Finance costs for the current year represented interest on bank loan of Zhonglian Cardiovascular Hospital when it was acquired by the Group in August 2018, which was subsequent repaid during the year.

### Income Tax Expenses

The income tax expenses of the Group primarily consisted of PRC enterprise income tax. In 2018, income tax expenses amounted to RMB60.5 million (2017: RMB56.9 million), representing a year-on-year increase of approximately 6.2%. The subsidiaries of the Group are generally subject to income tax rate of 25% on their respective taxable income. Our effective tax rate in 2018 is 27.2% (2017: 26.1%), the increase is primarily due to tax effect of tax losses not recognised for losses incurred of Zhonglian Cardiovascular Hospital.

### Profit for the Year

In 2018, profit for the year amounted to RMB161.3 million (2017: RMB161.1 million), representing a year-on-year increase of approximately 0.1% and profit for the year attributable to the shareholders amounted to RMB167.9 million (2017: RMB156.6 million), representing a year-on-year increase of approximately 7.2%.

### 行政開支

本集團的行政開支主要包括員工成本、維修及保養開支、辦公室開支、折舊和攤銷、租金開支、水電開支、交際和交通開支以及其他開支。於二零一八年，行政開支為數人民幣185.2百萬元（二零一七年：人民幣127.0百萬元），相當於按年計同比增長約45.8%，主要由於(i)行政員工相關成本增加至人民幣72.6百萬元（二零一七年：人民幣49.2百萬元），原因是總體薪金增加及行政人員增多以及收購安徽樺霖集團及眾聯心血管病醫院的影響；(ii)建築物租金和管理費增加至人民幣22.0百萬元（二零一七年：人民幣16.1百萬元），原因是支付更多分包服務費用以應付業務增長；及(iii)辦公及行政成本以及其他公共事業支出增加，原因是年內擴大經營及收購安徽樺霖集團及眾聯心血管病醫院。

### 融資成本

年內融資成本為人民幣0.9百萬元（二零一七年：無）。本年度的融資成本指眾聯心血管病醫院於二零一八年八月由本集團收購時的銀行貸款利息，隨後於年內償還。

### 所得稅開支

本集團的所得稅開支主要包括中國企業所得稅。於二零一八年，所得稅開支為數人民幣60.5百萬元（二零一七年：人民幣56.9百萬元），相當於按年計同比增加約6.2%。本集團之附屬公司一般須就其應課稅所得收入按25%之所得稅稅率繳納稅項。於二零一八年的實際稅率為27.2%（二零一七年：26.1%），增加主要是由於未就眾聯心血管病醫院的虧損確認稅項虧損的稅務影響。

### 年內溢利

於二零一八年，年度溢利為人民幣161.3百萬元（二零一七年：人民幣161.1百萬元），相當於按年計同比增長約0.1%，而年度股東應佔溢利為人民幣167.9百萬元（二零一七年：人民幣156.6百萬元），相當於按年計同比增長約7.2%。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL POSITION

#### Property, Plant and Equipment, Prepaid Lease Payment and Deposits Paid for Acquisition of Property, Plant and Equipment

During the year 2018, the Group acquired property, plant and equipment and incurred expenditure on construction in progress of RMB96.8 million (2017: RMB79.3 million) and RMB32.9 million (2017: RMB43.7 million), respectively, for the purpose of upgrading and expanding the service capacity of its hospital operations. The Group also acquired property, plant and equipment (including building) and prepaid lease payment (land use right) through acquisition of Anhui Hualin Group and Zhonglian Cardiovascular Hospital amounting to RMB322.4 million and RMB155.0 million, respectively, during the year. Total depreciation charge for the year amounted to RMB70.3 million (2017: RMB49.6 million), representing a year-on-year increase of approximately 41.7% and amortisation of prepaid lease payment for the year amounted to RMB1.4 million (2017: Nil). In addition, as at 31 December 2018, the Group had deposits paid for acquisition of property, plant and equipment amounting to RMB81.1 million (2017: RMB76.5 million). The deposits mainly represented amount paid for acquisition of new medical equipment and other new facilities as the Group continued to upgrade its medical facilities and expand its operation capacity.

#### Accounts and Other Receivables

The account receivables of the Group primarily consisted of balances due from social insurance funds, certain corporate customers and individual patients. As at 31 December 2018, accounts receivables increased to RMB176.5 million (2017: RMB95.0 million), of which 77.7% (2017: 90.5%) were aged within 90 days. Average accounts receivables turnover days for the current year was 30.2 days (2017: 23.9 days). The increase in accounts receivables and accounts receivable turnover days was primarily due to (i) expansion of the hospitals' operations; and (ii) the newly acquired rehabilitation and other healthcare business operations under the Anhui Hualin Group and Zhonglian Cardiovascular Hospital during the year.

### 財務狀況

#### 物業、廠房及設備、預付租賃款項以及就購買物業、廠房及設備支付的按金

於二零一八年，本集團購買物業、廠房及設備人民幣96.8百萬元（二零一七年：人民幣79.3百萬元）及就在建工程產生支出人民幣32.9百萬元（二零一七年：人民幣43.7百萬元），以升級及擴大其醫院營運的服務能力。本集團於年內亦透過收購安徽樺霖集團及眾聯心血管病醫院而購入物業、廠房及設備（包括樓宇）以及土地租賃款項（土地使用權）分別為人民幣322.4百萬元及人民幣155.0百萬元。年內折舊費用總額為人民幣70.3百萬元（二零一七年：人民幣49.6百萬元），按年同比增長約41.7%，以及年內預付租賃款項攤銷人民幣1.4百萬元（二零一七年：無）。此外，於二零一八年十二月三十一日，本集團就購買物業、廠房及設備支付按金人民幣81.1百萬元（二零一七年：人民幣76.5百萬元）。按金主要指就購買新的醫療設備及其他新設施支付的款項，由於本集團繼續升級醫療設施並擴充經營能力。

#### 應收賬款及其他應收款項

本集團的應收賬款主要包括應收社保基金、若干公司客戶和個人病人的結餘。於二零一八年十二月三十一日，應收賬款增加至人民幣176.5百萬元（二零一七年：人民幣95.0百萬元），其中77.7%（二零一七年：90.5%）的賬齡為90天內。本年平均應收賬款周轉天數為30.2天（二零一七年：23.9天）。應收賬款及應收賬款周轉天數增加主要是由於本年度(i)醫院擴大經營；及(ii)新購入安徽樺霖集團及華眾聯心血管病醫院康復及其他醫療業務。

The other receivables of the Group primarily consisted of prepayments to suppliers, loan receivables, deposit paid for an investment and interest receivables and others. As at 31 December 2018, other receivables decreased to RMB30.5 million (2017: RMB124.5 million) primarily due to (i) at 31 December 2017, the Group had unsecured loans of RMB100.0 million to Zhonglian Cardiovascular Hospital which were interest-bearing at fixed rate of 0.42% per month and repayable within twelve months from the end of the reporting period, during the current year, the Group acquired Zhonglian Cardiovascular Hospital and the loan receivables became part of the intra-group assets and eliminated in full on consolidation; (ii) a decrease of interest receivables to RMB1.0 million (2017: RMB6.1 million) representing investment income from financial assets at FVTPL/AFS investments; and (iii) increase of prepayments to suppliers to RMB11.7 million (2017: RMB5.3 million) for the purchase of pharmaceutical and other medical products and consumables as a result of expansion of operations and the newly acquired rehabilitation and other healthcare business operations under the Anhui Hualin Group and Zhonglian Cardiovascular Hospital during the year.

### Accounts and Other Payables

The accounts and other payables of the Group primarily consisted of accounts payables, accrued expenses, payables for acquisition of property, plant and equipment, receipt in advance and others. As at 31 December 2018, accounts and other payables increased to RMB481.8 million (2017: RMB412.6 million) primarily due to (i) decrease in accounts payable to RMB263.9 million (2017: RMB275.6 million) as a result of accelerated payments to suppliers; (ii) increase of accrued expenses to RMB77.5 million (2017: RMB68.9 million) mainly due to increase in accrued staff salary and other operational and administrative charges in the current year; and (iii) increase in receipt in advance to RMB73.2 million (2017: RMB41.8 million) due to expansion of operations and acquisition of the Anhui Hualin Group and Zhonglian Cardiovascular Hospital during the year.

### Net Current Assets

As at 31 December 2018, the Group recorded net current assets of RMB286.0 million (2017: RMB757.6 million) and net assets of RMB1,509.5 million (2017: RMB1,289.4 million).

本集團的其他應收款項主要包括對供應商的預付款、應收貸款、已付投資訂金和應收利息及其他。於二零一八年十二月三十一日，其他應收款項減至人民幣30.5百萬元（二零一七年：人民幣124.5百萬元），主要由於(i)本集團於二零一七年十二月三十一日向眾聯心血管病醫院授出無抵押貸款人民幣100.0百萬元，該等貸款按固定利率每月0.42%計息，須於報告期結束後十二個月內償還，本集團於本年度收購眾聯心血管病醫院，應收貸款成為集團內資產的一部分並於綜合入賬時悉數抵銷；(ii)應收利息減少至人民幣1.0百萬元（二零一七年：人民幣6.1百萬元），指按公平值計入損益的金融資產／可供出售投資產生的投資收入；及(iii)預付供應商款項增加至人民幣11.7百萬元（二零一七年：人民幣5.3百萬元），是由於年內為擴大業務以及新購入安徽樺霖集團及華眾聯心血管病醫院康復及其他醫療業務而購買藥品及其他醫療產品以及耗材。

### 應付賬款及其他應付款項

本集團的應付賬款及其他應付款項主要包括應付賬款、應計開支、收購物業、廠房及設備應付款項、預收款項及其他。於二零一八年十二月三十一日，應付賬款及其他應付款項增加至人民幣481.8百萬元（二零一七年：人民幣412.6百萬元），主要由於：(i)向供應商支付加速付款導致應付賬款減至人民幣263.9百萬元（二零一七年：人民幣275.6百萬元）；(ii)應計開支增加至人民幣77.5百萬元（二零一七年：68.9百萬元），主要因為本年度的應計員工薪金及其他營運和行政費用增加；及(iii)因年內擴大經營及收購安徽樺霖集團及眾聯心血管病醫院，預收款項增加至人民幣73.2百萬元（二零一七年：人民幣41.8百萬元）。

### 流動資產淨值

於二零一八年十二月三十一日，本集團錄得流動資產淨值人民幣286.0百萬元（二零一七年：人民幣757.6百萬元）及淨資產人民幣1,509.5百萬元（二零一七年：人民幣1,289.4百萬元）。



# Management Discussion and Analysis

## 管理層討論及分析

### LIQUIDITY AND CAPITAL RESOURCES

#### Financial Resources

The Group continued to maintain a strong financial position with cash and cash equivalents of RMB203.3 million as at 31 December 2018 (2017: RMB383.8 million). The decrease was mainly due to utilisation of cash (including proceeds from the initial public offering) in the acquisition of the Anhui Hudlin Group and Zhonglian Cardiovascular Hospital during the year. With the steady cash inflow generated from operations and in view of sufficient cash and bank balances, in the opinion of the directors of the Company, the Group will have adequate and sufficient liquidity and financial resources to meet the working capital requirement of the Group for at least the next twelve months from the end of the Reporting Period.

As at 31 December 2018, the Group had investments (classified as financial assets at FVTPL/AFS investments) in aggregate of RMB479.1 million (2017: RMB559.3 million) primarily consisting of (i) an unlisted fund of US\$3.4 million (equivalent to approximately RMB23.2 million) (2017: US\$2.5 million (equivalent to approximately RMB16.3 million)) representing an investment in equity securities of a private company in the PRC for a minimum term of three years for the purpose of capital gain; (ii) portfolio investment fund of RMB54.0 million (2017: RMB51.2 million), representing an investment fund deposited with a discretionary fund manager in Hong Kong mandated to achieve appropriate return consistent with the Group's cash management policy. The portfolio included a mixture of cash and shares that are primarily listed in Hong Kong; and (iii) structured bank deposits of RMB402.0 million (2017: RMB491.8 million), representing principal-protected products issued by a PRC commercial bank.

As part of the Group's cash management policy to manage excess cash, the Group purchases investment products from financial institutions to achieve higher interest income without interfering with business operations or capital expenditures. The Group carefully balances the risks and returns associated with the investment products when making the investment decisions. The senior management of the Group is closely involved in securitizing any decision of the Group to purchase investment products. The investment products should generally satisfy the following criteria; (i) its term should generally not exceed one year; (ii) it should not interfere with the Group's business operations or capital expenditures; (iii) it should be issued by a reputable bank which the Group has a long-term relationship, preferably exceeding five years; and (iv) the underlying investment portfolio should generally be low risk.

### 流動資金及資本資源

#### 財務資源

本集團於二零一八年十二月三十一日繼續維持強勁的財務狀況，現金及現金等價物達人民幣203.3百萬元（二零一七年：人民幣383.8百萬元）。減少主要是由於本年度收購安徽樺霖集團及眾聯心血管病醫院所用現金（包括首次公开发售所得款項）所致。憑藉經營活動產生穩定的現金流入，及考慮到有足夠的現金及銀行結餘，本公司董事認為，本集團將有足夠和充足的流動資金及財務資源，以滿足本集團於報告期結束後至少未來十二個月的營運資金需求。

於二零一八年十二月三十一日，本集團作出投資（分類為按公平值計入損益的金融資產／可供出售投資）合共人民幣479.1百萬元（二零一七年：人民幣559.3百萬元），主要包括(i)非上市基金3.4百萬美元（相當於約人民幣23.2百萬元）（二零一七年：2.5百萬美元（相當於約人民幣16.3百萬元）），指於中國一家私人公司的最短期限為三年的權益證券投資，以獲取資本收益；(ii)證券投資基金人民幣54.0百萬元（二零一七年：人民幣51.2百萬元），指授權存放至香港全權基金經理管理的投資基金，以達致符合本集團現金管理政策的適當回報。組合包括現金及主要在香港上市的股份；及(iii)結構性銀行存款人民幣402.0百萬元（二零一七年：人民幣491.8百萬元），指由一家中國商業銀行發行的保本產品。

作為本集團管理超額現金的其中一項現金管理政策，本集團在不影響正常業務運作及資本支出的前提下，向金融機構購買理財投資產品，以管理超額現金並獲取更高的收益。本集團在制定相關投資決策時，會謹慎衡量投資產品的風險與收益。此外，本集團管理層亦密切參與有關購買投資產品的一切相關決策。本集團選擇的投資產品須符合以下幾項標準：(i)其收益週期一般不超過一年；(ii)其將不涉及集團的正常業務運作或資本支出；(iii)其應由與本集團有長期合作關係（一般超過5年）及具有良好信譽的銀行發行；及(iv)其基礎投資組合應具較低風險。

# Management Discussion and Analysis

## 管理層討論及分析

### Cash Flow Analysis

The table below sets forth the information as extracted from the consolidated statement of cash flow of the Group for the years indicated:

		Change 變動	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	-17.3%	176,963	213,919
Net cash used in investing activities	投資活動所用現金淨額	-59.9%	(285,388)	(711,188)
Net cash used in financing activities	融資活動所用現金淨額	+51.8%	(74,424)	(49,037)
Net decrease in cash and cash equivalents	現金及現金等價物 減少淨額	-66.5%	(182,849)	(546,306)

### Net cash generated from operating activities

In 2018, the net cash generated from operating activities amounted to RMB177.0 million (2017: RMB213.9 million), representing a year-on-year decrease of 17.3%, which was primarily due to (a) an increase in profit before taxation for the current year to RMB221.8 million (2017: RMB218.1 million), as mainly adjusted by (i) depreciation of property, plant and equipment of RMB70.3 million (2017: RMB49.6 million); (ii) amortisation of prepaid lease payment of RMB1.4 million (2017: nil); (iii) bank and other interest income of RMB7.2 million (2017: RMB11.6 million); and (iv) investment income from financial assets at FVTPL/AFS investments of RMB18.3 million (2017: RMB11.7 million) and fair value gain on financial assets at FVTPL of RMB6.4 million (2017: nil) and (b) changes in working capital including (i) decrease in inventories of RMB4.1 million (2017: increase of RMB 1.3 million) due to better inventory control management; (ii) increase in accounts and other receivables of RMB17.6 million (2017: increase of RMB7.5 million); and (iii) decrease in accounts and other payables of RMB16.7 million (2017: increase of RMB26.2 million) as a result of accelerated payments to suppliers to cope with business growth and maintain suppliers relationship; and as well as increase in operating cash outflow to support the newly acquired Zhonglian Cardiovascular Hospital during the year. The Group also had further cash outflow of RMB53.3 million (2017: RMB58.9 million) attributable to PRC income tax paid.

### 現金流量分析

下表載列所示年度從本集團的綜合現金流量表摘錄的資料：

		Change 變動	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	-17.3%	176,963	213,919
Net cash used in investing activities	投資活動所用現金淨額	-59.9%	(285,388)	(711,188)
Net cash used in financing activities	融資活動所用現金淨額	+51.8%	(74,424)	(49,037)
Net decrease in cash and cash equivalents	現金及現金等價物 減少淨額	-66.5%	(182,849)	(546,306)

### 經營活動所得現金淨額

於二零一八年，經營活動所得現金淨額為人民幣177.0百萬元（二零一七年：人民幣213.9百萬元），按年同比減少17.3%，主要由於(a)本年度除稅前溢利增加至人民幣221.8百萬元（二零一七年：人民幣218.1百萬元），經作出調整如下：(i)物業、廠房及設備折舊人民幣70.3百萬元（二零一七年：人民幣49.6百萬元）；(ii)預付租賃款項攤銷人民幣1.4百萬元（二零一七年：無）；(iii)銀行及其他利息收入人民幣7.2百萬元（二零一七年：人民幣11.6百萬元）；及(iv)按公平值計入損益的金融資產／可供出售投資的投資收入人民幣18.3百萬元（二零一七年：人民幣11.7百萬元）及按公平值計入損益的金融資產的公平值收益人民幣6.4百萬元（二零一七年：無）及(b)營運資金變動，包括(i)由於更好的存貨控制管理，存貨減少人民幣4.1百萬元（二零一七年：增加人民幣1.3百萬元）；(ii)應收賬款及其他應收款項增加人民幣17.6百萬元（二零一七年：增加人民幣7.5百萬元）；及(iii)由於本年度向供應商支付加速付款以應對業務增長及維護與供應商的關係以及支持新收購眾聯心血管病醫院的營運現金流出增加，導致應收賬款及其他應收款項減少人民幣16.7百萬元（二零一七年：增加人民幣26.2百萬元）。本集團亦有應佔中國已付所得稅的進一步現金流出人民幣53.3百萬元（二零一七年：人民幣58.9百萬元）。

# Management Discussion and Analysis

## 管理層討論及分析

### Net cash used in investing activities

In 2018, net cash used in investing activities amounted to RMB285.4 million (2017: RMB711.2 million), representing a year-on-year decrease of 59.9%, which was primarily due to (i) a net cash outflow arising from acquisition of the Anhui Hualin Group and Zhonglian Cardiovascular Hospital in aggregate of RMB294.5 million (2017: nil); (ii) increase in investment income received from financial assets at FVTPL/AFS investments to RMB18.3 million (2017: RMB11.7 million); and (iii) a decrease in net cash outflow in relation to purchase and disposal of financial assets at FVTPL/AFS investments as compared with prior year.

### Net cash used in financing activities

In 2018, net cash used in financing activities amounted to RMB74.4 million (2017: RMB49.0 million), representing a year-on-year increase of 51.8%, which was mainly due to (i) dividend paid during the year of RMB54.2 million (2017: RMB46.8 million); (ii) the repayment of bank loan of RMB60.0 million; (iii) interest paid on bank loan of RMB0.9 million; and (iv) net advances from non-controlling shareholders of subsidiaries of RMB41.0 million, all in relation to Zhonglian Cardiovascular Hospital after it was acquired.

### Significant Investment, Acquisition and Disposal

#### Anhui Hualin Group – Rehabilitation and other Healthcare Services

In April 2018, the Group successfully acquired 57% equity interest in Anhui Hualin by way of (i) an equity transfer of 49.71% equity interest in Anhui Hualin from the vendor, an independent third party, at a consideration of RMB58.66 million; and (ii) capital injection into Anhui Hualin by the Group on a non-rata basis of RMB20.0 million. Anhui Hualin directly and indirectly (through its wholly-owned subsidiary) holds sponsor interests in the managed and controlled entities, all of which are private non-enterprise entities in the PRC, including one class II rehabilitation hospital, one class I general hospital, nine rehabilitation centres for the disabled and one vocational training school.

#### Zhonglian Cardiovascular Hospital

In August 2018, the Group acquired 60% equity interest in Zhonglian Cardiovascular Hospital. Zhonglian Cardiovascular Hospital is a specialty hospital in cardiovascular diseases located in Chongqing, the PRC. Zhonglian Cardiovascular Hospital was also the Group's first managed hospital and its first presence outside of Guangdong Province. The Board considers that, although Zhonglian Cardiovascular Hospital had yet to become profitable as it was still in a start-up phase at the time of acquisition, its initial operations signify promising prospects. The Board considers that full integration and consolidation of Zhonglian Cardiovascular Hospital into the Group's operations will enable the Group to benefit from the operating prospects of Zhonglian Cardiovascular Hospital to a greater extent in the long term compared to the management arrangement.

### 投資活動所用現金淨額

於二零一八年，投資活動所用現金淨額為人民幣285.4百萬元（二零一七年：人民幣711.2百萬元），按年同比減少59.9%，主要由於(i)因收購安徽樺霖集團及眾聯心血管病醫院而產生現金流出淨額合共人民幣294.5百萬元（二零一七年：無）；(ii)來自按公平值計入損益的金融資產／可供出售投資的投資收入增加至人民幣18.3百萬元（二零一七年：人民幣11.7百萬元）；及(iii)與購買及出售按公平值計入損益的金融資產／可供出售投資有關的現金流出淨額較上個年度減少。

### 融資活動所用現金淨額

於二零一八年，融資活動所用現金淨額為人民幣74.4百萬元（二零一七年：人民幣49.0百萬元），按年同比增加51.8%，主要原因是(i)年內派付股息人民幣54.2百萬元（二零一七年：人民幣46.8百萬元）；(ii)償還銀行貸款人民幣60.0百萬元；(iii)銀行貸款支付利息人民幣0.9百萬元；及(iv)來自附屬公司非控股股東的墊款淨額人民幣41.0百萬元，收購後均與眾聯心血管病醫院有關。

### 重大投資、收購及出售

#### 安徽樺霖集團 – 康復及其他醫療服務

於二零一八年四月，本集團成功收購安徽樺霖57%股權，按以下方式進行：(i)賣方（獨立第三方）根據股權轉讓以人民幣58.66百萬元的代價轉讓安徽樺霖49.71%股權；及(ii)本集團向安徽樺霖非按比例注資人民幣20.0百萬元。安徽樺霖直接及間接（透過其全資附屬公司）持有受管理及控制實體的舉辦者權益（均為中國民辦非企業單位），包括一家二級康復醫院、一家一級綜合醫院、九家殘疾康復中心及一家職業培訓學校。

#### 眾聯心血管病醫院

於二零一八年八月，本集團收購眾聯心血管病醫院的60%股權。眾聯心血管病醫院為中國重慶市中心血管疾病專科醫院，亦是本集團管理的首家醫院，及首次踏足廣東省以外經營業務。董事會認為，儘管眾聯心血管病醫院尚未盈利，原因為其仍處於初創階段，其初步營運意味著前景良好。董事會認為，與管理安排相比，將眾聯心血管病醫院全面整合及綜合計入本集團業務將有助本集團長遠受惠於眾聯心血管病醫院的營運前景。

# Management Discussion and Analysis

## 管理層討論及分析

Save as disclosed in this report, the Group had no significant investment, acquisition or disposal during the reporting period and there has not been any significant events since the end of the Reporting Period and up to the date of this report.

### Cash Management Activities

As part of the Group's cash management, the Group has from time to time invested into investment products issued by a reputable PRC commercial bank with terms ranging from 28–103 days and portfolio investment funds to achieve higher interest income without interfering with business operations or capital expenditures. The investment products are not rated by any credit agency but are classified as low-risk by the issuing bank and/or backed by listed securities with low risk profile. The Group carefully balances the risks and returns associated with the investment products when making the investment decisions. The senior management of the Group is closely involved in securitizing any decision of the Group to purchase investment products.

### Capital Expenditure

The Group regularly makes capital expenditures to expand its operations, maintain its medical facilities and improve its operating efficiency. Capital expenditure primarily consists of purchases of property, plant and equipment. The capital expenditure of the Group in 2018 was RMB129.7 million (2017: RMB123.0 million). The Group has financed its capital expenditure through cash flows generated from operating activities.

## USE OF PROCEED FROM THE INITIAL PUBLIC OFFERING

The Company's H shares were listed on the Stock Exchange on 8 November 2016. The Company's net proceeds from the initial public offering of its H shares amounts to approximately RMB782.6 million (equivalently to approximately HK\$874.9 million) after deducting underwriting commissions and all related expenses. The net proceeds from the initial public offering have been and will be utilised in accordance with the purposes set out in the prospectus of the Company dated 27 October 2016 (the "Prospectus").

Up to 31 December 2018, of the net proceeds from the initial public offering, (i) RMB46.4 million, representing approximately 5.9% of the net proceeds, has been utilised as general working capital; (ii) RMB105.0 million, representing approximately 13.4% of the net proceeds, has been utilised on expansion of the Group's current operations and upgrading of hospital's facilities and the expansion of operating capacity and capability in multi-disciplinary specialised treatment and diagnosis; and (iii) RMB157.2 million, representing approximately 20.1% of the net proceeds, has been utilised for acquisition and potential acquisition of businesses. As at 31 December 2018, out of the balance of the unutilised net proceeds of RMB474.0 million, RMB468.2 million (at cost) has been used to purchase certain financial products (classified as financial assets at FVTPL/AFS investments) to achieve higher interest income and capital return without interfering with business operations or capital expenditures to earn better return on our excess cash balance, and the remaining balance has been kept at the bank accounts of the Group (included in bank balances and cash). As at the date of this report, the Company does not anticipate any material change to its plan on the use of proceeds as stated in the Prospectus.

除本報告所披露者外，本集團於報告期內並無任何重大投資、收購或出售，報告期結束起直至本報告之日亦無任何重大事項。

### 現金管理活動

作為本集團現金管理的一部份，本集團不時投資至由一家聲譽良好的中國商業銀行發行期限介乎 28 至 103 天的投資產品及組合投資基金，在不影響業務運作或資本開支的前提下，以獲取更高的利息收益。投資產品未獲任何信貸評級機構評級，但由發行銀行分類為低風險，及／或受低風險上市證券的支持。本集團在制定相關投資決策時，會謹慎衡量投資產品的風險與收益。本集團高級管理層亦密切參與有關購買投資產品的一切相關決策。

### 資本開支

本集團定期作出資本開支以擴大其營運、維持其醫療設施並提高其經營效率。資本開支主要包括購買物業、廠房及設備。本集團於二零一八年之資本開支為人民幣 129.7 百萬元（二零一七年：人民幣 123.0 百萬元）。本集團以通過經營活動所得現金流量為資本開支提供資金。

## 首次公開發售所得款項用途

本公司 H 股於二零一六年十一月八日於聯交所上市。本公司於扣除包銷佣金及所有相關費用後，首次公開發售 H 股所得款項淨額約為人民幣 782.6 百萬元（相等於約 874.9 百萬港元）。首次公開發售所得款項淨額已按照並將持續按照本公司日期為二零一六年十月二十七日的招股章程（「招股章程」）所載用途使用。

截至二零一八年十二月三十一日，首次公開發售所得款項淨額中 (i) 人民幣 46.4 百萬元（佔所得款項淨額約 5.9%）已被用作一般營運資金；(ii) 人民幣 105.0 百萬元（佔所得款項淨額約 13.4%）已被用於擴大本集團現有業務及升級醫院設施及擴大營運實力及多學科診治能力；及 (iii) 人民幣 157.2 百萬元（佔所得款項淨額約 20.1%）已被用於業務收購及潛在收購。截至二零一八年十二月三十一日，尚未動用所得款項淨額結餘人民幣 474.0 百萬元中，人民幣 468.2 百萬元（按成本）已被用於購買若干金融產品（分類為按公平值計入損益的金融資產／可供出售投資），以獲得較高的利息收入及資本回報，而不會干擾業務營運或產生資本開支並就我們的超額現金結餘賺取更好的回報，以及餘額乃存於本集團的銀行賬戶（計入銀行結餘及現金）。於本報告日期，本公司預計招股章程所述所得款項使用計劃不會發生任何重大變動。

# Management Discussion and Analysis

## 管理層討論及分析

The following table sets forth the intended purposes for the net proceeds from the initial public offering, the utilisation of such proceeds and the timeline of utilisation estimated by the management:

下表載列首次公開發售所得款項淨額的擬定用途，該等所得款項的動用情況及管理層估計的動用期限：

Purpose	Net proceeds from the initial public offering intended for the purpose as disclosed in the Prospectus (RMB million) 招股章程所述，首次公開發售所得款項淨額的擬定用途 (人民幣百萬元)	Utilisation up to 31 December 2018 (RMB million) 截至二零一八年十二月三十一日的動用情況 (人民幣百萬元)	Unutilised amount (RMB million) 已動用金額 (人民幣百萬元)	Expected timeline for the utilisation of the unutilised amount <sup>Note</sup> 使用未動用金額的預期期限 <sup>附註</sup>
用途				
Expansion of the Group's current operations and upgrading of hospital facilities 擴大本集團現有業務及升級醫院設施	70.4	5.0	65.4	By the end of 31 December 2020 於二零二零年十二月三十一日前
Expansion of operating capacity and capability in multi-disciplinary specialised treatment and diagnosis and upgrade of medical facilities 擴大營運實力及多學科診治能力以及升級醫療設施	281.7	100.0	181.7	By the end of 31 December 2020 於二零二零年十二月三十一日前
Expansion of hospital management operations 擴大醫院管理營運	78.3	–	78.3	By the end of 31 December 2020 於二零二零年十二月三十一日前
Expansion of healthcare operations in the PRC through selective mergers and acquisitions 通過選擇性併購擴大於中國的醫療業務	273.9	157.2	116.7	By the end of 31 December 2019 於二零一九年十二月三十一日前
Working capital and other general corporate purposes 營運資金及其他一般公司用途	78.3	46.4	31.9	By the end of 31 December 2020 於二零二零年十二月三十一日前
<b>Total</b> 總計	<b>782.6</b>	<b>308.6</b>	<b>474.0</b>	

Note: Such timeline is an estimation of the management only and is subject to change on account of the Group's operating conditions and market conditions from time to time. In particular, it should not be taken as an indication that any potential transaction is under negotiation and/or will materialise.

附註：有關期限僅為管理層的估計及可視乎本集團的營運狀況及不時的市況予以更改。尤其是，其不應被視為任何潛在交易正在磋商及／或任何潛在交易將會落實的跡象。

### INDEBTEDNESS

#### Bank Loans

As at 31 December 2018, the Group had no bank loans (2017: nil). As at 31 December 2018, the Group had no banking facilities (2017: nil).

#### Contingent Liabilities

The Group is subject to legal proceedings and claims in the ordinary of business primarily arising from medical disputes brought on by patients. Provision for medical disputes is made based on the status of potential and active claims outstanding as at the end of the relevant period, and primarily taking into account any judicial appraisal or court determination against the Group. As at 31 December 2018, the total stated claim amount of the Group's on-going medical disputes was approximately RMB9.8 million (2017: RMB7.1 million) and there were certain medical disputes without claim amount stated. Based on the Group's assessment, during the year ended 31 December 2018, approximately RMB1.3 million (2017: RMB0.5 million) had been provided and included in accounts and other payables of the Group.

As at 31 December 2018, the Group had no contingent liabilities or guarantees that would have a material impact on the financial position or operations of the Group.

#### Pledge of Assets

As at 31 December 2018, none of the Group's assets had been pledged (2017: none).

#### Contractual Obligations

The contractual obligations of the Group primarily consisted of operating lease commitments and capital commitments.

The operating lease commitments of the Group were primarily attributable to the lease of the land and buildings underlying the Group's hospitals and rehabilitation centres operations. As at 31 December 2018, the future aggregate minimum lease payments under non-cancellable lease agreements were RMB259.6 million (2017: RMB270.7 million).

The capital commitments of the Group were primarily attributable to construction costs relating to the expansion and renovation of the Group's medical facilities. As at 31 December 2018, the capital commitments in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements were RMB116.0 million (2017: RMB82.8 million).

### 債項

#### 銀行貸款

截至二零一八年十二月三十一日，本集團並無銀行貸款（二零一七年：無）。截至二零一八年十二月三十一日，本集團並無銀行融資（二零一七年：無）。

#### 或然負債

本集團受制於法律訴訟及於日常業務過程中由病人提出的醫療糾紛索賠。醫療糾紛的撥備是根據有關期間結束時可能和尚未了結的進行中索賠個案狀況而作出，主要考慮本集團將面臨的任何司法判決或法院裁決。截至二零一八年十二月三十一日，本集團尚未了結的醫療糾紛索賠總額約為人民幣9.8百萬元（二零一七年：人民幣7.1百萬元），而有部份醫療糾紛未有列明索賠金額。根據本集團作出的評估，截至二零一八年十二月三十一日止年度，本集團已作出約人民幣1.3百萬元（二零一七年：人民幣0.5百萬元）的撥備，並計入本集團的應付賬款及其他應付款項中。

截至二零一八年十二月三十一日，本集團概無或然負債或擔保，可能對本集團的財務狀況或經營產生重大影響。

#### 資產質押

截至二零一八年十二月三十一日，本集團概無資產已被質押（二零一七年：無）。

#### 合約義務

本集團的合約義務主要包括經營租賃承諾和資本承諾。

本集團經營租賃承擔主要歸因於租賃本集團醫院及康復中心營運相關的土地及建築物。截至二零一八年十二月三十一日，根據不可撤銷租賃協議計算之未來最低租賃付款總額為人民幣259.6百萬元（二零一七年：人民幣270.7百萬元）。

本集團的資本承擔主要歸因於與本集團醫療設施擴建及翻新有關的建築成本。截至二零一八年十二月三十一日，本集團的綜合財務報表內已訂約但未撥備之物業、廠房及設備的資本承擔為人民幣116.0百萬元（二零一七年：人民幣82.8百萬元）。

# Management Discussion and Analysis

## 管理層討論及分析

### Financial Instruments

The Group's financial instruments primarily consisted of accounts and other receivables, financial assets at FVTPL/AFS investments, fixed bank deposits, restricted bank balances, bank balances and cash, accounts and other payables, amount due to a shareholder and amount due to a non-controlling shareholder of a subsidiary. The management of the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### Exposure to Fluctuation in Exchange Rates

The proceeds of raised by the Company in its initial public offering of its H Shares is denominated in Hong Kong dollars. The Group deposits certain of its financial assets in Hong Kong dollars, and is mainly exposed to fluctuation in exchange rates of Hong Kong dollars against RMB. The Group is therefore exposed to foreign exchange risk.

The Group has not used any derivatives financial instruments to hedge against its exposure to currency risk. The management manages the currency risk by closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should such need arise.

### Gearing Ratio

As at 31 December 2018, the Group's gearing ratio (total interest-bearing bank loans divided by total equity and multiplied by 100%) was zero (2017: zero).

### 金融工具

本集團的金融工具主要包括應收賬款及其他應收款項、按公平值計入損益的金融資產／可供出售投資、定期銀行存款、受限制銀行結餘、銀行結餘及現金、應付賬款及其他應付款項、應付一名股東款項及應付一間附屬公司的一名非控股股東款項。本公司管理層管理和監控這些風險承擔，以確保及時有效地採取適當措施。

### 匯率波動的承擔

公司H股首次公開發售所募集的所得款項以港元計值。本集團以港元存放部份金融資產，主要受港元兌人民幣匯率波動的影響。因此，本集團面臨外匯風險。

本集團並未應用任何衍生金融工具對沖其貨幣風險承擔。管理層通過密切監測外幣匯率的變動來管理貨幣風險，並將考慮在有需要時就重大外幣承擔進行對沖。

### 資產負債比率

截至二零一八年十二月三十一日，本集團之資產負債比率（計息銀行貸款總額除以總權益並乘以100%）為零（二零一七年：零）。

The Board is pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2018.

### PRINCIPAL ACTIVITIES

The Group is principally engaged in the operation of private hospitals, provision of rehabilitation and other healthcare services, provision of hospital management services, sales of pharmaceutical products and provision of other services (including elderly care services) in the PRC.

Details of the principal activities of the principal subsidiaries of the Company are set out in Note 38 to the consolidated financial statements.

### BUSINESS REVIEW

The description of principal risks and uncertainties that the Group may be facing, a fair review of the Group's business during the year, and the probable future business development of the Group are provided in the Corporate Governance Report and the Management Discussion and Analysis section on pages 60 to 72 and on pages 12 to 38 respectively of this annual report. Also, the financial risk management objectives and policies of the Group can be found in Note 34(b) to the consolidated financial statements. Particulars of important events affecting the Group after the reporting period are provided in the Management Discussion and Analysis section on page 34 of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on pages 4 to 5 and Financial Summary on page 218 of this annual report respectively. In addition, discussions on the relationships with its staff, customers and suppliers is also contained in the Environmental, Social and Governance Report section on pages 73 to 112 of this annual report. Discussions on the Group's environmental policies and compliance with relevant laws and regulations which have a significant impact on the Group are contained in this annual report on pages 39 to 40.

### ENVIRONMENTAL PROTECTION

The Group is subject to national and local environmental laws and regulations in the PRC, including with respect to hospital sanitation, diseases control, medical wastes management, and discharge of wastewater, pollutants and radioactive substances. The Group is conscious of its environmental protection obligations and is committed to the sustainable development of the environment and society. The Group has established internal rules regarding environmental protection and actively seeks to implement ecofriendly technologies and clinical environment where feasible. The Group believes that it has maintained good relationship with the communities. With respect to medical wastes management, the Group has engaged qualified third parties to arrange proper disposal for all of its hospitals in accordance with applicable laws and regulations.

To the best of the Group's knowledge, during the year ended 31 December 2018, the Group had complied with the applicable environment laws and regulations in the PRC in all material respects.

Please refer to pages from 73 to 112 of this annual report for the Environmental, Social and Governance Report of the Company prepared in compliance with the provisions set out in the ESG Reporting Guide in Appendix 27 to the Hong Kong Listing Rules.

董事會欣然提呈本年報以及本集團截至二零一八年十二月三十一日止年度的經審核綜合財務報表。

### 主要業務

本集團主要在中國從事經營私營醫院，提供康復及其他醫療服務、提供醫院管理服務、銷售藥品及提供其他服務（包括老年護理服務）。

本公司主要附屬公司的主要業務詳情載於綜合財務報表附註38。

### 業務回顧

有關本集團可能面對之主要風險及不確定因素之描述、本集團年內業務之中肯審視及本集團之可能日後業務發展分別載於本年報第60至72頁之企業管治報告及第12至38頁之管理層討論及分析一節。此外，本集團金融風險管理目標及政策可於綜合財務報表附註34(b)閱覽。報告期後所發生影響本集團之重要事項詳情載於本年報第34頁之管理層討論及分析一節。應用財務關鍵表現指標之本集團年內表現分析分別載於本年報第4至5頁之財務概覽及本年報第218頁之財務概要。此外，有關本公司與其員工、客戶及供應商之關係之討論亦載於本年報第73至112頁之環境、社會及管治報告一節。有關本集團環境政策以及遵守對本集團有重要影響之相關法例及規例之討論則載於本報告第39至40頁。

### 環境保護

本集團遵守中國國家和地方環境法律及法規，包括醫院衛生、疾病控制、醫療廢物管理、污水、污染物和放射性物質的排放。本集團意識到其環境保護的義務，致力於環境與社會的可持續發展。本集團已制定環境保護的內部規定，並積極要求在可行的情況下實施環保技術和臨床環境。本集團認為，其與社區維持良好關係。在醫療廢物管理方面，本集團已聘請合資格第三方按照適用的法律及法規為其所有醫院進行妥善處置。

據本集團所知，截至二零一八年十二月三十一日止年度，本集團在所有重大方面均符合中國適用環境法律及法規。

本公司根據香港上市規則附錄二十七環境、社會及管治報告指引所載條文編製的環境、社會及管治報告請參閱本年報第73至112頁。



# Report of the Board

## 董事會報告

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

There was no incident of non-compliance with relevant laws and regulations that had a significant impact on the Group during the reporting period.

### FINANCIAL RESULTS

The Group's financial results for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 131 of this annual report.

### USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 8 November 2016. The Company's net proceeds from the initial public offering amounted to approximately RMB782.6 million (equivalent to HK\$874.9 million) after deducting underwriting commissions and all related expenses. As of the date of this annual report, the Company did not anticipate any material change to its plan on the use of proceeds as stated in the Prospectus.

For a description of the utilisation of the proceeds from the initial public offering, please refer to pages 35 to 36 of this annual report.

### DIVIDEND

The Board recommends the payment of the Proposed Final Dividend of RMB16 cents per share (inclusive of applicable tax). Subject to the approval of the Proposed Final Dividend by the Shareholders at the AGM to be held on 12 June 2019, the Proposed Final Dividend will be distributed on or about 23 July 2019 to the Shareholders whose names appear on the register of members of the Company on 21 June 2019 (the "Record Date").

The final dividend distribution shall be calculated based on the total number of Shares in issue as of the Record Date and the final cash dividend distribution shall be based on RMB16 cents per share (inclusive of applicable tax). In order to qualify for the final dividend, the holders of H Shares must lodge all share certificates accompanied by the transfer documents with Computershare Hong Kong Investor Services Limited (address: Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) before 4:30 p.m. on 18 June 2019. For the purpose of ascertaining the holders of H Shares who qualify for the final dividend, the register of members for H Shares will be closed from 19 June 2019 to 21 June 2019, both days inclusive, during which period no transfer of H Shares will be effected.

The final dividend will be denominated and declared in RMB. The holders of Domestic Shares will be paid in RMB and the holders of H Shares will be paid in Hong Kong dollars. The exchange rate for the final dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Hong Kong dollars to RMB as announced by the People's Bank of China during the five business days prior to the date of declaration of the final dividend.

### 遵守相關法律和法規

報告期內，本集團無發生不遵守法律和法規的事項，對其造成重大影響。

### 財務業績

本集團截至二零一八年十二月三十一日止年度的財務業績載於本年報第131頁的綜合損益及其他全面收益表。

### 首次公開發售所得款項用途

本公司H股於二零一六年十一月八日在香港聯交所主板上市。本公司首次公開發售所得款項淨額扣除包銷佣金及所有相關費用後約為人民幣782.6百萬元(相等於874.9百萬港元)。截至本年報日期，本公司並無預期對招股章程所指所得款項淨額的使用計劃發生任何重大變更。

有關首次公開發售所得款項用途的描述，請參照本年報第35至36頁。

### 股息

董事會建議派發建議末期股息每股人民幣16分(含適用稅項)。待股東於二零一九年六月十二日將舉行的股東週年大會上批准建議末期股息後，建議末期股息將於二零一九年七月二十三日或前後分派給於二零一九年六月二十一日(「記錄日期」)名列本公司股東名冊的股東。

末期股息分派應根據於記錄日期已發行的股份總數計算，而最終現金股息分派將以每股人民幣16分(含適用稅項)為基礎。為符合資格領取末期股息，H股持有人必須將股票連同過戶文件於二零一九年六月十八日下午四時三十分前交回香港中央證券登記有限公司(地址：香港灣仔皇后大道東183號合和中心17樓1712-1716號舖)。為確定符合資格領取末期股息的H股股東，H股股東名冊將於二零一九年六月十九日至二零一九年六月二十一日(包括首尾兩天)暫停辦理H股過戶登記，期間不會辦理H股股份過戶登記手續。

末期股息將以人民幣計價及宣派。內資股持有人將獲以人民幣支付，而H股持有人將獲以港元支付。以港元支付的末期股息的匯率，將為中國人民銀行於宣派末期股息的日期前五個營業日所公佈的港元兌人民幣匯率的平均值。

In accordance with the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) and its implementation regulations which came into effect on 1 January, 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise Shareholders whose names appear on the register of members for H Shares when distributing the cash dividends. Any H Shares not registered under the name of an individual Shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organizations or groups, shall be deemed as Shares held by non-resident enterprise Shareholders. Therefore, on this basis, enterprise income tax shall be withheld from dividends payable to such Shareholders. If holders of H Shares intend to change its Shareholder status, please enquire about the relevant procedures with your agents or trustees. The Company will strictly comply with the law or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant Shareholders based on the register of members for H Shares as of the Record Date.

If the individual holders of H Shares are Hong Kong or Macau residents or residents of the countries which had an agreed tax rate of 10% for the cash dividends to them with the PRC under the relevant tax agreement, the Company should withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. Should the individual holders of H Shares be residents of the countries which had an agreed tax rate of less than 10% with the PRC under the relevant tax agreement, the Company shall withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. In that case, if the relevant individual holders of H Shares wish to reclaim the extra amount withheld due to the application of 10% tax rate, the Company can apply for the relevant agreed preferential tax treatment provided that the relevant Shareholders submit the evidence required by the notice of the tax agreement to Computershare Hong Kong Investor Services Limited. The Company will assist with the tax refund after the approval of the competent tax authority. Should the individual holders of H Shares be residents of the countries which had an agreed tax rate of over 10% but less than 20% with the PRC under the tax agreement, the Company shall withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax agreement. In the case that the individual holders of H Shares are residents of the countries which had an agreed tax rate of 20% with the PRC, or which has not entered into any tax agreement with the PRC, or otherwise, the Company shall withhold and pay the individual income tax at a rate of 20%.

## SHARE CAPITAL

Details of the movements in the share capital of the Company during the reporting period are set out in Note 26 to the consolidated financial statements.

## RESERVES

Details of movements in the reserves of the Group and the Company during the reporting period are set out in the consolidated statement of changes in equity and Note 37 to the consolidated financial statements, respectively.

根據《中華人民共和國企業所得稅法》及其於二零零八年一月一日生效的實施規例，本公司須代表分派現金股息時名列H股股東名冊的非居民企業股東預扣及按10%的稅率支付企業所得稅。任何未以個人股東名義(包括香港中央結算(代理人)有限公司、其他代名人、代理人或受託人，或其他組織或集團)登記的H股，須當作為非居民企業股東持有的股份。因此，在此基礎上，應向支付給這些股東的股息預扣企業所得稅。如H股持有人擬變更其股東身份，請向您的代理人或受託人查詢有關程序。本公司將嚴格遵守相關政府當局的法律或要求，並根據截至記錄日期H股股東名冊，代表相關股東代扣代繳企業所得稅。

如果H股個人持有人是香港或澳門居民，或根據與中國簽訂相關稅務協議現金股息的協定稅率為10%的國家的居民，本公司應代表相關股東按10%的稅率預扣並支付個人所得稅。如果H股個人持有人是根據相關稅務協議與中國達成協議稅率低於10%的國家的居民，本公司將代表相關股東以10%代扣代繳個人所得稅。在這種情況下，如果H股相關個人持有人希望收回因應用10%稅率而扣繳的額外金額，則本公司可應用相關協定的優惠稅務待遇，條件是相關股東向香港中央證券登記有限公司提交稅務協議通知的所需證據。經主管稅務機關批准後，本公司將協助退稅。如果H股個人持有人是根據稅務協議與中國達成協議稅率超過10%但低於20%的國家的居民，則本公司將按照相關稅務協議約定的實際利率扣繳並支付個人所得稅。在H股個人持有人是根據稅務協議與中國達成協議稅率超過20%或與中國沒有訂立任何稅務協議的國家的居民的情況下，本公司將扣留並支付個人所得稅率為20%。

## 股本

本公司於報告期內的股本變動詳情載於綜合財務報表附註26。

## 儲備

本集團與本公司於報告期內的儲備變動詳情分別載於綜合權益變動表及綜合財務報表附註37。

# Report of the Board

## 董事會報告

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the reporting period are set out in Note 16 to the consolidated financial statements.

### MAJOR CUSTOMERS AND SUPPLIERS

The Group has a highly diversified customer portfolio, including individual patients as well as business corporations and government administrations who purchase healthcare services for their employees. For the year ended 31 December 2018, the Group's largest customer or the five largest customers in aggregate contributed to less than 1% of the Group's total revenue.

For the year ended 31 December 2018, the Group's largest supplier and the five largest suppliers in aggregate contributed to approximately 26.2% and 69.8%, respectively, of the Group's total purchases, including pharmaceuticals, medical consumables, medical equipment, construction and renovation services, electricity supply and non-healthcare related ancillary management services ("Total Purchases"). The Group's largest supplier, Dongguan Yuheng Pharmaceuticals Co., Ltd. (東莞市裕恒醫藥有限公司) ("Yuheng"), accounted for approximately 26.2% of the Group's Total Purchases. Yuheng has been an Independent Third Party during the reporting period. Yuheng is a wholesaler of pharmaceuticals and medical equipment primarily to hospitals in the PRC. The Group's relationship with Yuheng began in 2010. The Group has a long term agreement that does not impose any minimum purchasing commitment on the Group and the Group may place orders with Yuheng at its own discretion. The pricing of the relevant products is determined at the time the relevant order is placed with reference to market price. The agreement sets out the framework of delivery, settlement, inspection and quality control, product defects, compensation arrangements for delivery failure, medical equipment training, packaging and warranty. The agreement is for an indefinite period but the Group may terminate it if Yuheng commits a material breach or fails to deliver the relevant products within a prescribed period. The Group has a 90-days credit period with Yuheng.

None of the Directors, the Supervisors or any of their respective close associates (as defined under the Hong Kong Listing Rules), or any Shareholders, which to the knowledge of the Directors, own more than 5% of the Company's issued share capital has any interests in the Group's five largest customers or suppliers for the year ended 31 December 2018.

### DONATIONS

For the year ended 31 December 2018, the Group has no charitable contributions and other donations.

### SUBSIDIARIES

Details of the Company's principal subsidiaries as of 31 December 2018 are set out in Note 38 to the consolidated financial statements.

### 物業、廠房及設備

於報告期內本集團物業、廠房及設備的變動詳情載於綜合財務報表附註16。

### 主要客戶及供應商

本集團的客戶組合高度多元化，包括個人病人以及為僱員購買醫療服務的商業公司和政府部門。截至二零一八年十二月三十一日止年度，本集團最大客戶或五大客戶合計對本集團總收益的貢獻少於1%。

截至二零一八年十二月三十一日止年度，本集團最大的供應商和五大供應商合計分別佔本集團採購總額約26.2%和69.8%，其中包括藥品、醫療耗材、醫療設備、建築及裝修服務、電力供應和非醫療相關輔助管理服務（「總採購」）。本集團最大的供應商東莞市裕恒醫藥有限公司（「裕恒」）佔本集團總採購額約26.2%。於報告期內，裕恒一直為獨立第三方。裕恒是中國醫院的主要藥品和醫療設備批發商。本集團與裕恒的關係始於二零一零年。本集團有長期協議，不對本集團施加任何最低採購承諾，本集團可自行決定向裕恒下達訂單。相關產品的定價在相關訂單發出時參照市場價格釐定。協議載列交貨、結算、檢驗和質量控制、產品缺陷、交貨失敗賠償安排、醫療設備培訓、包裝和保修的框架。協議無限期，倘裕恒發生重大違規或未能在規定期限內交付相關產品，本集團可以終止協議。裕恒給予本集團90天的信貸期。

概無董事、監事或彼等之任何緊密聯繫人（定義見香港上市規則）或就董事所知擁有本公司已發行股本5%以上的任何股東直接或間接擁有本集團截至二零一八年十二月三十一日止年度的五大客戶或供應商的任何權益。

### 捐款

截至二零一八年十二月三十一日止年度，本集團無作出的慈善捐款和其他捐款。

### 附屬公司

本公司截至二零一八年十二月三十一日的主要附屬公司詳情載於綜合財務報表附註38。

### DIRECTORS

The Directors during the reporting period up to the date of this annual report are:

#### Executive Directors

Mr. Wang Junyang (*Chairman*)  
Mr. Chen Wangzhi (*Chief Executive Officer*)  
Mr. Wong Wai Hung Simon (*Vice Chairman*)  
Ms. Wang Aiqin

#### Non-executive Director

Mr. Lv Yubo

#### Independent Non-executive Directors

Mr. Yeung Ming Lai  
Dr. Chen Keji  
Mr. Chan Sing Nun

### SUPERVISORS

The Supervisors during the reporting period and up to the date of this annual report are:

Mr. Chen Shaoming (*Chairman of the Supervisory Committee*)  
Mr. Wang Shaofeng  
Mr. Wang Bingzhi (resigned on 2 October 2018)  
Mr. Yue Chunyang (appointed on 2 October 2018)

### DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 36 to the consolidated financial statements, no transaction, arrangement or contracts of significance to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries, was a party and in which a Director or a Supervisor, or any entity connected with any Director or Supervisor, had a material interest, whether directly or indirectly, subsisted as of 31 December 2018 or at any time during the reporting period.

### CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 36 to the consolidated financial statements, none of the Controlling Shareholders has or had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the business of the Group to which the Company or any of its subsidiaries was a party during the reporting period.

### 董事

於報告期內直至本年報日期的董事如下：

#### 執行董事

王君揚先生 (*主席*)  
陳旺枝先生 (*行政總裁*)  
王偉雄先生 (*副主席*)  
王愛勤女士

#### 非執行董事

呂玉波先生

#### 獨立非執行董事

楊銘灃先生  
陳可冀醫生  
陳星能先生

### 監事

於報告期內直至本年報日期的監事如下：

陳少明先生 (*監事會主席*)  
王少鋒先生  
王炳枝先生 (辭任於二零一八年十月二日)  
岳春陽先生 (委任於二零一八年十月二日)

### 董事及監事於重大交易、安排或合約中的權益

除綜合財務報表附註36所披露者外，概無董事或監事、或任何董事或監事的任何關連實體就本公司或其任何控股公司、附屬公司或同系附屬公司截至二零一八年十二月三十一日或報告期內任何時間存在的任何重大交易、安排或合約直接或間接擁有重大權益。

### 控股股東於重大合約中的權益

除綜合財務報表附註36所披露者外，無控股股東於對本集團業務屬重大(不論提供服務或其他)由本公司或其任何附屬公司於報告期內作為一方訂立的任何重大合約直接或間接擁有重大權益。

# Report of the Board

## 董事會報告

### NON-COMPETITION AGREEMENT

Pursuant to the Non-Competition Agreement, the Controlling Shareholders have undertaken that they will not, and will also procure their respective close associate(s) (as appropriate) (other than the Group) not to, either directly or indirectly, compete with the Group's principal business (which is primarily to provide hospital services) and granted to the Group the option for new business opportunities, option for acquisitions and pre-emptive rights. During the reporting period, the Company did not receive any Offer Notice (as defined under the section headed "Relationship with our Controlling Shareholders" in the Prospectus) from the Controlling Shareholders.

The Company has received confirmations from the Controlling Shareholders confirming their compliance with the Non-Competition Agreement for the year ended 31 December 2018 for disclosure in this annual report. The independent non-executive Directors have also reviewed the Controlling Shareholders' compliance with the Non-Competition Agreement for the year ended 31 December 2018.

### EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' emoluments and the five highest paid individuals are set out in Notes 11 and 12 to the consolidated financial statements.

Mr. Lv Yubo has waived emoluments in acting as a non-executive Director. No other Director has waived or agreed to waive any emoluments during the reporting period.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the reporting period, none of the Directors or their respective associates (as defined under the Hong Kong Listing Rules) had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group.

### PERMITTED INDEMNITY PROVISIONS

The Company has purchased appropriate liability insurance for its Directors and senior management. The permitted indemnity provisions are set out in such liability insurance.

Saved as disclosed above, no permitted indemnity provision was made by the Company during the reporting period and no permitted indemnity provision was in force as at the date of this annual report.

### 不競爭協議

根據不競爭協議，控股股東已承諾彼等將不會並將會促使其緊密聯繫人(如適用)(本集團除外)不會直接或間接與本集團的主要業務(主要是提供醫院服務)競爭，並授予本集團新業務機會的選擇權，收購選擇權及優先購買權。於報告期內，本公司並無從控股股東接獲任何要約通知(定義見招股章程「與我們的控股股東的關係」一節)。

本公司已收到控股股東確認，其於截至二零一八年十二月三十一日止年度遵守不競爭協議的確認書，以供於本年報披露。獨立非執行董事亦已審閱控股股東截至二零一八年十二月三十一日止年度遵守不競爭協議。

### 董事酬金及五位最高薪人士

董事酬金以及五位最高薪人士的詳情載於綜合財務報表附註11及12。

呂玉波先生已放棄擔任非執行董事的酬金。於報告期內，概無其他董事已放棄或同意放棄任何酬金。

### 董事於競爭業務中之權益

於報告期內，概無董事或彼等各自之聯繫人(定義見香港上市規則)從事任何與本集團業務直接或間接構成競爭或可能構成競爭的業務，或於其中擁有任何權益。

### 獲准許之彌償條文

本公司已為董事及高級管理人員購買適當的責任保險。獲准許的彌償條文的規定載於該等責任保險內。

除上述披露外，本公司於本報告期內並無作出任何獲准許的彌償條文，且於本年報日期，概無任何獲准許的彌償條文生效。

## DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As of 31 December 2018, the interests and short positions of the Directors, the Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is keen to taken or deemed to have under such provisions of the SFO), or as recorded in the registered maintained by the Company under section 352 of the SFO, or as notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

## (a) The Company

Name of Director 董事姓名	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class <sup>(5)</sup> 相同類別 股份所佔 概約百分比 <sup>(5)</sup>	Approximate percentage of the Company's total issued share capital <sup>(5)</sup> 佔本公司 已發行股本 概約百分比 <sup>(5)</sup>
Mr. Wang Junyang 王君揚先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(2)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(2)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Mr. Chen Wangzhi 陳旺枝先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(3)</sup> ；配偶的家族權益 <sup>(4)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Ms. Wang Aiqin 王愛勤女士	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(3)</sup> ；配偶的家族權益 <sup>(4)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%

## 董事、監事及最高行政人員於證券之權益

截至二零一八年十二月三十一日，本公司董事、監事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所的權益及淡倉（包括彼等根據證券及期貨條例之該等條文被視為或被當作擁有的權益及淡倉），或須列入由本公司按證券及期貨條例第352條存置之登記冊內，或根據標準守則須知會本公司及香港聯交所的權益及淡倉如下：

## (a) 本公司

# Report of the Board

## 董事會報告

### Notes:

- (1) Pursuant to a concert party agreement, each of Mr. Wang Junyang, Ms. Wang Aici, Mr. Chen Wangzhi and Ms. Wang Aiqin has agreed to jointly control their respective interests in the Company and the decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Therefore, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (2) As of 31 December 2018, Kanghua Group (held as to 97.46% by Mr. Wang Junyang) held 197,500,000 Domestic Shares and Xingye Group (held as to 80% by Mr. Wang Junyang) held 25,000,000 Domestic Shares. As Mr. Wang Junyang controls more than one third of the voting power at the general meeting of each of Kanghua Group and Xingye Group, Mr. Wang Junyang is deemed to be interested in the same number of Shares in which each of Kanghua Group and Xingye Group is interested by virtue of the SFO.
- (3) As of 31 December 2018, Xingda Property (held as to 50% each by Mr. Chen Wangzhi and Ms. Wang Aiqin) held 27,500,000 Domestic Shares. As each of Mr. Chen Wangzhi and Ms. Wang Aiqin controls more than one third of the voting power at the general meeting of Xingda Property, each of Mr. Chen Wangzhi and Ms. Wang Aiqin is deemed to be interested in the same number of Shares in which Xingda Property is interested by virtue of the SFO.
- (4) As Mr. Chen Wangzhi and Ms. Wang Aiqin are husband and wife, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (5) The shareholding percentages are calculated on the basis of 250,000,000 Domestic Shares and 84,394,000 H Shares issued by the Company as of 31 December 2018.

### 附註：

- (1) 根據一項一致行動協議，王君揚先生、王愛慈女士、陳旺枝先生及王愛勤女士均同意共同控制其各自於本公司的權益，而就本集團業務及營運的決定應當作上述人士一致同意。因此，基於證券及期貨條例，上述各方視為於其持有的所有股份擁有權益。
- (2) 截至二零一八年十二月三十一日，康華集團（王君揚先生持有97.46%）持有197,500,000股內資股，而興業集團（王君揚先生持有80%）持有25,000,000股內資股。由於王君揚先生於康華集團及興業集團各自的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，王君揚先生被視為於康華集團及興業集團各自擁有的相同數目股份擁有權益。
- (3) 截至二零一八年十二月三十一日，興達物業（陳旺枝先生及王愛勤女士分別各自持有50%）持有27,500,000股內資股。由於陳旺枝先生及王愛勤女士在興達物業的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，陳旺枝先生及王愛勤女士被視為於興達物業擁有的相同數目股份擁有權益。
- (4) 由於陳旺枝先生及王愛勤女士為夫婦，故基於證券及期貨條例，其均被視為於其所持有的所有股份中擁有權益。
- (5) 持股比例以本公司截至二零一八年十二月三十一日發行的250,000,000股內資股及84,394,000股H股計算。

## (b) Associated corporations of the Company

## (b) 本公司相聯法團

Name of Director 董事姓名	Associated corporation 相聯法團	Nature of interest 權益性質	Approximate percentage interest in the associated corporation 佔相聯法團 權益概約百分比
Mr. Wang Junyang 王君揚先生	Kanghua Group 康華集團	Beneficial owner 實益擁有人	97.46%
Mr. Wang Junyang 王君揚先生	Xingye Group 興業集團	Beneficial owner 實益擁有人	80%
Mr. Chen Wangzhi 陳旺枝先生	Xingda Property 興達物業	Beneficial owner; family interest of spouse 實益擁有人；配偶的家族權益	100%
Ms. Wang Ai Qin 王愛勤女士	Xingda Property 興達物業	Beneficial owner, family interest of spouse 實益擁有人；配偶的家族權益	100%

Save as disclosed above, as of 31 December 2018, to the knowledge of the Board, none of the Directors, the Supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, the Supervisors and chief executives of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，截至二零一八年十二月三十一日，據董事會所知，概無本公司董事、監事及行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例第 XV 部）之股份、相關股份及債權證中擁有 (i) 根據證券及期貨條例第 XV 部第 7 及第 8 分部須知會本公司及香港聯交所的權益及淡倉（包括彼等根據證券及期貨條例之該等條文被視為或被當作擁有的權益及淡倉）；(ii) 須列入由本公司按證券及期貨條例第 352 條存置之登記冊內的權益及淡倉；或 (iii) 根據標準守則須知會本公司及香港聯交所的權益及淡倉。



# Report of the Board

## 董事會報告

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As of 31 December 2018, according to the register kept by the Company pursuant to Section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following person/entity had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or be directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of the Company:

#### (a) Interests in the Shares of the Company

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 概約百分比
Mr. Wang Junyang 王君揚先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(2)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(2)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Ms. Wang Aici 王愛慈女士	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Kanghua Group 康華集團	Domestic Shares 內資股	Beneficial owner 實益擁有人	197,500,000 (Long position) (好倉)	79%	59.06%
Xingye Group 興業集團	Domestic Shares 內資股	Beneficial owner 實益擁有人	25,000,000 (Long position) (好倉)	10%	7.48%
Mr. Chen Wangzhi 陳旺枝先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(3)</sup> ；配偶的家族權益 <sup>(4)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%

### 主要股東的權益

截至二零一八年十二月三十一日，按照本公司根據證券及期貨條例第336條存置的登記冊，及據目前為止已知或可經向董事作出合理查詢後確定，以下人士／實體於股份或相關股份中擁有權益或淡倉根據證券及期貨條例第XV部第2及3分部之條文須向本公司及香港聯交所披露，或直接或間接擁有於本公司股東大會上在任何情況下有權投票的任何類別股本中面值5%或以上的權益：

#### (a) 於本公司股份的權益

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 概約百分比
Ms. Wang Aiqin 王愛勤女士	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(3)</sup> ；配偶的家族權益 <sup>(4)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Xingda Property 興達物業	Domestic Shares 內資股	Beneficial owner 實益擁有人	27,500,000 (Long position) (好倉)	11%	8.22%
Mr. Xie Zhikun ("Mr. Xie") 解直錕先生(「解先生」)	H Shares H股	Interest in a controlled corporation <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	20,055,800 (Long position) (好倉)	23.76%	6.00%
Zhonghai Chengfeng (Beijing) Asset Management Co., Ltd. ("Zhonghai Chengfeng") 中海晟豐(北京)資本管理 有限公司(「中海晟豐」)	H Shares H股	Interest in a controlled corporation <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	20,055,800 (Long position) (好倉)	23.76%	6.00%
Zhonghai Chengrong (Beijing) Asset Management Co., Ltd. ("Zhonghai Chengrong") 中海晟融(北京)資本管理 有限公司(「中海晟融」)	H Shares H股	Interest in a controlled corporation <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	20,055,800 (Long position) (好倉)	23.76%	6.00%
Zhongzhi Investment Management Co., Ltd. ("Zhongzhi Investment") 中植投資管理有限公司 (「中植投資」)	H Shares H股	Interest in a controlled corporation <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	20,055,800 (Long position) (好倉)	23.76%	6.00%

# Report of the Board

## 董事會報告

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 概約百分比
Huzhou Zhongze Taifu Investment Co., Ltd. ("Huzhou Zhongze") 湖州中澤泰富投資有限公司(「湖州中澤」)	H Shares H股	Interest in a controlled corporation <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	20,055,800 (Long position) (好倉)	23.76%	6.00%
Huzhou Feipeng Capital Management Co., Ltd. ("Huzhou Feipeng") 湖州飛鵬資本管理有限公司(「湖州飛鵬」)	H Shares H股	Beneficial owner 實益擁有人	20,055,800 (Long position) (好倉)	23.76%	6.00%
New China Asset Management (Hong Kong) Limited 新華資產管理(香港)有限公司	H Shares H股	Investment manager 投資經理	8,689,000 (Long position) (好倉)	10.30%	2.60%
Lin Lijun ("Mr. Lin") 林利軍(「林先生」)	H Shares H股	Interest in a controlled corporation <sup>(6)</sup> 於受控制法團的權益 <sup>(6)</sup>	11,146,200 (Long position) (好倉)	13.21%	3.33%
LVC Assets Management Limited	H Shares H股	Interest in a controlled corporation <sup>(6)</sup> 於受控制法團的權益 <sup>(6)</sup>	11,146,200 (Long position) (好倉)	13.21%	3.33%
LVC KH Investment L.P.	H Shares H股	Beneficial owner 實益擁有人	11,146,200 (Long position) (好倉)	13.21%	3.33%
Haitian (HK) Holdings Limited (formerly named as "Haitian (HK) Financial Development Limited") 海天(香港)控股有限公司(前命名為「海天(香港)金融發展有限公司」)	H Shares H股	Beneficial owner 實益擁有人	5,052,600 (Long position) (好倉)	5.98%	1.51%
Zhan Yongxiang 詹永祥	H Shares H股	Beneficial owner 實益擁有人	5,021,966 (Long position) (好倉)	5.95%	1.50%
Mr. Wang Mingsong ("Mr. Wang Mingsong") 王明松先生(「王明松先生」)	H Shares H股	Interest in a controlled corporation <sup>(7)</sup> 於受控制法團的權益 <sup>(7)</sup>	4,880,000 (Long position) (好倉)	5.78%	1.46%

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 概約百分比
Bo An Investments Pte, Ltd. ("Bo An Investments") 博安投資私人有限公司 〔博安投資〕	H Shares H股	Interest in a controlled corporation <sup>(7)</sup> 於受控制法團的權益 <sup>(7)</sup>	4,880,000 (Long position) (好倉)	5.78%	1.46%
Huaxia International Company Limited ("Huaxia International") 華夏國際有限公司 〔華夏國際〕	H Shares H股	Beneficial owner 實益擁有人	4,880,000 (Long position) (好倉)	5.78%	1.46%

## Notes:

- (1) Pursuant to a concert party agreement, each of Mr. Wang Junyang, Ms. Wang Aici, Mr. Chen Wangzhi and Ms. Wang Aiqin has agreed to jointly control their respective interests in the Company and the decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Therefore, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (2) Mr. Wang Junyang holds 97.46% and 80% in Kanghua Group and Xingye Group, respectively. As Mr. Wang Junyang controls more than one third of the voting power at the general meeting of each of Kanghua Group and Xingye Group, Mr. Wang Junyang is deemed to be interested in the same number of Shares in which each of Kanghua Group and Xingye Group is interested by virtue of the SFO.
- (3) Each of Mr. Chen Wangzhi and Ms. Wang Aiqin holds 50% in Xingda Property. As each of Mr. Chen Wangzhi and Ms. Wang Aiqin controls more than one third of the voting power at the general meeting of Xingda Property, each of Mr. Chen Wangzhi and Ms. Wang Aiqin is deemed to be interested in the same number of Shares in which Xingda Property is interested by virtue of the SFO.
- (4) As Mr. Chen Wangzhi and Ms. Wang Aiqin are husband and wife, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (5) Mr. Xie holds 99.80% in Zhonghai Chengfeng, which in turn holds 100% in Zhonghai Chengrong, which in turn holds 100% in Zhongzhi Investment, which in turn holds 100% in Huzhou Zhongze, which in turn holds 100% in Huzhou Feipeng. Each of Mr. Xie, Zhonghai Chengfeng, Zhonghai Chengrong, Zhongzhi Investment and Huzhou Zhongze is deemed to be interested in the same number of Shares in which Huzhou Feipeng is interested by virtue of the SFO.

## 附註：

- (1) 根據一項一致行動協議，王君揚先生、王愛慈女士、陳旺枝先生及王愛勤女士均同意共同控制其各自於本公司的權益，而就本集團業務及營運的決定應當作上述人士一致同意。因此，基於證券及期貨條例，上述各方視為於其持有的所有股份擁有權益。
- (2) 王君揚先生分別持有康華集團和興業集團97.46%及80%。由於王君揚先生於康華集團及興業集團各自的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，王君揚先生被視為於康華集團及興業集團各自擁有的相同數目股份擁有權益。
- (3) 陳旺枝先生及王愛勤女士各自持有興達物業50%的股份。由於陳旺枝先生及王愛勤女士在興達物業的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，陳旺枝先生及王愛勤女士被視為於興達物業擁有的相同數目股份擁有權益。
- (4) 由於陳旺枝先生及王愛勤女士為夫婦，故基於證券及期貨條例，其均被視為於其所持有的所有股份中擁有權益。
- (5) 解先生持有中海晟豐99.80%，而中海晟豐持有中海晟融100%，而中海晟融持有中植投資100%，而中植投資持有湖州中澤100%，而湖州中澤持有湖州飛鵬100%。基於證券及期貨條例，解先生、中海晟豐、中海晟融、中植投資、湖州中澤視為於湖州飛鵬擁有的相同數目股份擁有權益。

# Report of the Board

## 董事會報告

(6) Mr. Lin holds 100% in LVC Assets Management Limited, which in turns holds 100% in LVC KH Investment L.P. Each of Mr. Lin and LVC Assets Management Limited is deemed to be interested in the same number of Shares in which LVC KH Investment L.P. is interested by virtue of SFO.

(7) Mr. Wang Mingsong holds 100% in Bo An Investments, which in turns holds 100% in Huaxia International. Each of Mr. Wang Mingsong and Bo An Investments is deemed to be interested in the same number of Shares in which Huaxia International is interested by virtue of the SFO.

(6) 林先生持有LVC Assets Management Limited 100%，而LVC Assets Management Limited 持有LVC KH Investment L.P. 100%。基於證券及期貨條例，林先生及LVC Assets Management Limited 各自被視為於LVC KH Investment L.P. 擁有的相同數目股份擁有權益。

(7) 王明松先生持有博安投資100%，而博安投資持有華夏國際100%。基於證券及期貨條例，王明松先生及博安投資各自於華夏國際擁有的相同數目股份擁有權益。

### (b) Substantial shareholders of other members of the Group

Name of shareholder 股東姓名／名稱	Name of member of the Group 本集團成員公司名稱	Nature of interest 權益性質	Approximate percentage interest held by the substantial shareholder 主要股東持有 權益概約百分比
Kangdi Enterprise <sup>(1)(2)</sup> 康帝實業 <sup>(1)(2)</sup>	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	15%
Ms. Zhang Dandan <sup>(1)(3)</sup> 張丹丹女士 <sup>(1)(3)</sup>	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	15%
Ms. Wang Aier <sup>(1)(4)</sup> 王愛兒女士 <sup>(1)(4)</sup>	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	13%

#### Notes:

- (1) Pursuant to an entrusted management agreement, each of Kangdi Enterprise, Ms. Zhang Dandan and Ms. Wang Aier irrevocably vested their entire voting power at any general meeting of Renkang Hospital to the Company.
- (2) Kangdi Enterprise is held as to 50% by Mr. Wang Zhengren and as to 50% by Ms. Wang Keying, all of whom are members of the Wang Family and cousins of Mr. Wang Junyang.
- (3) Ms. Zhang Dandan is a member of the Wang Family and aunt-in-law of Mr. Wang Junyang.
- (4) Ms. Wang Aier is a member of the Wang Family and aunt of Mr. Wang Junyang.

### (b) 本集團其他成員公司的主要股東

Name of shareholder 股東姓名／名稱	Name of member of the Group 本集團成員公司名稱	Nature of interest 權益性質	Approximate percentage interest held by the substantial shareholder 主要股東持有 權益概約百分比
Kangdi Enterprise <sup>(1)(2)</sup> 康帝實業 <sup>(1)(2)</sup>	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	15%
Ms. Zhang Dandan <sup>(1)(3)</sup> 張丹丹女士 <sup>(1)(3)</sup>	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	15%
Ms. Wang Aier <sup>(1)(4)</sup> 王愛兒女士 <sup>(1)(4)</sup>	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	13%

#### 附註：

- (1) 根據委託管理協議，康帝實業、張丹丹女士及王愛兒女士各自均不可撤回地將其於仁康醫院任何股東大會的全部投票權歸屬於本公司。
- (2) 王正仁先生及王可瑩女士各自於康帝實業持有50%股權，其全部為王氏家族的成員及王君揚先生的表親。
- (3) 張丹丹女士是王氏家族成員及王君揚先生的姨母。
- (4) 王愛兒女士是王氏家族成員及王君揚先生的姑母。

Save as disclosed above, as of 31 December 2018, to the knowledge of the Directors, no other person had, or were deemed or taken to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the registry kept by the Company pursuant to Section 336 of the SFO.

除上文所披露者外，截至二零一八年十二月三十一日，據董事所知，概無其他人士於股份或相關股份中擁有權益或淡倉根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或記錄在本公司根據證券及期貨條例第336條存置的登記冊內。

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the reporting period.

## DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

At no time during the reporting period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, the Supervisors or chief executives of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

## CONNECTED TRANSACTIONS

During the year ended 31 December 2018, the Company had complied with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules with respect to connected transactions and continuing connected transactions. Details of the Group's non-exempt connected transactions are set out below:

## Continuing Connected Transactions

Continuing connected transaction under 以下各方進行的 持續關連交易	Connected person 關連方	Nature of the connected person's interest in the transaction 在交易中的關連方權益的性質	Annual cap for the year ended 31 December 2018 (RMB million) (Note) 截至二零一八年十二月三十一日止年度的年度上限 (人民幣百萬元) (附註)	Actual transaction value for the year ended 31 December 2018 (RMB million) 截至二零一八年十二月三十一日止年度的實際交易價值 (人民幣百萬元)
The Kanghua Hospital Lease Agreement 康華醫院租賃協議	Kanghua Group 康華集團	The land and buildings under the lease are owned by Kanghua Group and leased to Kanghua Hospital 由康華集團以租賃形式擁有及租予康華醫院的土地和建築物	26.0	25.1
The Renkang Hospital Lease Agreement 仁康醫院租賃協議	Tongli Enterprise 同力實業	The land and buildings under the lease are owned by Tongli Enterprise and leased to Renkang Hospital 由同力實業以租賃形式擁有及租予仁康醫院的土地和建築物	3.7	3.6

*Note:* The renewal of annual caps under each of the Kanghua Hospital Lease Agreement and the Renkang Hospital Lease Agreement for the three years ending 31 December 2021 is set out in the announcement of the Company dated 19 December 2018.

## 管理層合約

本公司並無訂立有關管理及執行本公司業務的全部或任何重大部份的合約或於報告期間存在該等合約。

## 董事及監事收購股份或債務證券的權利

於報告期內任何時間本公司或其任何附屬公司概無作為一方，與董事、監事或本公司最高行政人員（包括彼等各自之配偶或未滿18歲之子女）訂立任何安排，可藉收購本公司或任何其他法人團體的股份或債券而獲益。

## 關連交易

截至二零一八年十二月三十一日止年度，本公司已符合香港上市規則第14A章就關連方交易及持續關連方交易之適用要求。本集團的非豁免關連方交易詳情如下：

## 持續關連交易

Annual cap for the year ended 31 December 2018 (RMB million) (Note) 截至二零一八年十二月三十一日止年度的年度上限 (人民幣百萬元) (附註)	Actual transaction value for the year ended 31 December 2018 (RMB million) 截至二零一八年十二月三十一日止年度的實際交易價值 (人民幣百萬元)
26.0	25.1
3.7	3.6

*附註：*重續康華醫院租賃協議及仁康醫院租賃協議各項下截至二零二一年十二月三十一日止三年的年度上限載於本公司日期為二零一八年十二月十九日的公告。

# Report of the Board

## 董事會報告

### *The Kanghua Hospital Lease Agreement*

On 10 April 2016, Kanghua Hospital (a wholly-owned subsidiary of the Company), entered into the Kanghua Hospital Lease Agreement with Kanghua Group in relation to the lease of land and buildings underlying Kanghua Hospital from Kanghua Group for a term of 10 years commencing from 1 January 2016 to 31 December 2025.

#### *Rent*

The rent payable under the Kanghua Hospital Lease Agreement is determined with reference to (i) the actual GFA used by Kanghua Hospital during the year (which shall not be less than 254,896.14 sq.m.); and (ii) the monthly rental per sq.m. For the year ended 31 December 2018, the actual GFA used by Kanghua Hospital was 282,985.45 sq.m. and the monthly rental per sq.m. was RMB7.44.

### *The Renkang Hospital Lease Agreement*

On 10 April 2016, Renkang Hospital (a 57%-owned subsidiary of the Company), entered into the Renkang Hospital Lease Agreement with Tongli Enterprise in relation to the lease of land and buildings underlying Renkang Hospital from Tongli Enterprise for a term of 10 years commencing from 1 January 2016 to 31 December 2025.

#### *Rent*

The rent payable under the Renkang Hospital Lease Agreement is determined with reference to (i) the actual GFA used by Renkang Hospital during the year (which shall not be less than 73,265.62 sq.m.); and (ii) the monthly rental per sq.m. For the year ended 31 December 2018, the actual GFA used by Renkang Hospital was 73,265.62 sq.m. and the monthly rental per sq.m. was RMB4.12.

### *康華醫院租賃協議*

於二零一六年四月十日，康華醫院（本公司的全資附屬公司）與康華集團就有關向康華集團租賃康華醫院相關的土地及建築物訂立康華醫院租賃協議，由二零一六年一月一日至二零二五年十二月三十一日，為期十年。

#### *租金*

根據康華醫院租賃協議應付的租金是參照(i)康華醫院於年內實際使用的建築面積（不得少於254,896.14平方米）；及(ii)每平方米每月租金釐定。截至二零一八年十二月三十一日止年度，康華醫院實際使用的建築面積為282,985.45平方米，而每平方米租金為人民幣7.44元。

### *仁康醫院租賃協議*

於二零一六年四月十日，仁康醫院（本公司擁有57%股權的附屬公司）與同力實業就有關向同力實業租賃仁康醫院相關的土地及建築物訂立仁康醫院租賃協議，由二零一六年一月一日至二零二五年十二月三十一日，為期十年。

#### *租金*

根據仁康醫院租賃協議應付的租金是參照(i)仁康醫院於年內實際使用的建築面積（不得少於73,265.62平方米）；及(ii)每平方米每月租金釐定。截至二零一八年十二月三十一日止年度，仁康醫院實際使用的建築面積為73,265.62平方米，而每平方米租金為人民幣4.12元。

### Review by and confirmation of independent non-executive Directors of the Company

The independent non-executive Directors have reviewed the above continuing connected transactions, and after due and careful enquiry with the management of the Group, confirmed that such transactions were:

- (i) carried out in the ordinary and usual course of business of the Group;
- (ii) made on normal commercial terms or better; and
- (iii) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable, and in the interests of the Shareholders as a whole.

The independent non-executive Directors are satisfied that they have received and reviewed sufficient information to give the confirmations above.

### Confirmation of the auditor

As to the requirement set forth in Rule 14A.56 of the Hong Kong Listing Rules, the auditor of the Company has written to the Board to confirm that it has not been aware of any matter which leads it to believe the aforesaid continued connected transactions:

- (i) have not been approved by the Board;
- (ii) are not carried out in accordance with the related transaction agreement in any material respects; and
- (iii) exceed the annual cap.

Details of the related party transactions of the Group are set out in Note 36 to the consolidated financial statements.

Apart from disclosed in this annual report, none of the related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules, which are subject to announcement or independent shareholders' approval requirements.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the reporting period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## EQUITY-LINKED AGREEMENT

The Company had not entered into any equity-linked agreement during the reporting period, nor did any equity-linked agreement subsist at the end of the reporting period.

### 本公司獨立非執行董事的審閱和確認

獨立非執行董事已審閱上述持續關連交易，並經本集團管理層審慎仔細查詢後，確認該等交易為：

- (i) 在本集團之日常業務過程中進行；
- (ii) 按正常商業條款或更佳條款訂立；及
- (iii) 按照相關交易協議的條款進行，屬公平合理，並符合股東的整體利益。

獨立非執行董事信納已獲得及審閱足夠資料作出上述確認。

### 核數師的確認

誠如香港上市規則第14A.56條所載的規定，本公司核數師已向董事會書面確認，其並未知悉導致其相信上述持續關連交易出現以下情況的事項：

- (i) 尚未獲得董事會批准；
- (ii) 在任何重大方面不按照相關交易協議進行；及
- (iii) 超過年度上限。

本集團關聯方交易的詳情載於綜合財務報表附註36。

除本年報所披露者外，根據香港上市規則第14A章，概無關聯方交易構成關連交易或持續關連交易，受公告或獨立股東批准所規限。

## 購回、出售或贖回上市證券

於報告期內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

## 股票掛鈎協議

本公司於本報告期內未達成股權掛鈎協議，於報告期末尚未有任何股權掛鈎協議。



# Report of the Board

## 董事會報告

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the PRC Company Law which oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

### BANK BORROWINGS

As at 31 December 2018 the Group had no bank borrowing.

### CASH MANAGEMENT

As part of the cash management policy to manage excess cash, the Group had invested in certain financial product issued by a PRC commercial bank to achieve higher interest income without interfering with its business operations or capital expenditures during the reporting period.

The Group carefully balances its needs for interest income and the risks associated with financial products by investing in simple financial products issued by reputable financial institutions. The Company's senior management, including its chief executive officer and chief financial officer, is involved in these investment decisions. The Company's senior management periodically reviews investment strategies and investment portfolios to ensure they achieve the Group's cash management objectives. Before making a proposal to invest in financial products, the head of the finance department of the relevant hospital or Group company must assess the cash flow and operational needs and capital expenditures of such hospital or company. If the cash flow exceeds its operational needs and an appropriate low-risk investment opportunity is available, the head of the relevant finance department will submit the investment proposal to the Company's senior management for approval. Regardless of investment size, a proposal to invest in any investment products must first be reviewed and approved by the Company's chief financial officer, who is also responsible for reviewing the relevant documentation and negotiation with the counterparty. After the chief financial officer approves the proposal, it must also be approved by (i) the chief executive officer, if the investment amount exceeds RMB10 million; or (ii) the executive Directors and the independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under the Hong Kong Listing Rules, if the investment amount exceeds RMB100 million.

In assessing a proposal to invest in a financial product, a number of criteria must be met, including:

- the term of the financial product should generally not exceed one year;
- the proposed investment must not interfere with our business operations or capital expenditures;
- the financial product must be issued by a reputable bank with which we have a long-term relationship, preferably exceed five years; and
- the investment portfolio of the financial product should generally bear low risk.

### 優先購買權

中國公司法或章程並無載有優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

### 銀行借款

本集團截至二零一八年十二月三十一日並沒有銀行借款。

### 現金管理

本集團已投資由一間中國商業銀行發行的若干金融產品，以此作為管理超額現金的現金管理政策的一部分，以便於報告期在不干擾其業務運作或資本支出的情況，取得較高的利息收入。

本集團憑藉投資於由信譽卓著的金融產品機構發行的簡單金融產品，謹慎地平衡對利息收入的需求以及與金融產品有關的風險。本集團的高級管理層（包括行政總裁及首席財務官）參與該等投資決定。高級管理層定期檢討投資策略及投資組合，以保管實現本集團的現金管理目標。提出於金融產品的投資建議前，相關醫院或集團公司的財務部門主管必須評估該醫院或公司的現金流量及營運需求以及資本開支。倘若現金流量超過其營運需求，且可獲得適當的低風險投資機會，相關財務部門的主管會提交投資建議予高級管理層批准。無論投資規模如何，於任何投資產品的投資建議必須首先經本集團的首席財務官審閱及批准。本集團的首席財務官亦負責審閱相關文件及與交易對手方進行磋商。首席財務官批准建議之後，該建議亦必須由(i)本集團的行政總裁（倘若投資金額超過人民幣10百萬元）；或(ii)具有上市規則規定的適當專業資格或會計或相關財務管理專長的執行董事及獨立非執行董事（倘若投資金額超過人民幣100百萬元）批准。

評估於金融產品的投資建議時，必須符合多項標準，其中包括：

- 金融產品的期限一般不超過一年；
- 建議投資不得干擾我們的業務營運或資本開支；
- 金融產品必須由我們與之擁有長期關係（最好超過五年）的聲譽卓著的銀行發行；及
- 金融產品的投資組合一般應具有低風險。

### CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. The Board is of the opinion that the Company has complied with the applicable code provisions under the CG Code throughout the reporting period. Principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 60 to 92 of this annual report.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best of the Directors' knowledge, as at the date of this annual report, the Company had maintained the public float of the issued Shares as required under the Hong Kong Listing Rules.

### CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE HONG KONG LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Hong Kong Listing Rules.

### CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM

The register of members of the Company will be closed from 13 May 2019 to 12 June 2019, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H 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 4:30pm on 10 May 2019.

For determining the entitlement to the Proposed Final Dividend

The register of members of the Company will be closed from 19 June 2019 to 21 June 2019, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for receiving the Proposed Final Dividend (subject to the approval by the Shareholders at the AGM), all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H 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 4:30pm on 18 June 2019.

### 企業管治

本公司致力於維持高水平的企業管治常規。董事會認為，本公司於報告期內已遵守企業管治守則之適用守則條文。本公司採納的主要企業管治常規載於在本年報第60至92頁「企業管治報告」一節。

### 足夠的公眾持股量

根據本公司公開可獲得的資料及據董事會所深知，於本年報日期，本公司按照香港上市規則所規定維持本公司已發行股份的公眾持股量。

### 根據香港上市規則持續披露責任

本公司並無香港上市規則第13.20、13.21及13.22條項下的任何其他披露責任。

### 暫停辦理股份過戶登記

為確定出席股東週年大會及於會上投票之權利

本公司將於二零一九年五月十三日至二零一九年六月十二日（包括首尾兩天）暫停辦理股份過戶登記，期間不會辦理股份過戶登記手續。為確定股東享有出席股東週年大會及於會上投票之權利，所有股份過戶文件連同相關股票必須於二零一九年五月十日下午四時三十分前交回本公司之H股股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

為確定建議末期股息之權利

本公司將於二零一九年六月十九日至二零一九年六月二十一日（包括首尾兩天）暫停辦理股份過戶登記，期間不會辦理股份過戶登記手續。為確定符合收取建議末期股息（須待股東於股東週年大會上批准）的資格，所有股份過戶文件連同相關股票必須於二零一九年六月十八日下午四時三十分前交回本公司之H股股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

# Report of the Board

## 董事會報告

### IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there are no important events after the reporting period and up to the date of this annual report.

### AUDITOR

The Company has appointed Deloitte Touche Tohmatsu as its auditor for the year ended 31 December 2018. A resolution will be proposed for approval by the Shareholders at the AGM to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company.

For and on behalf of the Board

Wang Junyang  
*Chairman*

Dongguan, the PRC  
28 March 2019

### 報告期後的重要事項

除上文所述者外，從報告期後截至本年報日期期間並沒有發生重要事項。

### 核數師

截至二零一八年十二月三十一日止年度，本公司已委任德勤•關黃陳方會計師行為本公司的核數師。本公司將於應屆股東週年大會上提呈一項決議案供股東批准，以續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

王君揚  
*主席*

中國，東莞  
二零一九年三月二十八日

# Report of the Supervisory Committee

## 監事會報告

To the Shareholders:

The Supervisory Committee, in compliance with the relevant laws and regulations and the Articles, has conducted its work in accordance with the fiduciary principle, and has taken up an active role to work seriously and with diligence to protect the interests of the Company and the Shareholders.

During the reporting period, the Supervisory Committee had reviewed cautiously the operation and development plans of the Company and provided reasonable suggestions and opinions to the Board. It also strictly and effectively monitored and supervised the Company's management in making significant policies and decisions to ensure that they were in compliance with the laws and regulations of the PRC and the Articles, and in the interests of the Shareholders.

We have reviewed and agreed to the Report of the Board, audited consolidated financial statements and the Proposed Final Dividend proposed by the Board for presentation at the AGM. We are of the opinion that the Directors and the chief executives and other senior management of the Company are able to strictly observe their fiduciary duties, to act diligently, to exercise their authority faithfully in the best interests of the Company and to work in accordance with the Articles. We are witnessing better operations and internal controls.

Up to the date of approval of this report, none of the Directors and chief executives and senior management members of the Company had been found to have abused their authority, damaged the interests of the Company or infringed upon the interests of the Shareholders. None of them was found to be in breach of any laws and regulations or the Articles. The Supervisory Committee is satisfied with the achievement and cost effectiveness of the Company during the reporting period and has great confidence in the future prospects of the Company.

For and on behalf of the Supervisory Committee

Chen Shaoming  
*Chairman*

Dongguan, the PRC  
28 March 2019

致股東：

監事會按照有關法律和法規及章程的規定，按照誠信原則開展工作，發揮積極作用，認真履行職責，保護本公司及股東的權益。

於報告期內，監事會審慎地審閱本公司的經營及發展規劃，並向董事會提供合理的建議和意見，另嚴格及有效地監控和監督本公司的管理層制定重大政策和決定，確保其符合中國的法律和法規及章程，並符合股東的利益。

我們已審閱並同意董事會於股東週年大會上提呈的董事會報告、經審核的財務報表及建議末期股息。我們認為，本公司董事、行政總裁及其他高級管理層能夠嚴格遵守誠信責任，認真履行職責，按照符合本公司的最佳利益忠誠地行使其授權，及按照章程辦事。我們正在目睹更好的運作和內部控制。

截至本報告批准之日，本公司董事、行政總裁及高級管理層成員均未被發現濫用其授權，損害本公司的利益或侵害股東的權利。概無發現上述人士違反任何法律及法規或章程。監事會對於報告期內本公司的成就和成本效益感到滿意，對本公司的未來前景充滿信心。

代表監事會

陳少明  
*主席*

中國，東莞  
二零一九年三月二十八日

# Corporate Governance Report

## 企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2018. The Board is of the opinion that the Company has complied with the applicable code provisions under the CG Code throughout the year ended 31 December 2018.

The Board is committed to promote good corporate governance to safeguard the interests of the Shareholders and believes that maintaining a high standard of corporate governance is essential to the success of the Company and would provide a practice enhancing greater accountability and transparency and meeting the expectations of the Group's stakeholders. The Company will continue to review and enhance its corporate governance to ensure that it will continue to meet the applicable requirements of the CG Code.

### THE BOARD

#### Board Composition

The Board currently comprises eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors.

#### Executive Directors

Mr. Wang Junyang (*Chairman*)  
Mr. Chen Wangzhi (*Chief Executive Officer*)  
Mr. Wong Wai Hung Simon (*Vice Chairman*)  
Ms. Wang Aiqin

#### Non-executive Director

Mr. Lv Yubo

#### Independent Non-executive Directors

Mr. Yeung Ming Lai  
Dr. Chen Keji  
Mr. Chan Sing Nun

The brief biographical details of the Directors are set out in the section headed "Directors, Supervisors and Senior Management" on pages 113 to 123 of this annual report. The overall management and supervision of the Company's operation and the function of formulating overall business strategies were vested in the Board.

During the reporting period and up to the date of this annual report, the Board has met the requirements of Rules 3.10 and 3.10A of the Hong Kong Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and the requirement that the independent non-executive Directors represent at least one-third of the Board.

董事會欣然提呈截至二零一八年十二月三十一日止年度的企業管治報告。董事會認為，本公司於截至二零一八年十二月三十一日止年度已遵守企業管治守則項下的適用守則條文。

董事會致力推動良好的企業管治，以保障股東的利益，亦相信維持高水平的企業管治乃本公司的成功要素，有助建立高度問責及透明的常規，以達致本集團各利益相關者的期望。公司將繼續審閱及提升其企業管治，確保其繼續符合企業管治守則的適用規定。

### 董事會

#### 董事會組成

董事會目前由八名董事組成，其中包括四名為執行董事、一名為非執行董事及三名為獨立非執行董事。

#### 執行董事

王君揚先生 (*主席*)  
陳旺枝先生 (*行政總裁*)  
王偉雄先生 (*副主席*)  
王愛勤女士

#### 非執行董事

呂玉波先生

#### 獨立非執行董事

楊銘灃先生  
陳可冀醫生  
陳星能先生

董事履歷簡介詳情載於本年報第113至123頁「董事、監事及高級管理層」一節。董事會獲賦予本公司營運的整體管理和監督以及制定整體業務策略的功能。

於報告期內及直至本年報刊發日期，董事會已符合香港上市規則第3.10及3.10A條規定的規定，即有關委任至少三名獨立非執行董事中至少有一名獨立非執行董事擁有適當專業資格或會計或相關財務管理專長，以及獨立非執行董事至少佔董事會三分之一的規定。

The Company has received annual confirmation on independence from each independent non-executive Director pursuant to the requirements under the Hong Kong Listing Rules. The Company considers that each independent non-executive Director is independent in accordance with the independence guidelines as set out in Rule 3.13 of the Hong Kong Listing Rules.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Nomination Committee and the Remuneration Committee.

The CG Code requires the Directors to disclose to the Company the number and nature of offices held in public companies or organizations and other significant commitments as well as their identities and the time involved. The Directors have agreed to disclose to the Company their other commitments in a timely manner.

### CHAIRMAN AND CHIEF EXECUTIVE

Mr. Wang Junyang is an executive Director and the chairman of the Board. Mr. Chen Wangzhi is an executive Director and the chief executive officer of the Company. Mr. Wong Wai Hang Ricky is a senior management member and the chief financial officer of the Company. The three of them have separate roles.

#### Relationship between Directors and Chief Executives

Certain Directors and the chief executive officer of the Company are members of the Wang Family. Please refer to the section headed "Directors, Supervisors and Senior Management" on pages 113 to 123 of this annual report for details.

### ROLE AND FUNCTION OF AND DELEGATION BY THE BOARD

The Board is responsible for and has general powers for the management and conduct of the business of the Company. It delegates day-to-day management of the Company to the executive Directors and the senior management of the Company within the control and the authority framework set by the Board. The delegated functions and responsibilities are periodically reviewed by the Board.

The Board reserves its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, recommendation for appointment of Directors and other significant financial and operational matters. For details, please refer to the Articles.

In addition, the Board has also delegated to the Audit Committee, the Nomination Committee and the Remuneration Committee various responsibilities as set out in their respective terms of reference. Further details of these committees are set out in this corporate governance report.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

本公司已根據香港上市規則的規定，接獲每名獨立非執行董事發出獨立性的年度確認書。本公司認為，每名獨立非執行董事均按照香港上市規則第3.13條所載的獨立性指引被視為獨立。

所有董事（包括獨立非執行董事）為董事會帶來廣泛的寶貴業務經驗、知識及專業素養，以實現高效率 and 有效運作。獨立非執行董事獲邀加入審核委員會、提名委員會及薪酬委員會。

企業管治守則規定，董事向本公司披露於上市公司或機構所持職位的數量和性質，以及其他重大承諾，以至其身份及涉及的時間。董事已同意及時向本公司披露他們的其他承諾。

### 主席及行政總裁

王君揚先生為執行董事兼董事會主席。陳旺枝先生為執行董事兼本公司行政總裁。黃偉恒先生為本公司高級管理層成員及首席財務官。三人的角色均獨立分開。

#### 董事與行政總裁之間的關係

本公司若干董事及行政總裁為王氏家族成員。請參閱本年報第113至123頁「董事、監事及高級管理層」一節了解詳情。

### 董事會的角色和職能及轉授

董事會對本公司業務的管理和行為負責並具有一般權力。在董事會制定的控制權限和權限框架內，將本公司日常管理委託給本公司的執行董事和高級管理層。董事會定期審閱轉授的職能和職責。

董事會保留對本公司所有重大事項的決策，包括：審批及監督所有政策事項、總體策略及預算、內部控制和風險管理體系、重大交易（特別是可能涉及利益衝突的事項）、財務資料、任命董事及其他重大財務及營運事項的建議。詳情請參閱章程。

此外，董事會亦向審核委員會、提名委員會和薪酬委員會轉授各自的職權範圍內所載的各項職責。這些委員會的進一步詳情載於本企業管治報告。

所有董事應確保按照適用的法律和法規真誠地履行職務，並始終以本公司及股東的利益為依歸。

# Corporate Governance Report

## 企業管治報告

The Company has arranged appropriate liability insurance to indemnify its Directors in respect of legal actions against them.

### CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

Save as disclosed in this annual report, there has been no change in information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules since the date of the 2018 interim report of the Company.

### INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director shall receive formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Hong Kong Listing Rules and relevant statutory requirements.

Directors will be continuously updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Directors are also encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company update the Directors on the latest developments regarding the Hong Kong Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

During the reporting period, all Directors had participated in continuous professional training to develop and refresh their knowledge and skills in relation to their contribution to the Board.

Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:

- participation in continuous professional training seminars and/or conferences and/or courses and/or workshops on subjects relating to, inter alia, corporate governance, directors' duties and legal and regulatory changes organised and/or arranged by the Company and/or professional bodies and/or lawyers;
- reading materials provided from time to time by the Company to Directors regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties; and
- reading news, journals, magazines and/or other reading materials regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

本公司已安排適當的責任保險，就向董事採取的法律行動彌償董事。

### 董事、監事及行政總裁資料的變更

除本年報所披露者外，自本公司之二零一八年中期報告日期以來，根據香港上市規則第13.51B(1)條，概無資料變更須予披露。

### 入職指導及持續專業發展

每位新委任董事均將在首次獲委任時接受正式、全面及專門為其而設之入職介紹，以確保其對本公司之業務及運作有適當之了解，以及全面知悉在香港上市規則及相關法定規定下董事之責任及義務。

董事將持續獲得有關法律和監管機制以及業務環境的最新消息，以協助彼等履行其職責。本公司亦鼓勵董事參與持續專業發展，以提高及更新彼等的知識及技能。聯席公司秘書不時向董事提供有關香港上市規則及其他適用監管固定之最新資訊，以確保本公司遵守有關規定，及加強董事對良好企業管治常規的意識。

於報告期內，所有董事均已參加了持續性職業培訓，就為董事會作出貢獻提升及更新其知識及技能。

董事透過（其中包括）以下方式不斷發展及更新知識及技能：

- 參與本公司及／或專業機構及／或律師舉辦及／或安排有關（其中包括）企業管治、董事職責及法律與規管變動之持續專業培訓講座及／或研討會及／或課程及／或工作坊；
- 本公司不時向董事提供有關法律及規管變動，以及董事履行其職責之相關事宜之閱讀資料；及
- 閱覽有關法律及規管變動，以及董事履行其職責之相關事宜之新聞、期刊、雜誌及／或其他閱讀資料。

### COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as a code of conduct of the Company for Directors' and Supervisors' securities transactions. Having made specific enquiry of all Directors and Supervisors, the Directors and the Supervisors have complied with the required standard set out in the Model Code during the reporting period. Employees who are, or likely to be, in possession of unpublished inside information in relation to the Company or the Shares are prohibited from dealing in the Shares during the black-out period.

### DIRECTORS' SERVICE CONTRACTS

Each of the Directors entered into a service contract with the Company on 11 October 2016 and renewed on 8 June 2018. According to these service contracts, each Director's term of office (a) three years commencing from the date when their respective appointments were approved by the Shareholders; and (b) subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the Articles and applicable laws, rules or regulations.

None of the Directors or the Supervisors has entered or is proposed to enter into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### BOARD MEETINGS AND GENERAL MEETINGS

The Company has adopted the practice of holding Board meetings for at least four times a year at approximately quarterly intervals pursuant to code provision A.1.1 of the CG Code. Notice of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting pursuant to code provision A.1.3 of the CG Code.

All Directors are provided with agenda and relevant information in advance before a Board meeting. They have access to the senior management and the joint company secretaries of the Company at all times and, upon reasonable request, may seek independent professional advice at the Company's expense.

Minutes of Board meetings are kept by the secretary to the Board with copies circulated to all Directors for information and records. Minutes of Board meetings and committee meetings record sufficient detail of the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of Board Meetings and committee meetings are sent to the Directors for comments within a reasonable time after the date on which a meeting is held. The minutes of the Board meetings are open for inspection by Directors.

### 標準守則的合規

本公司已採納標準守則作為本公司董事和監事進行證券交易的行為守則。經向所有董事及監事作出具體查詢後，在報告期內，已遵守標準守則規定的所需標準。凡已經或可能管有未發佈有關本公司或股份內幕信息的僱員，一概不得於禁止交易期間買賣股份。

### 董事服務合約

每名董事於二零一六年十月十一日均與本公司訂立服務合約並在二零一八年六月八日更新。根據這些服務合約，每名董事的任期為：(a) 由其各自的任命獲股東批准之日起計三年；及 (b) 根據各自的條款終止的情況下。服務合約可按照章程及適用法律、法規或條例予以重續。

概無董事及監事與本公司已訂立或建議訂立任何服務合約，而本公司不可於一年內毋須支付賠償（法定賠償除外）可予終止。

### 董事會會議及股東大會

本公司根據企業管治守則的守則條文第A.1.1條，每年大概以季度計至少召開四次董事會會議。董事會全體會議的通知將不少於十四天向所有董事提供，讓他們有機會按照企業管治守則的守則條文第A.1.3條出席定期會議及把事項納入議程內。

所有董事在董事會會議之前均事先獲提供議程和相關資料。他們隨時可以接觸本公司的高級管理層和聯席公司秘書，並經提出合理要求後，可尋求獨立專業意見，費用由本公司承擔。

董事會公司秘書負責保存董事會會議記錄，副本分發給所有董事傳閱以作參考及記錄。董事會及委員會的會議記錄載列董事會及委員會考慮事項的詳盡細節，包括董事提出的任何疑慮。董事會會議記錄草案在召開會議之日期後一段合理時間內發送董事以供批註。董事會會議記錄可供董事查閱。



# Corporate Governance Report

## 企業管治報告

During the reporting period, the Board convened six meetings. A summary of the attendance record of the Directors is set out in the table below:

於報告期內，董事會召開六次會議。董事出席記錄概要載於下表：

Name of Directors	董事姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2018 於截至二零一八年十二月三十一日止年度期間 出席／可出席會議次數	Attendance rate 出席率
Executive Directors	執行董事		
Mr. Wang Junyang (Chairman)	王君揚先生(主席)	6/6	100%
Mr. Chen Wangzhi (Chief Executive Officer)	陳旺枝先生(行政總裁)	6/6	100%
Mr. Wong Wai Hung Simon (Vice Chairman)	王偉雄先生(副主席)	6/6	100%
Ms. Wang Ai Qin	王愛勤女士	6/6	100%
Non-executive Director	非執行董事		
Mr. Lv Yubo	呂玉波先生	6/6	100%
Independent Non-executive Directors	獨立非執行董事		
Mr. Yeung Ming Lai	楊銘澧先生	6/6	100%
Dr. Chen Keji	陳可冀醫生	6/6	100%
Mr. Chan Sing Nun	陳星能先生	6/6	100%

During the reporting period, the Company convened one annual general meeting on 8 June 2018. All Directors attended the annual general meeting, apart from Ms. Wang Ai Qin, Mr. Lv Yubo and Dr. Chen Keji, who could not attend due to pre-arranged business commitments.

於報告期內，本公司於二零一八年六月八日召開一次股東週年大會。除王愛勤女士、呂玉波先生及陳可冀醫生因已安排好的商業承諾未能出席外，其餘所有董事均出席股東週年大會。

### BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, to handle particular responsibilities of the Board and the Company's affairs. All Board committees of the Company are established with defined written terms of reference that have been uploaded to the respective websites of the Hong Kong Stock Exchange and the Company, and are provided with sufficient resources to discharge their duties.

### 董事會轄下的委員會

董事會下設三個委員會，即審核委員會、提名委員會及薪酬委員會，負責處理董事會及本公司的指定事務。本公司董事會轄下的所有委員會按照既定書面職權範圍（已上載到香港聯交所及本公司各自的網站）設立，並為其提供足夠資源，讓其履行職責。

### AUDIT COMMITTEE

The Company established the Audit Committee in compliance with Rules 3.21 and 3.22 of the Hong Kong Listing Rules with written terms of reference in compliance with the CG Code and the roles and responsibilities delegated to the Audit Committee by the Board. The Audit Committee is primarily responsible for the appointment of external auditor; reviewing the Group's financial information and overseeing the Group's financial reporting system, risk management and internal control procedures; supervising the Company's internal audit system and its implementation; reviewing connected transactions and their compliance with the relevant terms and rules; reviewing the interim and annual results of the Group prior to recommending them to the Board for approval; and other matters that the Board has authorised it to deal with.

### 審核委員會

本公司按照香港上市規則第3.21條及第3.22條的規定設立審核委員會，書面職權範圍符合企業管治守則及董事會轉授審核委員會的角色及職責。審核委員會主要負責委任外部核數師；審閱本集團的財務資料及監督本集團的財務報告制度、風險管理和內部控制程序；監督本公司的內部審核制度及其實施情況；審查關聯交易及其遵守有關條款和法則；於向董事會提呈以供批准前，審閱本集團的中期和年度業績；以及董事會授權其處理的其他事項。

The Audit Committee consists of three independent non-executive Directors, Mr. Chan Sing Nun (chairman of the Audit Committee), Mr. Yeung Ming Lai and Dr. Chen Keji.

審核委員會由三名獨立非執行董事組成，即陳星能先生（審核委員會主席）、楊銘澧先生及陳可冀醫生。

During the reporting period, the Audit Committee held three meetings. A summary of the attendance record of the Audit Committee members is set out in the table below:

於報告期內，審核委員會召開三次會議。審核委員會成員出席記錄概要載於下表：

Name of committee member	委員會成員姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2018 於截至二零一八年十二月三十一日止年度期間 出席／可出席會議次數	Attendance rate 出席率
Mr. Yeung Ming Lai	楊銘澧先生	3/3	100%
Dr. Chen Keji	陳可冀醫生	3/3	100%
Mr. Chan Sing Nun	陳星能先生	3/3	100%

## NOMINATION COMMITTEE

The Company established the Nomination Committee with written terms of reference in compliance with the requirements of the CG Code and the roles and responsibilities delegated to the Nomination Committee by the Board. The Nomination Committee is primarily responsible for preparing the procedures and criteria for determining the candidates for Directors and the senior management of the Company and conducting preliminary review on their qualifications and credentials, including proposing to the Board on its size and composition in accordance with the Company's operating results, assets and shareholding structure; reviewing the procedures and criteria for determining the candidates for Directors and the chief executive officer of the Company and making proposals to the Board; looking for the qualified candidates for Directors and chief executive officer; reviewing and making proposals on the candidates for the Directors and chief executive officer; reviewing and making proposals on the candidates for the other senior management, on which the Board needs to resolve and other matters that the Board has authorized it to deal with.

The Nomination Committee consists of one executive Director, Mr. Wang Junyang (chairman of the Nomination Committee), and two independent non-executive Directors, Mr. Yeung Ming Lai and Dr. Chen Keji.

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy. Please refer to "Board Diversity Policy" on page 67 of this annual report for more details.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

During the reporting period, the Nomination Committee held one meeting. A summary of the attendance record of the Nomination Committee members is set out in the table below:

## 提名委員會

本公司設立提名委員會，書面職權範圍遵照企業管治守則的規定，以及董事會轉授提名委員會的角色和職責。提名委員會主要負責編製本公司董事及高級管理層候選人的輪選程序及準則，並對其資格和資質進行初步審查，包括按照本公司的經營業績、資產及持股架構，向董事會建議其規模及組成；審閱確定董事和本公司行政總裁候選人的輪選程序及準則，並向董事會提出建議；就董事及行政總裁物色合資格候選人；審閱董事及行政總裁候選人並提出建議；審閱董事會需要議決的其他高級管理人員候選人並提出建議，以及董事會授權其處理的其他事項。

提名委員會包括一名執行董事王君揚先生（提名委員會主席）及兩名獨立非執行董事楊銘澧先生及陳可冀醫生組成。

董事會已採納董事會多元化政策，並討論實施該政策的所有可衡量目標。請參閱本年報第67頁的「董事會多元化政策」了解更多詳情。

提名委員會將以下標準評估候選人或現職者，例如誠信、經驗、技能及投入時間及努力執行職責的能力。提名委員會作出推薦供董事會決定。

於報告期內，提名委員會召開一次會議。提名委員會成員出席記錄概要載於下表：

Name of committee member	委員會成員姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2018 於截至二零一八年十二月三十一日止年度期間 出席／可出席會議次數	Attendance rate 出席率
Mr. Wang Junyang	王君揚先生	1/1	100%
Mr. Yeung Ming Lai	楊銘澧先生	1/1	100%
Mr. Chan Sing Nun	陳星能先生	1/1	100%

# Corporate Governance Report

## 企業管治報告

### PROCEDURE FOR NOMINATION OF DIRECTORS

When there is a vacancy in the Board, the Nomination Committee evaluates the balance of skills, knowledge and experience of the Board, and identifies any special requirements for the vacancy. The Nomination Committee will then identify suitable candidates and convene a Nomination Committee meeting to discuss and vote on the nomination of directors and make recommendation to the Board on the candidate(s) for directorship.

### CRITERIA FOR NOMINATION OF DIRECTORS

The Nomination Committee will consider candidates who possess the particular skills, experience and expertise that will best complement the Board effectiveness at that time.

In considering the overall balance of the Board's composition, the Nomination Committee will give due consideration to the board diversity policy of the Company.

### REMUNERATION COMMITTEE

The Company established the Remuneration Committee with written terms of reference in compliance with the CG Code and the roles and the responsibilities delegated to the Remuneration Committee by the Board. The Remuneration Committee is primarily responsible for formulating the criteria for and conducting assessment on the Directors and senior management as well as determining and reviewing the remuneration policies and plans for the Directors and senior management, including formulating remuneration plans and proposals in accordance with the terms of reference of the Directors and senior management and the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies; the remuneration plans and proposals including but not limited to criteria, procedures and main assessment system for performance assessment, main proposals and regulations on award and punishment; reviewing the performance of the Directors and senior management and conducting annual assessment on their performance and results; supervising the implementation of the remuneration policies of the Company and other matters that the Board has authorised it to deal with. The Remuneration Committee has adopted the second model described in paragraph B.1.2(c) under Appendix 14 to the Hong Kong Listing Rules (i.e. make recommendation to the Board on the remuneration packages of individual executive Director and senior management member).

The Remuneration Committee consists of two independent non-executive Directors, Mr. Chan Sing Nun (chairman of the Remuneration Committee), Mr. Yeung Ming Lai, and one executive Director, Ms. Wang Ai Qin.

The primary goal of the Group's remuneration policy is to enable the Directors and senior management to be competitively rewarded having regard to the Group's operating results, roles and responsibilities and individual performance of the directors and senior management and comparable market practices.

Details of the Directors' emoluments and the five highest paid individuals are set out in Notes 11 and 12 to the consolidated financial statements.

### 提名董事程序

當董事會出現空缺時，提名委員會將評估董事會所需技巧、知識及經驗，並識別空缺是否存在任何特殊要求。提名委員會將識別合適人選並召開提名委員會會議，就提名董事進行討論及投票，並向董事會推薦擔任董事的人選。

### 提名董事的標準

提名委員會將考慮具備能夠最佳輔助促進董事會效率的個別技能、經驗及專業知識的人選。

提名委員會於考慮董事會組成的整體平衡時，將適當顧及本公司董事會多元化政策。

### 薪酬委員會

本公司設立薪酬委員會，書面職權範圍遵照企業管治守則的規定，以及董事會轉授薪酬委員會的角色和職責。薪酬委員會主要負責制定董事及高級管理層的評估準則，並釐定和審閱董事及高級管理層的薪酬政策和計劃，包括按照董事及高級管理層的職權範圍、職位重要性及其他類似公司有關職位的薪酬基準制定薪酬計劃及建議；薪酬計劃及建議，包括但不限於績效評估的準則、程序和主要評核制度、獎勵和處罰的主要方案和規定；檢討董事及高級管理層的表現及對其表現及業績進行年度評核；監督本公司薪酬政策的實施情況和董事會授權處理的其他事項。薪酬委員會已採納香港上市規則附錄14第B.1.2(c)段所述的第二個模式（即向董事會提交個別執行董事及高級管理層的薪酬待遇建議）。

薪酬委員會由兩名獨立非執行董事陳星能先生（薪酬委員會主席）、楊明灃先生及一名執行董事王愛勤女士組成。

本集團薪酬政策的主要目標是讓董事及高級管理層在考慮本集團的經營業績、角色和職責以及董事和高級管理人員的個別表現，以至可比市場常規後，能夠給予具競爭力的獎勵。

有關董事酬金及五位最高薪人士的詳情載於綜合財務報表附註11及12。

# Corporate Governance Report

## 企業管治報告

The remuneration of the members of senior management as named in the Prospectus (for the avoidance of doubt, excluding Directors and Supervisors) by band during the reporting period is set out below:

於報告期間，招股章程所提述的高級管理層的成員薪酬（為免生疑，不包括董事及監事）按薪酬範圍劃分如下：

Remuneration band	薪酬範圍	Number of individuals 個體人數
HK\$1 – HK\$500,000	1港元至 500,000 港元	–
HK\$500,001 – HK\$1,000,000	500,001 港元至 1,000,000 港元	5
HK\$1,000,001 – HK\$1,500,000	1,000,001 港元至 1,500,000 港元	2
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1

During the reporting period, the Remuneration Committee held one meeting. A summary of the attendance record of the Remuneration Committee members is set out in the table below:

於報告期內，薪酬委員會召開一次會議。薪酬委員會成員出席記錄概要載於下表：

Name of committee member	委員會成員姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2018 於截至二零一八年十二月三十一日止年度期間 出席／可出席會議次數	Attendance rate 出席率
Ms. Wang Ai qin	王愛勤女士	1/1	100%
Mr. Yeung Ming Lai	楊銘灃先生	1/1	100%
Mr. Chan Sing Nun	陳星能先生	1/1	100%

### BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy, which will form the basis of the Board's considerations in 2019. The Company recognizes and embraces the benefits of having a diverse Board with a view to enhancing its effectiveness and achieving a high standard of corporate governance. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision of all Board appointments should be based on merit and contribution that the selected candidates will bring to the Board.

### 董事會多元化政策

董事會已採納董事會多元化政策，並討論實施該政策的所有可衡量目標，並於二零一九年考慮制定可衡量目標。本公司意識到並擁護具有多元化董事會的利益，旨在高其效用並實現高水平的企業管治。本公司致力確保董事會在技能、經驗和多元化觀點各方面取得平衡，適合本公司業務的需要。候選人的輪選將以一系列多元化觀點為基礎，包括但不限於性別、年齡、文化和教育背景、種族、專業經驗、技能、知識和服務年期。所有董事會任命的最終決定，應以輪選的候選人將為董事會帶來的提供的長處和貢獻為基礎。

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties including but not limited to:

- to review the Company's compliance with the CG Code and disclosure in the corporate governance report;
- to review and monitor the training and continuous professional development of Directors, Supervisors and senior management; and
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements.

### 企業管治職能

董事會負責履行企業管治職責，包括但不限於：

- 審閱本公司在企業管治報告中遵守企業管治守則及資料披露的情況；
- 審閱及監督董事、監事及高級管理層的培訓和持續專業發展；及
- 審閱及監督本公司遵守法律和法規要求的政策及常規。

# Corporate Governance Report

## 企業管治報告

### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements for the year ended 31 December 2018 which give a true and fair view of the affairs of the Company and the Group and of the Group's financial performance and cash flows. The Directors also acknowledge their responsibilities to ensure that the consolidated financial statements of the Group are published in a timely manner.

The management of the Company has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's consolidated financial statements, which are put to the Board for approval. The Company provides all members of the Board with updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement prepared by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 124 to 130 of this annual report.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems of the Group and for reviewing their effectiveness at least annually. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal controls, and the resourcing of the finance and internal audit functions.

Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. The systems and internal control procedures can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Board has in place internal control procedures in ensuring any continuing connected transactions are conducted in compliance with their terms and the applicable requirements under the Hong Kong Listing Rules.

An internal audit function has been established to perform regular financial and operational reviews and recommend necessary actions to the relevant management. The internal audit function is to ensure the risk management and internal control procedures are in place and function properly as intended. The internal audit function also reviews the continuing connected transactions of the Group and the adequacy and effectiveness of the relevant internal control procedures. The results of the internal audit are reported to the Audit Committee. The independent non-executive Directors, in performing their review of the continuing connected transactions of the Group, also take into account the findings of the internal audit function.

### 董事及核數師對就財務報表進行財務報告的責任

董事承認其編製截至二零一八年十二月三十一日止年度之綜合財務報表的責任，據此真實和公平地呈列本公司及本集團的狀況以及本集團的財務表現及現金流量。董事亦承認其負責確保本集團的綜合財務報表及時刊發。

本公司管理層向董事會提供所需解釋及資料，使董事會能夠對向董事會呈批批准本公司的綜合財務報表進行知情評估。本公司向董事會全體成員提供本公司表現、狀況及前景的最新情況。

董事並不知悉有關事件或條件的任何重大不確定因素，可能對本集團持續經營的能力構成重大質疑。

本公司核數師就本公司綜合財務報表的報告責任編製的陳述載於本年報第124至130頁「獨立核數師報告」。

### 風險管理與內部控制

董事會負責本集團的風險管理和內部控制制度，並至少每年審閱其有效性。審核委員會協助董事會履行本集團財務、運作、合規、風險管理和內部控制的監督和企業管治職責，以及財務及內部審核職能的資源。

本公司已設計及設定適當的政策和控制措施，確保資產受到保障，不致於不當使用或處置，依法遵守有關規章制度，依照有關會計準則和監管報告要求存置可靠的財務及會計記錄，而可能對本集團業績造成影響的主要風險已適當地識別出來及予以管理。系統和內部控制程序只能對防止重大錯報或損失提供合理而不是絕對鑒證，因為這些安排僅是旨在控制而不是消除未能實現業務目標的風險。

董事會已制定內部控制程序，確保任何持續關連交易按照香港上市規則的條款及適用規定進行。

本公司已建立內部審計功能，定期進行財務和業務審查，並向有關管理層建議所需的行動。內部審計功能的工作是確保風險管理和內部控制程序到位並按預期正常運行。內部審計功能還對本集團持續關連交易及相關內部控制程序的充分性和有效性進行了檢討。內部審計結果向審核委員會報告。獨立非執行董事對本集團的持續關連交易進行審閱時，亦會考慮到內部審計功能的調查結果。

Clinical risks are particularly relevant to the Group's hospital operations and a key area of the Group's clinical governance. The Group has adopted a three-tier risk management approach to identify, assess, mitigate and handle these risks. At the first line of defence, the hospitals' front-line staff, guided by clearly defined procedures, are responsible for identifying, assessing and monitoring risks associated with day-to-day operations. The hospital managers and executives, as the second line of defence, implement rules and procedures, provide coaching and support, and deal with, and analyse unusual and unexpected fact patterns and outcomes detected or anticipated by their staff. They ensure that risks are within the acceptable range in the ordinary course of business and that the first line of defence is effective. They also continuously benchmark against international best practice and collate lessons learnt from past incidents to identify areas of improvements. As the final line of defence, the Audit Committee and the internal audit function of the Company ensure that the first and second lines of defence are effective through constant inspection, monitoring and making recommendations to improve the relevant processes. On an ongoing basis, each hospital of the Group reviews and assesses the status of potential risks which may impact on its ability to achieve its business objectives and/or those of the Group. This review process includes assessment as to whether the existing system of internal controls continues to remain relevant, adequately addresses potential risks, and/or should be supplemented. The results of these reviews are regularly reported to the senior management and the Board. Such top-down and company-wide risk management system is intended to cover every aspect of the Group's clinical operations.

The Audit Committee was satisfied as to the implementation and effectiveness of the Group's risk management and internal control procedures. There were no matters of material concerns relating to financial, operational or compliance controls. The Board is satisfied with the adequacy of the risk management and internal control procedures of the Group during the reporting period.

In addition to the review of risk management and internal controls undertaken within the Group, the external auditor also assessed the adequacy and effectiveness of certain key risk management and internal controls as part of their statutory audits. Where appropriate, the external auditor's recommendations are adopted and enhancements to the risk management and internal controls will be made.

## DISSEMINATION OF INSIDE INFORMATION

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company:

- (i) is aware of its obligations under the SFO and the Hong Kong Listing Rules and the overriding principle that inside information should be announced immediately if it is the subject of a decision;
- (ii) conducts its affairs with close regard to the applicable laws and regulations;
- (iii) has established a policy and implemented guidelines for monitoring, reporting and disseminating inside information to our shareholders, investors, analysts and media by pursuing broad, non-exclusive distribution of information through channels such as financial reporting, public announcements and its website. These policies and guidelines also identify who are the Company's authorized spokespersons and their responsibilities for communications with stakeholders; and
- (iv) has communicated to all relevant staff regarding the implementation of the policy and relevant trainings are also provided.

臨床風險與本集團的醫院業務和本集團臨床治理的重點領域特別相關。本集團採用三級制風險管理方式，對風險進行識別、評估、減輕和處理。在第一道防線方面，醫院前線員工以清楚介定的程序為指引，負責識別、評估和監測與日常營運有關的風險。作為第二道防線的醫院管理人員和行政人員執行規則和程序，提供指導和支持，及處理和分析工作人員發現或預期的異常和意想不到的事件模式和結果。他們確保風險在日常業務過程中處於可接受的範圍內，第一道防線是有效的。他們還不斷評估國際最佳常規，並整理從過去事件中汲取的教訓，以確定改進範疇。作為最後一道防線，本公司的審核委員會和內部審計功能通過不斷的檢查、監督並提出建議，確保第一道防線和第二道防線的有效性。在持續的基礎上，本集團每家醫院審查和評估潛在風險的狀況，這些風險可能會影響該醫院實現其業務目標的能力和／或本集團的能力。這個審查過程包括評估現有內部控制制度是否繼續保持相關性，充分解決潛在風險和／或應予以補充。這些審查的結果定期向高級管理層及董事會報告。這種自上而下及涵蓋全公司的風險管理制度，旨在讓本集團臨床營運的各個方面均可以得到保障。

審核委員會對本集團風險管理和內部控制程序的實施和有效性感到滿意。概無關於財務、運營或合規控制的重大事項。董事會對報告期內本集團風險管理和內部控制程序的充足性感到滿意。

除審閱本集團內的風險管理和內部控制外，外部核數師還對若干主要風險管理和內部控制的充足性及有效性進行評估，作為其法定審核的一部份。在適當的情況下，本公司採納外部核數師的建議，並對風險管理和內部控制進行改進。

## 內幕消息的發佈

就處理和發佈內幕消息的程序和內部控制，本公司：

- (i) 知悉其根據證券及期貨條例及香港上市規則所承擔的責任，而當中最重要原則，為若決定有關消息為內幕消息，則應立即公佈；
- (ii) 於處理時密切關注適用法律和法規；
- (iii) 就通過財務報告、公告及其網站等渠道，廣泛地、非排他性地發佈消息，監督、報告及向股東、投資者、分析員及媒體發佈內幕消息制定政策及實行指引。這些政策及指引亦識別出本公司授權的發言人以及與利益相關方溝通的責任；及
- (iv) 已向所有有關人員通報了有關政策的實施情況，並提供相關培訓。

# Corporate Governance Report

## 企業管治報告

The Company discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Company ensures the information is kept strictly confidential. If the Company believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Company is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

### AUDITOR'S REMUNERATION

During the year ended 31 December 2018, the total fee paid/payable in respect of audit and non-audit services provided by the Group's auditor, Deloitte Touche Tohmatsu, is set out below:

		RMB'000 人民幣千元
Audit services	審計服務	
– Audit services in connection with the consolidated financial statements	– 關於綜合財務報表的審計服務	3,148
Non-Audit services	非審計服務	
– Review of interim condensed consolidated financial statements	– 審閱中期簡明綜合財務報表	517
Total	合計	3,665

### JOINT COMPANY SECRETARIES

Ms. Chau Hing Ling of Vistra Corporate Services (HK) Limited, an external service provider, has been engaged by the Company as one of the joint company secretaries. Her primary contact person at the Company is Mr. Wong Wai Hang Ricky, the chief financial officer of the Company and the other joint company secretary.

During the reporting period, both of Ms. Chau Hing Ling and Mr. Wong Wai Hang Ricky have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Hong Kong Listing Rules.

### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board believes that effective communication with investors is essential for establishing investors' confidence and attracting new investors. The Group also recognizes the importance of transparency and timely disclosure of corporate information which enables investors to make the best investment decision.

本公司在合理切實可行的情況下儘快向公眾披露內幕消息，除非消息屬於證券及期貨條例所容許的安全港條文內。消息於向公眾全面披露前，本公司應確保消息嚴格保密。如果本公司認為不能保持所需的保密程度或可能違反保密規定，本集團應立即向公眾披露消息。鑒於以清晰及均衡的方式提供資料，需要同等披露利好和利空的事實，本公司致力確保公告或通函中所載的資料對於重大事實不構成虛假或誤導，或通過遺漏重大事實以致虛假或誤導。

### 核數師酬金

截至二零一八年十二月三十一日止年度，本集團核數師德勤•關黃陳方會計行提供的審計和非審計服務已付/應付的費用總額如下：

### 聯席公司秘書

外部服務供應商Vistra Corporate Services (HK) Limited的周慶齡女士已獲本公司委聘為聯席公司秘書之一，其於本公司的首要聯絡人為本公司首席財務官兼另一名聯席公司秘書黃偉恒先生。

於報告期內，周慶齡女士及黃偉恒先生均已遵照香港上市規則第3.29條已進行不少於15小時的相關專業培訓。

### 與股東的溝通及投資者關係

董事會認為，與投資者維持有效溝通，對於建立投資者的信心和吸引新的投資者至關重要。本集團亦意識到透明度和及時披露公司消息的重要性，使投資者能夠作出最佳投資決策。

The general meetings of the Company provide an important channel for communications between the Board and the Shareholders. The chairman of the Board, as well as chairmen of the three Board committees or, in their absence, other members of the respective committee and where appropriate, the independent Board committee, will be available to answer questions at Shareholders' meetings.

Published documents together with the latest corporate information and news are available on the Company's website at <http://www.kanghuagp.com>. Investors can also communicate with the Company through email at [kh@kanghuagp.com](mailto:kh@kanghuagp.com).

### DIVIDEND CONSIDERATIONS

The payment of dividend is to allow the Shareholder to participate in the Company's profits whilst retaining adequate reserves to sustain the Group's operations and future growth. The declaration, form, frequency and amount of dividend to be paid by the Company must comply with relevant laws and regulations and the Articles. In deciding whether to recommend any dividend, the Board will take into account a number of factors, including financial performance, reserves, operations and liquidity requirements and development plans of the Company. The Board will comprehensively consider other relevant factors as appropriate from time to time. The Company does not have a fixed dividend distribution ratio.

PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including the IFRS. Distributions from the Company and its subsidiaries may also become subject to any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that the Company or its subsidiaries may enter into in the future.

The amount of any dividend actually distributed to the Shareholders will depend upon the Group's earnings and financial condition, operating requirements, capital requirements and any other conditions that the Directors may deem relevant and may be subject to approval of the Shareholders. The Board has an absolute discretion to recommend any dividend for any year. There is no assurance that dividends of any amount will be declared or distributed in any year.

### SHAREHOLDERS' RIGHTS

Procedures for Shareholder(s) to Convene an Extraordinary General Meeting ("EGM")

Shareholders requesting the convening of an EGM shall proceed in accordance with the procedures set forth below.

The Shareholders individually or jointly holding over 10% of the Shares with the voting power at the proposed meeting have the right to request the Board to hold the EGM or a class meeting in writing. According to laws, administrative regulations and the Articles, the Board shall give written feedback to agree or disagree to hold the EGM or the class meeting within ten days after receiving the proposal.

本公司股東大會提供董事會與股東之間溝通的重要渠道。董事會主席、董事會轄下三個委員會的主席，或（在其缺席的情況下）各委員會的其他成員，及如適用，獨立董事會委員會可於股東大會上解答提問。

本公司已刊發的文件，連同最新公司消息和新聞，可於本公司網站 <http://www.kanghuagp.com> 查閱。投資者亦可以通過電子郵件 [kh@kanghuagp.com](mailto:kh@kanghuagp.com) 與本公司進行溝通。

### 股息代價

派付股息有利於股東參與分享本公司溢利，同時保有充足儲備金用於維持本集團的營運及未來發展。本公司的股息宣派、形式、頻次及金額必須符合有關法律法規及細則。在釐定是否建議任何股息時，董事會將會考慮多項因素，包括本公司的財務表現、經營及流動資金需求、發展計劃。董事會將會根據不時需求綜合考慮其他有關因素。本公司並沒有固定的股息分配比率。

中國法律規定，股息僅可根據中國會計準則計算的年度溢利中派付，在多數方面有別於其他司法管轄權區的公認會計準則（包括國際財務報告準則）。中國及其附屬公司的分派亦可受銀行信貸融資的任何限制性契諾、可換股債券文據或本公司或其附屬公司未來可能訂立的其他協議限制。

股東應佔的實際可分派股息金額將視乎於本集團的盈利及財務狀況、經營規定、資本規定及任何其他董事可能視為有關的條件，並可能須取得股東批准。董事會有絕對酌情建議派付任何年度的股息。概無保證任何金額的股息將於任何年度宣派或分派。

### 股東權利

股東召開臨時股東大會（「臨時股東大會」）的程序

股東要求召開臨時股東大會應按照下列程序進行。

凡單獨或共同持有擬召開的大會投票權10%以上股份的股東，有權以書面要求董事會召開臨時股東大會或類別股東會議。根據法律、行政法規及章程，董事會在收到提案後十日內，給予書面反饋，同意或不同意召開臨時股東大會或類別股東會議。



# Corporate Governance Report

## 企業管治報告

If the Board agrees to hold the EGM or the class meeting, a meeting notice shall be given within five days after the Board makes such a resolution. Changes to the original proposal in the notice shall be approved by the relevant Shareholders.

If the Board disagrees to hold the EGM or the class meeting or fails to give feedback within ten days after receiving the request, the Shareholders individually or jointly holding over 10% of the Shares have the right to request the Supervisory Committee to hold the EGM or the class meeting in writing.

If the Supervisory Committee agrees to hold the EGM or the class meeting, a meeting notice shall be given within five days after receiving the request. Changes to the original proposal in the notice shall be approved by the relevant Shareholders.

If the Supervisory Committee fails to give the notice of the EGM within the specified period, it shall be deemed that the Supervisory Committee does not convene or preside over the Shareholders' meeting. Shareholders who individually or jointly hold 10% or more of the Shares for not less than 90 consecutive days may convene and preside over the EGM by themselves. The expenses of the Shareholders' meeting held by the Supervisory Committee or Shareholders by themselves shall be borne by the Company.

### Procedures for Shareholder(s) to Put Forward Proposals at a General Meeting

When the Company holds a Shareholders' general meeting, the Board, the Supervisory Committee and the Shareholders individually or jointly holding over 3% of the Shares have the right to submit proposals to the Company. Shareholders individually or jointly holding over 3% of the Shares may put forward interim proposal and submit to the convener in writing ten days before the EGM.

### Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through Mr. Wong Wai Hang Ricky, the chief financial officer and joint company secretary of the Company. His contact details are as follows:

#### Address:

Unit 3207, Metroplaza Tower 2  
223 Hing Fong Road, Kwai Fong  
New Territories, Hong Kong  
Tel: (852) 2428-2880  
Fax: (852) 2418-5688  
Email: kh@kanghuagp.com

Shareholders may also make enquiries with the Board at the general meetings of the Company.

## CHANGE IN CONSTITUTIONAL DOCUMENTS

During the reporting period, there was no change in the constitutional documents of the Company.

如董事會同意舉行臨時股東大會或類別股東會議時，應在董事會作出決議後五日內發出會議通告。通告中對原始提案的變更應由相關股東批准。

如董事會不同意舉行臨時股東大會或類別股東會議時，或者在收到要求後十日內未能提供反饋意見，凡個人或共同持有10%以上股份的股東有權要求監事會召開臨時股東大會或類別股東會議時。

如監事會同意舉行臨時股東大會或類別股東會議時，應當在收到要求後五日內發出會議通告。通告中對原始提案的變更應由相關股東批准。

如監事會在指定期限內未能發出臨時股東大會通告，視為監事會未能召開或主持股東大會。凡單獨或共同持有10%或以上股份不少於連續90天的股東可以自行召開並主持臨時股東大會。監事會或股東自行舉行的股東大會，費用由本公司承擔。

### 於股東大會上向股東提呈議案的程序

當本公司舉行股東大會時，董事會、監事會及單獨或共同持股3%以上股份的股東有權向本公司提呈議案。單獨或共同持有3%以上股份的股東可提出臨時議案，並於臨時股東大會前十日以書面形式向召集人提呈。

### 股東向董事會查詢的程序

股東可隨時通過與本公司首席財務官兼聯席公司秘書黃偉恒先生以書面聯繫，向董事會提出查詢及所關注的問題。黃先生的聯繫詳情如下：

#### 地址：

香港新界  
葵芳興芳路223號  
新都會廣場第二座3207室  
電話：(852) 2428-2880  
傳真：(852) 2418-5688  
電郵：kh@kanghuagp.com

股東亦可在本公司股東大會上向董事會查詢。

## 章程文件的更改

於報告期內，本公司的章程文件概無更改。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Board is pleased to present the environmental, social and governance report of the Company for the year ended 31 December 2018 (the "ESG Report"). The contents of the ESG Report are in compliance with the relevant environmental, social and governance reporting guidelines set out in Appendix 27 to the Hong Kong Listing Rules.

The ESG Report covers the Group's operations at Kanghua Hospital, Renkang Hospital, Kanghua Hospital – Huawei Clinic, Zhonglian Cardiovascular Hospital and the Anhui Hualin Group (the "Relevant Operations"). For the avoidance of doubt, the Relevant Operations for the year ended 31 December 2017 did not include Zhonglian Cardiovascular Hospital and the Anhui Hualin Group that were acquired by the Group in 2018.

Any opinions or suggestions in relation to the ESG Report may be sent to the Company's email address at: kh@kanghuagp.com.

### 1. ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT SYSTEM

#### 1.1 Core values in environmental, social and governance

The Group is committed to integrating corporate, social and environmental responsibilities into various aspects of the Group's operations for achieving sustainable development. To this end, the Group has implemented various environmental, social and governance policies:

- (a) compliance with the requirements of the laws, rules and regulations on the corporate environment, society and governance;
- (b) promotion of the establishment and improvement of relevant management systems and mechanisms in corporate environment, society and governance;
- (c) emphasis on delivering patient-centric healthcare services with the highest possible ethical and professional standard;
- (d) active engagement with stakeholders to identify changing needs in corporate, social and environmental aspect of the Group's operations; and
- (e) encourages staff to save energy, cherish resources, support and promote measures on energy-saving and emission reduction.

The Group has set up a special working group formed by the management and hospital executives and managers of each hospital and operating facilities to promote the above policies and prepare the relevant disclosures and report to the Board.

董事會欣然提呈本公司截至二零一八年十二月三十一日止年度的環境、社會及管治報告（「環境、社會及管治報告」）。環境、社會及管治報告的內容符合香港上市規則附錄二十七所載的有關環境、社會及管治報告指引。

環境、社會及管治報告涵蓋本集團位於康華醫院、仁康醫院、康華醫院—華為門診、眾聯心血管病醫院及安徽樺霖集團的經營業務（「有關經營業務」）。為免生疑，截至二零一七年十二月三十一日止年度有關經營業務並未包括本集團於二零一八年收購的眾聯心血管病醫院及安徽樺霖集團。

如有任何有關環境、社會及管治報告的意見或建議，可發送至本公司的電郵地址 kh@kanghuagp.com。

### 1. 環境、社會及管治管理制度

#### 1.1 環境、社會及管治的核心價值

本集團致力於將企業、社會及環境責任融入本集團營運的各個方面，以實現可持續發展。為此，本集團已實施各項環境、社會及管治政策：

- (a) 遵守有關企業環境、社會及管治的法律、規則及法規規定；
- (b) 促進建立及改進企業環境、社會及管治的有關管理制度及機制；
- (c) 注重以最高的道德及專業標準提供以患者為中心的醫療服務；
- (d) 積極與持份者一道參與，以識別本集團營運的企業、社會及環境方面不斷變化的需求；及
- (e) 鼓勵員工節約能源、珍惜資源、支持及推進節能減排措施。

本集團已成立了專項工作小組，成員包括管理層及各醫院及營運設施的醫院行政人員及管理人員，以推動上述政策及編製相關披露，並向董事會匯報。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 1.2 The communication and responses among the stakeholders

As part of the Group's sustainable development objectives, the Group maintains communication with stakeholders through various channels with a view to proactively responding to stakeholders' requests and fostering the Group's capability in fulfilling its environmental and social responsibilities:

### 1.2 持份者溝通與回應

作為本集團可持續發展目標的一部分，本集團通過多種渠道與持份者保持溝通，旨在主動回應持份者的要求及促進本集團更好地履行環境及社會責任：

Stakeholders 持份者	Communication and responses 溝通與回應	Key issues 主要事項
Investors/shareholders 投資者／股東	Shareholders' general meetings, annual reports and interim reports, results announcements, corporate announcements, investors conferences 股東大會、年報與中期報告、業績公告、企業公告、投資者大會	Corporate governance and strategic development and directions 企業管治及戰略發展及方向
Government and regulatory authorities 政府及監管機構	Regular communications, field visits, meetings, operating information disclosure and reporting 定期溝通、實地視察、會議、營運資料披露及報告	Strict compliance with applicable laws and regulations, license, maintaining and renewal hospital classification, anti-corruption, environmental protection, responsive to the government's latest policies and directives on healthcare 嚴格遵照適用法律法規、牌照、維持及重續醫院分類、反貪污、環境保護、響應政府有關醫療的最新政策及指引
Staff 員工	Labour union, regular communications between staff and management, staff activities, regular in-house publications, trainings and education, responsibility and accountability systems 職工工會、員工與管理層定期溝通、員工活動、定期內部刊物、培訓與教育、責任及問責制度	Staff retention, collegiality, quality standard, ethical practice, career progression, development and training, workplace health and safety, fair and reasonable reward and punishment mechanisms 員工留聘、合作關係、質量標準、道德操守、職業發展、發展與培訓，工作場所健康與安全、公正合理的獎懲機制
Suppliers 供應商	Due diligence, meetings, negotiations, regular review of cooperation and quality check, internal audit of procurements and prescriptions by doctors 盡職調查、會議、談判、定期審查合作及質量檢查、採購內部審核及醫生處方	Stable and uninterrupted supply of quality pharmaceuticals, medical consumables and medical equipment on terms no less favourable than market, proper qualifications and licenses, service support and training on equipment, anti-corruption, environmentally preferable purchasing 按不遜於市場的條款穩定且不間斷地供應優質的藥品、醫療耗材及醫療設備、適當的資格及牌照、設備的服務支持及培訓、反腐敗、環保採購

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Stakeholders 持份者	Communication and responses 溝通與回應	Key issues 主要事項
Patients 患者	Day to day operations and communications, dedicated customer service, satisfaction surveys and feedback, service complaints and response systems 日常運營及溝通、專責的客戶服務、滿意度調查與反饋、服務投訴及回應系統	Clinical standard and the Group's reputation as a quality and ethical healthcare services provider, patient satisfaction, anti-corruption (e.g. refusing "red packets") 臨床標準及本集團作為優質及高道德標準的醫療服務提供商的聲譽、患者滿意度、反腐敗(如拒絕「紅包」)
Community 社區	Community activities, public health awareness events, free medical consultations, regular in-house publications, donations, supporting charitable causes 社區活動、公共衛生意識活動、免費醫療諮詢、定期內部刊物、捐贈、支持慈善事業	Improving the community's awareness of public health and safety and the profile of the Group as a socially responsible healthcare services provider, addressing healthcare needs from the underserved and unprivileged 提高社區對公共衛生與安全的意識及本集團作為對社會負責的醫療服務提供商的形象、處理服務不足的基層醫療機構的醫療需求
Healthcare facilities 醫療機構	Mutual cooperation and patient referrals, technical assistance to lower-tier hospitals, multisite doctor practice 相互合作及病人轉診，向下級醫院提供技術援助、醫生多點執業	Delivery of optimal clinical solutions to address the different needs of patients, referral of patients requiring acute, complex and critical care from lower-tier hospitals to the Group, the Group's influential presence in the industry 提供最佳的臨床解決方案，以滿足患者的不同需求、將較低等級醫院的急診、疑難雜症及重症監護的患者轉診至本集團、本集團業內有影響力的地位

## 2. ENVIRONMENTAL PROTECTION

The Group regularly keeps track of the latest national and regional environmental laws and regulations and adopts all necessary measures to comply with them. The Board considers that wastewaters and solid wastes (particularly medical wastes) produced by the Group's hospitals and operating facilities are particularly relevant to environmental protection. The Group is compliant with applicable laws and regulations, including, the Law of the PRC on the Prevention and Control of Water Pollution, the Regulations on Urban Drainage and Sewage Treatment, the Regulations on the Management of Medical Waste and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste. During the year ended 31 December 2018, the Group had not been subject to any penalties in relation to environmental protection.

Developing sustainable best practices requires modification of staff behavior, and this occurs most frequently through ongoing staff education. Education and supporting processes are one of the most critical elements to effective implementation of environmental protection initiatives and reduction in environmental footprint.

## 2. 環境保護

本公司定期追蹤最新國家和地區環境保護法律法規，並採取所有必要措施遵守有關法律法規。董事會認為本集團醫院及營運設施產生的污水及固體廢物(尤其是醫療廢物)與環境保護尤為相關。本集團遵守適用法律法規，包括《中華人民共和國水污染防治法》、《城鎮排水與污水處理條例》、《醫療廢物管理條例》及《中華人民共和國固體廢物污染環境防治法》。截至二零一八年十二月三十一日止年度，本集團並無遭受與環境保護有關的任何懲罰。

制定可持續最佳做法需要改變員工的行為，而這最常見的方法是持續的員工教育。教育及支持過程是有效實施環保舉措及減少環境足跡的最關鍵因素之一。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 2.1 Wastewaters

Hospitals discharge considerable amounts of chemicals and microbial agents in their wastewaters. Many substances contained in the wastewaters, such as chemicals, medicine residues as well as pathogenic resistant bacteria and viruses, resist normal wastewater treatment and could pose a danger to public health and the environment if released untreated into the public sewer system. Due to the chemical and biochemical contaminants, the wastewaters treatment requires specialised technologies and processes that cannot be feasibly conducted at the source. The Group engages a qualified and licensed service provider to process all of the wastewaters produced by its hospitals. Before the wastewaters are processed by the service provider, they are stored in dedicated facilities to ensure they will not contaminate the primary water supply for human consumption and clinical use.

The table below sets forth the discharge volume of wastewaters by the Relevant Operations for the years indicated:

		Change 變動	2018 二零一八年	2017 二零一七年
Wastewaters discharge (ton)	污水排放 (噸)	-10.1%	293,463	326,587
Wastewaters discharge per gross floor area (ton/gross floor area)	每建築面積的污水排放 (噸/建築面積)	-28.3%	0.66	0.92

The Group had a lower level of wastewaters discharge in 2018 despite business growth due to a lower level of water consumption, which was in turn attributable to the Group's on-going implementation of water-saving initiatives.

The discharge of wastewaters is integral to the Group's clinical operations and is generally expected to increase in line with business growth. The management does not currently consider that it is feasible to implement any initiatives or policies to control or reduce the amount of wastewaters discharge without compromising sanity and clinical safety, which are of overriding importance to public health and safety. The Group regularly reviews its wastewaters treatment protocols with a view to ensuring there is no inadvertent contamination of its water supply and that the wastewaters will be properly handled by the hospitals before treated by the service provider. The management believes that the wastewaters produced by the hospitals, after properly treated by the service provider, will pose minimal risks to the environment.

### 2.1 污水

醫院在其污水中排放大量的化學物質及微生物劑。污水中含有的許多物質，如化學藥品、藥物殘留物、致病性耐藥菌及病毒，抵禦正常的污水處理，如未經處理進入公共污水系統，可能對公共衛生及環境造成危害。由於化學及生物化學污染物，污水處理需要專門的技術及過程，該等技術及過程在源頭上不可行。本集團委聘合資格且持牌的服務提供商處理其醫院產生的所有污水。於污水經服務提供商處理之前，將其存放在專用設施中，以確保不會污染用於人類飲用及臨床使用的原生水供應。

下表載列於所示年度有關經營業務的污水排放量：

儘管業務有所增長，但水消耗水平較低導致本集團於二零一八年的污水排放水平較低，而此乃歸功於本集團持續實施節水措施。

污水排放是本集團臨床業務的組成部分，一般預計會隨著業務增長而增加。管理層目前認為，在不影響衛生及臨床安全（其對公共衛生及安全至關重要）情況下實行任何舉措或政策來控制或減少污水排放量不可行。本集團定期檢討其污水處理方案，以確保其供水不會出現疏忽的污染及在服務提供商處理之前，污水將由醫院妥善處理。管理層認為，醫院產生的污水在得到服務提供商的妥善處理後，對環境造成的風險微乎其微。

### 2.2 Hazardous solid wastes

Hospital operations generate a variety of solid medical wastes in the diagnosis, treatment or immunization of patients or in research that can pose a danger to public health and the environment if not properly treated and disposed of. Materials containing pathogens are infectious can cause diseases if exposed. These include:

- human anatomical waste: waste from surgery and autopsies on patients with infectious diseases;
- sharps: disposable needles, syringes, saws, blades, broken glasses, nails or any other item that could cause a cut; and
- pathological: tissues, organs, body parts, human flesh, fetuses, blood and body fluids.

Non-infectious but hazardous wastes include:

- pharmaceuticals: drugs and chemicals that are returned from wards, spilled, outdated, contaminated, or are no longer required; and
- radioactive: wastes contaminated with radioactive substances used in diagnosis and treatment of diseases.

The Group's hospitals have in place a comprehensive medical waste management system:

1. Identification and segregation of waste types: segregation of different types of wastes at source (wards, operation theaters, laboratories, examination rooms etc.) with color coding systems and clear operation guidelines and handbooks, supervised by responsible staff. Effective segregation diminishes total waste and the hospital's environmental footprint;
2. Transport & storage of waste: use of puncture proof and leak proof containers; bags are properly tied and sealed; use of special containers for radioactive wastes; use of designated transport trolleys and timely collection; and storage in covered areas remote from normal passages with security measures to prevent unauthorized tampering;

### 2.2 有害固體廢物

醫院業務在患者的診斷、治療或免疫接種或研究中產生各種固體醫療廢物，如不妥善處理及處置，可對公共衛生及環境構成危害。含有病原體的物質具傳染性，如暴露在外，則會造成疾病。該等物質包括：

- 人體解剖廢物：傳染病患者手術及屍體解剖的廢物；
- 銳器：一次性針頭、注射器、鋸、刀片、破碎的玻璃、指甲或任何可能導致割傷的物品；及
- 病理：組織、器官、身體部位、人體、胎兒、血液及體液。

非傳染性但有害廢物包括：

- 藥品：從病房退回、溢出、過期、被污染或不再需要的藥物及化學藥品；及
- 放射性：用於疾病診斷及治療的放射性物質污染的廢物。

本集團醫院已制定一套全面的醫療廢物管理制度：

1. 廢物類型的識別及分離：以顏色編碼系統及明確的操作指引及手冊在負責人員監督下從源頭（病房、手術室、化驗室，檢查室等）分離不同類型廢物。有效的分離減少廢物總量及醫院的環境足跡；
2. 廢物運輸與儲存：使用防刺穿及防滲漏容器；袋子妥善地捆紮及密封；使用放射性廢物專用容器；使用專用的運輸手推車及及時收集；及保存在遠離正常通道的有蓋區域，並採取安全措施防止未經授權再利用；

# Environmental, Social and Governance Report

## 環境、社會及管治報告

- |   |   |
|---|---|
| <p>3. Identify the need for use of personal protective equipment: special clothing, gloves, masks and eye protection identified and provided to the healthcare works responsible for waste transportation and disposal; and</p> <p>4. Proper disposal of waste: collection and subsequent disposal by qualified and licensed service provider (including incineration, landfill or chemical/biochemical treatment, as appropriate to the type of wastes) specialized in medical wastes disposal. On account of the hazardous nature of these wastes, they are not typically recycled.</p> | <p>3. 識別使用個人防護裝備的需要：識別並向負責廢物運輸及處置的醫療人員提供特殊服裝、手套、口罩及眼睛保護；及</p> <p>4. 妥善處理廢物：由專業從事醫療廢物處理的合資格且持牌服務提供商(包括適用廢物類型的焚化、填埋或化學/生物化學處理)的收集及後續處置。由於該等廢物具有有害性，通常不可回收再利用。</p> |
|---|---|

The table below sets forth the volume of hazardous solid medical wastes produced by the Relevant Operations for the years indicated:

下表載列於所示年度有關經營業務產生的有害固體醫療廢物量：

		Change 變動	2018 二零一八年	2017 二零一七年
Hazardous solid wastes (kg)	有害固體廢物(公斤)	+26.4%	540,103	427,343
Hazardous solid wastes per gross floor area (kg/gross floor area)	每建築面積的有害固體廢物(公斤/建築面積)	+1.4%	1.221	1.204

The disposal of hazardous solid medical wastes is integral to the Group's clinical operations and is generally expected to increase in line with business growth. The management does not currently consider that it is feasible to implement any initiatives or policies to control or reduce the production of hazardous solid wastes without compromising sanity and clinical safety, which are of overriding importance. For example, many surgical tools, protective masks and gloves and syringes are strictly for one-time use only; extending their use may reduce waste production but is not clinically acceptable as it significantly increases the risks of cross-infection among patients and staff. The Group regularly reviews its waste management system with a view to ensuring that all of the steps in the chain are properly followed with the safety of the patients and staff as top priority. One of the key steps in managing the hazardous wastes is proper identification and segregation because: (i) this ensures no hazardous wastes are inadvertently mixed with domestic wastes and disposed without proper treatment, potentially posing harm to public safety and environment; and (ii) the service provider processes the wastes collected according to the identification and segregation by the hospitals. The hospitals have a responsibility and accountability system for waste management at the source and provide regular trainings to the front-line staff to ensure that the guidelines and handbooks are strictly adhered. The management believes that the hazardous solid wastes produced by the hospitals, after properly treated by the service provider, will pose minimal risks to the environment.

棄置有害固體醫療廢物是本集團臨床業務的組成部分，一般預計會隨著業務增長而增加。管理層目前認為，在不影響衛生及臨床安全(其至關重要)情況下實行任何舉措或政策來控制或減少有害固體廢物產生量不可行。例如，許多手術工具、防護口罩及手套和注射器嚴格僅用於一次性使用；延長其使用可能會減少廢物產生量，但從臨床上不可接受，因為這將大幅增加患者與員工之間交叉感染的風險。本集團定期檢討其廢物管理制度，確保以患者及員工安全為首要任務，妥善遵循整個環節中的所有步驟。管理有害廢物的關鍵步驟之一是適當識別及分離，因為：(i)這將確保有害廢物不會無意中與生活垃圾混合及在沒有妥善處理情況下進行處置，可能危及公共安全與環境；及(ii)服務提供商根據醫院的識別及分離處理所收集的廢物。醫院從源頭定有廢物管理責任追究制度，定期向前線人員進行培訓，確保嚴格遵守指引及手冊。管理層認為，醫院產生的有害固體廢物經服務提供商妥善處理後，對環境構成的風險微乎其微。

### 2.3 Domestic wastes

The Group's operations generate domestic wastes that are non-infectious and non-hazardous from the offices, dormitories, kitchens, rooms, including bed linens, utensils, paper, etc. These wastes are identified and segregated at source and are eventually collected, treated and recycled by general wastes service providers.

The table below sets forth the volume of domestic wastes produced by the Relevant Operations for the years indicated:

		Change 變動	2018 二零一八年	2017 二零一七年
Domestic wastes (kg)	生活垃圾(公斤)	+25.0%	2,399,050	1,920,000
Domestic wastes per gross floor area (kg/gross floor area)	每建築面積的生活垃圾 (公斤/建築面積)	+0.35%	5.427	5.408

The Group is conscientious about the environment and is committed to the recycling of domestic wastes where feasible. This primarily includes the recycling of paper, plastic, metal and glass. The Group mandates its staff to segregate the domestic wastes into appropriate categories for proper handling by the service provider. The Group also promotes "paper-less" office, including double-sided or secondary paper printing except for official documents, multimedia form of presentation in meetings and increasing the use of office automation system to reduce administrative paperwork. The hospitals have an engineering department to salvage any usable parts or components from decommissioned equipment and furniture, such as televisions, computers and hospital beds, before they are disposed of. The Group may also donate obsolete but functional items, such as computers, to various charitable organisations. The Group will continue to explore feasible initiatives to reduce domestic waste production and enhance its recycling efforts. The increase in domestic wastes was primarily attributable to the inclusion of the operations of Zhonglian Cardiovascular Hospital and Anhui Hualin Group.

### 2.3 生活垃圾

本集團的業務從辦公室、宿舍、廚房、房間產生非傳染性且非有害性的生活垃圾，包括床上用品、餐具、紙張等。該等垃圾從源頭予以識別及分離，最終由一般廢物服務提供商收集、處理及回收再利用。

下表載列於所示年度有關經營業務產生的生活垃圾量：

本集團認真對待環境，致力於在可行的情況下回收再利用生活垃圾，主要包括紙張、塑料、金屬及玻璃的回收利用。本集團要求其員工將生活垃圾分為適當類別，供服務提供商妥善處理。本集團亦推崇「無紙化」辦公（包括雙面或二次印刷，除正式文件外）、會議的多媒體展示及增加辦公自動化系統的使用，以減少行政文書工作。醫院設有一個工程部門，於報廢設備及傢具（如電視機、電腦及醫院病床）處置前將其任何可用零件或部件進行回收。本集團亦可將過時但可使用的物品（如電腦）捐贈予各慈善組織。本集團將繼續探索可行的舉措，減少生活垃圾產生量並加強回收力度。生活垃圾增加，主要乃因增加了眾聯心血管病醫院及安徽樺霖集團的經營業務所致。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 2.4 Energy consumption

Healthcare systems are among a community's largest consumers of energy. Hospitals are generally open 24 hours a day and have sophisticated energy needs, such as particular air flow controls and specialized heating, ventilation and air-conditioning systems. The Group's hospitals' and operating facilities' energy consumption primarily includes electricity and water.

The table below sets forth the consumption of the Relevant Operations for the years indicated:

		Change 變動	2018 二零一八年	2017 二零一七年
Electricity (kilowatt-hours)	電力(千瓦時)	+14.6%	34,069,473	29,733,765
Electricity consumption intensity (kilowatt-hours per gross floor area)	電耗強度 (每建築面積千瓦時)	-8.1%	77.0	83.8
Water consumption (ton)	水耗(噸)	+6.3%	731,808	688,282
Water consumption intensity (ton per gross floor area)	水耗強度 (每建築面積噸)	-13.2%	1.65	1.9

Electricity consumption is primarily attributable to air-conditioning, water heating, lighting and energy demanding medical equipment such as MRI and X-ray. The Group's initiatives aimed at reducing electricity consumption include:

- explore the feasibility of using air heat pump water heater and gas-fired boiler;
- installation of inverter-type air-conditioning systems that are more energy-efficient;
- installation of high efficiency LED light sources;
- promote staff awareness and control measures ensure lights are off when no one is using;
- an energy saving task force is set up to perform regular inspections of air-conditioning systems and other electrical systems to ensure no unintended or unusual usage;
- installation of motion-triggered lightning systems in escalators and elevators;
- maximize the use of natural sunlight via roof windows;
- implement a system of inspecting office buildings; every administrative department is responsible for the inspection of power consumption and timely turning off related electrical appliances, including lighting, air conditioning and so on.

### 2.4 能源消耗

醫療系統是社區最大的能源消費機構之一。醫院一般每天24小時開業，具有極為複雜的能源需求，如特定的氣流控制及專門的供暖、通風及空調系統。本集團醫院及營運設施的能源消耗主要包括水電。

下表載列於所示年度有關經營業務消耗量：

電力消耗主要是由於空調、水暖、照明及高耗能的醫療設備(如MRI及X射線)。本集團旨在減少用電量的舉措包括：

- 探索使用空氣熱泵熱水器及燃氣鍋爐的可行性；
- 安裝更節能的逆變式空調系統；
- 安裝高效率LED光源；
- 推動員工的意識及控制措施，確保在沒有人在使用的時候熄燈；
- 設立一個節能專責小組，對空調系統及其他電氣系統進行定期檢查，以確保不存在無意或異常使用；
- 在自動扶梯及電梯中安裝運動觸發的照明系統；
- 通過屋頂窗戶最大限度地利用自然光；
- 實施辦公樓巡查制度，即各行政部門分區域負責電力使用情況檢查並及時關閉相關電器，包括電燈、空調等。

- installation of automatic door closers in wards with a view to increasing energy efficiency by limiting the amount of air movement required, as well as the space that needs to be cooled; and
- gradually replace obsolete equipment with new equipment that are certified for energy efficiency.

Water consumption is primarily attributable to cooling equipment, plumbing fixtures, landscaping, medical process rinses, pure water systems and domestic uses (sinks, showers, toilets). The Group's initiatives aimed at reducing water consumption include:

- leak detection and repair;
- use of high-efficiency showerheads;
- use of low-flow plumbing fixtures;
- use of motion sensor-activated faucets and flow control;
- use of waterless medical vacuum pumps;
- use of reject water produced in the reverse-osmosis process;
- use full loads in sanitizers, sterilizers and laundry washing machines, consistent with infection control requirements; and
- minimize water use for irrigation with rain/soil moisture controllers and only during times when wind and evaporation are lowest.

In both 2017 and 2018, the Group also achieved remarkable water saving on account of, among other water-saving initiatives, the installation of more than 1,500 high-efficiency waterheads at Kanghua Hospital. The Group will continue to oversee the effectiveness of the above initiatives and explore new and innovative ways to achieve water saving, which will in turn contribute to electricity saving.

The increase in the consumption of both electricity and water in the year ended 31 December 2018 was primarily attributable to the increase in business operations (including a new administrative centre at Kanghua Hospital and the inclusion of Zhonglian Cardiovascular Hospital and the Anhui Hualin Group) and considerably higher number of hotter days in 2018 resulting in higher utilisation of air conditioning. The overall intensity of electricity and water consumption decreased as the requirements for each of Zhonglian Cardiovascular Hospital and the Anhui Hualin Group per GFA were generally less demanding than the other Relevant Operations.

- 將自動閉門器安裝在病房中，以通過限制所需的空氣流動量以及需要冷卻的空間來提高能源效率；及
- 逐步用節能認證的新設備替代過時的設備。

耗水量主要是由於冷卻設備、水管裝置、景觀美化、醫療過程沖洗、純淨水系統及生活用水(水槽、淋浴、廁所)。本集團旨在減少用水量的舉措包括：

- 洩漏檢測及維修；
- 使用高效噴頭；
- 使用低流量水管裝置；
- 使用運動傳感器啟動的水龍頭及流量控制；
- 使用無水醫用真空泵；
- 使用在反滲透過程中產生的廢水；
- 符合感染控制要求情況下全負荷使用消毒劑、消毒器及洗衣機；及
- 使用雨水／土壤濕度控制器盡量減少灌溉的用水量，且只有在風及蒸發量最低的時候才能使用。

於二零一七年及二零一八年，因在康華醫院安裝了逾1,500個高效水龍頭等節水措施，本集團節水成效顯著。本集團將繼續監督上述舉措的有效性，並探尋新的創新方法實現節水，進而促進節電。

截至二零一八年十二月三十一日止年度，水電耗量增加，主要乃因經營業務增加(包括康華醫院新增行政中心以及增加眾聯心血管病醫院及安徽樺霖集團)以及二零一八年酷暑天數增加導致空調使用率上升所致。水電消耗的整體密度減少，主要乃因眾聯心血管病醫院及安徽樺霖集團各自需求整體上較其他有關經營業務的需求少所致。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 2.5 Antibiotics prescription

Antimicrobial resistance is a global public health challenge, which is aggravated by the overuse of antibiotics. Increased antimicrobial resistance is the cause of severe infections, complications, longer hospital stays and increased mortality. Antibiotics over-prescription is also potentially associated with an increased risk of adverse effects, more frequent re-attendance and increased medicalization of self-limiting conditions.

Inevitably, doctors at the Group's hospitals prescribe antibiotics to patients from time to time. The Group is committed to the judicious prescription of antibiotics by eliminating unnecessary or sub-optimal prescriptions. The Group's continuous efforts has led to a general decrease in rate of antibiotics prescription at Kanghua Hospital and Renkang Hospital in 2018.

The Group's clinical governance tracks a number of parameters to gauge the prescription of antibiotics as set forth in the table below:

### 2.5 抗生素處方

抗菌素耐藥性是全球公共衛生的一項挑戰，過度使用抗生素會造成耐藥性加劇。抗菌素耐藥性加劇是導致嚴重感染、併發症、住院時間延長及死亡率上升的原因。抗生素處方過量亦可能伴隨著不利影響的風險增加，復發頻率增加及自限性條件的醫療化增加。

本集團醫院醫生不時不可避免地患者開出抗生素處方。本集團致力於通過消除不必要或次優處方審慎開出抗生素處方。經過不懈努力，本集團於二零一八年令康華醫院及仁康醫院的抗生素處方使用率普遍降低。

本集團的臨床治理追蹤衡量抗生素處方的若干參數，詳情載列下表：

Kanghua Hospital	康華醫院	Change 變動	2018 二零一八年	2017 二零一七年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	-1.7 b.p.	9.9%	11.6%	20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	-4.1 b.p.	24.7%	28.8%	≤ 40%
Rate of antibiotics prescription for inpatients	住院患者抗生素處方率	-2.7 b.p.	47.3%	50.0%	≤ 60%
Renkang Hospital	仁康醫院	Change 變動	2018 二零一八年	2017 二零一七年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	-0.7 b.p.	15.1%	15.8%	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	-4.6 b.p.	30.6%	35.2%	≤ 40%
Rate of antibiotics prescription for inpatients	住院患者抗生素處方率	-3 b.p.	56.4%	59.4%	≤ 60%

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Zhonglian Cardiovascular Hospital 眾聯心血管病醫院		Change 變動	2018 二零一八年	2017 二零一七年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	N/A 不適用	2.0%	N/A 不適用	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	N/A 不適用	0%	N/A 不適用	≤ 40%
Rate of antibiotics prescription for inpatients	住院患者抗生素處方率	N/A 不適用	40.0%	N/A 不適用	≤ 60%
Huawei Clinic 華為門診		Change 變動	2018 二零一八年	2017 二零一七年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	+5.2 b.p.	17.6%	12.4%	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	-3.0 b.p.	17.6%	20.6%	≤ 40%
The increase in rate of antibiotics prescription for outpatients at Huawei Clinic was primarily attributable to the impact of full year operations in 2018.			於二零一八年，華為門診的門診患者抗生素處方使用率增加，主要乃因全年經營業務影響所致。		
Anhui Hualin Group 安徽樺霖集團		Change 變動	2018 二零一八年	2017 二零一七年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	N/A 不適用	13.4%	N/A 不適用	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	N/A 不適用	0%	N/A 不適用	≤ 40%
Rate of antibiotics prescription for inpatients	住院患者抗生素處方率	N/A 不適用	17.7%	N/A 不適用	≤ 60%

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group's initiatives to the judicious prescription of antibiotics include:

- providing education and clinical decision support to doctors and patients regarding the long-term and community-wide consequences of overusing antibiotics;
- patients should be educated of the importance of following the use of antibiotics according to prescription;
- doctors should always follow the principle of rational, safe and effective antibiotics prescription;
- antibiotics should be prescribed only for bacterial infections whenever possible and in the proper dose for the correct duration;
- narrow spectrum antibiotics should be chosen whenever possible to avoid destroying populations of beneficial bacteria along with the disease-causing bacteria;
- publish internal clinical guidelines for doctors to follow, especially for common infections, with a view to improving antibiotics use;
- rotating use of different classes of antibiotics where possible;
- accountability systems to prompt responsible prescription of antibiotics by doctors;
- strictly prohibit any form of advantages or rebates provided by pharmaceutical companies to incentivize doctors to prescribe more antibiotics; and
- regular communications with regulators and healthcare organizations, including the Chinese Center for Disease Control and Prevention, to understand the latest community threats and outbreaks with a view to modifying antibiotics prescription strategy as appropriate.

本集團倡導審慎開出抗生素處方的舉措包括：

- 為醫生及患者提供過度使用抗生素的長期及全社會後果的教育及臨床決策支持；
- 教育患者遵照處方使用抗生素的重要性；
- 醫生應始終遵循合理、安全及有效的抗生素處方原則；
- 抗生素盡可能於細菌感染時方可按正確藥效時間的適當劑量開出處方；
- 應盡可能選擇窄譜抗生素，以避免連同致病細菌一起破壞有益細菌群；
- 發佈醫生遵循的內部臨床指引，特別是針對常見感染，以改善抗生素使用；
- 盡可能交替使用不同類別的抗生素；
- 制定問責制度，促使醫生負責任地開出抗生素處方；
- 嚴格禁止製藥公司提供任何形式的好處或回扣鼓勵醫生開出更多的抗生素處方；及
- 與包括中國疾病預防控制中心在內的監管機構及醫療組織定期溝通，了解最新的社區疾病威脅及爆發情況，以期酌情修改抗生素處方策略。

### 3. EMPLOYMENT

The success of the Group depends critically on its ability to attract, develop and retain its staff. The Group adheres to fair and open recruitment practices, and provides its staff with adequate protection of rights. During the year ended 31 December 2018, the Group continued to strive for improvements and innovations in staff support, development and training to create a safe and comfortable working environment and provide a fair and collegial learning and development platform. The Group prides itself on maintaining harmonious relationships with its staff in the spirit of "Kanghua People". As of 31 December 2018, the Group had a total of 3,469 (including 750 full-time staff of Zhonglian Cardiovascular Hospital and the Anhui Hualin Group acquired in 2018) (2017: 2,476) full-time staff.

#### 3.1 Recruitment

Recruitment is an important component to the continuous growth of the Group. The Group's recruitment process is merit based and is open to all qualified personnel. In addition to internal recruitment by job promotion and rotation, the Group also carries out external recruitment activities. Healthcare professionals are highly sought after in Guangdong Province. Therefore, the Group strategically extends its recruitment efforts to other provinces in the PRC. The Group implements a series of internet recruitment campaigns to reach a wide base of potential candidates and on campus recruitment drives in key medical schools and nursing schools in multiple provinces to attract talent out of Guangdong Province. Teaching affiliations with academic institutions enable the Group to identify potential young healthcare professionals and recruit them early on. The Group also has in place various referral schemes to identify potential candidates from its existing staff's social networks. Referred staff generally has higher retention rates and increased engagement. The Group audits and verifies staff identity and background as part of the recruitment process to ensure no child labor or forced labour is employed. Depending on the position being hired, the Group also conducts background checks to ensure the veracity of information provided by the potential candidate. The Group has adopted a Recruitment Process Management Policy to standardize its recruitment practice.

The Group strictly abides by the relevant laws and regulations such as the Labor Law of the PRC and the Labor Contract Law of the PRC, and enters into labor contracts with its staff. Each of the Group's hospitals and operating facilities has adopted a labor union to protect the rights and interests of its staff and encourage them to participate in the management of the Group's operations.

### 3. 僱傭

本集團的成功十分依賴於吸引、培養及留住員工的能力。本集團遵循公開公平的招聘方式，並充分保護員工權利。截至二零一八年十二月三十一日止年度，本集團繼續努力在員工支持、發展及培訓上作出改進及創新，以創造安全舒適的工作環境和提供公平的學院式學習及發展平台。本集團秉承「康華人」的精神以與員工保持和諧關係為榮。截至二零一八年十二月三十一日，本集團共有全職員工3,469人(包括於二零一八年收購的眾聯心血管病醫院及安徽樺霖集團的全職員工750人)(二零一七年：2,476人)。

#### 3.1 招聘

招聘是本集團持續增長的重要組成部分。本集團的招聘流程採取擇優錄用，面向所有合資格人士開放。除通過職位晉升及工作輪換進行內部招聘外，本集團亦開展外部招聘活動。醫療專業人士在廣東省備受歡迎。因此，本集團策略性地向中國其他省份擴展招聘工作。本集團實施一系列互聯網招聘活動以接觸廣泛的潛在候選人，並在多個省份的主要醫學院及護理學校進行校園招聘活動以吸引廣東省外人才。本集團與學術機構的教學關係讓其可物色到潛在年輕醫療專業人士並在早期進行招聘。本集團亦制訂多項推薦計劃以從現有員工社會網絡中物色潛在候選人。獲推薦員工的保留率通常較高及更加投入。作為招聘流程的一部分，本集團會審核及核實員工身份與背景，確保不會僱用童工或發生強迫勞動。視乎被聘用的職位，本集團亦會進行背景調查以確保潛在候選人提供的資料真實。本集團已採納《招聘流程管理制度》以使招聘方式標準化。

本集團嚴格遵守相關法律法規，如《中華人民共和國勞動法》及《中華人民共和國勞動合同法》，並與員工訂立勞動合同。本集團各家醫院及營運設施均已成立工會以保護員工權利及權益，並鼓勵員工參與本集團經營管理。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 3.2 Equal opportunities employer

The Group is an equal opportunities employer. The Group provides equal opportunities to all staff in a fair, transparent and non-discriminatory environment. Female staff has equal opportunities as male staff, and would not be prejudiced because of pregnancy. No religious or racial discrimination is tolerated in recruitment and career development.

As at 31 December 2018  
截至二零一八年十二月三十一日

Age Group/Gender	年齡組別/性別	Kanghua Hospital		Renkang Hospital		Zhonglian Cardiovascular Hospital		Huawei Clinic		Anhui Hualin Group		Total Staff	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Age 51 or above	51歲或以上	79	63	31	18	14	5	4	4	38	31	166	121
Age between 31 to 50	31至50歲	317	513	94	138	53	63	8	9	44	113	516	836
Age below 30	30歲或以下	189	820	32	219	26	120	1	36	57	296	305	1,491
		585	1,396	157	375	93	188	13	49	139	440	987	2,448

As at 31 December 2017  
截至二零一七年十二月三十一日

Age Group/Gender	年齡組別/性別	Kanghua Hospital		Renkang Hospital		Huawei Clinic		Total Staff	
		Male	Female	Male	Female	Male	Female	Male	Female
Age 51 or above	51歲或以上	66	54	30	17	2	1	98	72
Age between 31 to 50	31至50歲	274	406	96	128	6	9	376	543
Age below 30	30歲或以下	233	856	32	221	1	22	266	1,099
		573	1,316	158	366	9	32	740	1,714

### 3.2 平等就業機會

本集團是平等就業僱主。本集團為所有員工在公平、透明、無歧視環境中提供平等機會。女性員工擁有與男性員工平等機會，不會因為懷孕而受歧視。在招聘及職業發展中亦不容忍任何宗教或種族歧視。

### 3.3 Staff remuneration and retention

The Group's comprehensive staff remuneration and retention policy is designed with a view to rewarding staff performance and long term staff retention. It primarily includes: (i) economic components comprising basic salary determined with reference to the individual's position, seniority and length of service, performance bonus determined with reference to the metrics specific to the individual's job function and other benefits; and (ii) non-economic components comprising personal development, job challenge and satisfaction, recognition, work environment, work safety and career advancement. The Group regularly benchmarks against available market data and adjusts its remuneration structure with a view to remaining competitive. While financial incentives are an important factor in staff retention, the Group recognizes that they alone are not enough to improve recruitment and retention in a sustainable manner. Therefore, the Group places equal emphasis on non-economic factors, in particular personal development, work environment and collegiality. The Group's career advancement track is transparent and achievable. The Group provides a platform and support for its staff to undertake medical education and research in their field of choice.

With a view to retaining and developing talent, the Group actively identifies high potential staff and provide them with additional training opportunities, industry exposure and an accelerated career track. By providing training for new skills and tuition reimbursement for external courses, the Group's staff will feel valued, important and invested in the Group. The Group regularly carries out staff appraisals to discuss achievements, strengths, and areas for development, and to set personal objectives with a view to ensuring they feel motivated and appreciated for their contribution. The Group maintains open channels of communication with its staff to keep them informed of the latest developments and provide them with opportunities to voice their opinions. The Group also recognises that its healthcare professionals, in particular doctors and nurses, may be subject to a high pressure and demanding work environment from time to time due to their job nature, which may result in attrition. The Group actively monitors the emotional wellbeing of its staff and provide counselling and supporting arrangements where appropriate. The Group regularly gauges the working hours of its staff to identify any staff with excessive workloads and makes alternative staffing arrangements if necessary. The Group aims to build a strong organisational culture to cultivate a sense of belonging among its staff through various staff functions and events. The Group believes that the creation of a healthy and harmonious working environment will improve staff morale and productivity in the long term.

### 3.3 員工薪酬及留任

本集團的全面員工薪酬及留任政策旨在獎勵員工表現及長期留住員工。該政策主要包括：(i)經濟部分，當中包括參考個人職位、資歷及服務年限釐定的基本薪金、參考個人職能特定指標釐定的績效花紅及其他福利；及(ii)非經濟部分，當中包括個人發展、工作挑戰性及滿意度、成就感、工作環境、工作安全及職業晉升。本集團定期以可用市場數據為基準，調整其薪酬結構，以保持競爭力。雖然財務獎勵是留住員工的一個重要因素，但本集團認識到，單純的財務獎勵並不足以可持續地改善招聘及留任情況。因此，本集團同樣重視非經濟因素，尤其是個人發展、工作環境及共同治理。本集團的職業晉升渠道透明可行。本集團為員工提供平台及支持，以在其選擇領域進行醫學教育及研究。

為留住及培養人才，本集團積極發掘高潛質員工，向彼等提供額外培訓機會、行業曝光及職業快速晉升通道。通過提供新技能培訓及外部課程學費報銷，本集團的員工將體會到自身價值，認識到自身重要性並投身於本集團。本集團定期進行員工評價以討論成就、優勢及進步領域，並設定個人目標，以確保員工因其貢獻而感受到激勵及獎勵。本集團保持與員工的公開溝通渠道，使之獲悉最新進展，並向彼等提供機會表達個人意見。本集團亦認識到，其醫療專業人士，尤其是醫生及護士，可能因工作性質而不時承受巨大壓力及面臨苛刻工作環境，這可能導致人員流失。本集團積極監控員工心理健康，並在適當時提供諮詢及支持安排。本集團定期計量員工工作時數，以發現超工作負荷的員工，並在必要時作出替代人員安排。本集團旨在打造強有力的組織文化，通過多個職能部門及活動培養員工歸屬感。本集團認為，營造健康和諧的工作環境將長期提高員工士氣及生產力。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

In 2018, the Group began the year with 2,476 (2017: 2,448) full-time staff, added 1,564 (included 750 full-time staff of Zhonglian Cardiovascular Hospital and Anhui Hualin Group acquired in 2018) (2017: 681) full-time staff and lost 593 (2017: 532) full-time staff during the year. As at 31 December 2018, the Group had a total of 3,469 (2017: 2,476) full-time staff. The attrition rate of full-time staff (including doctors, nurses, administrative and other support staff) of the Group for 2018 was 5.0% (2017: 21.6%). The attrition rate of doctors of the Group for 2018 was 19.8% (2017: 24.3%). The improvement in attrition rate was primarily attributable to the offering of more competitive remuneration packages and the enhanced profile of the "Kanghua" brand particularly because it has become a listed company on the Hong Kong Stock Exchange since 2016.

二零一八年，本集團年初全職員工2,476人(二零一七年：2,448人)，年內增加全職員工1,564人，包括於二零一八年收購的眾聯心血管病醫院及安徽樺霖集團的全職員工750人(二零一七年：681人)及流失593人(二零一七年：532人)。於二零一八年十二月三十一日，本集團共有全職員工3,469人(二零一七年：2,476人)。二零一八年，本集團的全職員工(包括醫生、護士、行政及支援的員工)流失率為5.0%(二零一七年：21.6%)。二零一八年，本集團的醫生流失率為19.8%(二零一七年：24.3%)。流失率改善，主要乃因提供更具競爭力薪酬待遇以及尤其是其於二零一六年在香港聯交所成為上市公司後提升「康華」品牌的影響所致。

### 3.4 Training and development

The Group provides structured training and education programmes to enable its staff to consistently deliver high quality services. These programmes aim to equip the staff with a sound foundation of the medical principles and knowledge as well as practical skills in their respective practice area and foster a high standard of practice, organisation capability and vigilant attitude. Regular internal and external mandatory trainings are organised for medical staff to keep them abreast of the latest development in healthcare. From time to time, the Group identifies and sponsors its staff with high development potential to undertake further studies and professional training in prestigious academic institutions and participate in industry conventions. Medical teams also benefit from the experience and knowledge exchange during seminars and sharing sessions regularly held. The Group encourages medical staff to apply for professional and technical qualifications and enroll in specialised training programmes and assessments from time to time, including induction training for new employees, development training for young and middle-aged core talent, medical service quality training and management training for young core talent, with a view to ensuring that their relevant professional competencies meet the required standards. Through various training and education programmes, the Group also aims to foster a proactive risk reporting culture among staff, which is important in the early detection of clinical failure and damage control.

### 3.4 培訓及發展

本集團提供系統培訓及教育計劃，以使員工能夠持續提供高質量的服務。該等計劃旨在裝備員工，使其具備彼等各自實踐領域的醫療原則及知識以及執業技能的堅實基礎，並培養高標準的實踐、組織能力及嚴謹態度。本集團為醫務人員組織定期的內部及外部強制性培訓，以使彼等了解醫療的最新發展。本集團會不時甄選出發展潛力大的員工及贊助彼等在著名學術機構進一步開展學習及專業培訓以及參加行業會議。醫療團隊亦從定期舉行的研討會及分享會上的經驗及知識交流中受益。本集團鼓勵醫務人員報考專業技術職稱及不定期接受內部人員專項培訓及考核，包括新員工入職培訓、中青年骨幹拓展培訓、醫療服務質量培訓以及青年幹部管理培訓等，以確保彼等之相關業務能力符合標準。通過各種培訓及教育計劃，本集團亦力圖在員工中培養主動風險報告文化，這對於及早發現臨床誤診及損害控制實屬重要。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group has adopted a Continuing Education and Training Management Policy (繼續教育培訓管理制度). The training system is supported by three major components:

- the science and education department is primarily responsible for training on clinical skills;
- the nursing department is primarily responsible for training on nursing and patient caretaking skills; and
- the human resources department is primarily responsible for comprehensive training on staff management capability, cultural values and technical skills.

The table below sets forth the number of training hours provided to the Group's staff of the Relevant Operations for the years indicated:

		Change 變動率	2018 二零一八年	2017 二零一七年
Number of participants	參與人次	+31.2%	28,145	21,450
Training man-hours (Hours)	培訓工時(小時)	+77.2%	355,162	200,484

The increase in the number of participants and training man-hours was primarily attributable to the inclusion of the operations of Zhonglian Cardiovascular Hospital and the Anhui Hualin Group in 2018.

### 3.5 Workplace health and safety

The Group highly values occupational safety and strives to eliminate potential workplace health and safety hazards. The Group maintains an internal audit and inspection program to ensure the safety of the hospital premises for patients, the public and staff. The aim of the audit process is to ensure that the workplace is continuously monitored and that deficiencies in relation to set standards are remedied. The Group ensures that each of its hospital departments is periodically inspected and audited for safety issues, such as medical treatment safety, environment safety and occupational safety. The Group actively encourages staff to report health and safety incidents and risks on a no repercussion basis, and the learning from proactive monitoring and findings from incident reviews is used to improve further and refine training programmes, policies and working practices. For the year ended 31 December 2018, the Group had, in all material respects, complied with applicable laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

本集團已採納《繼續教育培訓管理制度》。該培訓制度由三個主要組成部分支持：

- 科教部主要負責臨床技能的培訓；
- 護理部主要負責護理及照料病患技能的培訓；及
- 人力資源部主要負責員工管理能力、文化價值及技術技能的全面培訓。

下表載列於所示年度為有關經營業務員工提供的培訓時數：

參與人次及培訓時數增加，主要乃因於二零一八年增加眾聯心血管病醫院及安徽華霖集團的業務所致。

### 3.5 工作場所健康及安全

本集團高度重視職業安全，努力消除潛在工作場所健康及安全危害。本集團維持內部審核及檢查制度，以確保醫院範圍內患者、公眾及員工的安全。審核過程旨在保證工作場所處於不斷的監控中，以及與設定標準有關的不足之處得到整改。本集團確保定期檢查及審查醫院各科室的安全問題（如醫療安全、環境安全及職業安全）。本集團積極鼓勵員工按無反覆基準報告健康及安全事故及風險，而從主動監控中了解的情況及從事故回顧中發現的問題會用於進一步改善及完善培訓計劃、政策及工作實踐。截至二零一八年十二月三十一日止年度，本集團在關於提供安全工作環境及保障僱員免於職業危險的所有重大方面，符合及採用適用法律法規。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group is committed to improving the construction of infection prevention and control systems at both the hospital level and discipline level, further clarifying the functions of infection prevention and control teams, revising the infection prevention and control policies, processes and contingency plans, and strengthening the relevant training and education with a view to consistently standardizing infection prevention and control management. The Group conducts regular sanitisation to contain the potential spread of infectious diseases at its hospitals. The Group has established surveillance systems to closely monitor the prevalence of nosocomial infections at its hospitals and ensure that such incidents are maintained at a very low level in compliance with applicable standards. The Group also provides periodical occupational safety education and training to augment its staff's awareness of safety issues. The Group provides its staff with regular health assessment to monitor their overall health. In particular, the Group adopts stringent assessment protocols for its staff that are regularly exposed to high-risk environments such as radiation and clinical wastes to ensure their exposure is within acceptable safety limits. Such staff are provided with adequate protective gears and are regularly required to take days off to minimize the long term health effects of radiation. Each relevant staff is required to follow specific procedures and guidelines laid down by the hospital, including Medical Staff Occupational Exposure Protection and Reporting Policy. From time to time, the Group engages third party experts to assess the effectiveness of the hospitals' safety and protective measures.

The Group recognizes that medical violence has in recent years become a workplace safety hazard faced by many medical professionals in the PRC. In light of this, the Group has established internal guidelines and provided trainings to better prepare its staff in handling such situations, including setting a risk assessment of patient violence, implementing an on-line direct reporting system for adverse events of hospitals and adhering to the Regulations on Prevention and Treatment of Medical Disputes (醫療糾紛預防與處理條例) recently issued by the government and taking into account the actual circumstances of the hospitals to establish an early warning management system for patient safety. The department of security is able to dispatch security officers experienced in handling incidents of medical violence. The Group also works closely with the police bureaus and law enforcement agencies who will be able to dispatch officers in short notice to the hospitals if necessary.

The table below sets forth key health and safety information of the Relevant Operations for the years indicated:

		2018 二零一八年	2017 二零一七年
Number of staff contracting infections due to occupation	因職業接觸感染員工人數	23	17
Number of staff deaths due to occupation	因職業死亡員工人數	-	-
Number of staff disabilities due to occupation	因職業殘疾員工人數	-	-
Number of man-days lost due to occupation related injuries or illness	因職業相關傷病損失工日天數	27.0	18.0

本集團堅持完善醫院、科室兩級感染防控體系建設，進一步明確了科室感染防控小組職能，修訂感染防控制度、流程及應急預案，並加強相關培訓與教育，以此不斷規範科室感染防控管理。本集團進行定期消毒，控制傳染性疾病在醫院的潛在傳播。本集團已建立監測系統，密切監控其醫院的醫院感染現患率，確保此類事故維持在極低水平，以符合適用標準。本集團亦提供定期的職業安全教育及培訓，以增強員工的安全問題意識。本集團向員工提供定期健康評估以監控彼等的整體健康，尤其是，針對經常暴露於高風險環境（如輻射及臨床廢棄物）的員工，本集團採用嚴格的評估方案，以確保彼等面臨的風險在可接受安全限度內。該等員工獲提供充分保護裝置，並定期被要求休假數日以盡量降低輻射的長期健康影響。各名相關員工均須遵守醫院制定的具體程序及指引，包括《醫務人員執業暴露防護與報告制度》。本集團會不時聘請第三方專家評估醫院安全及保護措施的有效性。

本集團認識到醫療暴力近年來已成為中國許多醫務專業人員面臨的工作場所安全危害。有鑒於此，本集團已制定內部指引並提供培訓，以使員工更好做好準備處理有關情況，包括制定患者暴力風險評估，啟用醫院內不良事件網絡直接上報系統，以及根據國家新頒發的《醫療糾紛預防與處理條例》，結合醫院實際情況，建立患者安全預警管理體系。保衛科能夠調派在處理醫療暴力事件方面經驗豐富的安保人員。在必要情況下，本集團亦會與警察局及執法機構密切合作，彼等將能在接到通知後短時間內向醫院派遣人員。

下表載列於所示年度有關經營業務的主要健康及安全資料：

### 4. SERVICE QUALITY

As embodied in the Group's motto "Empathic • Virtuous Medical Practice" (蒼生為念 • 厚德載醫), the Group adopts a patient-centric approach in treating all patients, the well-being of whom form the core of its values. The Group places a high priority on providing patients with consistently high quality service and support, which is crucial to its long-term success. The Group provides patient care in an ethical manner, and at the best possible quality, taking into consideration patient safety, patients' satisfaction and service efficiency.

#### 4.1 Patient satisfaction and complaints

The Group's hospitals have a dedicated customer service department to collect and gauge patient feedbacks. The customer service department is an important component in ensuring that patient experience is positive through proactive outreach and responsive communication. The table below sets forth key operating data of the Group's customer service for the years indicated:

		Change 變動率	2018 二零一八年	2017 二零一七年
Number of patients served	服務患者人次	+25.0%	98,837	79,054
Customer service man hours	客服人工時數	-22.4%	2,003,961	2,582,508

The decrease in customer service man hours despite an increase in the number of patients serviced was primarily attributable to improved efficiency and automation of certain aspects of outpatient customer service at Kanghua Hospital in 2018.

The hospitals continuously review and streamline patient registration process and provide regular staff customer-service training. The hospitals also conduct patient satisfaction surveys. Such results serve to establish a baseline to monitor changes in patient experience and satisfaction in specific area of service delivery. These surveys primarily include:

- call back interviews with inpatients, outpatients and physical examination patients;
- surveys delivered through short messaging services;
- on-site questionnaires; and
- comments collection boxes.

### 4. 服務質量

誠如本集團宗旨「蒼生為念 • 厚德載醫」所體現者，本集團在為所有患者治療時採取以患者為中心的方式，患者安康是其價值核心。本集團高度重視為患者提供一貫的優質服務與支持，這對其長期成功至關重要。考慮到患者安全、患者滿意度及服務效率，本集團以合乎道德的方式、以盡可能好的質量為患者提供護理。

#### 4.1 患者滿意度及投訴

本集團的醫院設有專責客戶服務部以收集及計量患者反饋。通過主動延伸服務及積極應答溝通，客戶服務部是確保患者體驗積極的重要組成部分。下表載列於所示年度本集團客戶服務的主要經營數據：

儘管病人數增加，但客服人工時數減少，主要乃因二零一八年康華醫院門診病人服務若干方面效益提升及實現自動化所致。

醫院會持續檢討並簡化患者掛號流程，並提供定期員工客戶服務培訓。醫院亦會進行患者滿意度調查。有關結果用於建立監控特定服務提供領域內患者體驗及滿意度變化的基準。該等調查主要包括：

- 電話回訪住院病人、門診病人及體檢病人；
- 通過短信服務進行調查；
- 現場問卷調查；及
- 意見收集箱。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group also cooperates with third parties to conduct comprehensive surveys and analytical studies from time to time.

The subjective nature of the healthcare industry means that the Group occasionally receives patient complaints in the ordinary course of business. The Group has implemented a standardised customer complaint management at each of its hospitals with a view to promptly, accurately and comprehensively collecting feedback from patients, addressing patients' concerns, continuously improving clinical processes and ultimately delivering service of the highest standard to patients. The Group generally classifies patient complaints in three major categories of importance: (i) critical complaints, which may involve deficiencies in clinical quality resulting in adverse effects to patients, medical disputes attracting media attention and intervention from regulatory authorities, extremely poor service attitude, verbal abuses or assaults on patients, or any complaints regarding medical ethics; (ii) regular complaints, which may involve general service attitude, environment, accommodation, hospital or inter-departmental processes resulting in inconvenience to patients, billing error, repeated assessment, pricing or lack of communication or language skills; and (iii) immaterial complaints, which may involve mere service recommendations or trivial comments, or complaints that are frivolous, vexatious or are primarily attributable to the patients' individual condition.

The table below sets forth the number of each category of complaints received by the Group for the years indicated:

		Change 變動率	2018 二零一八年	2017 二零一七年
Number of critical complaints	重大投訴	-2.9%	33	34
Number of regular complaints	一般投訴	+74.1%	188	108
Number of immaterial complaints	非重要投訴	-32.5%	315	467
Total	總計	-12.0%	536	609

本集團亦會不時與第三方合作進行全面調查及分析研究。

醫療行業的主觀性意味著本集團在日常業務過程中會不時收到患者投訴。本集團已在其各家醫院實施標準化客戶投訴管理，以快速、準確及全面收集患者反饋、解決患者關切、持續改善臨床流程及最終向患者提供最高水準的服務。本集團一般將患者投訴分為三大重要類別：(i) 重大投訴，該等投訴可能涉及導致對患者產生不利影響的臨床質量缺陷、引發媒體關注及監管部門干預的醫療糾紛、服務態度極其惡劣、對患者進行辱罵或攻擊或涉及醫德的任何投訴；(ii) 一般投訴，該等投訴可能涉及一般服務態度、環境、住宿、醫院或院內科室間流程給患者帶來的不便、計費錯誤、重複檢查、定價或缺乏溝通或語言技巧；及(iii) 非重要投訴，該等投訴可能僅涉及服務建議或瑣碎評論，或屬無聊、無理取鬧或主要歸因於患者個人狀況的投訴。

下表載列於所示年度本集團收到的各類投訴數目：

Patients may lodge a complaint by mail, telephone, touch-screen terminals or in person. The Group has dedicated facilities to record the complaint process on a confidential basis to safeguard the interests of all parties involved and ensure that the complaint processes are conducted fairly with proper records. The hospitals have a complaint office, a unit led by a highly experienced hospital manager and dedicated to the management of patient complainants. The complaint office acts as the complainant point of contact, explains the complaint process to the complainants, directs patient complaints to appropriate departments and governance committees for detailed investigation and root-cause analysis, conducts in-depth fact-finding, proactively oversees and manages the complaint processes, coordinates and communicates with the parties involved, accurately records all relevant findings on a confidential basis and formulates the appropriate replies to the complainants. All initial complaints and views will be handled and responded to directly by the complaint office. The Group is committed to resolving all patient complaints in the shortest period of time, or on the spot, if possible, though resolution of critical complaints generally requires a longer period of time. For critical complaints involving clinical safety or possible health implications, the Group proactively takes immediate actions to prevent and minimise adverse effects on patients. The hospital policy mandates every complaint to be properly lodged and processed through the system and prohibits staff from reaching a private settlement with the complainants, which may potentially place the hospital in a disadvantaged situation if such complaints were to escalate further.

The Group regards patient complaint management as an important component for the continuous improvement of clinical safety and quality. The Group treats each of the patients' complaints seriously and regards them as the best source for improvement. Complaint reports are regularly reported to senior management for review. For every patient complaint, the Group is committed to understanding its fact pattern and root cause, ascertaining the responsible parties and areas of improvement. The hospitals organise a monthly complaints analysis meeting to identify improvement areas in clinical processes, make recommendations and ensure the relevant administrative and clinical departments implement the necessary improvements promptly. In addition, the hospitals organise a quarterly complaints sharing session on the root cause of the complaints, improvement processes implemented and lessons learnt with a view to cultivating a sense of vigilance among staff.

For critical complaints that may escalate into medical disputes, the complaint office will notify the medical dispute contingency task force, headed by the director and senior management of the hospital, to initiate the medical dispute process involving a highly coordinated effort of various units of the hospital. In 2018, most of the complaints were resolved amicably with only a few of them escalated into medical disputes. In 2018, 21 medical disputes cases (2017: 17) were materialized during the year.

患者可通過郵件、電話、觸摸屏終端或親自提交投訴。本集團有專門設施記錄投訴過程，過程保密，以保護所有參與各方的利益及確保投訴過程公平進行並獲妥善記錄。醫院設有投訴辦公室，由經驗豐富的醫院管理者領導及專門負責管理患者投訴。投訴辦公室用作投訴人聯絡點，向投訴人說明投訴流程、指導患者向適當科室及治理委員會投訴以進行詳細調查及根由分析、進行深入事實認定、積極監督及管理投訴流程、與所涉各方進行協調及溝通、以保密方式準確記錄所有相關結果及妥善回覆投訴人。所有初步投訴及意見將由投訴辦公室直接處理及回覆。儘管解決重大投訴一般耗時較長，但本集團仍致力於在最短時間內解決所有患者投訴，或當場解決（如可能）。對於涉及臨床安全或可能健康影響的重大投訴，本集團將立即積極採取行動防止或盡量減少對患者的不利影響。醫院政策要求每一項投訴都通過該系統妥善提交及處理，且禁止員工與投訴人達成私下和解，因該等投訴進一步升級或會令醫院處於不利位置。

本集團將患者投訴管理視作持續改善臨床安全及質量的重要組成部分。本集團認真處理每項患者投訴，並視之為改進的最佳途徑。投訴報告會定期上報高級管理層審閱。本集團致力於理解每項患者投訴的事實情況及根本原因，確定責任方及有待改進之處。醫院每月組織投訴分析會以發現臨床過程中有待改進之處，提出建議及確保相關行政及臨床部門立即實施必要改進措施。此外，醫院每季度就投訴根由、所實施改進程序及所吸取教訓組織投訴交流會，以在員工間培養警惕意識。

對於可能升級為醫療糾紛的重大投訴，投訴辦公室將通知醫院董事及高級管理層領導的醫療糾紛應急管理小組，啟動醫療糾紛程序，由醫院各單位高度協同努力進行處理。二零一八年，大部分投訴得到友善解決，僅有數起升級為醫療糾紛。二零一八年，年內出現21個（二零一七年：17個）醫療糾紛案件。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### 4.2 Service quality management

The Group adopts a comprehensive service quality management system consisting of the following key components:

- structure – the availability of clinical resources, including medical equipment, hospital governance structure, human resources, bed to staff ratio, clinical objectives, practice guidelines and standards;
- process – the clinical processes, including whether clinical procedures are conducted according to the relevant specifications, work flow and nosocomial infections; and
- outcome – patient’s well-being after receiving service, including efficacy of treatment, recovery progress, health conditions, satisfaction and complications arising from treatments.

The service quality management system has a wide scope. In addition to monitoring the quality of diagnosis (whether it is accurate, comprehensive and prompt), the quality of treatment (whether it is effective, prompt, thorough and of a reasonable duration), nosocomial infections control and clinical deficiency (whether resulting injuries, harm or pain to patients that could otherwise be avoided), the system also monitors clinical efficiency, reasonableness of medical fees, the input-output relationship of applied medical techniques, systematic services and continuum and community feedback. Under this system, each hospital department is given quantifiable service quality targets to achieve and parameters to monitor. Service quality management and improvement is a continuous process. Any deficiency, once identified, will be handled promptly with appropriate level of supervision.

High standard of clinical governance maintains the Group’s inpatient fatality rate consistent with the risks inherent in hospital operations and industry. As the Group increases its intake of patients with critical conditions and/or require specialized and complex emergency procedures that carry higher risks of unfavourable clinical outcome, its inpatient fatality rate may increase. The table below sets forth the Group’s inpatient fatality rate for the years indicated:

		Change 變動率	2018 二零一八年	2017 二零一七年
Total number of inpatient deaths	住院病人死亡總數	-1.0%	295	298
% of total inpatients	佔住院病人總數的百分比	-0.19 b.p.	0.30%	0.49%

### 4.2 服務質量管理

本集團採取全面服務質量管理體系，包括以下主要組成部分：

- 結構—臨床資源可用程度，包括醫療設備、醫院治理結構、人力資源、床位與員工比率、臨床目標、實踐指引及標準；
- 環節—臨床程序，包括臨床手術是否按照相關規範進行、工作流程及醫院感染；及
- 結果—患者接受服務後康復情況，包括治療功效、恢復過程、健康狀況、滿意度及治療引起的併發症。

服務質量管理體系範圍廣泛。除監控診斷質量（診斷是否準確、周全、快速）、治療質量（治療是否有效、快速、徹底及期間合理）、醫院感染控制及臨床缺陷（是否對患者產生本來可以其他方式避免的傷害、損害或疼痛）外，該體系亦監控臨床療效、醫療費用合理性、所使用醫療技術投入產出關係、系統化服務及連續性及社區反饋。在該體系下，醫院各科室獲提供須達到的可量化服務質量目標及監控參數。服務質量管理及改進是一個持續的過程。任何缺陷一經發現，即會以適當監督級別迅速處理。

高標準臨床管理使本集團的住院病人死亡率與醫院運營及行業的固有風險保持一致。隨著本集團增加接收重症患者及／或需要專門且複雜緊急手術並帶有較高不利臨床結果風險的患者，其住院病人死亡率或會增長。下表載列於所示年度本集團的住院病人死亡率：

### 4.3 Patient privacy protection

The Group's hospitals have a dedicated medical records management department to handle patients' medical records. The hospitals strictly adhere to applicable laws and regulations in relation to patient privacy, including Guangdong Province Medical Records Writing and Management Specifications and Healthcare Institutions Medical Records Management Rules. The hospitals have stringent protocols on the creation, maintenance, reviewing and copying, sealing or unsealing and preservation of patient medical records. These protocols are also design to ensure that the records are not accidentally accessed, processed, erased, lost or used without authorization. Patient medical records are generally kept for 15 years. Before access to the relevant medical records is granted, patients or their families will need to produce the original of the patient's identity documents and a signed consent letter. The medical administration department is responsible for overseeing and auditing medical records management.

The Group also promotes patient privacy awareness among staff by conducting regular training and sharing sessions. Hospital staff are sensitive to patient privacy and place additional emphasis on protecting patient privacy during every aspect of the clinical processes. Save as required by applicable laws and regulations, patient information can only be released with consent.

Each of the Group's hospitals has an information technology department responsible for reviewing and implementing data protection measures in accordance with relevant laws and regulations. The hospitals' resources that store and manage patient data are physically disconnected from internet access points to prevent external leakage and tempering activities. The hospitals strictly adhere to grade three security requirements under the Administrative Measures for the Graded Protection of Information Security. The hospitals' network security, system security and database security are reviewed from time to time and are comprehensively audited at least once every year to ensure the required standards are met.

The hospitals have formulated policies for privacy data administration which sets out the overall responsibilities and procedures to ensure that all users adhere to defined standards. The hospitals have promulgated internal instructions setting out specific procedures regarding the handling of documents containing patient data. Staff are also required to observe the hospitals' internal instructions on the security of computer systems (including storage, processing, transmission and management of classified information, data encryption and physical security of computer systems). Violation of the above requirements will result in disciplinary actions. The hospitals provide regular updates and trainings to staff on data protection to cultivate their data protection awareness. Staff who need to have access to sensitive data are also required to enter into a confidential undertaking with respect to any patient data, operational, financial and other sensitive information that they may come across.

### 4.3 患者隱私保護

本集團的醫院設有專責醫案管理科來處理患者的醫療記錄。醫院嚴格遵守與患者隱私有關的適用法律法規，包括《廣東省病歷書寫和管理規範》及《醫療機構病歷管理規定》。醫院對患者醫療記錄的創建、維護、審閱與複製、密封或拆封及保存，訂有嚴格規程。該等規程亦旨在確保有關記錄不會意外被查閱、處理、清除、丟失或未經授權使用。患者醫療記錄通常保存15年。在獲准查閱相關醫療記錄前，患者或其家屬將須出示患者身份證件原件及簽名同意書。醫務部負責監督及審核醫案管理。

本集團亦通過進行定期培訓及分享會，提高員工的患者隱私意識。醫院員工對患者隱私保持敏感，並在臨床過程的各個方面格外重視保護患者隱私。除適用法律法規所規定者外，患者資料僅會在徵得同意後發佈。

本集團各家醫院均設有信息技術部，負責根據相關法律及法規審閱及實施數據保護措施。醫院儲存及管理患者數據的資源與互聯網接入點物理斷連，以防止出現外洩及篡改行為。醫院嚴格遵守《信息安全等級保護管理辦法》的第三級安全規定。醫院的網絡安全、系統安全及數據庫安全會不時受到審查及至少每年全面審核一次，以確保符合規定標準。

醫院已制定隱私數據管理政策，載明全面責任及程序以確保所有用戶遵守界定標準。醫院已發佈內部指引，載明處理載有患者數據文件的具體程序。員工亦須遵守醫院有關電腦系統安全（包括儲存、處理、傳輸及管理機密資料、數據加密及電腦系統的實體安全）的內部指引。違反上述規定將處以紀律處分。醫院定期向員工提供有關數據保護的最新資料及培訓，以培養其數據保護意識。需要訪問敏感數據的員工亦須就任何患者數據、經營、財務及其可能接觸的其他敏感資料訂立保密承諾。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

The hospitals implement strong access controls to information. The degree of access and control the staff has to sensitive information is determined by reference to the relevance to their role, their post and/or seniority and is reviewed from time to time. Any unnecessary or obsolete access rights will be revoked immediately. All network actions are recorded on the systems and continuously monitored for any irregularity. In the event of an information security breach, such records will enable the hospitals to carry out detailed investigations and damage control.

For the year ended 31 December 2018, the Group had, in all material respects, complied with applicable laws and regulations that have a significant impact on the Group relating to patient privacy.

#### 4.4 Suppliers

The Group's suppliers primarily consist of agents and distributors of pharmaceuticals, medical consumables and medical equipment. The Group seeks to manage inventory risks by maintaining adequate inventories and building strong relationships directly with suppliers. Suppliers are cautiously selected for quality, reputation, price, product and service offerings and delivery capability. The Group routinely assesses its suppliers' performance, credit-worthiness, re-confirm their qualifications (such as GMP and/or GSP Certificates, where appropriate) and ensure the compliance status and quality of the supplies. The Group undertakes reasonable due diligence of its suppliers' qualifications, including:

- suppliers are required to provide all relevant qualification documents and licenses for inspection;
- the procurement department is responsible for verifying the genuineness, validity and scope of the qualification documents and licenses;
- the qualification documents and licenses will be provided to the relevant departments, including warehouse, medical equipment department and pharmacy department for the relevant staff to take note of the source of the supplies and their qualifications; and
- the suppliers shall promptly produce any updates or changes to the qualification documents and licenses.

醫院對資料訪問實施嚴格控制。員工對敏感資料的訪問程度及控制權乃參考其角色、職位及／或資歷的相關性而定，並經不時審核。任何不必要或過時訪問權限將被立即收回。所有網絡行動將錄入系統並將持續監控任何異常情況。倘出現違反信息安全的情況，有關記錄將使醫院能進行詳盡調查及損害控制。

截至二零一八年十二月三十一日止年度，本集團已於患者私隱的所有重大方面，符合及採取適用法律法規。

#### 4.4 供應商

本集團的供應商主要包括藥品、醫療耗材及醫療設備的代理商及經銷商。本集團力求通過保持充足存貨及直接與供應商建立牢固關係，來管理存貨風險。本集團根據質量、聲譽、價格、產品及服務種類以及交付能力慎重甄選供應商。本集團定期評估供應商的表現、信譽，重新確定彼等的資質（如GMP及／或GSP證書（倘適用）並確保供應商的合規狀態及質量。本集團會對供應商資質展開合理盡職調查，包括：

- 供應商須提供所有相關資質文件及許可證備查；
- 採購部負責核證資質文件及許可證的真實性、有效性及範圍；
- 資質文件及許可證將會提供予相關科室，包括倉庫、設備科及藥劑科，以使相關員工記錄供應商原始資料及其資質；及
- 供應商應及時出示資質文件及許可證的任何更新或變動。

The Group has adopted a stringent policy that prohibits suppliers from contacting and offering rebates to doctors to solicit business. If any supplier is found to be in violation, the Group will immediately terminate the business relationship. The Group believes that such practice minimizes the risk of corrupt practices, thereby safeguarding the quality of the supplies.

The Group has an internal rating system for its suppliers, which can broadly be classified into:

- (i) excellent suppliers: the Group should increase purchase volume, and maintain stable relationship with, these suppliers;
- (ii) mediocre suppliers: the Group should gradually reduce purchase volume with, and pay closer scrutiny on, these suppliers; and
- (iii) poor suppliers: these suppliers are blacklisted and the Group should no longer purchase from them. These suppliers typically include those who do not comply with the purchase agreement, have questionable reputation, always misrepresent the product price, do not deliver the required quantity at the required time, deliver supplies with inferior quality, or show no improvement despite repeated warnings.

本集團已採取嚴格政策禁止供應商接觸及向醫生提供回扣以招攬業務。倘任何供應商被發現違規，本集團會立即終止業務關係。本集團相信，這種做法會盡量減少出現腐敗行為的風險，從而保證供應品質量。

本集團就供應商設有內部評級制度，可大致分類為：

- (i) 優秀供應商：本集團將增加向該等供應商的採購量並與其保持穩定關係；
- (ii) 普通供應商：本集團將逐漸減少向該等供應商的採購量並對其進行更嚴密審查；及
- (iii) 不理想供應商：該等供應商會被列入黑名單，本集團將不再向其採購。該等供應商通常包括不遵守採購協議、聲譽有問題、經常歪曲產品價格、未在規定時間交付規定數量、交付供應品質量低劣或多次警告仍未改進的供應商。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Group recognizes that purchasing products with reduced environmental and human health impacts is vital to sustainable healthcare. The Group is exploring various ways to achieve “environmentally preferable purchasing” (“EPP”), an act of purchasing products whose environmental impacts have been considered and found to be less damaging to the environment and human health when compared to competing products. EPP may be feasible to achieve overall cost saving and waste reduction while meeting the needs of patients. The Group has begun its EPP efforts with a few carefully targeted purchasing changes, and if feasible, will expand the scope of environmental purchasing to select as many environmentally sound, healthy and safe products as a hospital can use. The Group believes that EPP may become an important part of the process toward sustainable operations. Downstream corrections of environmental or occupational health issues are generally more costly – in terms of money, labor, technical complexity, and adverse publicity – than prevention through EPP. By carefully selecting products, a hospital may achieve:

- a significant reduction in overall impact on the environment, cost reduction with lower purchase prices or changes that reduce or eliminate waste disposal, hazardous waste, and/or the need for worker safety measures;
- a healthier environment for patients and staff through reduced exposure to hazardous substance; and
- opportunities for positive publicity and promotion.

Any implementation of EPP is expected to be gradual, and may require substantial changes to purchasing and clinical configuration of the hospital. The Group will comprehensively assess the long-term benefits of EPP, clinical feasibility and business considerations when making any purchasing changes.

本集團意識到採購對環境及人類健康影響較低的產品對可持續醫療發展至關重要。本集團不斷探索各種途徑，以實現「環保採購」(「EPP」)，一種所購產品在環境影響方面被視為且獲證實為對環境及人類健康的破壞作用低於競爭產品的採購行為。EPP在滿足病人需求同時實現整體成本節約及減少垃圾方面不失為可行之策。本集團的EPP努力始於對精選目標採購作出些許調整，如可行，將會擴大環保採購範圍，甄選出醫院所能使用的盡可能多的環保、健康及安全產品。本集團認為EPP會成為邁向可持續經營之路的重要組成部分。環保及職業健康問題的事後糾正—在金錢、勞工、技術複雜程度、不利的公眾形象方面—較之於通過EPP進行預防常常須付出更加昂貴的代價。在挑選產品中謹慎行事，醫院可：

- 大大降低對環境的整體影響、以較低的採購價格或較小的價格波動來減少成本，這可減少或消除廢物及有害物質的處理及／或減少員工安全措施需要；
- 通過減少有害物質的曝光為病人及員工營造更加健康的環境；及
- 創造正面宣傳及推廣的機會。

實施任何EPP預期均將循序漸進，且可能需要醫院的採購及臨床配置作出重大改變。在作出採購變動時，本集團將綜合評估EPP的長期裨益、臨床可行性及業務代價。

In addition to the purchase of pharmaceuticals, medical consumables and medical equipment, the Group also relies on various vendors for engineering and renovation services at the hospital premises from time to time. The Group uses its best efforts to ensure that these vendors are properly qualified and will take all appropriate measures to protect the environment both inside and outside the work site and limit harmful effects to the public and property due to wastes, pollution, noise and other nuisances caused by the engineering work. These vendors are expected to satisfy the applicable requirements under the Labor Law of the PRC and the Labor Contract Law of the PRC and provide the workers with adequate social security and benefits under the relevant laws. The Group pays close attention on the engineering work and may from time to time engage third-party supervision to ensure that the engineering work meets the applicable national engineering specifications and standards and environmental protection.

#### 4.5 Anti-bribery and corruption risks

The PRC government has recently enhanced its anti-bribery efforts to prevent improper payments and other benefits received by doctors, staff and hospital administrators in connection with the procurement of pharmaceutical and medical supplies and the provision of healthcare services. In addition, Grade A Class III hospitals in the PRC, such as the Group's Kanghua Hospital, are subject to particularly stringent requirements, including as part of the criteria for such ratings, requiring all such hospitals to (i) implement internal controls and risk management measures addressing bribery and corruption risks; and (ii) undergo annual inspections from relevant regulatory authorities as to their anti-bribery and corruption status. The Group has implemented the following policies and procedures to address potential bribery and corruption incidents:

- an anti-bribery function at the Group level led by the chief financial officer of the Company. This function is in charge of developing the overall framework of anti-bribery and corruption policies and procedures and providing guidance and supervision towards implementing them across every aspect of the Group's operations. Each of the Group's hospitals will immediately report any suspected incidents of bribery and corruption to the chief financial officer of the Company, who will then carry out any further investigations if necessary and determine the appropriate course of action. From time to time, the Group provides training to its staff and updates on recent anti-bribery and corruption issues and practices as they arise;

除採購醫藥、醫療耗材及醫療設備外，本集團亦需要不同供應商不時為醫院場所進行工程及翻新服務。本集團竭力確保該等供應商屬適當合格，並將採取一切必要措施保護施工場地內外環境，限制因工程施工產生的廢物、污染物、噪音及其他危害對公眾及物業造成的有害影響。該等供應商須遵守《中華人民共和國勞動法》及《中華人民共和國勞動合同法》的適用規定，根據有關法律為其工人提供充足的社會保障及福利。本集團密切關注工程施工並可能不時委聘第三方監理，確保工程符合適用國家工程規格及標準，滿足環保要求。

#### 4.5 反賄賂及腐敗風險

中國政府近期已增強其反賄賂力度，防止醫生、員工及醫院行政人員在採購藥品和醫療用品及提供醫療服務時收取不正當款項及其他利益。此外，中國的三級甲等醫院（如本集團的康華醫院）須遵守的要求尤為嚴格，包括（作為有關評級標準的一部分）要求所有相關醫院(i)實施防範賄賂及腐敗風險的內部控制及風險管理措施；及(ii)接受相關監管機構就其反賄賂及腐敗狀況進行的年度檢查。本集團已實施以下政策及程序，防範潛在賄賂及腐敗事件：

- 本集團層面設有反賄賂職能，由本公司首席財務官領導。該職能負責制定反賄賂及腐敗政策及程序的整體框架，對在本集團經營各個方面的政策及程序實施進行指導及監管。本集團各醫院將即時向本公司首席財務官報告任何疑似賄賂及腐敗事件，首席財務官其後將於必要時進行任何進一步調查並確定合適的行動方案。本集團會不時向員工提供培訓及提供最近出現的反賄賂及反腐敗問題及實踐的最新情況；

# Environmental, Social and Governance Report

## 環境、社會及管治報告

- the Group has in place a robust whistle blower programme accessible by staff and business partners, including a dedicated hotline and an email address, to receive reports of alleged corruption on a no repercussion basis, with the option of anonymity. The Group has established a zero-tolerance policy towards staff accepting any form of bribes. Such policy is included in the staff handbook and code of conduct. Any of the staff found in breach of anti-bribery and corruption policy will be dismissed. The Group also takes appropriate measures to discourage patients from offering any form of payment or gift to staff for better or priority services, including displaying the relevant policies and laws in prominent places in the hospital premises;
- the Group has close oversight over every aspect of the procurement processes. The Group has established a systematic multi-tier approval process involving various departments, dedicated governance committees and management for different categories of procurement. The procurement processes are segregated and no particular individual or department has excessive authority, control or influence, thereby minimising the risk of corruption or abuse. Before engaging in any business relationship with a new supplier, the Group conducts due diligence to obtain reasonable understanding of its background and its connection with the Group, including how such supplier was referred to the Group in the first place. The Group requires its suppliers to agree to anti-bribery and corruption provisions in the supply agreements. In particular, suppliers are prohibited from soliciting business with the hospital staff directly. Any violation will result in the Group's immediate business termination with such suppliers; and
- as part of the Group's key clinical governance, the Pharmaceutical Administration and Therapeutics Committee at each of the Group's hospitals regularly reviews drug prescription patterns. Any unreasonable or inexplicable irregularities or red flags indicative of a deliberate attempt to substantially increase the prescription of certain drugs will be promptly reported and investigated.
- 本集團設立穩健的舉報制度，員工及業務夥伴均可透過專線及電郵地址舉報，我們按無彈回基準接獲指稱腐敗的報告，舉報者可匿名。本集團對員工收取任何形式的賄賂採取零容忍政策。該政策載於員工手冊及行為準則。任何員工一經發現違反本集團的反賄賂及反腐敗政策將會被解僱。本集團亦採取適當的措施勸阻病人為獲得更好或優先服務而向本集團的員工提供任何形式的付款或禮品，包括在醫院顯眼位置展示相關政策及法律；
- 本集團密切監察採購流程。本集團已設立涉及多個部門、專責管理委員會及各類採購管理的系統性多層審批流程。我們的採購流程為分離式，不會出現個別人士或部門的權力、控制權或影響過大，因此可最大限度降低腐敗或濫用職權的風險。與新供應商建立任何業務關係前，本集團進行盡職調查，以合理掌握其背景及其與本集團的關係，包括該供應商首次引薦給本集團的方式。本集團要求供應商同意我們供應協議中的反賄賂及反腐敗條文。尤其是，禁止供應商直接向我們的醫院員工招攬業務。一旦違反，本集團將立即終止與該等供應商的業務；及
- 作為本集團臨床管理的一個關鍵部分，本集團各家醫院的藥事管理與藥物治療學委員會將定期審查藥物處方模式。任何不合理或無法解釋的違規行為或危險信號表示蓄意試圖在處方中大幅增加若干藥物將被立即上報及接受調查。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

In line with requirements under applicable PRC laws and regulations, the Group has established a strict “no red packet policy” for medical professionals not to personally accept any form of payment or advantages from patients in return for more favourable treatments. The Group requires all healthcare professionals to report to management of all instances of red packets offered by patients. The table below sets forth the number and monetary amount of red packets rejected by the healthcare professionals for the years indicated:

根據適用中國法律及法規的規定，本集團已為我們的醫務人員制定嚴格的「拒收紅包政策」，不得私下收取患者為換取更為有利治療而提供的任何形式的款項或好處。本集團規定所有醫務人員須向管理層報告患者提供紅包的一切情況。下表載列所示年度我們醫務人員拒收的紅包數目及金額：

		Change 變動	2018 二零一八年	2017 二零一七年
Number of red packets rejected	拒收紅包數目	-23.7%	171	224
Total monetary amount involved (RMB)	所涉總金額 (人民幣元)	-11.8%	138,993	157,650

For the year ended 31 December 2018, the Group had, in all material respects, complied with applicable laws and regulations that have a significant impact on the Group relating to bribery and corruption.

截至二零一八年十二月三十一日止年度，本集團已於貪污與腐化的所有重大方面，符合及採取適用法律法規。

## 5. COMMUNITY BENEFIT PROGRAMMES

As encompassed in the motto “Empathic • Virtuous Medical Practice” (蒼生為念 • 厚德載醫), the Group regards social contribution as one of its core values. The Group prides itself on being a socially responsible private hospital operator. The Group demonstrates its commitment to community service through organized and sustainable community benefit programmes primarily providing: (i) free and discounted care to those unable to afford healthcare; and (ii) services or education designed to improve community health and increase access to healthcare. These programmes are purposely designed to create meaningful impact by responding to identified community needs, as opposed to being random acts of kindness.

The Group has implemented a comprehensive framework for planning, delivering and reporting its community benefit efforts, including the following elements:

- sustainable infrastructure – the Groups has fostered a culture that supports its community benefit initiatives and has in place operational elements that sustain the community benefit programmes, such as clinical resources, staff, budget and supporting policies and procedures;
- plan for community benefit – through regular communication with public health organizations and the community, the Group continuously assesses and prioritizes community health needs and develops community benefit programmes accordingly;

## 5. 社區福利計劃

誠如我們的辦院宗旨「蒼生為念 • 厚德載醫」所包含者，本集團將社會貢獻視為其核心價值觀之一。本集團以作為對社會負責的民營醫院運營商而感到自豪。本集團透過有組織及可持續的社區福利計劃致力於社區服務，主要提供(i)向無力支付醫療費用的群體提供免費及優惠保健服務；及(ii)旨在改善社區健康及增強醫療便利的服務或教育。該等計劃的設計目的在於滿足經識別的社區需求而非隨意行善來實現更具意義的影響。

本集團已實施一個規劃、履行及報告其社區福利工作的綜合框架，當中包括以下要素：

- 可持續基礎設施—本集團已營造出支持其社區福利倡議的文化並已配備可持續發展社區福利計劃的作業要素，如臨床資源、人員、預算以及支持政策及程序；
- 社區福利計劃—透過與公眾衛生機構及社區的定期溝通，本集團持續評估醫療需求並確立其優先次序，制定相應社區福利計劃；

# Environmental, Social and Governance Report

## 環境、社會及管治報告

- account for community benefit – the Group has established effective administrative and accounting processes to account for and report community benefit to its stakeholders; and
- evaluate community benefit programmes – the Group assesses the quality, effectiveness and impact of the relevant programmes and activities.
- 社區福利問責—本集團已制定有效的管理及問責程序，對其持份者負責並向其報告社區福利事宜；及
- 社區福利計劃評估—本集團評估相關計劃及活動的質量、效果及影響。

In 2018, the Group organized numerous volunteer programmes and free clinics, with a focus primarily on children and elderly people with limited health awareness and/or access to affordable and adequate healthcare. The free clinics also penetrated remote areas where basic healthcare resources are scarce. The table below sets forth certain data of the Relevant Operations community benefit efforts for the years indicated:

二零一八年，本集團組織大量志願者項目及免費會診，重點對象是健康意識較差及／或難以享受支付得起的醫療服務或其醫療服務不足的兒童及長者。免費會診亦深入基本醫療資源匱乏的偏遠山區。下表載列有關經營業務截至以下年度所開展社區福利工作的若干數據：

		Change 變動	2018 二零一八年	2017 二零一七年
<b>Volunteer activities</b>	<b>參與義工活動</b>			
Number of volunteer activities	義工活動次數	+31.1%	211	161
Number of staff participants	參與員工人次	+300.7%	1,635	408
Total number of volunteer man-hours	參與義工活動人員時數	+17.7%	2,919	2,481
<b>Free clinics</b>	<b>免費會診</b>			
Number of free clinics	免費會診次數	+35.2%	307	227
Number of staff participants	參與員工人次	+104.8%	688	336
Estimated number of patients served	所服務患者估計人次	+90.3%	18,245	9,590
Total number of free clinic man-hours	免費會診總工時	+93.8%	2,099	1,083
Total amount of compensation provided to staff for participating in free clinics (RMB)	向參與免費會診的員工提供的報酬總額 (人民幣元)	+700.0%	22,400	2,800

The general increase in all aspects of volunteer activities and free clinics was primarily attributable to the inclusion of the Zhonglian Cardiovascular Hospital and the Anhui Hualin Group and the Group's ongoing efforts in the promotion of the "Kanghua" brand through these channels.

所有各方面的自願者活動及免費門診普遍增加，主要乃因增加了眾聯心血管病醫院及安徽樺霖集團的經營業務以及本集團持續透過此等渠道致力推廣「康華」品牌所致。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### THE STOCK EXCHANGE'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

### 聯交所《環境、社會及管治報告指引》內容索引

#### A. Environmental

#### A. 環境

KPI  
關鍵績效  
指標

#### Aspect A1: Emissions

##### 層面 A1：排放物

#### Types of emissions and respective emissions data

排放物種類及相關排放數據

The Relevant Operations are not a significant source of greenhouse gas emission

有關經營業務的醫院運營並非溫室氣體排放的重大來源

A1.1  
A1.2

#### Greenhouse gas emission in total

溫室氣體總排放量

#### Total hazardous and non-hazardous waste produced and intensity

所產生有害及無害廢棄物總量及密度

Wastewaters produced: 293,463 tons (2017: 326,587 tons)

所產生廢水：293,463 噸（二零一七年：326,587 噸）

Hazardous solid wastes produced: 540,103kg (2017: 427,343kg)

所產生有害固體廢棄物：540,103 公斤（二零一七年：427,343 公斤）

Domestic wastes produced: 2,399,950kg (2017: 1,920,000kg)

所產生生活廢棄物：2,399,950 公斤

（二零一七年：1,920,000 公斤）

A1.3  
A1.4

#### Measures to mitigate emissions and results achieved

減低排放量的措施及所得成果

The Relevant Operations are not a significant source of greenhouse gas emission

有關經營業務的醫院運營並非溫室氣體排放的重大來源

A1.5



# Environmental, Social and Governance Report

## 環境、社會及管治報告

		KPI 關鍵績效 指標
Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	<p><i>Handling</i> 處理</p> <p>Wastewaters and hazardous solid wastes: handled by qualified contractors licensed by environmental authorities 廢水及有害固體廢棄物：由獲環境部門許可的合資格承包商處理</p> <p>Domestic wastes: handled by eligible contractors through tendering 生活廢棄物：由中標的合格承包商處理</p> <p>Reduction initiatives 減低產生量的措施</p> <p>Domestic wastes: segregation and recycling; promoting staff awareness and paper-less office initiatives; reuse of components in decommissioned equipment and furniture 生活廢棄物：分離及回收；提高員工意識及省紙辦公措施；重複利用退役設備及裝置的組件</p> <p>Wastewaters and hazardous wastes: production of these wastes is integral to clinical activities and maintaining a high clinical standard and environment sanitation. The Group currently considers it is not feasible to excessively reduce the production of these wastes without compromising clinical standards, which are of overriding importance 廢水及有害廢棄物：進行診療工作必定會產生廢棄物，我們保持高臨床標準及環境衛生標準。本集團目前認為過度減少該等廢棄物生產量不可避免令診療標準打折，而診療標準至為重要，故減排並不切實可行</p>	A1.6

KPI  
關鍵績效  
指標

### Aspect A2: Use of Resources

#### 層面 A2：資源使用

Direct and/or indirect energy consumption by type 按類型劃分的直接及／或間接能源耗量	Electricity: 34,069,473 kw/hr (2017: 29,733,765 kw/hr) 電：34,069,473 千瓦時 (二零一七年：29,733,765 千瓦時)	A2.1
Water consumption in total 總耗水量	Water consumption: 731,808 tons (2017: 688,282 tons) 耗水量：731,808 噸 (二零一七年：688,282 噸)	A2.2
Energy use efficiency initiatives and results achieved 能源使用效益計劃及所得成果	<p><i>Efficiency improving initiatives</i> <i>效益提升計劃</i></p> <p>Use of energy efficient light source, water heating, air-conditioning and equipment; staff awareness; regular audit of energy usage and inspection of energy demanding processes 使用能效高的光源、水暖、空調及設備；提高員工意識；定期審核能源使用及檢查能源需求程序</p> <p><i>Results achieved</i> <i>所得成果</i></p> <p>Energy consumption per gross floor area was decreased by 8.1% despite 18% growth in revenue and strong business growth primarily because of the relatively low consumption per gross floor area of Zhonglian Cardiovascular Hospital and the Anhui Hudlin Group 總樓面面積的能源耗量減少 8.1%，而收益增長 18% 且業務增長強勁，主要乃因眾聯心血管病醫院及安徽樺霖集團的樓面面積耗量相對較低所致</p> <p>The Group will continue to monitor the effectiveness of the initiatives on a long term basis 本集團將繼續長期監控計劃的成效</p>	A2.3 A2.4

# Environmental, Social and Governance Report

## 環境、社會及管治報告

KPI  
關鍵績效  
指標

Water efficiency improving initiatives and results achieved

提升用水效益計劃及所得成果

*Efficiency improving initiatives*

效益提升計劃

Leak detection and repair; use of efficient and low flow plumbing fixtures; motion sensor-activated faucets and flow control, waterless medical vacuum pumps; use full loads in sanitizers, sterilisers and laundry washing machines  
洩漏檢測及維修；使用高效、低流量管道裝置；自動感應水龍頭及流量控制、醫療無水真空泵；在滿載時使用消毒器、殺菌器及洗衣機

*Results achieved*

所得成果

The increase in water consumption was primarily attributable to the inclusion of the operations of Zhonglian Cardiovascular Hospital and the Anhui Hualin Group in 2018. The Group will continue to monitor the effectiveness of the initiatives on a long term basis

水量消耗增加，主要乃因二零一八年增加眾聯心血管醫院及安徽樺霖集團的經營業務所致。本集團將繼續長期監控計劃的成效

Total packaging material used for finished products

製成品所用包裝材料的總量

The Relevant Operations do not involve significant use of packaging materials

本集團的有關經營業務並不涉及大量使用包裝材料

A2.5

Aspect A3: The Environment and Natural Resources

層面 A3：環境及天然資源

The significant impacts of activities on the environment and natural resources

and the actions taken to manage them  
業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動

The Relevant Operations had no significant impact on the environment and natural resources during 2018

有關經營業務於二零一八年對環境及天然資源並無重大影響

A3.1

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### B. Social

### B. 社會

Employment and Labour Practices 僱傭及勞工常規		KPI 關鍵績效 指標
Aspect B1: Employment 層面 B1：僱傭		
Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類型、年齡組別及地區劃分的僱員總數	As of 31 December 2018: 截至二零一八年十二月三十一日：  Total of number of staff of the Group: 3,469 including 750 staff of Zhonglian Cardiovascular Hospital and the Anhui Hualin Group acquired in 2018 (2017: 2,476) 本集團的員工總數：3,469 人（包括於二零一八年收購的眾聯心血管病醫院及安徽樺霖集團的全職員工 750 人）（二零一七年：2,476 人）  – by nature of work – 按工作性質劃分  Doctors: 791 (2017: 696) 醫生：791 人（二零一七年：696 人）  Other medical, administrative and support staff: 2,678 (2017: 1,780) 其他醫療、行政及支援的員工：2,678 人（二零一七年：1,780 人）  – by gender – 按性別劃分 Male: 1,001 (2017: 748) 男性：1,001 人（二零一七年：748 人）  Female: 2,468 (2017: 1,728) 女性：2,468 人（二零一七年：1,728 人）	B1.1
Employee attrition rate 僱員流失比率	Attrition rate: 5.0% (2017: 21.6%) 流失比率：5.0%（二零一七年：21.6%）	B1.2

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規	KPI 關鍵績效 指標
Aspect B2: Health and Safety 層面 B2：健康與安全	
Relating to providing a safe working environment and protecting employees from occupational hazards 有關提供安全工作環境及保障僱員避免職業性危害	In 2018: 二零一八年： Number of staff contracting infections due to occupation: 23 (2017: 17) 因職業接觸感染的員工數目：23 人(二零一七年：17 人)  Number of staff deaths: 0 (2017: 0) 員工死亡數目：0 人(二零一七年：0 人)  Number of staff disabilities due to occupation: 0 (2017: 0) 因職業殘疾的員工數目：0 人(二零一七年：0 人)  Number of man-days lost due to occupation related injuries or illness: 27 (2017: 18) 因職業相關傷害或疾病導致的工傷誤工天數：27 天(二零一七年：18 天)  Health and safety measures adopted: 已採納的健康與安全措施：  Regular audit and inspection of operating premises; 定期審核及檢查經營處所； proactive risk reporting culture among staff; 在員工間形成主動報告氛圍； continuous learning from health and safety incidents and improvement of processes; 持續從健康與安全事故中學習經驗並改善程序； regular staff health and exposure assessment; 定期進行員工健康及風險評估； provision of adequate protective gears; 提供足夠的護具； third party inspection and assessment; and 第三方檢查及評估；及 adequate support to handle incidents of medical violence 給予足夠支持以處理醫療暴力事件

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規	KPI 關鍵績效 指標	
Aspect B3: Development and Training 層面 B3：發展及培訓		
Policies on improving employees' knowledge and skills for discharging duties at work 有關提升僱員履行工作職責的知識及技能的政策	<p>In 2018: 二零一八年：</p> <p>Number of participants in training and development programmes: 28,145 (2017: 21,450) 參加培訓及發展項目的員工人次：28,145 人 (二零一七年：21,450 人)</p> <p>Total number of training man-hours: 355,162 (2017: 200,484) 培訓總工時：355,162 小時 (二零一七年：200,484 小時)</p>	B3
Description of training activities 描述培訓活動	<p>The Group has a comprehensive Continuing Education and Training Management Policy 本集團設有全面的繼續教育培訓管理制度</p> <p>Training activities include training on clinical skills; nursing and patient caretaking skills; and comprehensive training on staff management capability, cultural values and technical skills 培訓活動包括臨床技能、護理及病人看護技能的培訓；以及對員工管理能力、文化價值及技術技能的全面培訓</p>	
Aspect B4: Labour Standards 層面 B4：勞工準則		
Employment practices to avoid child and forced labour 防止童工或強制勞工的招聘慣例	<p>The Group stringently complies with all national and local laws, including the Labor Law of the PRC and the Labor Contract Law of the PRC; 本集團嚴格遵守一切國家及地方法律，包括《中華人民共和國勞動法》及《中華人民共和國勞動合同法》；</p> <p>The Group conducts background checks and reasonable due diligence on job applicants; and 本集團對職位申請人進行背景調查及合理盡職審查；及</p> <p>labour unions are established to protect the rights and interests of staff 設立工會以保障員工權利及利益</p>	B4.1
Steps taken to eliminate such practices when discovered 在發現違規情況時消除有關情況所採取的步驟	<p>During 2018, the Group had no non-compliance in this respect 於二零一八年，本集團並無此方面的不合規情況</p>	B4.2

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規	KPI 關鍵績效 指標
Aspect B5: Supply Chain Management 層面 B5：供應鏈管理	
Policies on managing environmental and social risks of the supply chain 管理供應鏈的環境及社會風險政策	<p>The Relevant Operations do not have a supply chain business 有關經營業務並無設有供應鏈業務</p> <p>It has a stringent criteria in selecting suppliers and conducts reasonable due diligence to ensure that its suppliers are appropriately qualified and licensed 其在篩選供應商方面設有嚴格標準並進行合理盡職審查以確保供應商擁有適當的資格及牌照</p> <p>The Group will continuously assess the feasibility of “environmentally preferable purchasing” (EPP) 本集團將持續評估「環保採購」(EPP)的可行性</p>
Aspect B6: Product Responsibility 層面 B6：產品責任	
Percentage of total products sold or shipped subject to recalls for safety and health reasons 已售或已運送產品總數中因安全與健康理由而須回收的百分比	Not applicable to the Relevant Operations 不適用於有關經營業務
Number of products and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法	<p>In 2018: 二零一八年：</p> <p>Number of critical complains: 33 (2017: 34) 嚴重投訴數目：33 次 (二零一七年：34 次)</p> <p>Number of regular complaints: 188 (2017: 108) 一般投訴數目：188 次 (二零一七年：108 次)</p> <p>Number of immaterial complaints: 315 (2017: 467) 非重要投訴數目：315 次 (二零一七年：467 次)</p> <p>The Group’s hospitals have a comprehensive complaint management system. In 2018, most of the complaints were resolved amicably with only a few of them escalated into medical disputes. 本集團的醫院設有全面的投訴管理系統。二零一八年，大部分投訴已獲和解，僅有少數升級為醫療糾紛。</p>
Practices relating to observing and protecting intellectual property rights 與維護及保障知識產權有關的慣例	The Relevant Operations do not involve a significant degree of intellectual property rights 有關經營業務並無涉及重大程度的知識產權

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規		KPI 關鍵績效 指標
Quality assurance process and recall procedures	The Group has a comprehensive service quality management system consisting of structure, process and outcome. It has a wide scope covering every aspect of operations. Dedicated customer service department collects and gauges patient feedback and ensures that patient experience is positive through proactive outreach and responsive communication.	B6.4
質量檢定過程及產品回收程序	本集團設有包括架構、程序及結果在內的全面服務質量管理系統，其範圍廣闊，涵蓋營運的每個方面。專責客戶服務部門收集及計量患者反饋，並透過主動拓展及積極溝通確保患者有良好體驗。	
Consumer data protection and privacy policies, how they are implemented and monitored	Patient medical records are kept in strict compliance with applicable laws and regulations. The Group has stringent protocols on accessing these records. The medical administration department is responsible for overseeing and auditing medical records management.	B6.5
消費者資料保障及私隱政策，以及相關執行及監察方法。	患者醫療記錄乃嚴格遵守適用法律法規來保存。本集團設有獲取該等記錄的嚴格規程。醫務部負責監察及審核醫療記錄管理。	
	The Group's hospitals maintain a certain level of information security infrastructure and implement strong access controls to information. Regular audits on the infrastructure are carried out to ensure relevant standards are met.	
	本集團醫院維持一定程度的信息安全基礎設施及實施對獲取資料的嚴格控制。將會對基礎設施進行定期審核以確保符合相關標準。	
	Staff are trained to be vigilant and sensitive about patient privacy. Policies and guidelines are implemented to create working processes that safeguard patient privacy.	
	員工獲培訓須對患者隱私保持警惕及敏感。已實施政策及指引以設立保障患者隱私的工作流程。	
Aspect B7: Anti-corruption 層面B7：反貪污		
Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Policies and procedures include: <ul style="list-style-type: none"> <li>• anti-bribery function at Group level;</li> <li>• whistle blower programmes;</li> <li>• close oversight over procurement processes;</li> <li>• drug prescription patterns; and</li> <li>• no red packet policy</li> </ul>	B7
有關防止賄賂、勒索、欺詐及洗黑錢的政策及遵守對發行人有重大影響的相關法律及規例	政策及程序包括： <ul style="list-style-type: none"> <li>• 本集團層面的反賄賂職能；</li> <li>• 舉報制度；</li> <li>• 密切監察採購流程；</li> <li>• 藥物處方模式；及</li> <li>• 拒收紅包政策</li> </ul>	



# Environmental, Social and Governance Report

## 環境、社會及管治報告

Employment and Labour Practices 僱傭及勞工常規		KPI 關鍵績效 指標
Aspect B8: Community Investment 層面 B8 : 社區投資		
Focus areas of contribution 專注貢獻範疇	<p>In 2018, the Group organized numerous volunteer programmes and free clinics, with a focus primarily on children and elderly people with limited health awareness and/or access to affordable and adequate healthcare. The free clinics also penetrated remote areas where basic healthcare resources are scarce.</p> <p>二零一八年，本集團組織多次義工服務及免費會診，主要集中於健康意識淡薄及／或難以獲得可負擔及足夠醫療保健的兒童及老人。免費會診亦深入到基礎醫療資源稀缺的偏遠地區。</p>	B8.1
Resources contributed 所動用資源	<p>In 2018: 二零一八年：</p> <p>Number of volunteer man-hours: 2,919 (2017: 2,481) 參與義工活動人員時數：2,919 小時 (二零一七年：2,481 小時)</p> <p>Number of free clinic man-hours: 2,099 (2017: 1,083) 免費會診工時數目：2,099 小時 (二零一七年：1,083 小時)</p> <p>Total amount of compensation provided to staff for participating in free clinics: RMB22,400 (2017: RMB2,800) 向參與免費會診的員工提供的報酬總額：人民幣 22,400 元 (二零一七年：人民幣 2,800 元)</p>	B8.2

# Directors, Supervisors and Senior Management

## 董事、監事及高級管理層

### DIRECTORS

#### Executive Directors

Mr. WANG Junyang, aged 36, is an executive Director and chairman of the Board. He is primarily responsible for the overall business operation and strategic planning of the Group. Mr. Wang was appointed as the executive Director in December 2015 after the Company was converted into a joint stock limited liability company. Mr. Wang has approximately 12 years of industry and management experience, and is familiar with modern enterprise management, capital operations and marketing. Mr. Wang joined Kanghua Hospital in August 2007 and has held various positions since then, including assistant to general manager responsible for hospital operations from August 2007 to July 2009, manager of the business department responsible for business development from August 2009 to November 2012 and vice general manager of the business department responsible for business management and overall strategic development of the hospital since December 2012. Mr. Wang has also served as director and general manager responsible for business management and overall strategic development of Kanghua Group since August 2007 and Xingye Group since December 2008. Mr. Wang has served on the fourth council of Dongguan City Houjie Chamber of Commerce (東莞市厚街商會第四屆理事會理事) since December 2009. In 2012, Mr. Wang served as the president of the fifth council of Dongguan Young Entrepreneurs Association (東莞市青年企業家協會第五屆理事會會長). In June 2014, Mr. Wang was awarded Outstanding Young Dongguan Businessman (優秀青年莞商) by the World Dongguan Entrepreneurs Convention Organising Committee (世界莞商大會組織委員會). Mr. Wang is a member of the Wang Family and is the cousin of Mr. Wong Wai Hung Simon and nephew of Mr. Chen Wangzhi and Ms. Wang Aiqin.

Mr. CHEN Wangzhi, aged 48, is an executive Director and the chief executive officer of the Company. Mr. Chen is primarily responsible for the overall hospital operations and management of the Group. Mr. Chen was appointed as the executive Director in December 2015 after the Company was converted into a joint stock limited liability company. Mr. Chen has over 12 years of experience in the healthcare industry. Mr. Chen joined Renkang Hospital in August 2005 when it was established as a limited liability company in the PRC and has since served as the chairman responsible for hospital operations and development. Mr. Chen joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and has since served as the chairman and general manager responsible for hospital operations and development. He was principally responsible for supervising the construction and development of Kanghua Hospital and Renkang Hospital from which he had gained extensive experience in hospital management and development. Under the leadership of Mr. Chen, Kanghua Hospital and Renkang Hospital have developed a management style reflective of the values and characteristics of the "Kanghua" brand and obtained many prestigious accreditations and recognitions. Mr. Chen obtained an executive master's degree in business administration (高級管理人員工商管理) from Sun Yat-sen University (中山大學) in December 2014. Mr. Chen is a member of the Wang Family and is uncle-in-law of Mr. Wang Junyung and spouse of Ms. Wang Aiqin.

### 董事

#### 執行董事

王君揚先生，36歲，為執行董事兼董事會主席。彼主要負責本集團整體業務營運及策略規劃。當本公司轉為股份有限責任公司後，王先生於二零一五年十二月獲委任為執行董事。王先生擁有約12年的業內及管理經驗，並熟悉現代企業管理、資本運營及市場推廣。王先生於二零零七年八月加入康華醫院，並自此一直擔任多個職務(包括自二零零七年八月至二零零九年七月擔任總經理助理(負責醫院營運)、自二零零九年八月至二零一二年十一月擔任業務部經理(負責業務發展)以及自二零一二年十二月起擔任業務部副總經理(負責醫院的業務管理及整體策略發展)。王先生自二零零七年八月起及自二零零八年十二月起亦分別擔任康華集團及興業集團的董事兼總經理，負責康華集團及興業集團的業務管理及整體策略發展。王先生自二零零九年十二月起一直擔任東莞市厚街商會第四屆理事會理事。於二零一二年，王先生擔任東莞市青年企業家協會第五屆理事會會長。二零一四年六月，王先生獲世界莞商大會組織委員會評為「優秀青年莞商」。王先生為王氏家族成員，是王偉雄先生的堂兄及陳旺枝先生和王愛勤女士的姪兒。

陳旺枝先生，48歲，為執行董事兼本公司行政總裁。陳先生主要負責本集團整體醫院營運及管理。當本公司轉為股份有限責任公司後，陳先生於二零一五年十二月獲委任為執行董事。陳先生擁有逾12年的醫療行業經驗，陳先生於二零零五年八月仁康醫院在中國成立為有限公司之時加入，並自此一直擔任主席，負責醫院營運及發展。陳先生於二零零五年九月在康華醫院於中國成立為有限公司之時加入康華醫院，並自此擔任主席兼總經理，負責醫院營運及發展。彼主要負責監督康華醫院及仁康醫院的建設及發展，累積了醫院管理及發展的豐富經驗。在陳先生的領導下，康華醫院及仁康醫院形成了反映「康華」品牌價值及特色的管理風格，並獲得了多項知名認證及榮譽。陳先生於二零一四年十二月取得中山大學的高級管理人員工商管理碩士學位。陳先生為王氏家族成員，是王君揚先生的姑丈及王愛勤女士的配偶。

## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

Mr. WONG Wai Hung Simon, aged 30, is an executive Director and vice chairman of the Board. He is primarily responsible for the overall business operations and strategic planning of the Group. Mr. Wong was appointed as the executive Director in December 2015 after the Company was converted into a joint stock limited liability company. Mr. Wong has approximately 8 years of hospital management experience. Mr. Wong joined Kanghua Hospital in July 2010 and has since served various roles, including assistant to chairman responsible for implementing and executing chairman's decisions from July 2010 to April 2012, manager of the finance department responsible for the overall supervision of the financial affairs of the hospital from May 2012 to June 2013, and vice general manager of the business department responsible for hospital administration management since July 2013. Mr. Wong actively participates in the business communities in Dongguan. He has served as the vice chairman of the Hong Kong Houjie Clansmen Association (香港厚街同鄉會) since January 2016. Mr. Wong obtained a bachelor's degree in management from the California State University, Northridge in December 2010. Mr. Wong is a member of the Wang Family and is the cousin of Mr. Wang Junyung and nephew of Mr. Chen Wangzhi and Ms. Wang Aiqin.

Ms. WANG Aiqin, aged 48, is an executive Director. Ms. Wang is primarily responsible for the overall financial management and capital investment of the Group. Ms. Wang has approximately 21 years of group management experience, in particular group financial management. Ms. Wang joined Renkang Hospital in August 2005 when it was established as a limited liability company in the PRC and has since served as a supervisor and a vice general manager of the finance department responsible for financial management. Ms. Wang joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and has since served as a vice general manager of the finance department responsible for financial management. She was also substantially involved in the construction and development of Kanghua Hospital and Renkang Hospital. Ms. Wang has also served as a director and vice general manager of Kanghua Group since June 2002 and Xingye Group since June 1997, and has obtained significant experience in implementing and executing group control systems in financial management, human resources management, risk management, audit management and cultural management. Ms. Wang is a member of the Wang Family and is the aunt of Mr. Wang Junyang and Mr. Wong Wai Hung Simon, and spouse of Mr. Chen Wangzhi.

王偉雄先生，30歲，為執行董事兼董事會副主席。彼主要負責本集團整體業務營運及策略規劃。當本公司轉為股份有限責任公司後，王先生於二零一五年十二月獲委任為執行董事。王先生擁有約8年的醫院管理經驗。王先生於二零一零年七月加入康華醫院並自此擔任多個職務，包括自二零一零年七月至二零一二年四月擔任主席助理（負責實施及執行主席決策）、自二零一二年五月至二零一三年六月擔任財務部經理（負責醫院財務事宜的總體監督）以及自二零一三年七月起擔任業務部的副總經理（負責醫院的行政管理）。王先生積極參與東莞的商業社群。彼自二零一六年一月起擔任香港厚街同鄉會副會長。王先生於二零一零年十二月自加利福尼亞州立大學北嶺分校(Northridge)獲得管理學學士學位。王先生為王氏家族成員，是王君揚先生的堂弟及陳旺枝先生和王愛勤女士的姪兒。

王愛勤女士，48歲，為執行董事。王女士主要負責本集團的整體財務管理及資本投資。王女士擁有約21年的集團管理尤其是集團財務管理經驗。王女士於二零零五年八月（仁康醫院於中國成立為有限責任公司時）加入仁康醫院，並自此擔任監事兼財務部副總經理，負責財務管理。王女士於二零零五年九月（康華醫院於中國成立為有限責任公司時）加入康華醫院，並自此擔任財務部副總經理，負責財務管理。彼亦主要參與康華醫院及仁康醫院的建設及發展。王女士自二零零二年六月起亦擔任康華集團的董事兼副總經理及自一九九七年六月起在興業集團擔任上述職務，並在實施及執行有關財務管理、人力資源管理、風險管理、審計管理及文化管理的集團控制系統方面積累了豐富的經驗。王女士為王氏家族成員，及為王君揚先生及王偉雄先生的姑母以及陳旺枝先生的配偶。

## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

#### Non-executive Director

Mr. LV Yubo, aged 68, is a non-executive Director. He is primarily responsible for overseeing the corporate development and strategic planning of the Group. Mr. Lv joined the Group in June 2016 and was appointed as non-executive Director in June 2016. Mr. Lv has more than 42 years of extensive experience in hospital management. Since October 1974, Mr. Lv has played an instrumental role in the development of Guangdong Provincial Hospital of Traditional Chinese Medicine (廣東省中醫院), which has now become one of the largest hospitals of traditional Chinese medicine in the PRC. Mr. Lv is currently a lifetime honorary director (終身名譽院長) of Guangdong Provincial Hospital of Traditional Chinese Medicine. Before such appointment, Mr. Lv had served numerous managerial roles at Guangdong Provincial Hospital of Traditional Chinese Medicine, including vice director (副院長) and director (院長). Mr. Lv has served in a number of healthcare associations in the PRC, including deputy chairman (副會長) of the China Hospital Association (中國醫院協會) since February 2006, chairman (會長) of the Guangdong Provincial Association of Chinese Medicine (廣東省中醫藥學會) since August 2010 and chairman (主任委員) of the Chinese Medicine Hospital Division of the China Hospital Association (中國醫院協會中醫醫院分會) since August 2015. Mr. Lv is well regarded in the medical profession in the PRC and has received numerous awards, including Outstanding Contribution to Chinese Hospitals (中國醫院突出貢獻) from the China Hospital Association (中國醫院協會) in 2006, National Outstanding Director of the Chinese Medicine Hospital (全國中醫醫院優秀院長) from the China Association of Chinese Medicine (中華中醫藥學會) in September 2007, Outstanding Management Personnel (優秀管理人才) from the China Association of Chinese Medicine (中華中醫藥學會) in 2014 and the First Class Sci-Tech Advancement Award of Guangdong Province (廣東省科技進步一等獎) from the People's Government of Guangdong Province (廣東省人民政府) in 2015. Mr. Lv graduated from Guangdong Provincial University of Continuing Technology Education (廣東業餘科技大學) in July 1981 majoring in English, and Guangdong Economics Management Cadre College (廣東省經濟管理幹部學院) in July 1988 majoring in organisation management (組織管理). Mr. Lv obtained an executive master's degree in business administration (高級管理人員工商管理) from Lingnan (University) College of Sun Yat-sen University (中山大學嶺南學院) in December 2005.

#### 非執行董事

呂玉波先生，68歲，為我們的非執行董事。彼主要負責監督本集團的企業發展及策略規劃。呂先生於二零一六年六月加入本集團，並於二零一六年六月獲委任為非執行董事。呂先生擁有逾42年的豐富醫院管理經驗。自一九七四年十月起，呂先生在廣東省中醫院的發展過程中扮演重要角色，該醫院現已成為中國最大的中醫院之一。呂先生現任廣東省中醫院的終身名譽院長。於該項委任之前，呂先生曾在廣東省中醫院出任多個管理職務，包括副院長及院長。呂先生在中國的多個醫療協會任職，包括自二零零六年二月起擔任中國醫院協會副會長，自二零一零年八月起擔任廣東省中醫藥學會會長，並自二零一五年八月起擔任中國醫院協會中醫醫院分會的主任委員。呂先生在中國醫學界廣受認可及已獲眾多獎項，包括於二零零六年中國醫院協會頒發的中國醫院突出貢獻獎，二零零七年九月中華中醫藥學會頒發的全國中醫醫院優秀院長獎，二零一四年中華中醫藥學會頒發的優秀管理人才獎及於二零一五年廣東省人民政府頒發的廣東省科技進步一等獎。呂先生於一九八一年七月畢業於廣東業餘科技大學英語專業及於一九八八年七月畢業於廣東省經濟管理幹部學院組織管理專業。呂先生於二零零五年十二月獲得中山大學嶺南學院的高級管理人員工商管理碩士學位。

# Directors, Supervisors and Senior Management

## 董事、監事及高級管理層

### Independent non-executive Directors

Mr. YEUNG Ming Lai, aged 70, is an independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Yeung joined the Group in June 2016 and was appointed as independent non-executive Director in June 2016. Mr. Yeung has approximately 34 years of hospital operation experience, particularly in financial management, personnel management, human relations and marketing. He dedicated much of his career to the Adventist Hospitals in Hong Kong. Mr. Yeung started as an assistant accountant at Hong Kong Adventist Hospital (香港港安醫院) in July 1968. He became the vice president for finance of Hong Kong Adventist Hospital in April 1977. He left Hong Kong in October 1979 to pursue advanced training in hospital administration under sponsorship from the Hong Kong Adventist Hospital. Mr. Yeung had also served as an administrative residency at hospital administration at the Kettering Medical Center in Kettering, Ohio, the United States from March 1981 to March 1982. He returned to Hong Kong and became senior vice president of both Hong Kong Adventist Hospital and Tsuen Wan Adventist Hospital (荃灣港安醫院) in April 1982. Shortly after, Mr. Yeung was appointed as president of Tsuen Wan Adventist Hospital in July 1983. Under the leadership of Mr. Yeung, Tsuen Wan Adventist Hospital developed into a modern healthcare institution providing advanced multi-disciplinary healthcare services. He left the hospital in April 1992 and later emigrated to Canada to pursue other interests. Mr. Yeung returned to Hong Kong and had served as president and chief executive officer of both Adventist Hospitals from January 2006 to December 2015. Mr. Yeung left his positions at both Adventist Hospitals in December 2015.

Mr. Yeung obtained a diploma in business administration from the South China Union College in Hong Kong in June 1979 and a master's degree in hospital administration from Loma Linda University in California, the United States in March 1982. In recognition of his remarkable contributions to the Adventist Hospitals in Hong Kong, the Adventist University of Philippines bestowed a doctorate degree in humanities upon Mr. Yeung in March 2009.

### 獨立非執行董事

楊銘灃先生，70歲，為獨立非執行董事。彼主要負責監督董事會及向董事會提供獨立判斷。楊先生於二零一六年六月加入本集團，並於二零一六年六月獲委任為獨立非執行董事。楊先生擁有約34年醫院營運經驗，尤其精通財務管理、人事管理、人際關係以及市場推廣。彼將其過半職業生涯奉獻於香港的港安醫院。楊先生於一九六八年七月在香港港安醫院任助理會計。彼於一九七七年四月成為香港港安醫院的財務副總裁。彼於一九七九年十月離開香港，在香港港安醫院的資助下謀求醫院管理方面的進修培訓。楊先生自一九八一年三月至一九八二年三月亦曾於美國俄亥俄州Kettering的Kettering Medical Center擔任醫院管理方面的管理實習生。彼於一九八二年四月返回香港並同時成為香港港安醫院及荃灣港安醫院的高級副總裁。不久後，楊先生於一九八三年七月獲委任為荃灣港安醫院的總裁。在楊先生的領導下，荃灣港安醫院發展為現代醫療機構，提供先進的多學科醫療服務。彼於一九九二年四月離開該醫院，隨後因私人理由移民加拿大。楊先生返回香港並自二零零六年一月至二零一五年十二月擔任兩家港安醫院的總裁及行政總裁。楊先生於二零一五年十二月辭去其於兩家港安醫院的職位。

楊先生於一九七九年六月在香港華南三育書院獲得工商管理文憑，並於一九八二年三月在美國加利福尼亞羅馬琳達大學(Loma Linda University)獲得醫院管理碩士學位。為表彰其為香港港安醫院作出的傑出貢獻，菲律賓亞德溫斯特大學(the Adventist University of Philippines)於二零零九年三月向楊先生授予了人文學醫生學位。

## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

Dr. CHEN Keji, aged 88, is an independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to the Board. Dr. Chen joined the Group in June 2016 and was appointed as independent non-executive Director in June 2016. Dr. Chen is a renowned cardiologist in the PRC with over 62 years of experience in the medical industry. Dr. Chen has played a pivotal role in the development of the Xiyuan Hospital of China Academy of Chinese Medical Sciences (中國中醫科學院西苑醫院), where he currently serves as chief researcher (首席研究員) and the lifetime researcher (終身研究員) of the China Academy of Traditional Chinese Medicine (中國中醫研究院). Dr. Chen has worked at the Chinese Medical Science Xiyuan Hospital (中國科學院西苑醫院) since April 1956, and has served various roles, including resident doctor (住院醫師), attending doctor (主治醫師), associate chief doctor (副主任醫師), associate researcher (副研究員), department head (科室主任), chief doctor (主任醫師), researcher (研究員), tutor for doctor of philosophy students (博士生導師) and vice director (副院長). Dr. Chen has made significant contributions to the medical profession in the PRC. He was elected as the fellow of Chinese Academy of Sciences (中國科學院院士) in 1991. He received the First Lifu Academic Award (第一屆立夫中醫藥學術獎) for Chinese Medicine from the Lifu Medical Research Foundation (立夫中醫藥研究文教基金會) in Taiwan in 1994. He was awarded the Wu Jieping Medicine Prize (吳階平醫學獎) by the Wujieping Medicine Prize Committee (吳階平醫學獎評審委員會) in 2009. He received a First Class National Science and Technology Progress Award (國家科技進步獎一等獎) from the State Council (國務院) in 2004. He also received an honorary doctorate of science from Hong Kong Baptist University in 2004, and an honorary doctorate of medicine (榮譽博士) from the Macau University of Science and Technology in 2010. He received a Lifetime Achievement Award (終身成就獎) from the China Association of Chinese Medicine (中華中醫藥學會) in 2014 for his contribution to the academic development of TCM. He became the honorary president (名譽會長) of the Hong Kong Association for Integration of Chinese-Western Medicine (香港中西醫結合醫師會) in 2009, the honorary academic advisor (榮譽學術顧問) of the Hong Kong Association of Traditional Chinese Medicine (香港中醫學會) in 2011, and the director of the academic committee (學術委員會主任) of the State Key Laboratories of Quality Research in Chinese Medicines (中藥質量研究國家重點實驗室) of the University of Macau (澳門大學) and the Macau University of Science and Technology (澳門科技大學) in 2011 and the honorary president (名譽會長) of the Chinese Association of Integrative Medicine (中國中西醫結合學會) in 2015. Dr. Chen graduated from Fujian Medical University (福建醫科大學) (formerly Fujian Medical College (福建醫學院)) in July 1954, majoring in medicine (醫療系).

陳可冀醫生，88歲，為獨立非執行董事。彼主要負責監察及向董事會提供獨立意見。陳醫生於二零一六年六月加入本集團，並於二零一六年六月獲委任為獨立非執行董事。陳醫生是中國著名心血管病專家，擁有超過62年的醫療行業經驗。陳醫生在中國中醫科學院西苑醫院的發展過程中發揮著舉足輕重的作用，彼現任其首席研究員及中國中醫研究院終身研究員。自一九五六年四月起，陳醫生任職中國科學院西苑醫院並擔任多項職務，包括住院醫師、主治醫師、副主任醫師、副研究員、科室主任、主任醫師、研究員、博士生導師及副院長。陳醫生對中國醫學界作出重大貢獻。彼於一九九一年當選中國科學院院士。彼於一九九四年獲得台灣立夫中醫藥研究文教基金會頒發的第一屆立夫中醫藥學術獎。彼於二零零九年獲得吳階平醫學獎評審委員會頒發的吳階平醫學獎。彼於二零零四年獲國務院頒發國家科技進步獎一等獎。彼亦於二零零四年獲香港浸會大學理學榮譽博士稱號，於二零一零年獲澳門科技大學醫學榮譽博士稱號。彼於二零一四年因其對中醫學術發展的貢獻而獲得中華中醫藥學會頒發的終身成就獎。彼於二零零九年成為香港中西醫結合醫師會名譽會長，於二零一一年成為香港中醫學會榮譽學術顧問，於二零一一年成為澳門大學及澳門科技大學中藥質量研究國家重點實驗室學術委員會主任，及於二零一五年成為中國中西醫結合學會名譽會長。陳醫生於一九五四年七月畢業於福建醫科大學(前稱福建醫學院)，主修醫療系。

## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

Mr. CHAN Sing Nun, aged 44, is an independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Chan was appointed as a Director in December 2015; his appointment as independent non-executive Director was officially confirmed in June 2016. Mr. Chan has approximately 20 years of experience in auditing, accounting and financial management. From 1998 to 2002, Mr. Chan was a senior audit associate at K.L. Wong & Co., an audit firm. Since January 2003, Mr. Chan has been the financial manager of Brandwell Limited, a consulting services company. Since September 2009, Mr. Chan has been the audit principal of Qing Lan C.P.A. Limited, mainly responsible for audit planning and supervision, internal control assessment, tax advisory, corporate secretarial services and business development. Mr. Chan has served as an independent non-executive director of Differ Group Holding Company Limited (a company formerly listed on the GEM board with stock code 8056 and currently listed on the Main Board of the Hong Kong Stock Exchange with stock code 6878) since November 2013, and Fameglow Holdings Limited (Stock code: 8603) as an independent non-executive director since September 2018. Mr. Chan also is the director of A2Z Hotel Equipment Limited, a company that is principally engaged in tableware trading. Mr. Chan is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. Mr. Chan graduated from the City University of Hong Kong in 1998, and obtained a higher diploma in professional accounting.

陳星能先生，44歲，為獨立非執行董事。彼主要負責監察及向董事會提供獨立意見。陳先生於二零一五年十二月加入本集團，並於二零一六年六月正式獲確認為獨立非執行董事。陳先生在審核、會計及財務管理方面擁有約20年經驗。於一九九八年至二零零二年，陳先生在K.L. Wong & Co. (一家會計師事務所)擔任高級審核助理。自二零零三年一月起，陳先生一直擔任奔威有限公司(一家諮詢服務公司)的財務經理。自二零零九年九月起，陳先生一直擔任青藍會計師事務所有限公司的核數部主管，主要負責審計規劃及監督、內部控制評估、稅務顧問、公司秘書服務及業務發展。陳先生自二零一三年十一月起擔任鼎豐集團控股有限公司(一家曾於香港聯交所GEM上市的公司(股份代號：8056)而目前於主板上市(股份代號：6878)的獨立非執行董事，及自二零一八年九月起擔任亮晴控股有限公司(股份代號：8603)的獨立非執行董事。陳先生亦為A2Z Hotel Equipment Limited(一家主要從事餐廚貿易的公司)的董事。陳先生是香港會計師公會執業會計師及英國特許公認會計師公會會員。陳先生於一九九八年自香港城市大學畢業，獲專業會計高級文憑。

### SUPERVISORS

Mr. CHEN Shaoming, aged 40, is the chairman of the Supervisory Committee. He is primarily responsible for supervising the daily operations and management of the Group. Mr. Chen joined the Group in September 2005 and was appointed as our Supervisor and the chairman of the supervisory committee in December 2015. Mr. Chen has more than 12 years of financial management experience in the healthcare industry. Mr. Chen joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and has since served various roles, including manager of the finance department from September 2005 to April 2007, financial controller of the finance department from May 2007 to December 2013 and supervisor since March 2013. Mr. Chen participated in the construction and development of Kanghua Hospital from which he gained valuable hospital management experience. Mr. Chen has also served as a supervisor of Dongguan Houjie Huaye Village Bank (東莞厚街華業村鎮銀行) since March 2012 and a financial controller of the finance department of Kanghua Group since November 2012. Mr. Chen graduated from Guangdong Economic Management College (廣東省經濟管理幹部學院) and obtained a diploma in accounting in July 2003.

### 監事

陳少明先生，40歲，為監事會主席。彼主要負責監察本集團的日常營運及管理。陳先生於二零零五年九月加入本集團，並於二零一五年十二月獲委任為我們的監事及監事會主席。陳先生於醫療保健行業擁有逾12年財務管理經驗。陳先生於二零零五年九月(康華醫院於中國成立為有限責任公司時)加入康華醫院，自此擔任多項職務，包括自二零零五年九月至二零零七年四月擔任財務部經理、自二零零七年五月至二零一三年十二月擔任財務部的財務總監，以及自二零一三年三月起擔任監事。陳先生曾參與康華醫院的建設及發展，從中獲得寶貴的醫院管理經驗。陳先生自二零一二年三月起亦擔任東莞厚街華業村鎮銀行的監事，並自二零一二年十一月起擔任康華集團財務部的財務總監。陳先生於二零零三年七月畢業於廣東省經濟管理幹部學院，獲得會計文憑。

## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

Mr. Yue Chunyang, aged 44, is a supervisor and is currently the general manager of Kanghua Hospital primarily responsible for managing its overall information technology system, administrative and ancillary functions. Mr. Yue Chunyang has approximately 15 years of hospital management experience. Mr. Yue joined the Group in February 2003 and participated in the establishment of Kanghua Hospital. Since the commencement of operations of Kanghua Hospital in November 2006, he has assumed various managerial roles at Kanghua Hospital primarily to develop and manage its information technology system, administrative and ancillary functions. Prior to joining the Group, Mr. Yue had gained his industry experience from Qintai General Labour Union Computer School (琴台總工會計算機學校) in Lushan County of Henan Province (河南省魯山縣) as a teacher from August 1997 to October 1999, and Lushan County Communication Administration (魯山縣電信局) as a staff member from July 1999 to January 2003. Mr. Yue graduated from Zhengzhou University (鄭州大學) and obtained a bachelor's degree in computer science and technology in August 1997.

Mr. WANG Shaofeng, aged 35, is a Supervisor. He is primarily responsible for supervising the daily operations and management of the Group. Mr. Wang joined the Group in October 2006 and was appointed as our Supervisor and employee representative of the Supervisory Committee in December 2015. Mr. Wang has approximately 11 years of human resources experience in the healthcare industry. Mr. Wang joined Renkang Hospital in October 2006. From October 2006 to February 2007, Mr. Wang worked at Renkang Hospital as a network engineer in the information department. From March 2007 to August 2007, Mr. Wang was seconded to Kanghua Hospital to receive on-the-job training in the procurement department and the human resources department. In September 2007, Mr. Wang became formally employed by Kanghua Hospital and has since served as head of the human resources department responsible for recruitment, payroll, performance, training and employee relations. Mr. Wang graduated from Dongguan University of Technology (東莞理工學院) with a bachelor's degree in computer science and technology in June 2006. In August 2018, Mr. Wang acquired the occupational qualification of Enterprises Human Resource Management (Second Level), awarded by the Ministry of Human Resources and Social Security of the PRC.

岳春陽先生，44歲，為監事及目前為康華醫院總經理，主要負責管理其整體信息技術系統、行政及配套職能。岳春陽先生擁有約15年醫院管理經驗。岳先生於二零零三年二月加入本集團並參與成立康華醫院。自康華醫院於二零零六年十一月開始營運起，岳先生在康華醫院擔任各種管理職務，主要開發及管理其信息技術系統、行政及配套職能。加入本集團前，岳先生於一九九七年八月至一九九九年十月在河南省魯山縣琴台總工會計算機學校擔任老師一職，及於一九九九年七月至二零零三年一月在魯山縣電信局任職。岳先生於一九九七年八月畢業於鄭州大學，取得計算機科學與技術學士學位。

王少鋒先生，35歲，為監事。彼主要負責監察本集團的日常營運及管理。王先生於二零零六年十月加入本集團，並於二零一五年十二月獲委任為我們的監事及監事會職工代表。王先生在醫療保健行業擁有約11年的人力資源經驗。王先生於二零零六年十月加入仁康醫院。於二零零六年十月至二零零七年二月，王先生擔任仁康醫院信息部的網絡工程師。於二零零七年三月至二零零七年八月，王先生被調往康華醫院接受採購部及人力資源部的在職培訓。於二零零七年九月，王先生正式受聘於康華醫院，並自此擔任人力資源部門主管，負責招聘、工資單、績效、培訓及僱員關係。王先生於二零零六年六月畢業於東莞理工學院，並獲得計算機科學與技術學士學位。二零一八年八月，王先生獲得了由中華人民共和國人力資源和社會保障部授予的企業人力資源管理師(二級)之職業資格。



# Directors, Supervisors and Senior Management

## 董事、監事及高級管理層

### SENIOR MANAGEMENT

Dr. TIAN Kege, aged 64, is a clinical vice general manager of the Company since June 2016. She is primarily responsible for overseeing the clinical operations of the Group's hospitals. Dr. Tian has more than 27 years of experience in the medical industry. Dr. Tian joined Kanghua Hospital in January 2008 and headed the development of its O&G practice, in particular endoscopic techniques, minimally invasive procedures, standardised treatment of malignant tumours, management of high-risk pregnancies and newborn deliveries and reproductive medicine. Dr. Tian currently serves as a vice director of Kanghua Hospital and the head of the O&G Medical Center of Kanghua Hospital. Before joining the Group, from May 1991 to January 2008, Dr. Tian had worked at the 301 Military Hospital (301醫院) as an attending doctor (主治醫師), associate chief doctor (副主任醫師) and chief doctor (主任醫師) with a focus on O&G practice. Dr. Tian has made significant contributions to the development of O&G practice in the PRC. She was awarded two Third Class Prizes for outstanding contributions in medical care (醫療護理傑出貢獻三等獎) by the 301 Military Hospital in 1993 for successfully rescuing a patient from HELLP syndrome with multiple organ failure (HELLP's綜合症併發多器官功能衰竭一例搶救成功) and resuscitating 37 newborns with asphyxia (新生兒窒息復蘇成功37例), respectively. She was also appointed as an expert in health science (健康科普專家) by the Guangdong Provincial Health Education Centre (廣東省健康教育中心) in May 2015. She was awarded as "Heroic and Excellent Doctor in Southern Guangdong" (南粵巾幗好醫師) by the Guangdong Provincial Female Doctors Association (廣東省女醫師協會) in 2015. Dr. Tian graduated from the Second Military Medical University (第二軍醫大學) and obtained a bachelor's degree in medicine in August 1983, and a master's degree in medicine in July 1998. She obtained the chief doctor qualification in O&G in September 2005.

Dr. JIA Guoliang, aged 75, is a clinical vice general manager of the Company since June 2016. He is primarily responsible for overseeing the clinical operations of the Group's hospitals. Dr. Jia is a renowned cardiologist in the PRC with more than 49 years of experience in the medical industry. He joined Kanghua Hospital in March 2008 and currently serves as a vice director of Kanghua Hospital and the head of the Cardiovascular Center. Before joining the Group, from August 1968 to December 1974, Dr. Jia had worked at the Xinjiang Military Region Sixth Division Hospital (新疆軍區六師醫院) as a military surgeon. From January 1975 to October 2005, Dr. Jia had worked at the First Affiliated Hospital of the Fourth Military Medical University (第四軍醫大學附屬一院) as an attending physician in cardiology (心內科主任醫師), associate director (副主任) and director (主任), where he undertook clinical, teaching and operational responsibilities. From October 2005 to February 2008, Dr. Jia had worked at the Cardiovascular Hospital of Xi An No. 1 Hospital as a director (院長). Dr. Jia has made substantial contributions to cardiovascular healthcare, particularly in military medicine, in the PRC. He has served as a committee member of numerous medical associations and editorial board of medical journals. In addition to a Third Class Prize in Technology Improvement (三等科技進步獎) awarded by the National Commission for Scientific and Technological Research (國家科學技術委員會) in December 1996, Dr. Jia had received more than 18 awards from the General Logistics Department of the Chinese People's Liberation Army (中國人民解放軍總後勤部) for the contribution of his research projects in military medicine (軍隊醫學). Dr. Jia received a Life-time Award in Interventional Cardiology in the PRC (中國介入心臟病學終生成就獎) and a Distinctive Contribution Award (特別貢獻獎) from the Chinese Medical Association (中華醫學會), respectively, in March 2005. Dr. Jia continues to actively pursue his endeavours in cardiovascular healthcare. His recent appointments include consultant for the interventional cardiovascular diseases branch of the Chinese Medical Association (中華醫學會心血管病學分會) in 2013, committee member for the cardiologist branch of the Chinese Medical Doctor Association (中國醫師協會心血管內科醫師分會) in 2014 and consultant for the editorial board of Chinese Journal of Geriatric Heart Brain and Vessel Diseases (中華老年心腦血管病雜誌) in 2016. Dr. Jia possesses the chief doctor qualification.

### 高級管理層

田可歌醫生，64歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責監督本集團醫院的臨床營運。田醫生於醫療行業擁有逾27年經驗。田醫生於二零零八年一月加入康華醫院，主管婦產科的發展，尤其是在內窺鏡技術、微創手術、惡性腫瘤規範化治療、高危妊娠及新生兒分娩管理及生殖醫學等方面。田醫生目前為康華醫院副院長兼康華醫院婦產醫學中心主任。加入本集團前，於一九九一年五月至二零零八年一月，田醫生在301醫院任主治醫師、副主任醫師及主任醫師，專攻婦產科。田醫生已為中國婦產科的發展作出重大貢獻。彼因HELLP's綜合症併發多器官功能衰竭一例搶救成功及新生兒窒息復蘇成功37例而於一九九三年獲301醫院頒發兩項醫療護理傑出貢獻三等獎。彼亦於二零一五年五月獲廣東省健康教育中心委任為健康科普專家。於二零一五年，彼獲廣東省女醫師協會評為「南粵巾幗好醫師」。田醫生於一九八三年八月畢業於第二軍醫大學及取得醫學碩士學位，及於一九九八年七月取得醫學碩士學位。彼於二零零五年九月取得婦產科主任醫師資格。

賈國良醫生，75歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責監督本集團醫院的臨床營運。賈醫生為中國著名心血管病專家，於醫療行業擁有逾49年經驗。彼於二零零八年三月加入康華醫院，現任康華醫院副院長兼心血管病醫學中心主任。加入本集團前，於一九六八年八月至一九七四年十二月，賈醫生在新疆軍區六師醫院任軍醫。於一九七五年一月至二零零五年十月，賈醫生在第四軍醫大學附屬一院歷任心內科主任醫師、副主任及主任，負責臨床、教學及營運。於二零零五年十月至二零零八年二月，賈醫生在西安市第一醫院的西安市心血管病醫院任院長。賈醫生為中國的心血管保健尤其在軍隊醫學方面作出巨大貢獻。彼擔任多家醫學協會會員及醫學期刊編輯部成員。除於一九九六年十二月獲國家科學技術委員會授予三等科技進步獎外，賈醫生就其在軍隊醫學研究項目上所作貢獻獲中國人民解放軍總後勤部授予超過18項獎項。賈醫生於二零零五年三月分別獲得中國介入心臟病學終生成就獎及中華醫學會所授予的特別貢獻獎。賈醫生持續積極推進其在心血管保健方面的工作。其近期聘用情況包括於二零一三年擔任中華醫學會心血管病學分會的顧問、於二零一四年擔任中國醫師協會心血管內科醫師分會的會員及於二零一六年擔任中華老年心腦血管病雜誌編輯部顧問。賈醫生具備主任醫師資格。

## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

Dr. Li Zhiwei, aged 51, is a clinical vice general manager of the Company since June 2016. He is primarily responsible for overseeing the clinical operations of the Group's hospitals. Dr. Li is an industry leading general surgeon in the PRC with more than 27 years of experience in the medical industry. He joined Kanghua Hospital in February 2006 and currently serves as a vice director of Kanghua Hospital and the head of the Department of Hepatobiliary and Pancreatic Surgery. Dr. Li also participated in managing the development and operation of Kanghua Hospital from which he gained valuable hospital management experience. Before joining the Group, from August 1990 to December 2005, Dr. Li had focused his practice on hepatobiliary surgery at the 301 Military Hospital (301醫院), where he had served various roles, including resident doctor (住院醫師), chief resident doctor (總住院醫師), attending doctor (主治醫師), ward inspection chief attending doctor (查房總主治醫師) and associate chief doctor (副主任醫師). Dr. Li is substantially involved in the development of general surgery and medical associations in the PRC. He was complimented to be an advanced teaching individual (先進工作個人) twice by the PLA Postgraduate Medical School (軍醫進修學院) in 1997 and 2001, respectively, for his outstanding performance in teaching and teaching management. Dr. Li graduated from First Military Medical University (第一軍醫大學) with a medical bachelor's degree in July 1990. He obtained a master's degree in general surgery and doctoral degree in clinical medicine from the postgraduate medical school (軍醫進修學院) of 301 Military Hospital (301醫院) in July 1995 and July 2003, respectively. Dr. Li obtained the chief doctor qualification in hepatobiliary surgery in January 2009.

Ms. LIN Yan, aged 56, is a clinical vice general manager of the Company since June 2016. She is primarily responsible for the overall management of the nursing work of the Group's hospitals. Ms. Lin is a highly experienced nurse with more than 34 years of experience in the medical industry. Ms. Lin joined Kanghua Hospital in September 2010 and has since served as the head of the Nursing Department. Before joining the Group, from July 1983 to October 2010, Ms. Lin had served various roles at Second Affiliated Hospital of Sun Yat-sen University (中山大學附屬第二醫院), including nurse, head nurse of operating theatre, head of nursing department and deputy head of outpatient office. Ms. Lin has made distinguished contributions in the nursing profession in the PRC, with far-reaching influence in the field of operating room nursing within the PRC, in particular Guangdong Province. She participated in the publication of many professional practice guides in nursing, including main editor (主編) for Practical Surgical Nursing (實用手術護理學) published by the Sun Yat-sen University Press (中山大學出版社), which received a First Class Prize in Outstanding Teaching Materials (優秀教材一等獎) in Southern China universities from the China University Presses Association (中國大學出版協會), participating editor (參編) for Guide on Improving the Core Competence of Professional Nurse (專業護士核心能力建設指南) published by the Guangdong Provincial Publishing Group (廣東省出版集團), and participating editor (參編) for Clinical Care Document Specifications (臨床護理文書規範) published by the Guangdong Provincial Publishing Group. Ms. Lin obtained a diploma in advanced nursing from the Evening School of Sun Yat-sen University Zhongshan School of Medicine (中山醫科大學夜大學) in June 1989. Ms. Lin graduated from the Hunan University of Chinese Medicine (湖南中醫藥大學) in January 2010. She obtained the chief nurse qualification (主任護理師) in December 2007.

李志偉醫生，51歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責監督本集團醫院的臨床營運。李醫生在中國為業界領先的外科醫生，於醫療行業擁有逾27年經驗。彼於二零零六年二月加入康華醫院，現任康華醫院副院長兼肝膽胰外科主任。李醫生亦參與管理康華醫院的發展及營運，並因此獲得寶貴的醫院管理經驗。加入本集團前，自一九九零年八月至二零零五年十二月，李醫生一直於301醫院專注肝膽手術臨床實踐，擔任多個職務，包括住院醫師、總住院醫師、主治醫師、查房總主治醫師及副主任醫師。李醫生一直投身於中國普通外科及醫學的發展。彼由於在教學及教學管理方面的傑出表現分別於一九九七年及二零零一年獲中國人民解放軍軍醫進修學院兩次評為先進工作個人。李醫生於一九九零年七月畢業於第一軍醫大學，取得醫學學士學位。彼分別於一九九五年七月及二零零三年七月自301醫院軍醫進修學院取得普外科碩士學位及臨床醫學博士學位。李醫生於二零零九年一月取得肝膽外科主任醫師資格。

林岩女士，56歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責本集團醫院護理工作的整體管理。林女士為一名經驗豐富的護士，於醫療行業擁有逾34年經驗。林女士於二零一零年九月加入康華醫院，並自此擔任護理部主任。加入本集團前，林女士於一九八三年七月至二零一零年十月期間在中山大學附屬第二醫院擔任多個職務，包括護士、手術室護士長、護理部主任及門診辦公室副主任。林女士在中國護理行業作出突出貢獻，在全國、特別在廣東省手術室護理專業領域具有很大影響力。彼參與出版護理方面的眾多專業操作指引，包括中山大學出版社出版的《實用手術護理學》主編，榮獲中國大學出版協會評比華南地區大學優秀教材一等獎，廣東省出版集團出版的《專業護士核心能力建設指南》參編及廣東省出版集團出版的《臨床護理文書規範》的參編。林女士於一九八九年六月自中山醫科大學夜大學取得高級護理文憑。林女士於二零一零年一月畢業於湖南中醫藥大學。彼於二零零七年十二月獲得主任護理師資格。

## Directors, Supervisors and Senior Management

### 董事、監事及高級管理層

Mr. WANG Baizhi, aged 43, is an operation vice general manager of the Company since June 2016. He is responsible for the overall administrative and ancillary operations of the Group's hospitals as well as overseeing the Group's hospital management business. Mr. Wang has approximately 13 years of hospital management experience. Mr. Wang joined Renkang Hospital in August 2005 when it was established as a limited liability company in the PRC and has since served as the vice general manager of Renkang Hospital, and as the general manager of Renkang Hospital since November 2015, primarily responsible for the hospital's administrative and ancillary operations. Mr. Wang also participated in the construction and development of Renkang Hospital. Before joining the Group, from March 1998 to July 2003, Mr. Wang had worked at China Construction Bank responsible for auditing and loan management. Mr. Wang obtained a diploma in mechanical manufacturing engineering and design from the Dongguan University of Technology (東莞理工學院) in June 1998.

Ms. WANG Yingda, aged 44, is the secretary to the Board since June 2016. She is primarily responsible for overseeing public affairs, administrative and daily operations of the Group. Ms. Wang has 14 years of management experience in the medical industry, particularly in financial management, hospital administration, support and assurances, service excellence, brand promotion and corporate culture. Ms. Wang joined Kanghua Hospital in June 2006, served as a senior manager of the finance department and currently serves as an assistant to chairman responsible for operation control, external and internal liaisons, implementation of action plans, monitoring key performance indicators, assessing patient satisfaction levels and organising hospital branding events. Ms. Wang had worked as a manager of the finance department of Kanghua Group primarily responsible for financial and audit matters from February 2004 to May 2006, during which she had been involved in the construction and development of Kanghua Hospital from which she gained valuable hospital management experience. Ms. Wang currently serves as a standing committee member (常務委員) of the Guangdong Provincial Health Economics Association (廣東省衛生經濟學會委員會) and the deputy chairman (副會長) of the Dongguan Hospital Association (東莞市醫院協會). Ms. Wang graduated from Xi'an Technological University (西安工業大學) and obtained a diploma in financial accounting in July 1995. Ms. Wang obtained the qualification of accountant in the PRC in May 2002. Ms. Wang obtained a master's degree in business administration from Northwest University (西北大學) in the PRC in December 2013.

Mr. WONG Wai Hang Ricky, aged 40, is a chief financial officer and a joint company secretary of the Company. Mr. Wong has more than 16 years of experience in accounting and finance. He is primarily responsible for the overall financial management, capital investment, investor relations and corporate finance of the Group. Mr. Wong joined the Company as chief financial officer in December 2015. Before joining the Group, from December 2002 to November 2015, Mr. Wong had worked at Deloitte Touche Tohmatsu, where he was responsible for leading, managing and supervising audits for listed and multi-national companies. Mr. Wong has also cultivated transactional experience in his previous roles, including acquisitions, debt offerings and initial public offerings. Mr. Wong was a senior manager at Deloitte Touche Tohmatsu before he joined the Group. Mr. Wong is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and CPA Australia. Mr. Wong obtained a bachelor's degree of commerce majoring in accounting and finance with merit from the University of New South Wales in April 2000, and a master's degree of commerce majoring in advanced information systems and management from the University of New South Wales in May 2003.

王柏枝先生，43歲，自二零一六年六月起為本公司的營運副總經理。彼負責本集團醫院的整體行政及配套營運事宜並監督本集團的醫院管理業務。王先生擁有約13年醫院管理經驗。王先生於二零零五年八月(仁康醫院在中國成立為有限公司時)加入仁康醫院，彼自此擔任仁康醫院副總經理，於二零一五年十一月任仁康醫院總經理，主要負責醫院的行政及配套營運事宜。王先生亦參與仁康醫院的建設及發展。加入本集團前，於一九九八年三月至二零零三年七月，王先生任職中國建設銀行，負責審核及貸款管理事宜。王先生於一九九八年六月取得東莞理工學院機械製造工程及設計專業文憑。

王櫻達女士，44歲，自二零一六年六月起為董事會秘書。彼主要負責監督本集團的公共事務、行政管理及日常營運。王女士於醫療行業擁有14年管理經驗，尤其是在財務管理、醫院管理、支援及保障、優質服務、品牌提升及企業文化方面。王女士於二零零六年六月加入康華醫院擔任財務部高級經理，現時任職主席助理，負責營運控制、內外部聯絡、實施行動計劃、監測關鍵績效指標、評估患者滿意度及組織醫院品牌推廣活動。王女士自二零零四年二月至二零零六年五月曾擔任康華集團的財務部經理，主要負責財務及審計事宜，其間亦曾參與康華醫院的建設及發展，從中獲得寶貴的醫院管理經驗。王女士目前為廣東省衛生經濟學會委員會常務委員及東莞市醫院協會副會長。王女士於一九九五年七月畢業於西安工業大學，獲得財務會計文憑。於二零零二年五月，王女士取得中國會計師資格。王女士於二零一三年十二月自中國西北大學取得工商管理碩士學位。

黃偉恒先生，40歲，為本公司的首席財務官及聯席公司秘書。黃先生在會計及財務方面累積逾16年經驗。彼主要負責本集團的整體財務管理、資本投資、投資者關係及企業融資。黃先生於二零一五年十二月加入本公司任首席財務官。加入本集團前，於二零零二年十二月至二零一五年十一月，黃先生任職於德勤·關黃陳方會計師行，在此負責領導、管理及監督上市及跨國公司的審計工作。黃先生亦於其先前職務中積累交易經驗，包括收購、債券發行及首次公開發售。黃先生於加入本集團前曾任德勤·關黃陳方會計師行的高級經理。黃先生是香港會計師公會執業會計師及澳洲執業會計師。黃先生於二零零零年四月以優異成績自新南威爾士大學取得商學學士學位(主修會計及財務)，並於二零零三年五月自新南威爾士大學取得商學碩士學位(主修高級信息系統與管理)。

# Directors, Supervisors and Senior Management

## 董事、監事及高級管理層

Ms. CHEN Li, aged 47, is a financial controller of the Company since June 2016. She is primarily responsible for the overall financial management of the Group's hospitals. Ms. Chen has more than 25 years of experience in financial management. Ms. Chen joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and is currently serving as financial controller in the finance department. Ms. Chen also participated in managing the financial operations of Kanghua Hospital during its construction and development phase from which she gained valuable hospital financial management experience. Before joining the Group, from September 1992 to March 2004, she had served various roles at Dongguan City Guangcai Hotel (東莞市廣彩城酒店), a subsidiary of Guangdong Fortune Colour Picture Tube Co., Ltd. (廣東福地彩色顯像管公司), including accountant, accounting supervisor, cost supervisor and project manager. She has also served as the vice chairman (副會長) of the Dongguan Social Insurance Association (東莞市社會保險協會) since January 2016. Ms. Chen obtained a diploma in financial accounting from Changsha University of Workers (長沙職工大學) in June 1992. She graduated from Dongguan Party School (東莞黨校) in December 1998.

### JOINT COMPANY SECRETARIES

Mr. WONG Wai Hang Ricky, one of the joint company secretaries of the Company, is also a senior management member of the Company. Please refer to "Senior Management" in this section for his biography.

Ms. CHAU Hing Ling was appointed as a joint company secretary of the Company since 27 June 2016. She has served as a director of Corporate Services of Vistra Corporate Services (HK) Limited since June 2013, where she leads a team of professional staff to provide a full range of company secretary services. Ms. Chau has over 16 years of experience in the corporate services industry.

Ms. Chau is currently the company secretary of Keen Ocean International Holding Limited, a company listed on the GEM of the Hong Kong Stock Exchange (stock code: 8070) and the company secretary of Sheung Moon Holdings limited, a company listed on the GEM of the Hong Kong Stock Exchange (stock code: 8523) and the company secretary of Rici Healthcare Holdings Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1526) respectively and the joint company secretary of COFCO Meat Holdings Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1610) and Persta Resources Inc., a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3395) respectively. Ms. Chau received a master of laws majoring in corporate and finance law from the University of Hong Kong in November 2007. She has been a fellow member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries since May 2013.

陳莉女士，47歲，自二零一六年六月起為本公司的財務總監。彼主要負責本集團醫院的整體財務管理。陳女士於財務管理方面擁有逾25年經驗。陳女士於二零零五年九月(康華醫院在中國成立為有限公司時)加入康華醫院，目前在財務部任財務總監。在康華醫院的建設及發展階段，陳女士亦參與管理康華醫院的財務營運事宜，從中累積了寶貴的醫院財務管理經驗。加入本集團前，彼於一九九二年九月至二零零四年三月期間在廣東福地彩色顯像管公司屬下東莞市廣彩城酒店擔任多個職務，包括會計、會計主管、成本主管及項目經理。自二零一六年一月起，彼亦擔任東莞市社會保險協會副會長。陳女士於一九九二年六月自長沙職工大學取得財務會計文憑。彼於一九九八年十二月於東莞黨校畢業。

### 聯席公司秘書

黃偉恒先生為本公司的聯席公司秘書之一，亦為本公司的高級管理層成員。其履歷請參閱本節「高級管理層」。

周慶齡女士自二零一六年六月二十七日獲委任為本公司的聯席公司秘書。彼自二零一三年六月起擔任Vistra Corporate Services (HK) Limited的公司服務董事並領導一支由專業人員組成的團隊，提供全方位的公司秘書服務。周女士在企業服務行業擁有逾16年經驗。

彼現時分別為僑洋國際控股有限公司(一間於香港聯交所GEM上市的公司，股份代號：8070)及常滿控股有限公司(一間於香港聯交所GEM上市的公司，股份代號：8523)的公司秘書以及為瑞慈醫療服務控股有限公司(一間於香港聯交所主板上市的公司，股份代號：1526)的公司秘書，以及分別為中糧肉食控股有限公司(一間於香港聯交所主板上市的公司，股份代號：1610)及Persta Resources Inc(一間於香港聯交所主板上市的公司，股份代號：3395)的聯席公司秘書。周女士於二零零七年十一月取得香港大學法學碩士學位，主修公司及金融法，並自二零一三年五月起一直為英國特許秘書及行政人員公會及香港特許秘書公會資深會員。

# Deloitte.

# 德勤

TO THE SHAREHOLDERS OF  
GUANGDONG KANGHUA HEALTHCARE CO., LTD.  
廣東康華醫療股份有限公司  
*(a joint stock company incorporated in the People's Republic of China with limited liability)*

致廣東康華醫療股份有限公司股東

*(於中華人民共和國註冊成立的股份有限公司)*

## OPINION

## 意見

We have audited the consolidated financial statements of Guangdong Kanghua Healthcare Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 131 to 217, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本行已審計第131頁至第217頁所載廣東康華醫療股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及包括主要會計政策概要在内的綜合財務報表附註。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

本行認為，綜合財務報表已根據國際會計準則委員會頒佈的《國際財務報告準則》(「國際財務報告準則」)真實而公平地反映 貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度 貴集團的綜合財務表現及其綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

## BASIS FOR OPINION

## 意見的基礎

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

本行已根據香港會計師公會(「香港會計師公會」)頒佈的《香港審計準則》(「香港審計準則」)進行審計。本行在該等準則下的責任已於本報告「核數師就審計綜合財務報表的責任」一節中詳述。根據香港會計師公會的「專業會計師道德守則」(「守則」)，本行獨立於 貴集團，並已遵循守則履行其他道德責任。本行相信，本行所獲得的審計憑證足夠及能適當地為本行的意見提供基礎。

## KEY AUDIT MATTERS

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter  
關鍵審計事項*Contingent liabilities arising from medical disputes*  
醫療糾紛引起的或然負債

We have identified the contingent liabilities arising from medical disputes as a key audit matter because there are inherent risks of medical disputes in the healthcare business, and the estimation of their financial impact involves significant degree of management judgment as disclosed in Note 4 to the consolidated financial statements.

There are inherent risks associated with the Group's clinical activities which may result in unfavourable medical outcomes not caused by clinical decisions. The Group may be subject to legal proceedings and claims that arise in the ordinary course of business, which primarily include medical dispute claims brought by the former patients.

本行將醫療糾紛引起的或然負債確定為關鍵審計事項，因為醫療業務的醫療糾紛存在固有風險，而其財務影響的估計涉及重大程度的管理層判斷在綜合財務報表附註4所披露。

貴集團的臨床活動存在固有風險，可能導致並非臨床決策引起的不利醫療結果。貴集團可能會在日常業務過程中產生的法律訴訟和索賠，主要包括前病人提出的醫療糾紛索賠。

## 關鍵審計事項

關鍵審計事項為本行的專業判斷，認為對本期綜合財務報表中最重要的事項。該等事項於本行審計整體綜合財務報表及出具意見時處理，而本行不會就此等事項單獨發表意見。

How our audit addressed the key audit matter  
本行於審計時如何處理關鍵審計事項

Our procedures in relation to the Group's contingent liabilities arising from medical disputes included:

- Understanding management's process in developing the estimation on the outflow of economic benefit;
- Obtaining the list of medical disputes from the management;
- Arranging litigation search to check for the status of the medical disputes and the completeness for the list of medical disputes;

本行對 貴集團涉及醫療糾紛造成的或然負債採取的程序包括：

- 瞭解管理層對經濟利益流出的估計；
- 從管理層獲取醫療糾紛清單；
- 安排訴訟搜索以檢查醫療糾紛的狀況及醫療糾紛名單的完整性；

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Cont'd)

#### Key audit matter 關鍵審計事項

#### Contingent liabilities arising from medical disputes (Cont'd) 醫療糾紛引起的或然負債(續)

Provision for medical dispute claims is made based on the status of potential and active claims outstanding at the end of each year, and taking into consideration the assessment and analysis of external experts and the total claim exposure. However, where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Except for those disputes with provision of RMB1,280,000 made as disclosed in Note 23 to the consolidated financial statements, the management of the Group believes that the final result of other medical disputes with total claims of RMB9,807,000 as at 31 December 2018 will not have a material impact on the financial position or operations of the Group and the amount of outflow, if any, cannot be determined with sufficient reliability prior to judicial appraisals. Accordingly, no provision is made in this regard and disclosed as contingent liabilities in Note 29 to the consolidated financial statements.

醫療糾紛索賠撥備是根據每年年底潛在和未了結索賠作出，並考慮到外部專家的評估和分析以及索賠總額。但是，如果不可能需要經濟利益流出，或者無法可靠地估計該金額，則將之披露為或然負債，除非經濟利益流出的可能性極低。

除綜合財務報表附註23所披露就該等糾紛作出的撥備為人民幣1,280,000元外，貴集團管理層認為，於二零一八年十二月三十一日，總索賠額為人民幣9,807,000元的其他醫療糾紛的最終結果，將不會對貴集團的財務狀況或經營造成重大影響，在司法判定之前，不能以足夠的可靠性確定流出的金額(如有)。因此，沒有就這方面作出撥備而作為或然負債在綜合財務報表附註29所披露。

### 關鍵審計事項(續)

#### How our audit addressed the key audit matter 本行於審計時如何處理關鍵審計事項

- Obtaining and reading legal proceeding letters, judicial appraisal reports, expert opinion letters, judgment letters and medical records, if any, relevant to the medical disputes;
  - Discussing with the management of the Group and the Group's legal counsel on the estimated outcome of the pending medical disputes, with reference to legal precedents of any similar cases; and
  - Evaluating the adequacy of provision and the disclosure under contingent liabilities.
- 
- 獲得和閱讀與醫療糾紛相關的法律程序函件、司法評估報告、專家意見函件、判決書和醫療記錄(倘有)；
  - 參照類似案件的先例，與貴集團管理層及法律顧問討論尚未了結的醫療糾紛的估計結果；及
  - 評估或然負債的撥備及披露的充分性。

## KEY AUDIT MATTERS (Cont'd)

## 關鍵審計事項 (續)

Key audit matter  
關鍵審計事項How our audit addressed the key audit matter  
本行於審計時如何處理關鍵審計事項*Impairment assessment of goodwill*  
商譽的減值評估

We identified the impairment assessment of goodwill arising from acquisitions of 安徽樺霖醫療投資有限公司 (Anhui Hualin Medical Investment Co., Ltd.) ("Anhui Hualin") and its subsidiaries (collectively referred to as "Anhui Hualin Group") and 重慶康華眾聯心血管病醫院有限公司 (Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd.) ("Zhonglian Cardiovascular Hospital") as set out in Notes 27(a) and 27(b) respectively to the consolidated financial statements as a key audit matter due to significant level of management judgement involved in determining the recoverable amount of the cash-generating units (the "CGUs") to which goodwill is allocated for the impairment assessment on the goodwill.

As set out in Notes 4 and 18 to the consolidated financial statements, impairment of goodwill in relation to acquisitions of Anhui Hualin Group and Zhonglian Cardiovascular Hospital is assessed by comparing the recoverable amount of the CGUs to its carrying values at the end of the reporting period. The recoverable amount of the CGUs is the higher of the value in use or fair value less costs of disposal. The value in use of the CGUs is determined by the directors of the Company based on the present value of estimated future cash flows to be generated from the CGUs and with reference to the valuation reports prepared by an independent professional valuer, which was approved by the directors of the Company. Significant judgements and assumptions are adopted by the management in the value in use calculation for estimation of recoverable amount of the CGUs, the key assumptions including growth rates and pre-tax discount rates.

本行將分別載於綜合財務報表附註27(a)及27(b)收購安徽樺霖醫療投資有限公司(「安徽樺霖」)及其附屬公司(統稱「安徽樺霖集團」)以及重慶康華眾聯心血管病醫院有限公司(「眾聯心血管病醫院」)產生的商譽減值評估確定為關鍵審計事項，原因為在釐定商譽被分配商譽減值評估的現金產生單位(「現金產生單位」)的可收回金額時所涉及的重大管理層判斷。

誠如載於綜合財務報表附註4及18，有關收購安徽樺霖集團及眾聯心血管病醫院的商譽減值乃透過比較現金產生單位的可收回金額與報告期末的賬面值而評估。現金產生單位的可收回金額為使用價值或公平值減出售成本中兩者較高。現金產生單位的使用價值乃根據現金產生單位所得估計未來現金流量現值及參考由貴公司董事所批准的獨立專業估值師所編製估值報告由貴公司董事釐定。管理層就估計現金產生單位的可收回金額、主要假設(包括增長率及稅前折讓率)的使用價值計算採納重大判斷及假設。

Our procedures in relation to the Group's impairment assessment of goodwill included:

- Obtaining an understanding of the impairment assessment process used by the management and involvement of the independent professional valuer engaged by the Company to estimate the recoverable amounts based on a value in use calculation;
- Assessing the competence, capabilities and objectivity of the independent professional valuer;
- Assessing the reasonableness of the valuation methodology and key assumptions adopted by the management in determining the recoverable amount of the CGUs, including growth rates and pre-tax discount rates, with the involvement of our internal valuation specialist;
- Evaluating the historical accuracy and reasonableness of the value in use calculation by comparing the historical cash flow forecasts with the actual performance of the CGUs; and

本行對貴集團涉及商譽的減值評估的程序包括：

- 了解管理層及貴公司委聘的獨立專業估值師就根據使用價值計算估計可收回金額所採用的減值評估程序；
- 評估獨立專業估值師的素質、能力及客觀性；
- 在本行內部估值專家參與下，評估管理層釐定現金產生單位可收回金額所採納估值方法及主要假設的合理性，包括增長率及稅前折讓率；
- 透過比較歷史現金流量預測與現金產生單位實際表現，評估歷史準確性及使用值計算的合理性；及



# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Cont'd)

#### Key audit matter 關鍵審計事項

#### How our audit addressed the key audit matter 本行於審計時如何處理關鍵審計事項

#### Impairment assessment of goodwill (Cont'd) 商譽的減值評估 (續)

At 31 December 2018, the carrying value of goodwill is approximately RMB182,013,000. In the opinion of the directors of the Company, no impairment loss was identified on the goodwill as at 31 December 2018.

於二零一八年十二月三十一日，商譽的賬面值約為人民幣182,013,000元。貴公司董事認為，於二零一八年十二月三十一日概無商譽減值虧損需要確認。

- Evaluating the sensitivity analysis of the forecasts for reasonably possible change in the key assumptions.

- 評估關鍵假設中合理可變動的預測敏感性分析。

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### 關鍵審計事項 (續)

### 其他資料

貴公司董事需要負責其他資料。其他資料包括年報所載資料，但不包括綜合財務報表及本行之核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對其他資料發表任何形式的鑒證結論。

當審計綜合財務報表時，本行的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或本行於審計過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於本行已執行的工作，倘本行認為其他資料有重大錯誤陳述，本行須報告該事實。於此方面，本行沒有任何報告。

### 董事及治理層對綜合財務報表需承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露規定編製並真實兼公允地呈列的綜合財務報表，並為其認為必須為使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部控制負責。

編製綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層履行監督貴集團財務報告過程的責任。

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

### 核數師就審計綜合財務報表的責任

本行的目標為合理鑒證整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有本行意見的核數師報告，按照協定的委任條款僅向閣下（作為整體）報告，除此之外本報告別無其他目的。本行不會就本報告內容向任何其他人士負責或承擔任何責任。合理鑒證屬高層次鑒證，但不能擔保根據香港審計準則進行的審計工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審計時，本行運用專業判斷，於整個審計過程中抱持專業懷疑態度。本行亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審計程序，獲得充足及適當審計憑證為本行的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 了解與審計有關的內部控制，以設計恰當的審計程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審計憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘本行總結認為存在重大不確定因素，本行需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂本行的意見。本行的結論以截至核數師報告日期所獲得的審計憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。

# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Faith Corazon Del Rosario.

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong  
28 March 2019

### 核數師就審計綜合財務報表的責任 (續)

- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的審計憑證，以就綜合財務報表發表意見。本行須負責指導、監督及執行集團的審計工作。本行須為審計意見承擔全部責任。

本行與治理層就審計工作的計劃範圍及時間安排及重大審計發現，包括本行於審計期間識別出內部控制的任何重大缺陷溝通。

本行亦向治理層提交聲明，說明本行已遵守有關獨立性的道德要求，並就所有被合理認為可能影響本行的獨立性的關係及其他事宜及相關防範措施(如適用)與治理層溝通。

本行從與治理層溝通的事項中，決定哪些事項對本期綜合財務報表的審計工作最為重要，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，本行認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則本行會於核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目合夥人是羅雅媛。

德勤•關黃陳方會計師行  
執業會計師  
香港  
二零一九年三月二十八日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

For the year ended 31 December 2018  
截至2018年12月31日止年度

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	5	1,639,287	1,389,169
Cost of revenue	收益成本		(1,280,383)	(1,058,293)
Gross profit	毛利		358,904	330,876
Other income	其他收入	7	46,765	32,694
Other gains and losses	其他收益及虧損	8	2,199	(18,500)
Administrative expenses	行政開支		(185,178)	(126,994)
Finance costs	融資成本	9	(936)	–
Profit before taxation	除稅前溢利	10	221,754	218,076
Income tax expenses	所得稅開支	13	(60,482)	(56,937)
Profit and total comprehensive income for the year	年內溢利及全面收入總額		161,272	161,139
Profit (loss) and total comprehensive income (expense) for the year attributable to:	下列各項應佔年內溢利(虧損)及全面收入(開支)總額:			
– owners of the Company	– 本公司擁有人		167,943	156,592
– non-controlling interests	– 非控股權益		(6,671)	4,547
			161,272	161,139
Earnings per share, basic (RMB cents)	每股基本盈利(人民幣分)	15	50.2	46.8

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2018

於2018年12月31日

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	16	814,390	434,109
Prepaid lease payment	預付租賃款項	17	150,398	–
Goodwill	商譽	18	182,013	–
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備 已付按金		81,133	76,456
Available-for-sale investment	可供出售投資	19	–	16,275
Other receivables	其他應收款項	20	–	5,000
Fixed bank deposit	定期銀行存款	21	16,000	–
			<b>1,243,934</b>	<b>531,840</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	22	45,358	44,524
Accounts and other receivables	應收賬款及其他應收款項	20	207,016	214,508
Prepaid lease payment	預付租賃款項	17	3,248	–
Financial assets at fair value through profit or loss	按公平值計入損益的 金融資產	19	479,142	–
Available-for-sale investments	可供出售投資	19	–	543,025
Restricted bank balances	受限制銀行結餘	21	21,098	14,700
Bank balances and cash	銀行結餘及現金	21	203,256	383,796
			<b>959,118</b>	<b>1,200,553</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Accounts and other payables	應付賬款及其他應付款項	23	481,839	412,586
Amount due to a shareholder	應付一名股東款項	24	682	925
Amount due to a non-controlling shareholder of a subsidiary	應付一間附屬公司的 一名非控股股東款項	24	152,204	–
Tax payables	應付稅項		38,368	29,483
			<b>673,093</b>	<b>442,994</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>286,025</b>	<b>757,559</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,529,959</b>	<b>1,289,399</b>
<b>Non-current liability</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	25	20,485	–
<b>Net assets</b>	<b>資產淨值</b>		<b>1,509,474</b>	<b>1,289,399</b>

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2018  
於2018年12月31日

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Capital and reserves	資本及儲備			
Share capital	股本	26	334,394	334,394
Reserves	儲備		1,044,543	930,830
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,378,937	1,265,224
Non-controlling interests	非控股權益		130,537	24,175
<b>Total equity</b>	<b>權益總額</b>		<b>1,509,474</b>	<b>1,289,399</b>

The consolidated financial statements on pages 131 to 217 were approved and authorised for issue by the board of directors on 28 March 2019 and are signed on its behalf by:

第131至217頁的綜合財務報表已於二零一九年三月二十八日獲董事會批准及授權刊發，並由以下董事代表簽署：

Wang Junyang  
王君揚

Director  
董事

Wong Wai Hung Simon  
王偉雄

Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2018

截至2018年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non-controlling interests 非控股權益		Total 總計
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Statutory reserve 法定儲備	Retained earnings 保留盈利	Sub-total 小計		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (note (ii)) (附註(ii))	RMB'000 人民幣千元 (note (iii)) (附註(iii))	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	334,394	698,214	53,394	12,344	57,069	1,155,415	19,628	1,175,043
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	156,592	156,592	4,547	161,139
Dividend	股息	-	-	-	-	(46,783)	(46,783)	-	(46,783)
Transfers	轉撥	-	-	-	16,120	(16,120)	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	334,394	698,214	53,394	28,464	150,758	1,265,224	24,175	1,289,399
Profit (loss) and total comprehensive income (expense) for the year	年內溢利(虧損)及全面收入(開支)總額	-	-	-	-	167,943	167,943	(6,671)	161,272
Dividend (Note 14)	股息(附註14)	-	-	-	-	(54,230)	(54,230)	-	(54,230)
Transfers	轉撥	-	-	-	34,120	(34,120)	-	-	-
Acquisitions of subsidiaries (Note 27)	收購附屬公司(附註27)	-	-	-	-	-	-	113,033	113,033
At 31 December 2018	於二零一八年十二月三十一日	334,394	698,214	53,394	62,584	230,351	1,378,937	130,537	1,509,474

Notes:

附註：

- (i) According to the relevant laws in the People's Republic of China (the "PRC"), the Company and its subsidiaries which were established in the PRC are required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of the respective registered capital. The transfer to this reserve must be made before the distribution of dividends to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.
- (ii) 根據中華人民共和國(「中國」)相關法律，本公司及其於中國成立的附屬公司須按中國會計條例規定提取其稅後純利至少10%列入不可分派儲備金，直至儲備結餘達各自註冊資本的50%。於向擁有人分派股息前須對儲備劃撥資金。該儲備金可用於抵銷過往年度虧損(如有)，除非清盤，否則不可分派。
- (iii) Included in the retained earnings, an amount of RMB3,713,000 (2017: nil) belongs to restricted retained earnings from Anhui Hualin Group (defined in Note 27(b)) which is non-distributable other than upon liquidation.
- (iii) 納入留存溢利中，人民幣3,713,000元(二零一七年：無)金額屬於安徽樺霖集團(定義見附註27(b))的受限制留存溢利，除清算後不可分配。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018  
截至2018年12月31日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Operating activities</b>	<b>經營活動</b>		
Profit before taxation	除稅前溢利	221,754	218,076
Adjustments for:	就以下項目所作調整：		
Amortisation of prepaid lease payment	預付租賃款項攤銷	1,354	-
Bank and other interest income	銀行及其他利息收入	(7,243)	(11,584)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	70,259	49,600
Fair value gain on financial assets at fair value through profit or loss	按公平值計入損益金融資產的公平值收益	(6,447)	-
Loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	231	247
Allowance for credit loss	信貸虧損撥備	3,503	3,513
Investment income from available-for-sale investments	可供出售投資的投資收入	-	(11,675)
Investment income from financial assets at fair value through profit or loss	按公平值計入損益金融資產的投資收入	(18,344)	-
Interest expenses	利息開支	936	-
Unrealised exchange (gain) loss	未變現的匯兌(收益)虧損	(5,544)	7,199
<b>Operating cash flows before movements in working capital</b>	<b>營運資金變動前經營現金流量</b>	<b>260,459</b>	<b>255,376</b>
Decrease (increase) in inventories	存貨減少(增加)	4,072	(1,298)
Increase in accounts and other receivables	應收賬款及其他應收款項增加	(17,592)	(7,535)
(Decrease) increase in accounts and other payables	應付賬款及其他應付款項(減少)增加	(16,670)	26,227
<b>Cash generated from operations</b>	<b>經營所得現金</b>	<b>230,269</b>	<b>272,770</b>
PRC Enterprise Income Tax paid	已付中國企業所得稅	(53,306)	(58,851)
<b>Net cash generated from operating activities</b>	<b>經營活動所得現金淨額</b>	<b>176,963</b>	<b>213,919</b>
<b>Investing activities</b>	<b>投資活動</b>		
Placement of restricted bank balances	存放受限制銀行結餘	(1,991,920)	(1,534,459)
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益的金融資產	(1,840,200)	-
Acquisitions of subsidiaries	收購附屬公司	(294,492)	-
Purchase of property, plant and equipment	購買物業、廠房及設備	(36,997)	(119,256)
Placement of fixed bank deposit	存放固定銀行存款	(16,000)	-
Withdrawal of restricted bank balances	提取受限制銀行結餘	1,985,522	1,554,714
Disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產	1,930,040	-
Investment income received from financial assets at fair value through profit or loss	按公平值計入損益的金融資產收取的投資收入	18,344	-
Interests received	已收利息	12,261	11,584
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	1,385	23
Purchase of available-for-sale investments	購買可供出售投資	-	(560,227)
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備已付按金	(53,331)	(50,242)
Loan granted to a hospital (Note 20)	授予一所醫院借款(附註20)	-	(20,000)
Deposits paid for acquisition of subsidiaries	收購附屬公司已付按金	-	(5,000)
Investment income received from available-for-sale investments	可供出售投資已收投資收入	-	11,675
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(285,388)</b>	<b>(711,188)</b>



# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018

截至2018年12月31日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Financing activities</b>	<b>融資活動</b>		
Repayment of bank loan (Note 27(b))	還款予銀行貸款(附註27(b))	(60,000)	-
Dividend paid	已付股息	(54,230)	(46,783)
Repayments to a non-controlling shareholder of a subsidiary	還款予一間附屬公司的一名非控股股東	(3,515)	-
Interest paid	已付利息	(936)	-
Repayments to a shareholder	還款予一名股東	(243)	(2,254)
Advances from a non-controlling shareholder of a subsidiary	一間附屬公司的一名非控股股東墊款	44,500	-
<b>Net cash used in financing activities</b>	<b>融資活動所用現金淨額</b>	<b>(74,424)</b>	<b>(49,037)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等價物減少淨額</b>	<b>(182,849)</b>	<b>(546,306)</b>
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	383,796	936,374
Effect of foreign exchange rate changes	匯率變動影響	2,309	(6,272)
<b>Cash and cash equivalents at end of the year, representing bank balances and cash</b>	<b>年末現金及現金等價物，即銀行結餘及現金</b>	<b>203,256</b>	<b>383,796</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 1. GENERAL

廣東康華醫療股份有限公司 (Guangdong Kanghua Healthcare Co., Ltd.) (the "Company") was established as a limited liability company in the People's Republic of China (the "PRC") and its overseas listed foreign invested ordinary shares ("H Shares") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Company's immediate and ultimate holding company is 東莞市康華投資集團有限公司 (Dongguan Kanghua Group Co., Ltd.) ("Kanghua Group"), a limited liability company established in the PRC. The addresses of the registered office and principal place of business in Hong Kong of the Company are disclosed in the corporate information section to the annual report.

The Company and its subsidiaries (collectively referred as the "Group") are principally engaged in provision of hospital services, provision of rehabilitation and other healthcare services, provision of hospital management services, sales of pharmaceutical products and provision of other services (represents elderly healthcare services) in the PRC. Details of the Company's subsidiaries are set out in note 38.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board for the first time in the current year:

IFRS 9  
國際財務報告準則第9號  
IFRS 15  
國際財務報告準則第15號  
IFRIC 22  
國際財務報告詮釋委員會詮釋第22號  
Amendments to IFRS 2  
國際財務報告準則第2號(修訂本)  
Amendments to IFRS 4  
國際財務報告準則第4號(修訂本)  
Amendments to IAS 28  
國際會計準則第28號(修訂本)  
Amendments to IAS 40  
國際會計準則第40號(修訂本)

Financial Instruments  
金融工具  
Revenue from Contracts with Customers and the related Amendments  
客戶合約收益及相關修訂  
Foreign Currency Transactions and Advance Consideration  
外幣交易及墊付代價  
Classification and Measurement of Share-based Payment Transactions  
以股份為基礎的付款交易的分類及計量  
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts  
應用國際財務報告準則第9號金融工具及國際財務報告準則第4號保險合約  
As part of the Annual Improvements to IFRSs 2014 – 2016 Cycle  
作為國際財務報告準則二零一四年至二零一六年週期年度改進的一部分  
Transfers of Investment Property  
投資物業轉移

In addition, the Group has early applied Amendments to IFRS 9 *Prepayment Features with Negative Compensation* which will be mandatorily effective for the Group for the financial year beginning on 1 January 2019.

### 1. 一般資料

廣東康華醫療股份有限公司(「本公司」)在中華人民共和國(「中國」)成立為一間有限責任公司及其境外上市外資普通股(「H股」)，在香港聯合交易所有限公司(「香港聯交所」)主板上市。本公司的直接及最終控股公司為東莞市康華投資集團有限公司(「康華集團」)，一間於中國成立的有限責任公司。本公司註冊辦事處及香港主要營業地點地址披露於年報「公司資料」一節。

本公司及其附屬公司(統稱「本集團」)主要在中國從事提供醫院服務，提供康復及其他醫療服務、提供醫院管理服務、銷售藥品及提供其他服務(代表老年護理服務)。本公司附屬公司詳情載於附註38。

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司的功能貨幣。

### 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂本

於本年度強制生效的新訂國際財務報告準則及其修訂本

於本年度，本集團首次應用以下國際會計準則委員會所頒佈的新訂國際財務報告準則及其修訂本：

此外，本集團已提早應用國際財務報告準則第9號(修訂本)提早還款特性及負補償，而該修訂將於本集團於二零一九年一月一日開始的財政年度強制生效。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

Except as described below, the application of the new and amendments to IFRSs and an interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### 2.1 IFRS 15 Revenue from Contracts with Customers

The Group has applied IFRS 15 for the first time in the current year. IFRS 15 superseded IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations.

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in IFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 Revenue and IAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- hospital services;
- rehabilitation and other healthcare services;
- hospital management services;
- other services; and
- sale of pharmaceutical products

Information about the Group's performance obligations and the accounting policies resulting from application of IFRS 15 are disclosed in Notes 5 and 3 respectively.

### 2. 應用新訂國際財務報告準則（「國際財務報告準則」）及其修訂本（續）

除下文所述外，於本年度應用其他新訂國際財務報告準則及其修訂本以及詮釋對本集團本年度及過往年度的財務表現及狀況及／或綜合財務報表所載披露事項並無重大影響。

#### 2.1 國際財務報告準則第15號客戶合約收益

本集團已於本年度首次採納國際財務報告準則第15號。國際財務報告準則第15號取代國際會計準則第18號收益、國際會計準則第11號建築合約及相關詮釋。

本集團已追溯應用國際財務報告準則第15號，而首次應用該準則的累計影響於二零一八年一月一日首次應用當日確認。初始應用日期的任何差額在期初留存溢利（或權益的其他組成部分，視情況而定）中確認，並且尚未重述比較資料。此外，根據國際財務報告準則第15號之過渡條文，本集團僅選擇對二零一八年一月一日尚未完成之合約追溯應用該標準。因此，若干比較資料未必能與根據國際會計準則第18號收益及國際會計準則第11號建設合約及相關詮釋編製的比較資料具可比性。

本集團自下列主要來源確認客戶合約收益：

- 醫院服務；
- 康復及其他醫療服務；
- 醫院管理服務；
- 其他服務；及
- 銷售藥品

有關本集團履約責任及應用國際財務報告準則第15號所導致的會計政策的資料分別於附註5及3所披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

#### 2.1 IFRS 15 *Revenue from Contracts with Customers* (Cont'd)

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated. Furthermore, in accordance with the transition provisions in IFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 *Revenue* and related interpretations.

#### 2.2 IFRS 9 *Financial Instruments* and the related Amendments

In the current year, the Group has applied IFRS 9 *Financial Instruments*, Amendments to IFRS 9 *Prepayment Features with Negative Compensation* and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, and 2) expected credit losses ("ECL") for financial assets.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained earnings and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 *Financial Instruments: Recognition and Measurement*.

### 2. 應用新訂國際財務報告準則（「國際財務報告準則」）及其修訂本（續）

#### 2.1 國際財務報告準則第15號客戶合約收益（續）

本集團已追溯應用國際財務報告準則第15號，而首次應用該準則的累計影響於二零一八年一月一日首次應用當日確認。初始應用日期的任何差額在期初留存溢利（或權益的其他組成部分，視情況而定）中確認，並且尚未重述比較資料。此外，根據國際財務報告準則第15號之過渡條文，本集團僅選擇對二零一八年一月一日尚未完成之合約追溯應用該標準。因此，若干比較資料未必能與根據國際會計準則第18號收益及相關詮釋編製的比較資料具可比性。

#### 2.2 國際財務報告準則第9號金融工具及相關修訂

於本年度，本集團已應用國際財務報告準則第9號金融工具、國際財務報告準則第9號（修訂本）提早還款特性及負補償及其他國際財務報告準則相關的相應修訂本。國際財務報告準則第9號就1) 金融資產及金融負債的分類及計量及2) 金融資產的預期信貸虧損（「預期信貸虧損」）引入新規定。

本集團已根據國際財務報告準則第9號所載的過渡條文應用國際財務報告準則第9號，即對於二零一八年一月一日（首次應用日期）尚未終止確認的工具追溯應用分類及計量規定（包括預期信貸虧損模式項下的減值），且未有對於二零一八年一月一日已終止確認的工具應用該等規定。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值之間的差額於期初留存溢利及其他權益部分中確認，而並無重列比較資料。

故此，由於比較資料根據國際會計準則第39號金融工具：確認及計量編製，故若干比較資料可能無法比較。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

#### 2.2 IFRS 9 *Financial Instruments* and the related Amendments (Cont'd)

Summary of effects arising from initial application of IFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

### 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂本(續)

#### 2.2 國際財務報告準則第9號金融工具及相關修訂(續)

首次應用國際財務報告準則第9號產生的影響概要

下表說明於二零一八年一月一日首次應用日期根據國際財務報告準則第9號及國際會計準則第39號金融資產的分類及計量(包括減值)。

		AFS investments 可供出售 投資 RMB'000 人民幣千元	Financial assets designated at FVTPL 按公平值計入 損益指定的 金融資產 RMB'000 人民幣千元
Closing balance at 31 December 2017	於二零一七年十二月三十一日期 未結餘		
– IAS 39	– 國際會計準則第39號	559,300	–
Effect arising from initial application of IFRS 9:	首次應用國際財務報告準則第9號產生的影響：		
Reclassification	重新分類		
From available-for-sale ("AFS") to fair value through profit or loss ("FVTPL") (note (a))	自可供出售(「可供出售」)至按公平值計入損益(「按公平值計入損益」)(附註(a))	(559,300)	559,300
Opening balance at 1 January 2018	於二零一八年一月一日期初結餘	–	559,300

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

### 2.2 IFRS 9 *Financial Instruments* and the related Amendments (Cont'd)

Summary of effects arising from initial application of IFRS 9 (Cont'd)

Notes:

(a) AFS investments

From AFS equity investments to FVTPL

At the date of initial application of IFRS 9, the Group's investments in unlisted fund and portfolio investment fund with aggregated amount of RMB67,460,000 were reclassified from AFS investments to financial assets at FVTPL. There were no cumulative fair value gains/losses relating to those investments previously carried at fair value as at 1 January 2018.

From AFS debt investments to FVTPL

Structured bank deposits with a fair value of RMB491,840,000 were reclassified from AFS investments to financial assets at FVTPL. This is because even though the Group's business model is to hold financial assets in order to collect contractual cash flows, the cash flows of these investments do not meet the IFRS 9 criteria as solely payments of principal and interest on the principal amount outstanding. There were no cumulative fair value gains/losses relating to those investments previously carried at fair value as at 1 January 2018.

There was no impact on the amounts recognised in relation to these assets from the application of IFRS 9.

## 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂本(續)

### 2.2 國際財務報告準則第9號金融工具及相關修訂(續)

首次應用國際財務報告準則第9號產生的影響概要(續)

附註：

(a) 可供出售投資

自可供出售股權投資至按公平值計入損益

於首次應用國際財務報告準則第9號日期，本集團於非上市基金及證券投資基金總額為人民幣67,460,000元分類為自可供出售投資至按公平值計入損益的金融資產。於二零一八年一月一日，先前以按公平值列賬的該等投資並無累計公平值收益／虧損。

自可供出售債務投資至按公平值計入損益

公平值為人民幣491,840,000元之結構性銀行存款由可供出售投資重新分類至按公平值計入損益之金融資產。此乃因為即使本集團的業務模式是持有金融資產以收取合約現金流量，該等投資的現金流量亦不符合國際財務報告準則第9號標準，因為僅為支付本金及未償還本金的利息。於二零一八年一月一日，先前以公平值列賬的該等投資並無累計公平值收益／虧損。

應用國際財務報告準則第9號對該等資產已確認的金額並無影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

### 2.2 IFRS 9 *Financial Instruments* and the related Amendments (Cont'd)

Summary of effects arising from initial application of IFRS 9 (Cont'd)

Notes: (Cont'd)

#### (b) Impairment under ECL model

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all accounts receivables. Except for those accounts receivables from the PRC government's social insurance schemes and certain credit-impaired debtors with aggregated outstanding significant balances have been assessed individually, the remaining balances are grouped based on internal credit rating and past due analysis.

ECL for other financial assets at amortised cost, including other receivables, fixed bank deposit, restricted bank balances, and bank balances, are assessed on 12 months ECL ("12m ECL") basis as there had been no significant increase in credit risk since initial recognition.

The application of the ECL model of IFRS 9 has no material impact on the accumulated amount of loss allowance to be recognised by Group as at 1 January 2018 as compared to the accumulated amount recognised under IAS 39 mainly attributable to ECL provision on accounts and other receivables. In respect of fixed bank deposit, restricted bank balances and bank balances, based on the historical financial information and reputation of the banks that the Group deposited to, the management of the Company has considered that the risk of default is low, their capacity to meet its contractual cash flow obligations in the near term is strong and there is no adverse changes in economic and business conditions of the counterparties. Therefore, they considered it is not necessarily to recognise provision for ECL on the fixed bank deposit, restricted bank balances and bank balances in the consolidated financial statements.

## 2. 應用新訂國際財務報告準則（「國際財務報告準則」）及其修訂本（續）

### 2.2 國際財務報告準則第9號金融工具及相關修訂（續）

首次應用國際財務報告準則第9號產生的影響概要（續）

附註：（續）

#### (b) 根據預期信貸虧損模式的減值

本集團應用國際財務報告準則第9號簡化方法對所有應收款項使用全期預期信貸虧損計量預期信貸虧損。除中國政府社會保險計劃的該等應收賬款及若干未償還重大結餘總額的信用減值債務人已單獨評估外，餘下結餘按內部信貸評級及逾期分析進行分組。

按攤銷成本計量的其他金融資產的預期信貸虧損主要包括其他應收款項固定銀行存款、受限制銀行結餘及銀行結餘，乃按12個月預期信貸虧損（「12個月預期信貸虧損」）基準計量，且自初始確認以來，信貸風險概無大幅增加。

國際財務報告準則第9號的預期信貸虧損模式的應用對於本集團於二零一八年一月一日確認的累計虧損撥備並無重大影響，此乃與根據國際會計準則第39號確認的累計金額相比，主要歸因於應收款項及其他應收款項的預期信貸虧損撥備。就固定銀行存款、受限制銀行結餘及銀行結餘而言，根據本集團存放銀行的歷史財務資料及聲譽，本公司管理層認為違約風險較低，其在短期內履行合約現金流量義務的能力很強，且交易對手的經濟及業務狀況並無任何不利變化。因此，其認為並非須就綜合財務報表中的固定銀行存款、受限制銀行結餘及銀行結餘確認預期信貸虧損撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 16  
國際財務報告準則第16號  
IFRS 17  
國際財務報告準則第17號  
IFRIC 23  
國際財務報告詮釋委員會詮釋第23號  
Amendments to IFRS 3  
國際財務報告準則第3號(修訂本)  
Amendments to IFRS 10 and IAS 28  
國際財務報告準則第10號及國際會計準則第28號(修訂本)  
Amendments to IAS 1 and IAS 8  
國際會計準則第1號及國際會計準則第8號(修訂本)  
Amendments to IAS 19  
國際會計準則第19號(修訂本)  
Amendments to IAS 28  
國際會計準則第28號(修訂本)  
Amendments to IFRSs  
國際財務報告準則(修訂本)

Leases<sup>1</sup>  
租賃<sup>1</sup>  
Insurance Contracts<sup>2</sup>  
保險合約<sup>2</sup>  
Uncertainty over Income Tax Treatments<sup>1</sup>  
所得稅處理的不確定性<sup>1</sup>  
Definition of a Business<sup>4</sup>  
業務的定義<sup>4</sup>  
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup>  
投資者與其聯營公司或合資企業之間的資產出售或注入<sup>3</sup>  
Definition of Material<sup>5</sup>  
重大的定義<sup>5</sup>  
Plan Amendment, Curtailment or Settlement<sup>1</sup>  
計劃修訂、削減或結算<sup>1</sup>  
Long-term Interests in Associates and Joint Ventures<sup>1</sup>  
聯營公司和合資企業的長期權益<sup>1</sup>  
Annual Improvements to IFRSs 2015 – 2017 Cycle<sup>1</sup>  
國際財務報告準則二零一五年至二零一七年週期的年度改進<sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂本(續)

已頒佈但尚未生效的新訂國際財務報告準則及其修訂本

本集團尚未提早應用下列已頒佈但尚未生效的新訂國際財務報告準則及其修訂本：

<sup>1</sup> 於二零一九年一月一日或之後開始的年度期間生效。

<sup>2</sup> 於二零二一年一月一日或之後開始的年度期間生效。

<sup>3</sup> 於將確定的日期或之後開始的年度期間生效。

<sup>4</sup> 於業務合併及資產收購的收購日期為二零二零年一月一日或之後開始的首個年度期間開始或之後生效。

<sup>5</sup> 於二零二零年一月一日或之後開始的年度期間生效。

除下文所述之新訂及經修訂國際財務報告準則外，本公司董事預期應用所有其他新訂及國際財務報告準則及修訂本於可見將來將不會對綜合財務報表造成重大影響。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

#### IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for lessors. IFRS 16 will supersede IAS 17 *Leases* and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. IFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payment as investing cash flows in relation to prepaid lease payment for own use while other operating lease payments are presented as operating cash flows. Upon application of IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group, upfront prepaid lease payments will continue to be presented as investing or operating cash flows in accordance with the nature, as appropriate.

Other than certain requirements which are also applicable to lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

### 2. 應用新訂國際財務報告準則（「國際財務報告準則」）及其修訂本（續）

#### 國際財務報告準則第16號租賃

國際財務報告準則第16號就識別租賃安排和出租人的會計處理引入全面的模式。國際財務報告準則第16號將於生效時取代國際會計準則第17號租賃及相關詮釋。

國際財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。國際財務報告準則第16號亦包括轉租及租賃修改有關的要求。

就承租人會計而言，經營租賃和融資租賃的區分已予剔除，取而代之的模式是承租人對所有租賃必須確認使用權資產和相應負債，但短期租賃和低價值資產的租賃除外。

使用權資產按成本進行初始計量，並隨後按成本（某些例外情況除外）減去累計折舊和減值虧損計量，並對租賃負債的任何重新計量進行調整。租賃負債最初是以該日未支付的租賃付款額的現值計量。隨後，因應利息和租賃付款以及租賃修訂的影響等而對租賃負債進行調整。就現金流量分類而言，本集團目前呈列預付租賃付款作為自用預付租賃付款有關的投資現金流量，而其他經營租賃付款則呈列為經營現金流量。應用國際財務報告準則第16號後，與租賃負債有關的租客付款將分配至本集團將作為呈列為融資現金流量的本金及利息部分，預付租賃付款將繼續按照性質（倘適用）作為投資或經營現金流量。

除適用於出租人的若干規定外，國際財務報告準則第16號實質上沿用國際會計準則第17號的出租人會計規定，並繼續要求出租人將租賃劃分為經營租賃或融資租賃。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

#### IFRS 16 Leases (Cont'd)

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB259,570,000 as disclosed in Note 30. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group elects the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of IFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained earnings without restating comparative information.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2. 應用新訂國際財務報告準則（「國際財務報告準則」）及其修訂本（續）

#### 國際財務報告準則第16號租賃（續）

此外，國際財務報告準則第16號規定作出廣泛披露。

於二零一八年十二月三十一日，本集團持有不可撤銷的經營租賃承擔人民幣259,570,000元（如附註30所披露）。初步評估顯示該等安排將符合租賃的定義。應用國際財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，除非其符合低價值或短期租賃的條件。

應用新規定可能導致上述計量、呈列及披露變動。本集團選擇可行權宜方法，就先前應用國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號釐定安排是否包括租賃獲識別為租賃的合約應用國際財務報告準則第16號，且並無對先前應用國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號並無獲識別為包括租賃的合約應用該準則。此外，本集團（作為承租人）擬選擇經修訂追溯法應用國際財務報告準則第16號，並將在不重列比較資料的情況下確認首次應用對期初保留溢利的累計影響。

### 3. 重大會計政策

綜合財務報表乃根據國際財務報告準則編製。此外，綜合財務報表載有香港聯交所證券上市規則及香港公司條例規定的適用披露詳情。

除若干金融工具按各報告期末之公平值計量外，本綜合財務報表乃以歷史成本基準編製（詳情見下文所載會計政策）。

歷史成本一般基於交換貨品及服務所提供代價的公平值計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in the consolidated financial statements are determined on such a basis, except for leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

### 3. 重大會計政策(續)

公平值為市場參與者於計量日期進行的有序交易中出售資產所收取或轉讓負債所支付的價格，而不論該價格是否可直接觀察或利用其他估值法估計得出。估計一項資產或負債的公平值時，本集團計及該資產或負債的特徵，前提是市場參與者於計量日期為資產或負債定價時計及該等特徵。

該等財務資料內作計量及／或披露目的之公平值按該基準釐定，惟國際會計準則第17號租賃範圍內的租賃交易以及與公平值有相似之處但並非公平值的計量（如國際會計準則第2號存貨內的可變現淨值或國際會計準則第36號資產減值內的使用價值）等除外。

非金融資產之公平值計量乃考慮市場參與者通過使用其資產之最高及最佳用途，或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

此外，就財務報告而言，公平值計量根據公平值計量輸入數據可觀察程度及輸入數據對公平值計量的整體重要程度分類為第一級、第二級或第三級，載述如下：

- 第一級輸入數據為實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第二級輸入數據為就資產或負債可直接或間接觀察的輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

### 3. 重大會計政策(續)

#### 綜合入賬基準

綜合財務報表包括本公司以及本公司及其附屬公司控制的實體(包括結構實體)的財務報表。附屬公司為本集團控制的實體。本公司達成下列條件時取得控制權：

- 對投資對象行使權力；
- 因參與投資對象的業務而可或有權獲得可變回報；及
- 有能力行使其權力以影響其回報。

倘事實及情況表明以上所列控制權三項要素的一項或多項有所變動，本集團重估其是否控制投資對象。

附屬公司綜合入賬於本集團取得對附屬公司的控制權時開始，並於本集團喪失對附屬公司的控制權時終止。特別是，年內收購或出售附屬公司的收入及開支自本集團取得附屬公司控制權的日期起直至本集團不再控制該附屬公司之日止於綜合損益及其他全面收益表內列賬。

損益及其他全面收益各項目乃歸屬於本公司擁有人及非控股權益。附屬公司的全面收入總額歸屬於本公司擁有人及非控股權益，即使這會使非控股權益產生虧損結餘。

必要時，附屬公司財務報表會予以調整，以使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、權益、收入、開支及有關本集團成員公司之間交易的現金流量均於綜合入賬時悉數對銷。

附屬公司的非控股權益與本集團的權益分開呈列，而該等權益代表其持有人於清盤時有權按相關附屬公司的淨資產比例分配的現有所有權權益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Basis of consolidation (Cont'd)

##### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

### 3. 重大會計政策(續)

#### 綜合入賬基準(續)

##### 業務合併

收購業務使用收購法列賬。業務合併轉讓之代價乃按公平值計量，公平值乃按於收購日本集團為交換被收購者之控制權而轉移之資產、產生之負債及股本權益之總額計算。相關收購成本一般於產生時在損益確認。

於收購日，收購之可識別資產及承擔之負債按其於收購日之公平值確認，惟下列除外：

- 遞延稅項資產或負債及與僱員福利安排有關的負債或資產，分別按國際會計準則第12號*所得稅*及國際會計準則第19號*僱員福利*確認及計量；
- 與被收購者以股份付款安排或以本集團股份形式付款安排以取代被收購者股份形式付款安排有關之負債或股本工具，於收購日根據國際財務報告準則第2號以股份為基礎付款(見下文會計政策)；及
- 按照國際財務報告準則第5號持作出售非流動資產及已終止經營業務歸類為持作出售資產(或出售組別)者，則按該準則計量。

商譽乃按所支付代價、於被收購者所佔任何非控股性權益額及收購者過往持有之被收購者股本權益之公平值(如有)之總額超逾於收購日收購之可識別資產及承擔之負債淨額之差額計量。倘經重新評估後，收購之可識別資產及承擔之負債於收購日之淨額超逾支付代價、於被收購者之任何非控股性權益額及收購者過往持有之被收購者權益之公平值(如有)之總額，則差額即時於損益確認為優惠收購收益。

現時為權益擁有者且持有人可於清盤時就此按比例獲得附屬公司淨資產之非控股性權益，可被收購者之可識別淨資產已確認金額之按比例應佔部份或按公平值初始計量。

## 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

## Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

Revenue from contracts with customers (upon application of IFRS 15 in accordance with transitions in Note 2)

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

## 3. 重大會計政策(續)

## 商譽

收購業務所產生商譽於收購業務(見上文會計政策)當日按成本減任何累計減值虧損(如有)列賬。

就減值檢測而言,商譽須分配予預期會受惠於合併協同效益之本集團現金產生單位(或現金產生單位組別),即商譽為內部管理目的而進行監察之最低水平及不大於營運分部。

獲分配商譽之現金產生單位(或現金產生單位組合)會按年及倘有跡象顯示有關單位可能出現減值時進行更頻密測檢。就報告期內進行收購所產生商譽而言,獲分配商譽之現金產生單位(或現金產生單位組合)會於該報告期結束前進行減值檢測。當可收回金額少於其賬面值時,減值虧損會首先分配至減少該單位獲分配之任何商譽賬面值,繼而以該單位內各資產之賬面值為基準按比例分配至該單位內(或現金產生單位組合)其他資產。

客戶合約收益(根據附註2的過渡應用國際財務報告準則第15號後)

根據國際財務報告準則第15號,本集團於完成履約責任時(即當特定之履約責任下之相關貨品或服務「控制權」轉移至客戶時)(或就此)確認收益。

履約責任指一項明確的貨品及服務(或一組貨品或服務)或一系列大致相同而屬明確的貨品或服務。

倘符合以下任何一項條件,控制權及收益將分別在一段時間內參照完成相關履約責任的進度而轉移及確認:

- 客戶於本集團履約時同時收取及消耗本集團履約所提供之利益;
- 本集團之履約創建及增強客戶於本集團履約時控制之資產;或
- 本集團之履約並未創建對本集團具有替代用途之資產,而本集團有強制執行權收取至今已履約部分之款項。

否則,於客戶獲得明確貨品或服務控制權時確認收入。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue from contracts with customers (upon application of IFRS 15 in accordance with transitions in Note 2) (Cont'd)

A receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

#### *Output method*

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts and related taxes.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from provision of hospital services, rehabilitation and other healthcare services and hospital management services are recognised when services are provided.

Revenue from sale of pharmaceutical products is recognised when the pharmaceutical products are delivered and titles have passed.

The Group's accounting policy for the recognition of revenue from operating leases and finance leases is described in the accounting policy for leases below.

### 3. 重大會計政策 (續)

客戶合約收益(根據附註2的過渡應用國際財務報告準則第15號後)(續)

應收款項指本集團收取代價的無條件權利，即支付代價到期前僅需隨時間流逝。

隨時間確認收入：履約義務完成進度的計量

#### *產出法*

完成履約義務的進度按產出法計量，即根據直接計量迄今轉移至客戶的商品或服務價值相對於合約項下承諾的剩餘貨品或服務來確認收入，其最能說明本集團在轉移貨品或服務控制權方面的表現。

收益確認(於二零一八年一月一日前)

收益按已收或應收代價的公平值計量。收益就折扣及相關稅項進行減少。

當收益金額能夠可靠計量；當經濟利益可能流入；及當已達至本集團各活動的下述特定準則時，確認收益。

提供醫院服務、康復及其他醫療服務及醫院管理服務的收益已提供服務時予以確認。

銷售藥品的收益於藥品付運及其所有權轉移時確認。

本集團有關確認經營租賃及融資租賃收益的會計政策載於下文租賃會計政策。

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Property, plant and equipment

Property, plant and equipment including buildings held for use in the provision of services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for provision of services or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets, other than construction in progress, less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Leasehold land and buildings

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payment" in the consolidated statement of financial position and is amortised over the lease term on a straight line basis. When the lease payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

### 3. 重大會計政策(續)

#### 物業、廠房及設備

為提供服務或行政管理目的而持有的物業、廠房及設備(包括樓宇)按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

用於提供服務或行政用途的在建物業以成本減任何已確認減值虧損列賬。成本包括專業費及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。有關物業完工後並達到可使用狀態時被劃分為適當類別物業、廠房及設備。當該等資產達到可用狀態時，按與其他物業資產相同的基準開始折舊。

折舊乃予以確認，以採用直線法於估計可使用年期內經扣減剩餘價值後撇減資產成本(在建工程除外)的成本。估計可使用年期、剩餘價值及折舊法於各年末予以檢討，而估計的任何變動影響按預期基準列賬。

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或棄置物業、廠房及設備項目產生的任何損益乃按該資產的出售所得款項與賬面值之間的差額釐定，並於損益內確認。

#### 租賃土地及樓宇

當租賃包括土地及樓宇部分，本集團會根據對各部分所有權附帶之絕大部分風險及回報是否已轉移至本集團之評估，將各部分獨立分類為融資租賃或經營租賃，除非兩部分均明確列作經營租賃，在此情況下，整項租賃會分類為經營租賃。具體而言，整體代價(包括任何一次性預付款項)乃在初始確認時租約之土地及樓宇部份租賃權益之相關公平值，按比例分配予租賃土地及樓宇部份之間。

倘能可靠地分配相關租賃款項，租賃土地權益以經營租賃方式入賬，並在綜合財務狀況表中呈列為「租賃預付款項」，於租賃期內以直線法攤銷。倘租金無法可靠地劃分為土地及樓宇兩部份，除非清楚顯示兩部份均為經營租賃，在此情況下，整項租約當作經營租賃處理。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Prepaid lease payment

Prepaid lease payment represent prepaid lease rentals under operating leases and are initially stated at cost. The cost of prepaid lease payment is charged to the profit or loss on a straight line basis over the lease term.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Group as lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

#### The Group as lessee

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale.

#### Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for accounts receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

### 3. 重大會計政策(續)

#### 租賃預付款項

租賃預付款項指經營租賃項下的預付租金並初步按成本列賬。租賃預付款項的成本在租賃期內按直線法計入損益。

#### 租賃

當租賃條款將擁有權的絕大部分風險及回報轉讓予承租人時，租賃分類為融資租賃。所有其他租賃分類為經營租賃。

#### 本集團作為出租人

經營租賃所得租金收入按相關租期以直線基準確認。

#### 本集團作為承租人

經營租賃付款以直線法，按租期確認為開支。

倘訂立經營租賃可以獲得租賃優惠，該等優惠作為負債確認。優惠利益總額以直線法確認為沖減租金開支。

#### 存貨

存貨按成本與可變現淨值的較低者列值。存貨成本按先入先出法釐定。可變現淨值指存貨的估計售價減進行銷售所需成本。

#### 金融工具

集團實體成為有關工具合約條文的訂約方時，於綜合財務狀況表內確認金融資產及金融負債。

除客戶合約產生的應收貿易款項自二零一八年一月一日起根據國際財務報告準則第15號進行初步計量外，金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(而非按公平值計入損益的金融資產)直接應佔的交易成本，於初始確認時在金融資產或金融負債(如適用)的公平值計入或扣除。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### Financial assets

*Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in Note 2)*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

### 3. 重大會計政策(續)

#### 金融工具(續)

實際利率法乃計算金融資產或金融負債攤銷成本及於有關期間內分配利息收益及利息支出的方法。實際利率為將估計未來現金收入及付款(包括構成實際利率組成部分的所有已付或已收費用及點數、交易成本及其他溢價或折讓),按金融資產或金融負債的預期年期或較短期間(倘適用)準確貼現至初始確認時賬面淨值的利率。

#### 金融資產

*金融資產的分類及其後計量(根據附註2的過渡應用國際財務報告準則第9號後)*

符合以下條件的金融資產其後按攤銷成本計量:

- 持有金融資產的業務模式目的是收取合約現金流量;及
- 合約條款在指定日期產生現金流量,而該現金流量僅為未償還本金金額的本金及利息付款。

符合以下條件的金融資產其後按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量:

- 持有金融資產的業務模式目的是收取合約現金流量及進行出售;及
- 合約條款在指定日期產生現金流量,而該現金流量僅為未償還本金金額的本金及利息付款。

所有其他金融資產其後按公平值計入損益計量,惟在首次應用/初步確認金融資產之日,倘股本投資並非持作買賣亦非收購方在國際財務報告準則第3號業務合併適用的業務合併中確認的或然代價,則本集團可不可撤銷地選擇於其他全面收益呈列股本投資公平值的其後變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in Note 2) (Cont'd)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) *Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

(ii) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income" line item.

### 3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的分類及其後計量(根據附註2的過渡應用國際財務報告準則第9號後)(續)

下列情況下金融資產乃歸類為持作買賣：

- 其主要為於不久將來出售而購買；或
- 在初步確認時，其為本集團所集中管理，並擁有短期獲利之近期實際模式之已識別金融工具組合的一部分；或
- 其為並非指定及有效作對沖工具的衍生工具。

此外，本集團可以不可撤銷地將須按攤銷成本或按公平值列入其他全面收益計量的財務資產指定為按公平值列入損益計量(倘如此行事可消除或顯著減少會計錯配)。

(i) *攤銷成本及利息收益*

其後按攤銷成本計量的金融資產的利息收益乃使用實際利率法確認，而利息收益以金融資產賬面總值應用實際利率計算。

(ii) *按公平值計入損益的金融資產*

不符合使用攤銷成本、按公平值計入全面收益、指定按公平值計入全面收益條件計量的財務資產，會使用按公平值計入損益的方法計量。

按公平值計入損益的財務資產，在各報告期末會使用公平值計量，如有任何公平值收益或虧損，則會在損益中確認。在損益中確認的淨收益或淨虧損不包括財務資產賺取的任何股息或利息，並會包含在「其他收入」項目下。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2)*

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including accounts and other receivables, fixed bank deposit, restricted bank balances and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for accounts receivables under simplified approach. The ECL on these assets are assessed individually for accounts receivables with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL under general approach. Unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

#### (i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

*金融資產的減值(根據附註2的過渡應用國際財務報告準則第9號後)*

本集團就根據國際財務報告準則第9號須作出減值的金融資產(包括應收賬款及其他應收款項、固定銀行存款、受限制銀行結餘以及銀行結餘)的預期信貸虧損確認虧損撥備。預期信貸虧損的金額於各報告日期更新,以反映自初步確認以來的信貸風險變動。

全期預期信貸虧損為相關工具於預計年期內可能發生的所有違約事件而導致的預期信貸虧損。相反,12個月預期信貸虧損為於報告日期後12個月內可能發生的違約事件而導致的預期信貸虧損,是全期預期信貸虧損的一部分。

有關評估乃根據本集團的過往信貸虧損經驗作出,並就債務人特定因素、整體經濟狀況及於報告日期對現況及預測未來狀況的評估而作出調整。

本集團始終以簡化方法確認應收賬款的全期預期信貸虧損。有關該等資產的預期信貸虧損將單獨評估具有重大結餘的應收賬款及/或使用具有適當分組的撥備矩陣進行統一評估。

對於所有其他工具,本集團按相等於12個月預期信貸虧損的金額計量虧損撥備,除非自初步確認以來信貸風險顯著增加,則本集團會確認全期預期信貸虧損。評估是否確認全期預期信貸虧損乃基於自初步確認以來出現違約事件的可能性或風險是否出現顯著增加。

#### (i) 信貸風險顯著增加

於評估信貸風險自初步確認以來是否有顯著增加時,本集團將報告日期金融工具出現違約事件的風險與初步確認日期金融工具出現違約事件的風險進行比較。於作出此項評估時,本集團會考慮合理可靠的定量及定性資料,包括過往經驗或無需付出過多成本或努力即可取得的前瞻性資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2) (Cont'd)

#### (i) Significant increase in credit risk (Cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的減值(根據附註2的過渡應用國際財務報告準則第9號後)(續)

#### (ii) 信貸風險顯著增加(續)

具體而言，於評估信貸風險是否有顯著增加時，會考慮以下資料：

- 金融工具實際或預期的外部(如有)或內部信貸評級的顯著惡化；
- 外部市場信用風險指標顯著惡化，例如信貸利差大幅增加、債務人的信用違約掉期價格；
- 業務、財務或經濟狀況現時或預期會出現不利變動，導致債務人履行其債務責任的能力遭到大幅削弱；
- 債務人實際或預期的經營業績顯著惡化；
- 債務人的監管、經濟或技術環境實際或預期出現重大不利的變動，導致債務人履行其債務責任的能力遭到大幅削弱。

不論上述評估的結果，倘合約付款逾期超過30日，則本集團會假定信貸風險自初步確認以來已顯著增加，除非本集團另有合理可靠的資料證明並無顯著增加則作別論。

本集團定期監察用以識別信貸風險是否已顯著增加的標準的成效，並於適當時候作出修訂，以確保有關標準能夠於款項逾期之前識別信貸風險顯著增加。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2) (Cont'd)*

#### (ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的減值(根據附註2的過渡應用國際財務報告準則第9號後)(續)

#### (ii) 違約的定義

就內部信貸風險管理而言，倘內部編製或從外部來源獲得的資料顯示債務人不大可能向其債權人(包括本集團)全額還款(不考慮本集團持有的任何抵押品)，則本集團認為發生違約事件。

本集團認為，倘金融資產逾期超過90日，即發生違約事件，除非本集團具有更為合適的合理可靠資料說明滯後的違約標準，則作別論。

#### (iii) 出現信貸減值的金融資產

當發生一項或多項事件而對金融資產的估計未來現金流量產生不利影響時，該金融資產即為出現信貸減值。金融資產出現信貸減值的證據包括以下事件的可觀察數據：

- (a) 發行人或借款人陷入重大財務困難；
- (b) 違反合約，例如違約或逾期事件；
- (c) 借款人的貸款人出於與借款人財務困難有關的經濟或合約原因，而向借款人授予貸款人原本不會考慮的優惠；
- (d) 借款人甚有可能破產或進行其他財務重組；或
- (e) 由於財政困難，該金融資產的活躍市場消失。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

*Impairment of financial assets (upon application IFRS 9 with transitions in accordance with Note 2) (Cont'd)*

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

### 3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的減值(根據附註2的過渡應用國際財務報告準則第9號後)(續)

(iv) 撇銷政策

當有資料顯示對手方陷入嚴重財務困難，且並無實際收回款項的可能時(例如對手方被清盤或進入破產程序或就應收款項而言，當金額超過一年後，以較早者為準)，本集團會撇銷金融資產。根據本集團收回款項的程序，已撇銷的金融資產仍可能受到執法活動的影響，在適當情況下考慮法律意見。撇銷構成終止確認事件。任何其後收回的款項於損益內確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約虧損率(即違約造成損失的幅度)及違約風險的函數。違約概率及違約虧損率乃根據過往的數據進行評估，並就前瞻性資料作出調整。預期信貸虧損的估計反映無偏頗及概率加權金額，有關金額乃根據發生相應違約風險的金額作為加權數值而釐定。

一般而言，預期信貸虧損為根據合約本集團應收的所有合約現金流量與本集團預期將收到的所有現金流量之間的差額，並按初始確認時釐定的實際利率折現。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 2) (Cont'd)

#### (v) Measurement and recognition of ECL (Cont'd)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments (i.e. the Group's accounts and other receivables except for accounts receivables from the PRC government's social insurance schemes and certain credit-impaired debtors, fixed bank deposit, restricted bank balances and bank balances are each assessed as a separate group. Accounts receivables from the PRC government's social insurance schemes and certain credit-impaired debtors are assessed for ECL on an individual basis);
- past-due status;
- nature, size and industry of receivables; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts receivables where the corresponding adjustment is recognised through a loss allowance account.

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的減值(根據附註2的過渡應用國際財務報告準則第9號後)(續)

#### (v) 預期信貸虧損的計量及確認(續)

倘預期信貸虧損以集體基準計量，或是針對個別工具級別的證據可能尚不可用的情況，則金融工具按以下基礎分組：

- 金融工具性質(即本集團賬目及其他應收款項(中國政府社會保險計劃及若干信貸減值債務人的應收賬款除外)、固定銀行存款、受限制銀行結餘及銀行結餘評為獨立組別。中國政府社會保險計劃及若干信貸減值債務人的應收賬款按個別基準就預期信貸虧損估計)；
- 逾期狀況；
- 應收款項的性質、規模及行業；及
- 外部信貸評級(倘有)。

管理層定期檢討分組，以確保各組別成份繼續擁有類似的信貸風險特徵。

利息收益按金融資產的總賬面值計算，除非該金融資產出現信貸減值，則利息收益按金融資產的攤銷成本計算。

本集團透過調整賬面值於損益確認所有金融工具的減值收益或虧損，惟應收賬款除外，其相關調整乃透過虧損撥備確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

#### Financial assets (Cont'd)

*Classification and subsequent measurement of financial assets (before application of IFRS 9 on 1 January 2018)*

The Group's financial assets are classified as AFS financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL. The Group designated certain items as AFS financial assets on initial recognition of those items.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each report period.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including accounts and other receivables, fixed bank deposit, restricted bank balances and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

*Impairment of financial assets (before application of IFRS 9 on 1 January 2018)*

Loans and receivables are assessed for indicators of impairment at the end of each year. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

### 3. 重大會計政策 (續)

#### 金融工具 (續)

#### 金融資產 (續)

*金融資產的分類及其後計量 (於二零一八年一月一日應用國際財務報告準則第9號前)*

本集團的金融資產分類為可供出售金融資產及貸款及應收款項。分類取決於金融資產的性質及目的，並在初始確認時確定。

#### 可供出售金融資產

可供出售金融資產乃指定為可供出售或並未分類為貸款及應收款項、持有至到期投資或按公平值計入損益的金融資產的非衍生工具。本集團在初步確認該等項目時將若干項目指定為可供出售金融資產。

對沒有活躍市場所報市價及公平值不能可靠計量的可供出售股本投資，於各報告期末按成本減已識別減值虧損計量。

#### 貸款及應收款項

貸款及應收款項為有固定或可釐定付款款額但並無於活躍市場內報價的非衍生金融資產。於初步確認後，貸款及應收款項 (包括應收賬款及其他應收款項、固定銀行存款、受限制銀行結餘以及銀行結餘及現金) 採用實際利息法按攤銷成本減任何已識別減值虧損計量 (請參閱下文有關金融資產減值的會計政策)。

利息收入乃應用按實際利率確認，惟所確認利息極微的短期應收款項除外。

*金融資產減值 (於二零一八年一月一日採用國際財務報告準則第9號前)*

於各年末評估貸款及應收款項是否有減值跡象。倘有客觀證據顯示因貸款及應收款項初步確認後發生的一項或多項事件而令估計未來現金流量受到影響，則貸款及應收款項被視為減值。

對於可供出售股本投資，證券的公平值大幅或長期下降低於其成本被視為減值的客觀證據。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (before application of IFRS 9 on 1 January 2018) (Cont'd)

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio passed the respective credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the loans and receivables is reduced by the impairment loss directly with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於二零一八年一月一日採用國際財務報告準則第9號前)(續)

對於所有其他金融資產的客觀減值證據可能包括：

- 發行方或交易對手方面臨重大財務困難；或
- 違約，如逾期支付或拖欠利息或本金；或
- 借款人很可能將破產或者進行財務重組。

應收款項組合的減值客觀證據包括本集團收取款項的過往經驗、組合內超過有關信用期的延遲付款數目增加、國家或當地經濟條件發生與拖欠應收款項有關的可觀察變動。

就按攤銷成本列賬的金融資產而言，已確認減值虧損金額為資產賬面值與按金融資產原實際利率貼現的估計未來現金流量現值之間的差額。

就按成本列賬的金融資產而言，減值虧損金額乃按資產賬面值與按相似金融資產當前市場回報率貼現的估計未來現金流量現值之間的差額計量。該減值虧損於其後期間將不會轉回。

貸款及應收款項的減值虧損直接於賬面值中扣減，惟應收賬款除外，該等款項的賬面值透過使用撥備賬扣減。撥備賬的賬面值變動於損益內確認。應收賬款在被視為不可收回時於撥備賬撤銷。先前已撤銷的款項如其後收回，則計入損益。

倘在隨後期間減值虧損數額減少，而有關減少與確認減值虧損後發生的事件有客觀聯繫，則先前已確認的減值虧損將透過損益撥回，惟該資產於減值撥回當日的賬面值不得超過未確認減值時的攤銷成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Financial instruments (Cont'd)

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset at amortised cost in its entirety, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss.

On derecognition of an AFS investments, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

##### Classification as debt or equity

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Financial liabilities and equity instruments

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

##### Financial liabilities at amortised costs

Financial liabilities, including accounts and other payables, amount due to a shareholder and amount due to a non-controlling shareholder of a subsidiary are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 終止確認金融資產

僅當從資產收取現金流量的合約權利已屆滿，或轉讓金融資產及其擁有權的絕大部份風險及回報給另一方時，本集團方會終止確認金融資產。

於按攤銷成本終止確認其全部金融資產時，資產賬面值與已收及應收代價之間的差額於損益中確認。

於終止確認可供出售投資時，先前於投資重估儲備累計的累計收益或虧損將重新分類至損益。

##### 分類為債務或股權

集團實體發行的金融負債及股本工具乃根據所訂立合約安排的內容及金融負債與股本工具的定義分類為金融負債或股本。

##### 金融負債及股本工具

##### 股本工具

股本工具是指證明扣除所有負債後本集團資產剩餘權益的任何合約。集團實體發行的股本工具按已收所得款項扣除直接發行成本確認。

##### 按攤銷成本列賬的金融負債

金融負債(包括應付賬款及其他應付款項、應付一名股東款項及應付一間附屬公司的一名非控股股東款項)其後以實際利率法按攤銷成本計量。

##### 終止確認金融負債

僅當本集團的責任獲解除、註銷或已屆滿時，本集團方會終止確認金融負債。終止確認金融負債的賬面值與已付及應付代價之間的差額於損益確認。

## 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

## Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of each year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

## Impairment on tangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets finite useful and construction costs to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of tangible assets is estimated individually, when it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

## 3. 重大會計政策(續)

## 撥備

若本集團須就過往事件而承擔現時責任(法定或推定)，及本集團有可能須履行該項責任，而對責任的金額可作出可靠估計時，則會確認撥備。

確認為撥備的金額為於各年末履行現時責任所需代價的最佳估計，而估計乃經考慮圍繞責任的風險及不確定性而作出。當撥備以估計履行現時責任所用現金流量計量時，其賬面值為該等現金流量的現值(倘貨幣時間價值的影響屬重大)。

確認為撥備的金額是在報告期末結算現時義務所需代價的最佳估計，同時考慮到該義務的風險及不確定性。當使用估計結算現時義務的現金流量計量撥備時，其賬面值為該等現金流量的現值(倘貨幣時間價值影響屬重大)。

## 無形資產(而非商譽)的減值

於各報告期末，本集團檢討其資產的賬面值，以釐定有否任何跡象顯示該等資產遭受減值虧損。如有任何該等跡象，則會估計資產的可收回金額，以釐定減值虧損(如有)的程度。

有形資產的可收回金額進行各個，倘無法估計單項資產的可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。於可識別合理及一貫分配基準的情況下，企業資產亦會被分配至個別現金產生單位，否則或會被分配至可合理及按一貫分配基準而識別的最小現金產生單位中。

可收回金額乃公平值減出售成本與使用價值的較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映對貨幣時間價值的當前市場評價及未來現金流量估計未經調整的資產所特有的風險。

倘估計某資產(或現金產生單位)的可收回金額低於其賬面值，該資產(或現金產生單位)的賬面值被削減至其可收回金額。減值虧損即時於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Impairment on tangible assets other than goodwill (Cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

#### Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are accrued.

#### Government subsidies

Government subsidies are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the subsidies will be received.

Government subsidies are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the subsidies are intended to compensate. Specifically, government subsidies whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets.

Government subsidies that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 3. 重大會計政策(續)

#### 無形資產(而非商譽)的減值(續)

倘減值虧損其後撥回，該資產(或現金產生單位)的賬面值將增加至可收回金額的經修訂估計，惟所增加的賬面值不得超過假設該資產(或現金產生單位)過往年度未確認減值虧損原應釐定的賬面值。減值虧損撥回即時確認為收入。

#### 外幣

於編製各個別集團實體之財務報表時，以實體之功能貨幣以外之貨幣(外幣)進行之交易以其分別的功能貨幣(即實體主要經營所在經濟環境之貨幣)確認。於各報告期末，以外幣列值之貨幣項目按當日之現行匯率重新換算。按公平值計值之非貨幣項目按釐定公平值該日當前匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

由結算貨幣項目及重新換算貨幣項目產生之匯兌差額於其產生之期間於損益中確認。

#### 借貸成本

所有借貸成本於其產生期間於損益內確認。

#### 政府補貼

政府補貼直至有合理保證本集團將會符合補貼所附條件及補助金將獲收取時才予以確認。

政府補貼按本集團將擬用作補償的補貼相關成本確認為開支的期間有系統地於損益確認。具體而言，主要條件為本集團應購買、建造或以其他方式購入非流動資產的政府補貼於綜合財務狀況表中確認為遞延收入，並按有關資產的可使用年期轉撥至損益。

作為已產生的開支或損失補償而可收取或為了給予本集團即時財務支持而無日後相關成本的政府補貼在其應收取期間於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Retirement benefit costs

Payments to defined contribution retirement benefit plans, including Mandatory Provident Fund Scheme (the "MPF Scheme") in Hong Kong and government-managed retirement benefit schemes in the PRC, are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

#### Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

### 3. 重大會計政策(續)

#### 退休福利成本

界定供款退休福利計劃(包括香港強制性公積金(「強積金」)及中國政府管理的退休福利計劃)的付款於僱員已提供使其有權享受供款的服務時確認為開支。

#### 短期及其他長期僱員福利

短期僱員福利按僱員提供服務時預期支付的未折現金額確認。除非另一項國際財務報告準則要求或允許將福利納入資產成本，否則所有短期僱員福利均確認為費用。

#### 研發支出

研究活動的支出於產生期間確認為開支。

#### 稅項

所得稅開支指當期應付稅項及遞延稅項的總和。

應付即期稅項按年內的應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣減的收支項目，亦不包括毋須課稅或不可扣減的項目，故應課稅溢利除稅前溢利不同。本集團按年末已實行或實質已實行的稅率計算即期稅項負債。

遞延稅項按綜合財務報表中資產及負債賬面值與計算應課稅溢利所採用相應稅基兩者的暫時差額確認。一般就所有應課稅暫時差額確認遞延稅項負債。倘可能有應課稅溢利可用以抵銷可動用的可扣減暫時差額，則通常就所有可扣減暫時差額確認遞延稅項資產。倘暫時差額因初步確認一項既不影響應課稅溢利亦不影響會計溢利的交易的資產及負債而產生，則有關資產及負債不予確認。此外，倘暫時性差異來自初始確認商譽，則遞延稅項負債不予以確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### Taxation (Cont'd)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss. Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3. 重大會計政策(續)

#### 稅項(續)

遞延稅項負債就與附屬公司及聯營公司的投資以及於合營企業的權益相關的應課稅暫時差額予以確認，惟倘本集團可控制其撥回及暫時差額有可能不會於可見將來撥回則除外。因與有關投資及權益相關的可扣減暫時差額而產生的遞延稅項資產僅於可能產生足夠應課稅溢利以動用暫時差額溢利並預期可於可見將來撥回時確認。

遞延稅項資產的賬面值於各年末檢討，並在可能不再有足夠應課稅溢利可收回全部或部分資產時調減。

遞延稅項資產及負債按預期清償負債或變現資產期間適用的稅率，基於各年末前已實行或實質已實行的稅率(及稅法)計量。

遞延稅項負債及資產的計量反映本集團預期於各年末收回或清算資產及負債賬面值的方式所產生的稅務影響。

倘有法定可行使權利將即期稅項資產及即期稅項抵銷，且兩者與同一稅務機構徵收之所得稅有關，而本集團擬按淨額基準結算即期稅項資產及負債，則可抵銷遞延稅項資產及負債。

即期與遞延稅項於損益中確認。倘業務合併的初始會計處理產生即期稅項，則稅務影響包含在業務合併的會計處理中。

### 4. 估計不確定因素的主要來源

應用本集團會計政策(載於附註3)時，本公司董事須就未能從其他資料來源確定之資產及負債的賬面值作出估計及假設。估計及有關假設乃按過往經驗及其他視為有關之因素作出。實際結果或有別於該等估計值。

估計及有關假設乃按持續基準檢討。倘修訂僅影響當前期間，則會計估計之修訂會於修訂期間確認，倘修訂同時影響當前期間及日後期間，則修訂會於修訂期間及日後期間確認。

#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

##### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### Estimated allowance for inventories

Inventories are valued at the lower of cost and net realisable value. The Group regularly reviews its inventory levels in order to identify slow-moving and obsolete inventories. When the Group identifies items of inventories which have a net realisable value that is lower than its carrying amount, the Group estimates the amount of write-down of inventories as allowance for inventories. If the net realisable value of inventories of the Group becomes lower than its carrying amount subsequently, additional allowance may be required. The carrying amount of inventories was approximately RMB45,358,000 (2017: RMB44,524,000) as at 31 December 2018. No impairment loss on the above amount was recognised during the year. Details of the Group's inventories are set out in Note 22.

##### Provision for medical dispute claims

The Group may be subject to legal proceedings and claims that arise in the ordinary course of business, which primarily include medical dispute claims brought by the former patients. Provision for medical dispute claims is made based on the status of potential and active claims outstanding at the end of each year, and taking into consideration the assessment and analysis of external experts and the total claim exposure. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Based on the assessment, the provision for certain medical dispute claims existed of approximately RMB1,280,000 (2017: RMB503,000) has been provided and included in accounts and other payables by the Group as at 31 December 2018. The situation is closely monitored by the directors of the Company and provision will be made as appropriate. Where the final actual claims are greater than expected, a material dispute claims expense may arise, which would be recognised in profit or loss for the period in which such a claim takes place.

#### 4. 估計不確定因素的主要來源(續)

##### 估計不確定因素的主要來源

以下為於報告期末起下個財政年度內具有可能對資產及負債的賬面值造成重大調整的重大風險的有關未來的關鍵假設及於年末估計不確定因素的其他主要來源。

##### 存貨的估計撥備

存貨按成本與可變現淨值兩者較低者計價。本集團定期檢討其存貨水平，以辨別滯銷及陳舊存貨。當本集團發現存貨項目的可變現淨值低於其賬面值時，本集團估計減值存貨的數目以作出存貨撥備。倘其後本集團的存貨可變現淨值低於其賬面值，可能須計提額外撥備。於二零一八年十二月三十一日，存貨的賬面值為約人民幣45,358,000元(二零一七年：人民幣44,524,000元)。本集團存貨的詳情載於附註22。

##### 醫療糾紛索賠撥備

本集團可能面臨日常業務過程中產生的法律訴訟及索賠，主要包括前病人提出的醫療糾紛索賠。醫療糾紛索賠的撥備是根據每年年底潛在及未了結索賠而作出，並考慮到外聘專家的評估和分析及索賠總額。如果不可能需要經濟利益流出或無法靠估計該金額，則將之披露為或然負債，除非經濟利益流出的可能性極低。或然負債為過往事件產生的可能責任，或然負債是否存在將僅透過發生或不發生並非全部屬於本集團控制範圍內的一項或更多不確定的未來事件所確認。

根據評估，本集團於二零一八年十二月三十一日已撥備及計入應付賬款及其他應付款項的有關若干已存在的醫療糾紛索賠的撥備分別為約人民幣1,280,000元(二零一七年：人民幣503,000元)。本公司董事密切監控相關情況及將會適時作出撥備。倘最終實際索賠高於預期，則可能產生重大糾紛索賠開支，而這可能於有關索賠發生期間的損益內確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### Key sources of estimation uncertainty (Cont'd)

##### Estimated impairment of goodwill

Impairment of goodwill in relation to the acquisitions of Anhui Hualin Group (defined in Note 27(a)) and Zhonglian Cardiovascular Hospital (defined in Note 27(b)) is assessed by comparing the recoverable amount of the cash-generating units (the "CGUs") to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal, to its carrying values at the end of the reporting period. The value in use of the CGUs is determined by the directors of the Company based on the present value of estimated future cash flows to be generated from the CGUs and with reference to the valuation reports prepared by an independent professional value, which was approved by the directors of the Company. Where the actual future cash flows are less than expected, or changes in facts and circumstances which results in downward revision of future cash flows, a material impairment loss may arise. Significant judgements and assumptions are adopted by the management in the value in use calculation for estimation of the recoverable amount of the CGUs, the key assumptions including growth rates and pre-tax discount rates. The Group believes that no provision for impairment has to be recognised for the year ended 31 December 2018. The situation will be closely monitored, and adjustments will be made in future periods, should future market activity indicate that such adjustments are required.

As at 31 December 2018, the carrying amount of goodwill is RMB182,013,000 (2017: nil). Details of the recoverable amount calculation and the related acquisitions are disclosed in Notes 18 and 27 respectively.

##### Provision of ECL for accounts receivables

The Group uses provision matrix to calculate ECL for the accounts receivables, except for accounts receivables from the PRC government's social insurance scheme and certain credit-impaired debtors which are assessed for ECL individually. The provision rates are based on internal credit ratings as groupings of various receivables that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, accounts receivables from the PRC government's social insurance scheme and certain credit-impaired debtors are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's accounts receivables is disclosed in Note 34(b)(iii).

### 4. 估計不確定因素的主要來源(續)

#### 估計不確定因素的主要來源(續)

##### 商譽的估計減值

與收購安徽樺霖集團(定義見附註27(a))及眾聯心血管病醫院(定義見附註27(b))有關的商譽減值通過比較需要估計已獲分配商譽的現金產生單位(「現金產生單位」)的可收回金額(使用價值或公平值減出售成本較高者)及其於報告期末的賬面值進行評估。現金產生單位的使用價值由本公司董事根據現金產生單位產生的估計未來現金流量的現值釐定並參考由本公司董事批准的獨立專業估值師編製的估值報告。倘實際未來現金流量低於預期,或導致未來現金流量向下修訂的事實及情況變動,則可能產生重大減值虧損。就重大判斷及假設,管理層採納現金產生單位的可收回金額估算其使用價值,主要假設包括增長率及稅前貼現率。本集團相信截至二零一八年十二月三十一日止年度並無確認減值撥備。本集團將密切檢測情況,且倘未來市場活動表明需要進行此類調整,則將在未來期間進行調整。

於二零一八年十二月三十一日,商譽的賬面值為人民幣182,013,000元(二零一七年:無)。可收回金額計算及相關收購詳情分別於附註18及27披露。

##### 應收賬款的預期信貸虧損撥備

本集團使用撥備矩陣計算應收款項的預期信貸虧損,惟中國政府的社會保險計劃的應收款項以及單獨評估預期信貸虧損的若干信用減值債務人除外。撥備率以內部信貸評級為基礎,作為具有類似虧損模式的各種應收款項的分組。撥備矩陣基於本集團的歷史違約率,並考慮到合理且可支持性的前瞻性資料,而無需不必要的成本或努力。在各報告日期,重新評估歷史可觀察的違約率,並考慮前瞻性資料的變動。此外,中國政府的社會保險計劃及若干信用減值債務人的應收款項將單獨評估為預期信貸虧損。

預期信貸虧損撥備對估計變動敏感。有關預期信貸虧損及本集團應收款項的資料於附註34(b)(iii)披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 5. REVENUE

An analysis of the Group's revenue for the year is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Recognised over time:	隨時間確認：		
Hospital services:	醫院服務：		
– Inpatient healthcare services	– 住院醫療服務	919,814	816,937
– Outpatient healthcare services	– 門診醫療服務	552,507	491,056
– Physical examination services	– 體檢服務	98,791	70,816
Rehabilitation and other healthcare services:	康復及其他醫療服務：		
– Rehabilitation hospital services	– 康復醫院服務	32,672	N/A 不適用
– Rehabilitation centre services and other healthcare services	– 康復中心服務及其他醫療服務	16,998	N/A 不適用
Hospital management services	醫院管理服務	2,258	3,135
Others	其他	204	N/A 不適用
		1,623,244	1,381,944
Recognised at a point in time:	於某一時間點確認：		
Sale of pharmaceutical products	藥品銷售	16,043	7,225
		1,639,287	1,389,169

### 5. 收益

本集團年內收益分析如下：

#### Performance obligations for contracts with customers

Provision of hospital services, provision of rehabilitation and other healthcare services and provision of other services

The Group provides hospital services, rehabilitation and other healthcare services and other services to patients. The directors of the Company considered the performance obligation represents provision of these services, which are satisfied when these services are rendered. Such services are recognised as a performance obligation satisfied over time as the Group is entitled to receive its service income according to the relevant operating performance from the patients and the patients simultaneously receive and consume the benefits provided by the Group's performance as the Group performs.

#### 客戶合約履行義務

提供醫院服務、提供康復及其他醫療服務及提供其他服務

本集團向病患提供醫院服務、康復及其他醫療服務及其他服務。本公司董事認為履行義務指提供該等服務，並於提供該等服務時予以滿足。由於本集團有權根據病患的相關經營表現收取其服務收入，而該等服務同時收取及消耗本集團履行本集團表現所提供的利益，故此等服務確認為履行義務。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 5. REVENUE (Cont'd)

Performance obligations for contracts with customers (Cont'd)

Provision of hospital management services

The Group provides hospital management services to Zhonglian Cardiovascular Hospital (defined in Note 27(b)), a hospital operator in Chongqing, under service arrangements for hospital management services. The directors of the Company considered the performance obligation represents provision of the hospital management services, of which are satisfied when the services are rendered. Such services are recognised as a performance obligation satisfied over time as the Group is entitled to receive its service income according to the relevant operating performance from Zhonglian Cardiovascular Hospital and Zhonglian Cardiovascular Hospital simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

On 22 June 2018, the Group entered into an acquisition agreement to acquired 60% equity interest in Zhonglian Cardiovascular Hospital and had become a non wholly-owned subsidiary to the Group. Revenue was generated from provision of hospital management services prior to the acquisition. Details of the acquisition is set out in Note 27(b).

Sale of pharmaceutical products

The Group sells pharmaceutical products to customers and includes single element as delivery of pharmaceutical products. The directors of the Company considered no other separate performance obligation is identified except for delivery of goods. The revenue on sale of pharmaceutical products is recognised as sales of goods when the goods are delivered and titles have been passed.

### 6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of service provided.

During the year ended 31 December 2018, the Group acquired new businesses which are principally engaged in provision of rehabilitation and other healthcare services and the operation of specialty hospital in cardiovascular diseases (detailed in Note 27). In light of these new businesses acquired during the year, the directors of the Company have reallocated the Group's segment information and combined inpatient healthcare services, outpatient healthcare services and physical examination services into one single segment as hospital services. Segment information for the year ended 31 December 2017 is represented to conform with current year's presentation. The directors of the Company are of the view that the revised presentation of the operating segment information better reflects the Group's business operations.

### 5. 收益 (續)

客戶合約履行義務 (續)

提供醫院管理服務

本集團根據醫院管理服務的服務安排向重慶一間醫院經營商眾聯心血管病醫院 (定義見附註27(b)) 提供醫院管理服務。本公司董事認為履約義務指提供醫院管理服務，其服務於提供時均予以滿足。由於本集團有權根據眾聯心血管病醫院的相關經營表現獲得其服務收入，同時眾聯心血管病醫院收取及消耗本集團履行本集團表現所提供的利益，該等服務確認為履行義務。

於二零一八年六月二十二日，本集團訂立收購協議以收購眾聯心血管病醫院60%權益，並成為本集團的非全資附屬公司。收益於收購前提供醫院管理服務所產生。收購詳情載於附註27(b)。

藥品銷售

本集團向客戶銷售藥品並包括單一元素作為藥品交付。除交付貨品外，本公司董事認為並無識別任何其他獨立履約義務。銷售藥品收益在交付貨品及所有權通過後確認為銷售貨品。

### 6. 分部資料

為進行資源分配及評估分部表現而向本公司執行董事 (即主要經營決策者 (「主要經營決策者」)) 提供的資料側重於所提供服務的類型。

截至二零一八年十二月三十一日止年度，本集團收購多項新業務，其主要從事提供康復及其他醫療服務以及心血管疾病專科醫院的運作 (詳列於附註27)。鑒於本年度內所收購的新業務，本公司董事重新分配本集團的分部資料及將住院醫療服務、門診醫療服務及體檢服務合併為醫院服務的單項分部。截至二零一七年十二月三十一日止年度的分部資料已重列以符合本年度之呈報方式。本公司董事認為，經修訂呈報的經營分部資料更能反映本集團的業務運營。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 6. SEGMENT INFORMATION (Cont'd)

The Group's operating segments are classified as (i) hospital services; (ii) rehabilitation and other healthcare services; (iii) hospital management services; (iv) sale of pharmaceutical products; and (v) others. The details of the Group's operating segments are as follows:

- |  |   |
|--|---|
| (i) Hospital services:                             | Provision of hospital services includes (i) inpatient healthcare services generally refer to the treatment of patients who are hospitalised overnight or for an indeterminate period of time; (ii) outpatient healthcare services generally refer to the treatment of patients who are hospitalised for less than 24 hours; (iii) physical examinations services generally refer to the clinical examination of individuals for signs of diseases and health advisory services. |
| (ii) Rehabilitation and other healthcare services: | Provision of rehabilitation services generally refer to the provision of special care services to patients with permanent or long-term physical or mental disabilities. Other healthcare services include elderly care services and training services for the disabled.   |
| (iii) Hospital management services:                | Provision of management services to a hospital owned by an independent third party.   |
| (iv) Sale of pharmaceutical products:              | Sale of pharmaceutical products to patients of the Group's hospitals and outside customers.   |
| (v) Others:  | Provision of elderly care services to patients.   |

These operating segments also represent the Group's reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

### 6. 分部資料(續)

本集團的經營分部分為(i)醫院服務；(ii)康復及其他醫療服務；(iii)醫院管理服務；(iv)藥品銷售；及(v)其他。本集團經營分部的詳情如下：

- |                 |  |
|-----------------|--|
| (i) 醫院服務：       | 提供的醫療服務包括(i)住院醫療服務一般指為過夜或不定時入院的病人提供治療；(ii)門診醫療服務一般指為入院少於24小時的病人提供治療；(iii)體檢服務一般指為個人提供有關疾病徵兆的臨床檢驗及保健諮詢服務。 |
| (ii) 康復及其他醫療服務： | 提供康復服務一般指向永久或長期身體或精神殘疾的患者提供特殊護理服務。其他醫療服務包括老年護理服務及殘疾人士訓練服務。   |
| (iii) 醫院管理服務：   | 向獨立第三方擁有的醫院提供管理服務。   |
| (iv) 藥品銷售：      | 向本集團醫院的患者及外部客戶銷售藥品。  |
| (v) 其他：         | 向患者提供老年護理服務。   |

該等經營分部亦代表本集團的可呈報分部。於釐定本集團的可呈報分部時，概無合併主要經營決策者確定的經營分部。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 6. SEGMENT INFORMATION (Cont'd)

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating segments:

For the year ended 31 December 2018

### 6. 分部資料(續)

分部收益及業績

以下為按經營分部劃分的本集團收益及業績分析：

截至二零一八年十二月三十一日止年度

		Hospital services 醫院服務 RMB'000 人民幣千元	Rehabilitation and other healthcare services 康復及其他醫療服務 RMB'000 人民幣千元 (note (a)) (附註(a))	Hospital management services 醫院管理服務 RMB'000 人民幣千元	Sale of pharmaceutical products 藥品銷售 RMB'000 人民幣千元 (note (b)) (附註(b))	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
SEGMENT REVENUE	分部收益						
External revenue	外部收益	1,571,112	49,670	2,258	16,043	204	1,639,287
Segment profit	分部溢利	339,027	15,983	512	3,365	17	358,904
Other income	其他收入						46,765
Other gains and losses	其他收益及虧損						2,199
Administrative expenses	行政開支						(185,178)
Finance costs	融資成本						(936)
Profit before taxation	除稅前溢利						221,754

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 6. SEGMENT INFORMATION (Cont'd)

Segment revenues and results (Cont'd)

For the year ended 31 December 2017

		Hospital services 醫院服務 RMB'000 人民幣千元 (restated) (經重列)	Hospital management services 醫院管理服務 RMB'000 人民幣千元	Sale of pharmaceutical products 藥品銷售 RMB'000 人民幣千元 (note (b)) (附註(b))	Total 總計 RMB'000 人民幣千元
SEGMENT REVENUE	分部收益				
External revenue	外部收益	1,378,809	3,135	7,225	1,389,169
Segment profit	分部溢利	328,265	1,424	1,187	330,876
Other income	其他收入				32,694
Other gains and losses	其他收益及虧損				(18,500)
Administrative expenses	行政開支				(126,994)
Profit before taxation	除稅前溢利				218,076

Notes:

- (a) Operation in rehabilitation and other healthcare services was acquired in April 2018.
- (b) Sale of pharmaceutical products commenced in July 2017.

There were no inter-segment sales during both years.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of other income, other gains and losses, administrative expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Except as disclosed above, no other amounts are regularly provided to the CODM and therefore, no further analysis is presented.

### 6. 分部資料(續)

分部收益及業績(續)

截至二零一七年十二月三十一日止年度

		Hospital management services 醫院管理服務 RMB'000 人民幣千元	Sale of pharmaceutical products 藥品銷售 RMB'000 人民幣千元 (note (b)) (附註(b))	Total 總計 RMB'000 人民幣千元
SEGMENT REVENUE	分部收益			
External revenue	外部收益	1,378,809	7,225	1,389,169
Segment profit	分部溢利	328,265	1,187	330,876
Other income	其他收入			32,694
Other gains and losses	其他收益及虧損			(18,500)
Administrative expenses	行政開支			(126,994)
Profit before taxation	除稅前溢利			218,076

附註：

- (a) 康復及其他醫療服務營運於二零一八年四月收購。
- (b) 銷售藥品於二零一七年七月開始。

於兩個年度皆無分部間銷售。

經營分部的會計政策與附註3所述本集團會計政策相同。分部溢利指各分部賺取的溢利，而並無分配其他收入、其他收益及虧損、行政開支及融資成本。此乃就資源分配及表現評估而呈報予主要經營決策者的計量方式。

除上文所披露外，並無其他金額定期提供予主要經營決策者，故並無呈列進一步分析。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 6. SEGMENT INFORMATION (Cont'd)

#### Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

#### Geographical information and information about major customers

All revenue are generated in the PRC where all of the non-current assets of the Group (except for investment in unlisted fund classified as financial assets at FVTPL/AFS investment) are also located in the PRC. The Group has a highly diversified patient portfolio. No single patient contributing over 10% of the Group's total revenue during both years.

### 7. OTHER INCOME

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Bank and other interest income	銀行及其他利息收入	7,243	11,584
Government subsidies (note)	政府補貼(附註)	1,483	2,432
Fair value gain on financial assets at FVTPL	按公平值計入損益的金融資產的公平值收益	6,447	-
Investment income from financial assets at FVTPL/AFS investments	按公平值計入損益的金融資產/可供出售投資的投資收入	18,344	11,675
Clinical trial and related income	臨床試驗及相關收入	2,862	141
Rental income	租金收入	4,728	4,457
Others	其他	5,658	2,405
		<b>46,765</b>	<b>32,694</b>

Note: The government subsidies mainly represents the subsidies on costs incurred for operation of rehabilitation centres and hospitals, research and development projects, medical related seminars and forums with no special and unfulfilled conditions attached. The amount for the year ended 31 December 2017 included an one-off government subsidy of RMB2,000,000 in connection with the successful listing of the Company in 2016.

### 6. 分部資料(續)

#### 分部資產及負債

主要經營決策者根據各分部的經營業績作出決策。並無呈列分部資產及分部負債分析，因為主要經營決策者就資源分配及表現評估而言並不定期審閱該等資料。因此，僅呈列分部收益及分部業績。

#### 地理資料及有關主要客戶的資料

所有收益均來自中國，而本集團所有非流動資產(分類為按公平值計入損益的金融資產的非上市基金投資/可供出售投資除外)同樣位於中國。本集團的病人組合高度分散。並無單一病人類別於兩個年度對本集團總收益貢獻10%以上。

### 7. 其他收入

附註：政府補貼主要指無附帶特殊及未履行條件的康復中心及醫院的運營、研發項目、醫療相關講座及座談會產生的成本的補貼。截至二零一七年十二月三十一日止年度的金額包括有關本公司於二零一六年成功上市的一次性政府補貼人民幣2,000,000元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 8. OTHER GAINS AND LOSSES

### 8. 其他收益及虧損

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Allowance for credit loss	信貸虧損撥備	(3,503)	(3,513)
Loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	(231)	(247)
Net exchange gain (loss)	匯兌收益(虧損)淨額	5,933	(14,740)
		2,199	(18,500)

### 9. FINANCE COSTS

### 9. 融資成本

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest on bank loan	銀行貸款利息	936	-

### 10. PROFIT BEFORE TAXATION

### 10. 除稅前溢利

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before taxation has been arrived at after charging:	除稅前溢利經扣除下列項目後達致：		
Directors' emoluments (Note 11)	董事酬金(附註11)	4,132	3,092
Other staff costs:	其他員工成本：		
Supervisors' emoluments (Note 11)	監事酬金(附註11)	448	195
Other salaries and allowances	其他薪金及津貼	426,723	313,406
Retirement benefit schemes contributions	退休福利計劃供款	20,214	14,359
Total staff costs	員工總成本	451,517	331,052
Depreciation of property, plant and equipment	物業、廠房及設備折舊	70,259	49,600
Amortisation of prepaid lease payment	預付租賃款項攤銷	1,354	-
Research and development expenditure	研發開支	620	1,094
Operating lease rentals in respect of hospitals and rehabilitation centres	與醫院及康復中心有關的經營租賃租金	31,422	26,356
Auditor's remuneration	核數師酬金	3,148	2,195
Cost of inventories recognised as expenses (representing pharmaceutical products, consumables and others used, included in cost of revenue)	確認為開支的存貨成本(指所用藥品、耗材及其他，計入收益成本內)	753,776	646,517



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS

Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung Simon, Ms. Wang Aiqin and Mr. Lv Yubo are the directors of the Company for both years. Mr. Chen Wangzhi is also the chief executive of the Group and his emoluments disclosed below include those for services rendered by him as the chief executive.

Mr. Yeung Ming Lai, Dr. Chen Keji and Mr. Chan Sing Nun are the independent non-executive directors of the Company for both years.

Details of the emoluments paid or payable to the directors, chief executive and supervisors of the Company during the year are as follows:

### 11. 董事、最高行政人員及監事酬金

於兩個年度王君揚先生、陳旺枝先生、王偉雄先生、王愛勤女士及呂玉波先生為本公司董事。陳旺枝先生亦為本集團的最高行政人員，下文所披露彼の酬金包括彼作為最高行政人員所提供服務的酬金。

於兩個年度楊銘澧先生、陳可冀醫生及陳星能先生為本公司獨立非執行董事。

已付或應付本公司董事、行政總裁及監事的酬金詳情如下：

		Fees 袍金 RMB'000 人民幣千元	Salaries and allowances 薪金及 津貼 RMB'000 人民幣千元	Retirement benefit schemes contributions 退休福利 計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
For the year ended 31 December 2018	截至二零一八年 十二月三十一日止年度				
Executive directors:	執行董事：				
Mr. Wang Junyang	王君揚先生	360	-	-	360
Mr. Chen Wangzhi	陳旺枝先生	360	1,809	25	2,194
Mr. Wong Wai Hung Simon	王偉雄先生	360	-	-	360
Ms. Wang Aiqin	王愛勤女士	360	120	18	498
Non-executive director:	非執行董事：				
Mr. Lv Yubo	呂玉波先生	-	-	-	-
Independent non-executive directors:	獨立非執行董事：				
Mr. Yeung Ming Lai	楊銘澧先生	240	-	-	240
Dr. Chen Keji	陳可冀醫生	240	-	-	240
Mr. Chan Sing Nun	陳星能先生	240	-	-	240
Directors' emoluments (Note 10)	董事酬金(附註10)	2,160	1,929	43	4,132
Supervisors:	監事：				
Mr. Chen Shaoming	陳少明先生	-	-	-	-
Mr. Wang Shaofeng	王少鋒先生	-	187	14	201
Mr. Wang Bingzhi (resigned on 2 October 2018)	王炳枝先生 (於二零一八年 十月二日辭任)	-	-	-	-
Mr. Yue Chunyang (appointed on 2 October 2018)	岳春陽先生 (於二零一八年 十月二日委任)	-	242	5	247
Supervisors' emoluments (Note 10)	監事酬金(附註10)	-	429	19	448
		2,160	2,358	62	4,580

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (Cont'd)

### 11. 董事、最高行政人員及監事酬金(續)

		Fees 袍金 RMB'000 人民幣千元	Salaries and allowances 薪金及 津貼 RMB'000 人民幣千元	Retirement benefit schemes contributions 退休福利 計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
For the year ended 31 December 2017	截至二零一七年 十二月三十一日止年度				
Executive directors:	執行董事：				
Mr. Wang Junyang	王君揚先生	360	—	—	360
Mr. Chen Wangzhi	陳旺枝先生	360	792	38	1,190
Mr. Wong Wai Hung Simon	王偉雄先生	360	—	—	360
Ms. Wang Aiqin	王愛勤女士	360	90	12	462
Non-executive director:	非執行董事：				
Mr. Lv Yubo	呂玉波先生	—	—	—	—
Independent non-executive directors:	獨立非執行董事：				
Mr. Yeung Ming Lai	楊銘澧先生	240	—	—	240
Dr. Chen Keji	陳可冀醫生	240	—	—	240
Mr. Chan Sing Nun	陳星能先生	240	—	—	240
Directors' emolument (Note 10)	董事酬金(附註10)	2,160	882	50	3,092
Supervisors:	監事：				
Mr. Chen Shaoming	陳少明先生	—	—	—	—
Mr. Wang Shaofeng	王少鋒先生	—	181	14	195
Mr. Wang Bingzhi	王炳枝先生	—	—	—	—
Supervisors' emoluments (Note 10)	監事酬金(附註10)	—	181	14	195
		2,160	1,063	64	3,287

The executive directors' emoluments shown above are for their services in connection with the management of the affairs of the Company and the Group.

上文所示執行董事的酬金乃就其管理本公司及本集團事務提供的服務而支付。

The non-executive directors and independent non-executive directors' emoluments shown above are for their services as directors of the Company.

上文所示獨立非執行董事的酬金乃就其作為本公司非執行董事提供的服務而支付。

Mr. Lv Yubo has waived emoluments in acting as a non-executive director of the Company. No other director of the Company has waived or agreed to waive any emoluments during both years.

呂玉波先生已放棄作為本公司非執行董事的酬金。於兩個年度本公司無其他董事放棄或同意放棄任何酬金的安排。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 12. EMPLOYEES' EMOLUMENTS

The five highest paid employees of the Group during the year included one (2017: one) director, details of whose remuneration are set out in Note 11 above. Details of the remuneration for the year of the remaining four (2017: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	5,550	5,305
Performance related incentive payments	表現相關獎勵付款	2,672	1,235
Retirement benefit schemes contributions	退休福利計劃供款	23	54
		8,245	6,594

Their emoluments were within the following bands:

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2	1
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	-	1
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	1	-

No emoluments were paid by the Group to the director(s) of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

### 12. 僱員酬金

年內，本集團五名最高薪酬僱員包括一名(二零一七年：一名)董事，其薪酬詳情載於上文附註11。年內，餘下四名(二零一七年：四名)既不是本公司董事亦非最高行政人員的最高薪僱員的薪酬詳情如下：

彼等的酬金介乎以下範圍：

於兩個年度本集團並無向本公司董事或五名最高薪酬人士(包括董事及僱員)支付酬金作為吸引彼等加入本集團或加入本集團時的報酬或作為離職補償。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 13. INCOME TAX EXPENSES

### 13. 所得稅開支

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current tax:	即期稅項：		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)	62,936	57,348
Overprovision of PRC EIT in prior years	過往年度中國企業所得稅 超額撥備	(745)	(411)
		62,191	56,937
Deferred tax (Note 25)	遞延稅項(附註25)	(1,709)	-
		60,482	56,937

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory income tax rate of the Company and its PRC subsidiaries is 25% for both years.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，本公司及其中國附屬公司於兩個年度內的法定所得稅率為25%。

The income tax expenses for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

年內的所得稅開支可與綜合損益及其他全面收益表的除稅前溢利對賬如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	221,754	218,076
Tax at EIT rate of 25%	按25%的中國企業所得稅率繳稅	55,439	54,519
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	2,262	3,380
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(1,959)	(151)
Tax effect of tax losses not recognised	未確認的稅項虧損的稅務影響	7,079	-
Utilisation of tax losses previously not recognised	動用過往未確認的稅項虧損	(1,594)	-
Utilisation of deductible temporary difference previously not recognised	動用過往未確認可扣減暫時差額	-	(400)
Overprovision in prior years	過往年度超額撥備	(745)	(411)
Income tax expenses	所得稅開支	60,482	56,937

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 14. DIVIDENDS

Final dividend for the year ended 31 December 2017 of RMB16 cents per share amounting to approximately RMB54,230,000 in aggregate was declared and paid by the Company during the year ended 31 December 2018.

Subsequent to the end of the reporting period, final dividend of RMB16 cents per share amounting to approximately RMB53,503,000 in aggregate has been proposed by the directors of the Company which is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

### 15. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Earnings:	盈利：		
Profit for the year attributable to the owners of the Company for the purpose of calculating earnings per share	用於計算每股盈利的本公司擁有人應佔年內溢利	167,943	156,592
		2018 二零一八年	2017 二零一七年
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	用於計算每股基本盈利的普通股加權平均數	334,394,000	334,394,000

No diluted earnings per share has been presented since there were no potential ordinary shares in issue for both years.

### 14. 股息

於截至二零一八年十二月三十一日止年度，本公司宣派及派付截至二零一七年十二月三十一日止年度的末期股息每股人民幣16分，合共約人民幣54,230,000元。

於報告期間結束後，本公司董事建議派發本公司的末期股息每股人民幣16分，約合共人民幣53,503,000元，須待即將舉行的股東週年大會上獲本公司股東批准後，始可作實。

### 15. 每股盈利

本公司擁有人應佔每股基本盈利基於以下數據計算：

由於在兩個年度內沒有發行潛在普通股，故並無呈列每股攤薄盈利。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 16. PROPERTY, PLANT AND EQUIPMENT

### 16. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Leasehold improvement 租賃裝修 RMB'000 人民幣千元	Medical equipment 醫療設備 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>COST</b>	<b>成本</b>							
At 1 January 2017	於二零一七年一月一日	-	166,568	336,122	82,412	11,634	99,686	696,422
Additions	添置	-	10,510	54,532	14,165	51	43,724	122,982
Disposals	出售	-	-	(6,119)	(1,340)	(678)	-	(8,137)
Transfer	轉讓	-	77,089	-	-	-	(77,089)	-
At 31 December 2017	於二零一七年十二月三十一日	-	254,167	384,535	95,237	11,007	66,321	811,267
Acquisitions of subsidiaries (Note 27)	收購附屬公司 (附註27)	205,100	5,667	75,150	10,113	1,422	25,000	322,452
Additions	添置	-	3,748	78,607	13,059	1,348	32,942	129,704
Disposals	出售	-	-	(12,445)	(2,342)	(55)	-	(14,842)
Transfer	轉讓	-	799	-	-	-	(799)	-
At 31 December 2018	於二零一八年十二月三十一日	205,100	264,381	525,847	116,067	13,722	123,464	1,248,581
<b>DEPRECIATION</b>	<b>折舊</b>							
At 1 January 2017	於二零一七年一月一日	-	54,395	226,271	47,095	7,664	-	335,425
Provided for the year	年內撥備	-	12,832	28,958	6,953	857	-	49,600
Eliminated on disposals	出售時對銷	-	-	(6,025)	(1,288)	(554)	-	(7,867)
At 31 December 2017	於二零一七年十二月三十一日	-	67,227	249,204	52,760	7,967	-	377,158
Provided for the year	年內撥備	2,215	14,309	42,495	9,856	1,384	-	70,259
Eliminated on disposals	出售時對銷	-	-	(10,953)	(2,218)	(55)	-	(13,226)
At 31 December 2018	於二零一八年十二月三十一日	2,215	81,536	280,746	60,398	9,296	-	434,191
<b>CARRYING VALUES</b>	<b>賬面值</b>							
At 31 December 2018	於二零一八年十二月三十一日	202,885	182,845	245,101	55,669	4,426	123,464	814,390
At 31 December 2017	於二零一七年十二月三十一日	-	186,940	135,331	42,477	3,040	66,321	434,109

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 16. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight line basis at the following rates per annum:

Buildings	Over the shorter of the term of the lease, or 50 years
Leasehold improvement	10 – 20 years
Medical equipment	5 – 10 years
Office equipment	5 – 10 years
Motor vehicles	5 years

### 17. PREPAID LEASE PAYMENT

The amount represents prepayment of rentals for leasehold land situated in the PRC.

Analysed for reporting purposes as:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
CARRYING VALUE	賬面值		
Acquisition of a subsidiary (Note 27(b))	收購一間附屬公司(附註27(b))	155,000	–
Released to profit or loss during the year	年內撥回損益	(1,354)	–
At 31 December	於十二月三十一日	153,646	–
Current portion	流動部分	3,248	–
Non-current portion	非流動部分	150,398	–
		153,646	–

### 16. 物業、廠房及設備(續)

上述物業、廠房及設備(在建工程除外)項目採用直線法按下列年率計提折舊:

樓宇	租期或50年兩者中 較短時間
租賃裝修	10至20年
醫療設備	5至10年
辦公設備	5至10年
汽車	5年

### 17. 預付租賃付款

金額指位於中國的租賃土地的租賃預付款。

為呈報目的所作之分析:

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 18. GOODWILL

### 18. 商譽

		RMB'000 人民幣千元
COST	成本	
Arising on acquisitions of subsidiaries:	收購附屬公司產生以下事項：	
– acquisition of Anhui Hualin Group (defined in Note 27(a))	– 收購安徽樺霖集團(定義見附註27(a))	56,601
– acquisition of Zhonglian Cardiovascular Hospital (defined in Note 27(b))	– 收購眾聯心血管病醫院(定義見附註27(b))	125,412
At 31 December 2018	於二零一八年十二月三十一日	182,013

For the purpose of impairment assessment, the goodwill of RMB56,601,000 arising from the acquisition of Anhui Hualin Group has been allocated to the cash-generating unit of rehabilitation and other healthcare services business. In addition, the goodwill of RMB125,412,000 arising from the acquisition of Zhonglian Cardiovascular Hospital has been allocated to the cash generating unit of hospital services business. At 31 December 2018, the directors of the Company conducted reviews of the carrying values of the cash generating unit of rehabilitation and other healthcare services business and the cash generating unit of hospital services business relating to the operations of Zhonglian Cardiovascular Hospital (the "Zhonglian Cardiovascular Hospital CGU") containing the goodwill and determined that there is no impairment of the CGUs.

The recoverable amount of the cash generating unit of rehabilitation and other healthcare services business has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial budgets approved by the management for the next five years. Cash flows beyond the five-year period are extrapolated using 3.0% growth rate. A pre-tax discount rate of 12.7% is used for this cash generating unit and derived using risk-free rate, the market return and cash generating unit specific factors. The key assumptions are growth rates and pre-tax discount rates which are estimated based on past practices and expectations of future changes in the market. The directors of the Company believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of this cash generating unit to exceed the aggregate recoverable amount of this cash generating unit.

就評估減值評估而言，收購安徽樺霖集團產生的人民幣56,601,000元的商譽分配至康復及其他醫療服務業務的現金產生單位。此外，收購眾聯心血管病醫院產生的人民幣125,412,000元商譽已分配至醫院服務業務的現金產生單位。於二零一八年十二月三十一日，本公司董事已對康復及其他醫療服務業務現金產生單位的賬面值以及經營眾聯心血管病醫院有關的醫院服務業務現金產生單位(「眾聯心血管病醫院現金產生單位」)(包括商譽)進行審閱，並釐定概無現金產生單位減值。

康復及其他醫療服務業務現金產生單位的可收回金額已根據使用價值計算釐定。該計算使用基於管理層批准的未來五年財務預算的現金流量預測。超過五年期的現金流量使用3.0%的增長率推斷。該現金產生單位使用12.7%的稅前折現率，並使用無風險利率、市場回報及現金產生單位的特定因素得出。主要假設是增長率及稅前貼現率，該等比率是根據過往慣例及市場未來變化的預期估算。本公司董事認為，任何該等假設的任何合理可能變動均不會導致該現金產生單位的總賬面值超過該現金產生單位的總可收回金額。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 18. GOODWILL (Cont'd)

The recoverable amount of the Zhonglian Cardiovascular Hospital CGU has been determined based on a value in use calculation. The calculation uses cash flow projections based on financial budgets approved by the management for the next eight years. Cash flows beyond the eight-year period are extrapolated using 3.0% growth rate. A pre-tax discount rate of 12.8% is used for this cash generating unit and derived using risk-free rate, the market return and cash generating unit specific factors. The key assumptions are growth rates and pre-tax discount rates which are estimated based on past practices and expectations of future changes in the market. The directors of the Company believe that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of this cash generating unit to exceed the aggregate recoverable amount of this cash generating unit.

### 18. 商譽(續)

眾聯心血管病醫院現金產生單位的可收回金額乃根據使用價值計算釐定。該計算使用基於管理層批准的未來八年財務預算的現金流量預測。超過八年期的現金流量使用3.0%的增長率推斷。該現金產生單位使用12.8%的稅前貼現率，並使用無風險利率、市場收益率及現金產生單位的特定因素得出。主要假設是增長率及稅前貼現率，該等比率是根據過往慣例及市場未來變化的預期估算。本公司董事認為，任何該等假設的任何合理可能變動均不會導致該現金產生單位的總賬面值超過該現金產生單位的總可收回金額。

### 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/ AVAILABLE-FOR-SALE INVESTMENTS

### 19. 按公平值計入損益的金融資產 / 可供出售投資

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Unlisted fund (note (ii))	非上市基金(附註(ii))	23,162	16,275
Portfolio investment fund (note (iii))	投資組合基金(附註(iii))	53,980	51,185
Structured bank deposits (note (iii))	結構性銀行存款(附註(iii))	402,000	491,840
		479,142	559,300
Analysed as:	分析為:		
Current	流動	479,142	543,025
Non-current	非流動	-	16,275
		479,142	559,300

Notes:

- (i) The unlisted fund represents an investment in equity securities of an unlisted company in the PRC and is measured at fair value.
- (ii) The Group invested into a portfolio investment fund with a fund manager in Hong Kong for investment returns. The portfolio includes a mixture of cash and shares which are primarily listed in Hong Kong and is measured at fair value.
- (iii) The Group invested into structured deposits with a bank in the PRC for investment returns. Majority of these structured deposits are with maturities of less than six months and the principal is generally renewed when matured.

附註:

- (i) 非上市基金指於中國一家私人公司的權益證券投資，乃按公平值計量。
- (ii) 本集團通過投資於由香港一名基金經理管理的投資組合基金賺取投資回報。該投資組合包括現金與主要在香港上市的股份的組合，並按公平值計量。
- (iii) 本集團通過投資於一家中國銀行的結構性存款賺取投資回報。大部份結構性存款的到期日少於六個月，本金一般於到期時重續。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 20. ACCOUNTS AND OTHER RECEIVABLES

### 20. 應收賬款及其他應收款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Accounts receivables	應收賬款	186,063	102,705
Less: allowance for credit loss	減：信貸虧損撥備	(9,573)	(7,668)
		176,490	95,037
Prepayments to suppliers	預付供應商款項	11,715	5,267
Deposit paid for an investment (note (i))	已付一項投資的訂金(附註(i))	-	5,000
Loan receivables (note (iii))	應收貸款(附註(iii))	-	100,000
Interest receivables	應收利息	1,048	6,066
Others	其他	17,763	8,138
		207,016	219,508
Analysed as:	分析為：		
Current	流動	207,016	214,508
Non-current (note (i))	非流動(附註(i))	-	5,000
		207,016	219,508

#### Notes:

- (i) The amount of RMB5,000,000 as at 31 December 2017 represented the deposit paid for the acquisition of Anhui Hualin Group (defined in Note 27(a)). The acquisition was completed and deposit was utilised on 1 April 2018.
- (ii) In June 2016, a wholly-owned subsidiary of the Company granted an unsecured loan of RMB50,000,000 to Zhonglian Cardiovascular Hospital (defined in Note 27(b)), a hospital managed by the Group before it was subsequently acquired by the Group in August 2018. In December 2016, the Group further provided an unsecured loan facility of RMB50,000,000 to Zhonglian Cardiovascular Hospital, of which Zhonglian Cardiovascular Hospital had made the first drawdown of RMB30,000,000 in the same month. In January 2017, Zhonglian Cardiovascular Hospital had made the second drawdown of RMB20,000,000. The loans provided to Zhonglian Cardiovascular Hospital were interest-bearing at a fixed rate of 0.42% per month and repayable within twelve months from the drawdown date. During the year ended 31 December 2018, the Group acquired Zhonglian Cardiovascular Hospital and the loan receivables became part of the intragroup assets and eliminated in full on consolidation.

#### 附註：

- (i) 於二零一七年十二月三十一日為數人民幣5,000,000元的款項指就收購安徽樺霖集團(定義見附註27(a))支付的訂金。該項收購已完成且訂金於二零一八年四月一日已獲動用。
- (ii) 於二零一六年六月，本公司全資附屬公司向眾聯心血管病醫院(定義見附註27(b))(一間於二零一八年八月由本集團其後收購前由本集團管理的醫院)給予人民幣50,000,000元的無擔保貸款。於二零一六年十二月，本集團進一步向眾聯心血管病醫院提供人民幣50,000,000元的無擔保貸款，眾聯心血管病醫院同月首次提取當中人民幣30,000,000元。於二零一七年一月，眾聯心血管病醫院第二次提取人民幣20,000,000元。提供予眾聯心血管病醫院的貸款按照固定利率每月0.42%計息，並須於提取日期起計12個月內還本付息。截至二零一八年十二月三十一日止年度，本集團收購眾聯心血管病醫院，應收貸款成為部分集團間資產並於綜合入賬時予以撇銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 20. ACCOUNTS AND OTHER RECEIVABLES (Cont'd)

The individual patients of the Group would usually settle payments by cash, credit cards or governments' social insurance schemes. For credit card payments, the banks will normally settle the amounts approximately 30 days after the transaction date. Payments by governments' social insurance schemes will normally be settled by the local social insurance bureau or similar government departments which are responsible for the reimbursement of medical expenses for patients who are covered by the government medical insurance schemes ranged from 30 to 90 days from the transaction date. Corporate customers will normally settle the amounts within 90 days after the transaction date by bank transfers.

The following is an aged analysis of accounts receivables, net of allowance for credit loss, presented based on the revenue recognition date at the end of the reporting period:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 30 days	30天以內	115,761	71,637
31 to 90 days	31至90天	21,351	14,379
91 to 180 days	91至180天	25,954	4,102
181 to 365 days	181至365天	12,847	2,802
Over 365 days	超過365天	577	2,117
		176,490	95,037

The management of the Group closely monitors the credit quality of accounts receivables and considers the debts that are neither past due nor impaired to be of a good credit quality. Receivables that were neither past due nor impaired related to the customers for whom there was no history of default.

As at 31 December 2018, included in the Group's accounts receivables balance are receivables with aggregate carrying amount of RMB39,378,000 which are past due as at the reporting date. Out of the past due balances, RMB13,424,000 has been past due 90 days or more and is not considered as in default.

As at 31 December 2017, 91% of the accounts receivables that are neither past due nor impaired have the best credit scoring attributable under the internal credit scoring system used by the Group.

As at 31 December 2017, included in the Group's accounts receivables balance are receivables with aggregate carrying amount of RMB9,021,000 which are past due as at the reporting date for which the Group has not provided for impairment loss.

### 20. 應收賬款及其他應收款項(續)

本集團的個人病人一般以現金、信用卡或政府社保計劃繳費。對於信用卡支付，銀行通常會在交易日期後約30天結算賬款。透過政府的社保計劃繳費，則通常須由當地社保局或負責向辦理政府醫療保險計劃的病人報銷醫療開支的類似政府部門，自交易日期起介乎30至90天內結清。公司客戶將一般於交易日期後90天內以銀行轉賬方式結算款項。

基於報告期末收益確認日期呈列的應收賬款(扣除信貸虧損撥備)的賬齡分析如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
--	-----------------------------------	-----------------------------------

本集團管理層會密切監察應收賬款的信貸質素，並認為無逾期亦無減值的債務具有良好的信貸質素。無逾期亦無減值的應收款項與眾多並無欠款紀錄的客戶有關。

於二零一八年十二月三十一日，納入本集團的應收賬款結餘中的應收賬款總賬面金額為人民幣39,378,000元，於報告日期已到期。在過往到期結餘中，人民幣13,424,000元已逾期90天或以上，並不被視為違約。

於二零一七年十二月三十一日，91%無逾期亦無減值的應收賬款具有本集團使用的內部信用評分系統應歸屬的最佳信用評分。

於二零一七年十二月三十一日，納入本集團應收賬款結餘中應收賬款的總賬面值為人民幣9,021,000元，於本集團尚未計提減值準備的報告日期到期。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 20. ACCOUNTS AND OTHER RECEIVABLES (Cont'd)

As part of the Group's credit risk management, the Group uses accounts receivables' aging to assess the impairment for its accounts receivables except for accounts receivables from the PRC government's social insurance schemes and certain credit-impaired debtors of which ECL are assessed individually. These receivables consist of a large number of small patients with common risk characteristics that are representative of the patients' abilities to pay all amounts due in accordance with the contractual terms.

The following is an aged analysis of accounts receivables based on the transaction date which are past due but not impaired:

		2017 二零一七年 RMB'000 人民幣千元
91 to 180 days	91至180天	4,102
181 to 365 days	181至365天	2,802
Over 365 days	超過365天	2,117
		9,021

#### Movement in the allowance for credit loss

#### 信貸虧損撥備的變動

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At the beginning of the year	年初	7,668	4,155
Loss allowance recognised	已確認減值撥備	3,503	3,513
Write-off	撇銷	(1,598)	-
At the end of the year	年末	9,573	7,668

As at 31 December 2018 and 2017, the allowance for credit loss were individually impaired accounts receivables with aggregated balance of RMB9,573,000 (2017: RMB7,668,000) as the management considered these outstanding balances were uncollectible. The Group does not hold collateral over these balances.

Details of impairment assessment of accounts and other receivables for the year ended 31 December 2018 are set out in Note 34(b)(iii).

### 20. 應收賬款及其他應收款項(續)

作為本集團信貸風險管理的一部分，本集團使用應收賬款的賬齡來評估其應收賬款的減值，惟中國政府的社會保險計劃應收賬款及若干預期信貸虧損單獨評估的信用減值債務人除外。該等應收賬款由大量具有共同風險特徵的小病患組成，該等病患代表病患按照合約條款支付所有應付金額的能力。

以下是根據交易日期已逾期但未減值的應收賬款的賬齡分析：

		2017 二零一七年 RMB'000 人民幣千元
91 to 180 days	91至180天	4,102
181 to 365 days	181至365天	2,802
Over 365 days	超過365天	2,117
		9,021

#### 信貸虧損撥備的變動

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At the beginning of the year	年初	7,668	4,155
Loss allowance recognised	已確認減值撥備	3,503	3,513
Write-off	撇銷	(1,598)	-
At the end of the year	年末	9,573	7,668

於二零一八年及二零一七年十二月三十一日，信貸虧損撥備為個別減值應收賬款，總結餘為人民幣9,573,000元(二零一七年：人民幣7,668,000元)，因管理層認為該等未償還結餘無法收回。本集團並未就該等結餘持有抵押品。

截至二零一八年十二月三十一日止年度的應收賬款及其他應收款項減值評估詳情載於附註34(b)(iii)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 21. FIXED BANK DEPOSIT/RESTRICTED BANK BALANCES/BANK BALANCES AND CASH

At 31 December 2018, the fixed bank deposit carried fixed interest rate at 3.20% per annum with original maturity at 3 years and is classified as non-current assets since their remaining maturity is over 12 months from the end of the reporting period.

Restricted bank balances represented (i) deposits required by Dongguan Social Insurance Bureau which are based on annual assessment on the medical service quality of the hospitals, such deposits will be discharged upon completion of the annual assessment; and (ii) proceeds from the initial public offering of the Company's H Shares remitted to PRC banks, the usage of which is subject to relevant approval. The restricted bank balances carried fixed interest rate ranging from 0.30% to 0.35% (2017: 0.30% to 0.35%) per annum as at 31 December 2018.

Bank balances carried prevailing market rates which ranging from 0.00% to 0.35% (2017: 0.00% to 3.80%) per annum as at 31 December 2018.

### 22. INVENTORIES

Pharmaceutical products	藥品
Consumables and others	耗材及其他

### 21. 定期銀行存款／受限制銀行結餘／銀行結餘及現金

於二零一八年十二月三十一日，定期銀行存款的固定年利率為3.20%，原到期日為3年，而由於定期銀行存款的餘下到期日為自報告期間結束起計12個月以上，故分類為非流動資產。

受限制銀行結餘指(i)根據東莞社會保障局的規定，存款金額基於年度醫院醫療服務質素評估所釐定，該存款將於完成年度評估後解除，以及(ii)匯入中國銀行須經相關批核用於特定用途的首次公開發售本公司H股所得款項。於二零一八年十二月三十一日，受限制銀行結餘按介乎0.30%至0.35%（二零一七年：年利率介乎0.30%至0.35%）的固定年利率計息。

銀行結餘按市場現行利率計息，於二零一八年十二月三十一日，年利率介乎0.00%至0.35%（二零一七年：年利率介乎0.00%至3.80%）。

### 22. 存貨

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Pharmaceutical products	藥品	28,476	29,661
Consumables and others	耗材及其他	16,882	14,863
		45,358	44,524

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 23. ACCOUNTS AND OTHER PAYABLES

### 23. 應付賬款及其他應付款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Accounts payables	應付賬款	263,927	275,622
Accrued expenses	應計開支	77,541	68,919
Receipts in advance (note)	預收款項(附註)	73,182	41,824
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備應付款項	54,460	16,241
Other tax payables	其他應付稅項	3,129	3,979
Provision for medical dispute claims	醫療糾紛索償撥備	1,280	503
Others	其他	8,320	5,498
Other payables	其他應付款項	217,912	136,964
<b>Total accounts and other payables</b>	<b>應付賬款及其他應付款項總額</b>	<b>481,839</b>	<b>412,586</b>

Note: Included in the balance are advances from social insurance which represent operating cash of RMB42,831,000 (2017: RMB16,625,000) advanced from the PRC government for the daily operations of the hospitals operated by the Group.

附註：納入結餘包括社會保險墊款，相當於中國政府為本集團營運醫院的日常營運提供經營現金人民幣42,831,000元（二零一七年：人民幣16,625,000元）。

The credit period of accounts payables is ranged from 30 to 90 days from the invoice date.

應付賬款的信用期自發票日期起計介乎30至90天。

The following is an aged analysis of accounts payables based on the date of receipt of goods:

基於收貨日期的應付賬款的賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 30 days	30天以內	66,394	69,988
31 to 90 days	31至90天	94,213	92,977
91 to 180 days	91至180天	64,499	76,910
181 to 365 days	181至365天	20,769	20,565
Over 365 days	超過365天	18,052	15,182
		<b>263,927</b>	<b>275,622</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 23. ACCOUNTS AND OTHER PAYABLES (Cont'd)

Included in other payables is provision for medical dispute claims which the Group is involved as defendants in certain medical disputes arising from its ordinary course of business. The following is the movement in provision for medical dispute claims:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At the beginning of the year	於年初	503	477
Provision for the year	年內撥備	1,462	808
Utilisation of the provision	動用撥備	(685)	(782)
At the end of the year	於年末	1,280	503

### 24. AMOUNT DUE TO A SHAREHOLDER/A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

The amount due to a shareholder represents amount due to Kanghua Group. The amount is non-trade nature, unsecured, interest-free and repayable on demand.

The amount due to a non-controlling shareholder of a subsidiary represents amount due to 東莞嘉德醫療投資有限公司, the non-controlling shareholder of Zhonglian Cardiovascular Hospital (defined in Note 27(b)). Except for RMB21,000,000 as payable for acquisition of Zhonglian Cardiovascular Hospital, the remaining amount is unsecured, interest-free and repayable on demand.

### 25. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the year:

		Accelerated tax depreciation 加速稅收折舊 RMB'000 人民幣千元	Pre-operating expenses written off 撇銷營業前 開支 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Acquisitions of subsidiaries (Note 27(b))	收購附屬公司(附註27(b))	26,456	(4,262)	22,194
Credit to profit or loss (Note 13)	計入損益(附註13)	(231)	(1,478)	(1,709)
At 31 December 2018	於二零一八年十二月三十一日	26,225	(5,740)	20,485

### 23. 應付賬款及其他應付款項(續)

計入其他應付款項的醫療糾紛索償撥備，為本集團作為被告而牽涉於日常業務過程中產生的若干醫療糾紛而作出之相應撥備。以下為醫療糾紛索償撥備的變動：

### 24. 應付一名股東／一間附屬公司的一名非控股股東款項

應付一名股東款項為應付康華集團的款項。該款項為非貿易性質、無抵押、免息及按要求償還。

應付一間附屬公司的一名非控股股東款項為應付眾聯心血管病醫院的非控股股東(定義見附註27(b))東莞嘉德醫療投資有限公司款項。除收購眾聯心血管病醫院應付的人民幣21,000,000元外，餘額為無抵押、免息及須按要求償還。

### 25. 遞延稅項

以下是年內確認的主要遞延稅項負債(資產)及其變動：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 25. DEFERRED TAXATION (Cont'd)

At 31 December 2018, the Group had unused tax losses of approximately RMB39,057,000 (2017: RMB17,270,000) available for offset against future profits. No deferred tax asset was recognised in respect of such tax losses. The unused tax losses can be carried forward up to five years from the year in which the loss was originated, to offset future taxable profits.

At 31 December 2018, the Group has deductible temporary difference amounted to approximately RMB22,962,000 (2017: RMB667,000). A deferred tax asset has been recognised in respect of the deductible temporary difference of RMB22,962,000 (2017: nil) at the end of the reporting period.

No deferred tax asset has been recognised at 31 December 2017 in respect of the deductible temporary difference of RMB667,000 due to unpredictable profit stream.

### 26. SHARE CAPITAL

At 1 January 2017, 31 December 2017  
and 31 December 2018

於二零一七年一月一日、  
二零一七年十二月三十一日  
及二零一八年十二月三十一日

### 25. 遞延稅項 (續)

於二零一八年十二月三十一日，本集團有未使用稅項虧損約人民幣39,057,000元（二零一七年：人民幣17,270,000元），可抵銷未來溢利。該等稅項虧損並無確認遞延稅項資產。未使用的稅項虧損可以自發生虧損之日起最多五年結轉，以抵銷未來的應納稅所得額。

於二零一八年十二月三十一日，本集團的可抵扣暫時性差額約為人民幣22,962,000元（二零一七年：人民幣667,000元）。於報告期末，已就可抵扣暫時性差額人民幣22,962,000元（二零一七年：無）確認遞延稅項資產。

於二零一七年十二月三十一日，由於不可預測的利潤流，未就可抵扣暫時性差額人民幣667,000元確認遞延稅項資產。

### 26. 股本

	Number of domestic shares 內資股數目 '000 千股	Number of H shares H股數目 '000 千股	Share capital 股本 RMB'000 人民幣千元
At 1 January 2017, 31 December 2017 and 31 December 2018	250,000	84,394	334,394



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 27. ACQUISITIONS OF SUBSIDIARIES

#### (a) Acquisition of Anhui Hualin Group

On 1 April 2018, the Group acquired 57% equity interest in 安徽樺霖醫療投資有限公司 (Anhui Hualin Medical Investment Co., Ltd.) (“Anhui Hualin”), a PRC entity, and its subsidiaries (collectively referred as “Anhui Hualin Group”) by way of (i) an equity transfer of 49.71% equity interest in Anhui Hualin from the vendor, an independent third party, at a consideration of RMB58,660,000; and (ii) inject RMB20,000,000 capital into Anhui Hualin.

Anhui Hualin Group is engaged in the provision of rehabilitation and other healthcare services in the PRC. On the acquisition date, Anhui Hualin directly and indirectly (through its wholly-owned subsidiary) holds sponsor interests in certain private non-enterprise entities in the PRC, including one class II rehabilitation hospital, one class I general hospital, nine rehabilitation centres for the disabled and one vocational training school in Anhui province, the PRC.

This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was RMB56,601,000.

Consideration comprised of:

		RMB'000 人民幣千元
Cash paid during the year	年內已付現金	53,660
Capital injected into Anhui Hualin during the year	年內向安徽樺霖注資	20,000
Deposit paid during the year ended 31 December 2017	截至二零一七年十二月三十一日止年度已付訂金	5,000
		<hr/> 78,660

Acquisition-related costs amounting to RMB707,000 have been excluded from the consideration transferred and have been recognised as administrative expenses in the consolidated statement of profit or loss and other comprehensive income during the year.

### 27. 收購附屬公司

#### (a) 收購安徽樺霖集團

於二零一八年四月一日，本集團收購一間中國實體安徽樺霖醫療投資有限公司（「安徽樺霖」）及其附屬公司（統稱「安徽樺霖集團」）的57%股權，方式為(i)以代價人民幣58,660,000元自賣方（一名獨立第三方）獲得安徽樺霖49.71%股權的股權轉讓；及(ii)向安徽樺霖注資人民幣20,000,000元。

安徽樺霖集團在中國從事提供康復及其他醫療服務。於收購日，安徽樺霖透過其全資附屬公司直接及間接在中國多間民辦非企業單位持有舉辦者權益，包括中國安徽省的一間二級康復醫院、一間一級綜合醫院、九間殘疾人康復中心及一間職業培訓學校。

該項收購按購買法入賬。該收購產生的商譽金額為人民幣56,601,000元。

代價包括：

	RMB'000 人民幣千元
	53,660
	20,000
	5,000
	<hr/> 78,660

收購相關成本人民幣707,000元已從已轉讓代價中剔除，並於年內之綜合損益及其他全面收益表內確認為行政開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 27. ACQUISITIONS OF SUBSIDIARIES (Cont'd)

#### (a) Acquisition of Anhui Hualin Group (Cont'd)

Fair value of assets and liabilities recognised at the date of acquisition are as follows:

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	9,535
Inventories	存貨	1,237
Accounts and other receivables	應收賬款及其他應收款項	19,205
Bank balances and cash	銀行結餘及現金	2,568
Accounts and other payables	應付賬款及其他應付款項	(10,330)
Amount due to a non-controlling shareholder of a subsidiary	應付一間附屬公司的一名非控股股東款項	(3,515)
		18,700

Goodwill arising on acquisition (Note 18):

		RMB'000 人民幣千元
Consideration transferred	已轉讓代價	78,660
Add: non-controlling interests (43% of Anhui Hualin) (note)	加：非控股權益(安徽樺霖的43%) (附註)	16,641
Less: net assets acquired	減：所收購資產淨值	(18,700)
Less: increase in net assets pursuant to capital injection	減：因注資資產淨值增加	(20,000)
		56,601

Note: The non-controlling interests (43%) in Anhui Hualin recognised at the acquisition date were measured by reference to their proportionate share of net assets acquired of RMB18,700,000 and the capital injection of RMB20,000,000 from the consideration.

### 27. 收購附屬公司(續)

#### (a) 收購安徽樺霖集團(續)

於收購日期確認的資產及負債公平值如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	9,535
Inventories	存貨	1,237
Accounts and other receivables	應收賬款及其他應收款項	19,205
Bank balances and cash	銀行結餘及現金	2,568
Accounts and other payables	應付賬款及其他應付款項	(10,330)
Amount due to a non-controlling shareholder of a subsidiary	應付一間附屬公司的一名非控股股東款項	(3,515)
		18,700

收購產生的商譽(附註18)：

		RMB'000 人民幣千元
Consideration transferred	已轉讓代價	78,660
Add: non-controlling interests (43% of Anhui Hualin) (note)	加：非控股權益(安徽樺霖的43%) (附註)	16,641
Less: net assets acquired	減：所收購資產淨值	(18,700)
Less: increase in net assets pursuant to capital injection	減：因注資資產淨值增加	(20,000)
		56,601

附註：於收購日期確認的安徽樺霖之非控股權益(43%)乃參考其代價佔所收購資產淨值人民幣18,700,000元及注資人民幣20,000,000元之比例計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 27. ACQUISITIONS OF SUBSIDIARIES (Cont'd)

#### (a) Acquisition of Anhui Hualin Group (Cont'd)

Net cash outflows arising on acquisition for the year:

		RMB'000 人民幣千元
Consideration paid in cash	以現金支付的代價	78,660
Less: deposit paid during the year ended 31 December 2017 (Note 20)	減：截至二零一七年十二月三十一日 止年度已付訂金(附註20)	(5,000)
Less: capital injection in Anhui Hualin in cash	減：以現金向安徽樺霖注資	(20,000)
Less: cash and cash equivalent balances acquired	減：所收購現金及現金等價物結餘	(2,568)
		51,092

Included in the profit for the year of the Group is RMB2,510,000 attributable to Anhui Hualin Group. Revenue for the year includes RMB49,670,000 that is attributable to Anhui Hualin Group.

Had the acquisition of Anhui Hualin been effected at the beginning of the current year, the total amount of revenue of the Group for the year would have been RMB1,650,855,000, and the amount of profit for the year would have been RMB159,475,000.

#### (b) Acquisition of Zhonglian Cardiovascular Hospital

On 1 August 2018, the Group acquired 60% equity interest in 重慶康華眾聯心血管病醫院有限公司 (Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd.) ("Zhonglian Cardiovascular Hospital"), a PRC entity, by way of an equity transfer of 60% equity interest in Zhonglian Cardiovascular Hospital from the vendor, an independent third party, at a consideration of RMB270,000,000. Zhonglian Cardiovascular Hospital is engaged in specialised cardiovascular hospital operation in the PRC.

This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was RMB125,412,000.

### 27. 收購附屬公司(續)

#### (a) 收購安徽樺霖集團(續)

年內收購產生的現金流出淨額：

		RMB'000 人民幣千元
		78,660
		(5,000)
		(20,000)
		(2,568)
		51,092

安徽樺霖集團應佔人民幣2,510,000元計入本集團的年內溢利。年內收益包括安徽樺霖集團應佔人民幣49,670,000元。

倘收購安徽樺霖於本年度初已完成，則年內本集團的收益總額將會為人民幣1,650,855,000元，而年內的溢利金額將會為人民幣159,475,000元。

#### (b) 收購眾聯心血管病醫院

於二零一八年八月一日，本集團收購一間中國實體，重慶康華眾聯心血管病醫院有限公司(「眾聯心血管病醫院」)的60%股權，方式為以代價人民幣270,000,000元自賣方(一名獨立第三方)獲得眾聯心血管病醫院60%股權的股權轉讓。眾聯心血管病醫院主要於中國從事心血管病專科醫院業務。

該項收購按購買法入賬。該收購產生的商譽金額為人民幣125,412,000元。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 27. ACQUISITIONS OF SUBSIDIARIES (Cont'd)

#### (b) Acquisition of Zhonglian Cardiovascular Hospital (Cont'd)

Consideration comprised of:

		RMB'000 人民幣千元
Cash paid during the year	年內已付現金	249,000
Consideration payable at 31 December 2018 (included in amount due to a non-controlling shareholder of a subsidiary) (Note 24)	於二零一八年十二月三十一日應付代價 (包括在應付一間附屬公司的一名非控股 股東款項)(附註24)	21,000
		270,000

Acquisition-related costs amounting to RMB271,000 have been excluded from the consideration transferred and have been recognised as administrative expenses in the consolidated statement of profit or loss and other comprehensive income during the year.

Fair value of assets and liabilities recognised at the date of acquisition are as follows:

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	312,917
Prepaid lease payment	預付租賃款項	155,000
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備已付按金	5,834
Inventories	存貨	3,669
Accounts and other receivables	應收賬款及其他應收款項	68,721
Bank balances and cash	銀行結餘及現金	5,600
Accounts and other payables	應付賬款及其他應付款項	(37,374)
Amount due to the Group	應付本集團款項	(104,489)
Amount due to a non-controlling shareholder of a subsidiary	應付一間附屬公司的一名非控股 股東款項	(86,704)
Bank loan (note (ii))	銀行貸款(附註(ii))	(60,000)
Deferred tax liabilities	遞延稅項負債	(22,194)
		240,980

### 27. 收購附屬公司(續)

#### (b) 收購眾聯心血管病醫院(續)

代價包括：

		RMB'000 人民幣千元
Cash paid during the year	年內已付現金	249,000
Consideration payable at 31 December 2018 (included in amount due to a non-controlling shareholder of a subsidiary) (Note 24)	於二零一八年十二月三十一日應付代價 (包括在應付一間附屬公司的一名非控股 股東款項)(附註24)	21,000
		270,000

收購相關成本人民幣271,000元已從已轉讓代價中剔除，並於年內之綜合損益及其他全面收益表內確認為行政開支。

於收購日期確認的資產及負債公平值如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 27. ACQUISITIONS OF SUBSIDIARIES (Cont'd)

#### (b) Acquisition of Zhonglian Cardiovascular Hospital (Cont'd)

Goodwill arising on acquisition (Note 18):

		RMB'000 人民幣千元
Consideration transferred	已轉讓代價	270,000
Add: non-controlling interests (40% of Zhonglian Cardiovascular Hospital) (note (iii))	加：非控股權益(眾聯心血管病醫院的40%(附註(iii)))	96,392
Less: net assets acquired	減：所收購資產淨值	(240,980)
		125,412

Notes:

- (i) Subsequent to the acquisition, the bank loan of RMB60,000,000 was settled during the year ended 31 December 2018.
- (ii) The non-controlling interests (40%) in Zhonglian Cardiovascular Hospital recognised at the acquisition date were measured by reference to their proportionate share of net assets acquired.

附註：

- (i) 收購完成後，銀行貸款為人民幣60,000,000元於截至二零一八年十二月三十一日止年度已結算。
- (ii) 於收購日期確認的眾聯心血管病醫院之非控股權益(40%)乃參考其佔所收購資產淨值之比例計量。

Net cash outflows arising on acquisition for the year:

年內收購產生的現金流出淨額：

		RMB'000 人民幣千元
Consideration paid in cash	以現金支付的代價	270,000
Less: consideration payable as at 31 December 2018 (Note 24)	減：於二零一八年十二月三十一日之應付代價(附註24)	(21,000)
Less: cash and cash equivalent balances acquired	減：所收購現金及現金等價物結餘	(5,600)
		243,400

Included in the profit for the year of the Group is loss of RMB29,441,000 attributable to Zhonglian Cardiovascular Hospital. Revenue for the year includes RMB16,185,000 is attributable to Zhonglian Cardiovascular Hospital.

眾聯心血管病醫院應佔人民幣29,441,000元的虧損計入本集團的年內溢利。年內收益包括眾聯心血管病醫院應佔人民幣16,185,000元。

Had the acquisition of Zhonglian Cardiovascular Hospital been effected at the beginning of the current year, the total amount of revenue of the Group for the year would have been RMB1,657,976,000, and the amount of profit for the year would have been RMB116,126,000.

倘收購眾聯心血管病醫院於本年度初已完成，則年內本集團的收益總額將會為人民幣1,657,976,000元，而年內的溢利金額將會為人民幣116,126,000元。

In determining the 'pro-forma' revenue and profit of the Group had the Zhonglian Cardiovascular Hospital been acquired at the beginning of the current year, the directors of the Company have calculated depreciation of property, plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements and accounted for related deferred tax effect.

於釐定本集團的「備考」收益及溢利時，倘眾聯心血管病醫院於本年度初被收購，本公司董事已按業務合併的初始會計處理產生的公平值而非收購前財務報表已確認的賬面值計算所收購物業、廠房及設備的折舊並說明相關遞延稅項的影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 28. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2018, acquisition of property, plant and equipment was settled by utilising deposits paid for acquisition of property, plant and equipment of RMB54,488,000 (2017: nil) during the year.

During the year ended 31 December 2018, acquisition of Anhui Hualin Group (Note 27(a)) was settled by utilising a deposit paid for acquisition of subsidiaries of RMB5,000,000 during the year.

### 29. CONTINGENT LIABILITIES

The Group is involved as defendants in certain medical disputes arising from its normal business operations. Except for those disputes with provision made as disclosed in Note 23, the management of the Group believes that the final result of other medical disputes with total claims of RMB9,807,000 (2017: RMB7,143,000) as at 31 December 2018 will not have a material impact on the financial position or operations of the Group and the amount of outflow, if any, cannot be determined with sufficient reliability prior to judicial appraisals. Accordingly, no provision is made in this regard.

### 30. OPERATING LEASES

The Group as lessee

At the end of the reporting period, the Group was committed to make the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	30,949	26,386
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	140,168	125,355
Over five years	五年以上	88,453	118,978
		259,570	270,719

Operating lease payments represent rentals payable by the Group for leasehold land and buildings used for provision of hospital services. These leases are negotiated for terms ranging from three to ten years with fixed monthly rental. None of the leases include any contingent rental.

### 28. 主要非現金交易

截至二零一八年十二月三十一日止年度，收購物業、廠房及設備乃於年內以收購物業、廠房及設備所支付的按金為人民幣54,488,000元(二零一七年：無)已結算。

截至二零一八年十二月三十一日止年度，收購安徽樺霖集團(附註27(a))乃於年內以收購附屬公司所支付的按金人民幣5,000,000元已結算。

### 29. 或然負債

本集團作為被告牽涉於其一般業務營運中產生的若干醫療糾紛。除附註23所披露就此等糾紛作出的撥備外，本集團管理層相信於二零一八年十二月三十一日，涉及人民幣9,807,000元(二零一七年：人民幣7,143,000元)的其他醫療糾紛的最終結果將不會對本集團的財務狀況或營運造成重大影響，而流出金額(如有)無法於司法鑒定前充分可靠地釐定。因此，本集團並無就此作出撥備。

### 30. 經營租賃

本集團作為承租人

於報告期末，本集團承諾根據不可撤銷經營租賃作出以下未來最低租賃付款，其到期日如下：

經營租賃付款指本集團就用於提供醫院服務的土地及樓宇應付的租金。經磋商，該等租賃為期三至十年不等並支付固定月租。概無租賃包括任何或然租金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 30. OPERATING LEASES (Cont'd)

The Group as lessee (Cont'd)

As at 31 December 2018, the Group had commitments for future minimum lease payments under non-cancellable operating leases with Kanghua Group, the shareholder, and the non-controlling shareholder of 東莞仁康醫院有限公司 (Dongguan Renkang Hospital Co., Ltd.) ("Renkang Hospital") amounted to RMB244,334,000 (2017: RMB270,719,000) which fall due as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	28,234	26,386
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	134,130	125,355
Over five years	五年以上	81,970	118,978
		<b>244,334</b>	<b>270,719</b>

The Group as lessor

Rental income earned during the year was as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Rental income	租金收入	4,728	4,457

Non-cancellable operating leases of the properties at the end of the reporting period fall due as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	56	53
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	17	73
		<b>73</b>	<b>126</b>

The leases of the properties with committed tenants are negotiated for terms ranging from 1 year to 2 years.

### 30. 經營租賃(續)

本集團作為承租人(續)

於二零一八年十二月三十一日，本集團已就不可撤銷經營租賃承擔未來最低租賃付款承諾，其中股東康華集團及東莞仁康醫院有限公司的非控股股東(「仁康醫院」)為人民幣244,334,000元(二零一七年：人民幣270,719,000元)，其到期日如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	28,234	26,386
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	134,130	125,355
Over five years	五年以上	81,970	118,978
		<b>244,334</b>	<b>270,719</b>

本集團作為出租人

年內賺取的租金收入如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Rental income	租金收入	4,728	4,457

於報告期末，該等物業的不可撤銷經營租賃如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	56	53
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	17	73
		<b>73</b>	<b>126</b>

與承諾租戶簽訂的物業租約經協商，租期為1年至2年。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 31. CAPITAL COMMITMENTS

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements	於綜合財務報表中已訂約但未撥備的物業、廠房及設備的資本開支	115,950	82,848

### 32. RETIREMENT BENEFITS SCHEME

The Group operates the MPF Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by employees. For certain employees, the maximum monthly contribution is limited to HK\$1,500 per employee.

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

### 33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes amount due to a shareholder and a non-controlling shareholder of a subsidiary disclosed in Note 24, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost and the risks associates with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debts.

### 31. 資本承擔

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements	115,950	82,848

### 32. 退休福利計劃

本集團於香港為所有合資格僱員成立強積金計劃。該計劃之資產與本集團資產分開處理，由託管人管理的基金持有。本集團須為強積金計劃的僱員作出相等於其薪金成本5%的金額作為供款。對於若干僱員，每月最高工資限額為各僱員1,500港元。

本集團的中國附屬公司僱員均為由中國政府營運的國家管理退休福利計劃的成員。該等附屬公司須向該退休福利計劃支付相當於工資成本若干百分比的款項，作為有關退休福利金。本集團對該項退休福利計劃的唯一責任是作出指定供款。

### 33. 資本風險管理

本集團管理其資本以確保本集團內的實體將能持續經營，同時透過優化債務及股本平衡盡可能提高股東回報。本集團的整體策略自去年保持不變。

本集團的資本架構包括債務，債務包括於附註24披露的應付一名股東及一間附屬公司的一名非控股股東款項（扣除現金及現金等價物）以及本公司擁有人應佔權益（包括股本及儲備）。

本公司董事定期檢討資本架構。作為該檢討的一部分，本公司董事考慮各類資本相關的成本及風險。根據本公司董事的推薦意見，本集團將透過支付股息、發行新股以及發行新債務或贖回現有債務平衡其整體資本架構。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 34. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at FVTPL	按公平值計入損益的金融資產	479,142	-
Financial assets at amortised cost	按攤銷成本計量的金融資產	433,702	-
Loans and receivables (including cash and cash equivalent)	貸款及應收款項(包括現金及現金等價物)	-	611,277
AFS investments	可供出售投資	-	559,300
Financial liabilities	金融負債		
Amortised cost	攤銷成本	531,360	324,459

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, AFS investments, accounts and other receivables, fixed bank deposit, restricted bank balances, bank balances and cash, accounts and other payables, amount due to a shareholder and amount due to a non-controlling shareholder of a subsidiary. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### (i) Market risk

###### *Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to variable rate bank balances due to the fluctuation of the prevailing market interest rate.

The Group is also exposed to fair value interest rate risk in relation to fixed rate bank deposit and restricted bank balances (2017: loan receivables, fixed rate bank balances and restricted bank balances).

As the interest rate risks on these amounts are insignificant, no interest rate risk sensitivity analysis is presented.

### 34. 金融工具

#### (a) 金融工具的類別

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at FVTPL	按公平值計入損益的金融資產	479,142	-
Financial assets at amortised cost	按攤銷成本計量的金融資產	433,702	-
Loans and receivables (including cash and cash equivalent)	貸款及應收款項(包括現金及現金等價物)	-	611,277
AFS investments	可供出售投資	-	559,300
Financial liabilities	金融負債		
Amortised cost	攤銷成本	531,360	324,459

#### (b) 金融風險管理目標及政策

本集團的主要金融工具包括按公平值計入損益的金融資產、可供出售投資、應收賬款及其他應收款項、固定銀行存款、受限制銀行結餘、銀行結餘及現金、應付賬款及其他應付款項、應付一名股東款項以及應付一間附屬公司的一名非控股股東款項。該等金融工具的詳情披露於各自附註。該等金融工具的若干相關風險及有關如何減少該等風險的政策載列如下。管理層管理及監控該等風險敞口，確保及時有效實施適當措施。

##### (i) 市場風險

###### *利率風險*

由於現行市場利率波動，本集團面對與可變利率銀行結餘有關的現金流量利率風險。

本集團亦面對與固定利率銀行存款及受限制銀行結餘(二零一七年：應收貸款、固定利率銀行結餘及受限制銀行結餘)有關的公平值利率風險。

由於這些金額的利率風險微不足道，因此並未呈現利率風險敏感度分析。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (i) Market risk (Cont'd)

##### Foreign currency risk

The Group's exposure to currency risk attributable to monetary assets and liabilities (bank balances and cash, other receivables and other payables), which are denominated in currencies other than the functional currency of the entity to which they related. The Group considers its foreign currency exposure is mainly arising from the exposure of RMB against HK\$.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at 31 December 2018 and 2017 are as follows:

		Assets 資產		Liabilities 負債	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
HK\$	港元	95,890	101,245	247	1,432

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2018, if HK\$ had strengthened/weakened against RMB by 5% with all other variables held constant, profit for the year would have been higher/lower approximately RMB3,815,000 (2017: RMB3,960,000) mainly as a result of increase/decrease in net foreign exchange gains on translation of bank balances and cash, other receivables and other payables denominated in non-functional currencies of the relevant group entities.

### 34. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### (i) 市場風險 (續)

##### 外匯風險

本集團面臨來自以相關實體功能貨幣以外貨幣列值的貨幣資產及負債(銀行結餘及現金、其他應收款項及其他應付款項)之貨幣風險。本集團認為，其外匯風險主要來自人民幣兌港元的敞口。

於二零一八年及二零一七年十二月三十一日，本集團以外幣計價的貨幣資產及負債賬面值如下：

本集團目前並無外幣對沖政策。然而，管理層監察外匯風險，並將於有需要時考慮對沖重大外幣風險。

於二零一八年十二月三十一日，倘港元兌人民幣升值/貶值5%，而所有其他變數維持不變，年內溢利將增加/減少約人民幣3,815,000元(二零一七年：人民幣3,960,000元)，主要由於換算以相關集團實體非功能貨幣列值的銀行結餘及現金、其他應收款項及其他應付款項之外匯收益淨額增加/減少。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Other price risk

The Group is exposed to equity price risk through unlisted fund and portfolio investment fund classified as financial assets at FVTPL (2017: AFS investments).

For investment in portfolio investment fund, the composition of the underlying investment mainly consists of listed equity securities, the management manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group's invested in unlisted fund for an investee operating in manufacturing sector for long term strategic purposes. The Group has designated a special team to monitor the price risk and will consider hedging the risk exposure should the need arise. The Group's profit for the year would increase/decrease by RMB2,316,000 and RMB5,398,000 (2017: RMB1,628,000 and RMB5,119,000) respectively if the price of the unlisted fund and portfolio investment fund had been 10% higher/lower.

The management considered the remaining balance of financial assets at FVTPL (2017: AFS investment), represents structured bank deposits, is not subjected to material price risk.

### 34. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### (iii) 其他價格風險

本集團通過非上市基金及證券投資基金面臨權益價格風險，該基金被歸類為按公平值計入損益的金融資產(二零一七年：可供出售投資)。

對於證券投資基金的投資，相關投資的構成主要包括上市股本證券，管理層通過維持具有不同風險的投資組合來管理此風險。此外，本集團投資於非上市基金，為製造業經營的投資對象提供長期戰略目的。本集團已指定一個特別小組監察價格風險，並將會在有需要時考慮對沖風險。倘非上市基金及證券投資基金的價格上漲／下跌10%，本年度本集團的利潤將分別增加／減少人民幣2,316,000元及人民幣5,398,000元(二零一七年：人民幣1,628,000元及人民幣5,119,000元)。

管理層認為按公平值計入損益的金融資產(二零一七年：可供出售投資)餘額指結構性銀行存款但不包括重大價格風險。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Credit risk and impairment assessment

###### *Accounts receivables*

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of each year in relation to each class of recognised financial assets is the carrying amount of these assets as stated in the consolidated statement of financial position of the Group.

As part of the Group's credit risk management, the Group applies internal credit rating for the accounts receivables. The Group assessed the ECL for accounts receivables from the PRC government's social insurance schemes and certain credit-impaired debtors individually as at 1 January 2018 and 31 December 2018.

During the year ended 31 December 2018, the Group provided loss allowance for accounts receivables with aggregated balance of RMB3,503,000 as the management considered those receivables are credit impaired. As at 31 December 2018, allowance for credit loss with an aggregate balance of RMB9,573,000 represents individually impaired accounts receivables as the management considered the outstanding balances from those receivables were uncollectible.

No loss allowance is recognised for the remaining accounts receivables since the probability of default is not significantly increased based on historical credit loss experience. The management has also assessed all available forward-looking information, and concluded that there is no significant increase in credit risk.

### 34. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### (iii) 信貸風險及減值評估

###### *應收賬款*

倘對手方未能履行其責任，則本集團於各年末就各類已確認金融資產面臨的最大信貸風險敞口為本集團綜合財務狀況表內所載該等資產的賬面值。

作為本集團信貸風險管理，本集團應用應收款項的內部信貸等級。於二零一八年一月一日及二零一八年十二月三十一日，本集團就中國政府的社會保險計劃及若干信用減值債務人的應收賬款評估預期信貸虧損。

於截至二零一八年十二月三十一日止年度，本集團就應收賬款計提虧損撥備，總結餘為人民幣3,503,000元，因管理層認為該等應收賬款為信貸減值。於二零一八年十二月三十一日，由於管理層認為該等應收款項的未償還結餘無法收回，故信貸虧損撥備總額人民幣9,573,000元為個別減值應收賬款。

由於違約概率並未因歷史信貸損失經驗而顯著增加，故並無就剩餘應收賬款確認虧損撥備。管理層亦評估所有可用的前瞻性資料，並得出結論信用風險並無顯著增加。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 34. FINANCIAL INSTRUMENTS (Cont'd)

- (b) Financial risk management objectives and policies (Cont'd)
- (iii) Credit risk and impairment assessment (Cont'd)

#### Accounts receivables (Cont'd)

In order to minimise the credit risk, management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures over the customers to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each year to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 62.4% (2017: 55.3%) and 69.4% (2017: 61.4%) of the total accounts receivables was due from the Group's largest accounts receivable and the five largest accounts receivables, respectively.

#### Loan receivables

The Group had concentration of credit risk in relation to its loan receivables which are due from the Zhonglian Cardiovascular Hospital. The directors of the Company considered that the related credit risk was limited because they regularly monitored the financial position of the Zhonglian Cardiovascular Hospital through involvement in its management and operations. During the year ended 31 December 2018, pursuant to acquisition of Zhonglian Cardiovascular Hospital in Note 27(b), the loan receivables became part of the intragroup assets and eliminated in full on consolidation.

#### Other receivables

No allowance for impairment was made for other receivables since the directors of the Company consider the probability of default is minimal after assessing the counter-parties' financial background and creditability.

### 34. 金融工具 (續)

- (b) 金融風險管理目標及政策 (續)
- (iii) 信貸風險及減值評估 (續)

#### 應收賬款 (續)

為盡可能降低信貸風險，本公司管理層已委派一個團隊負責釐定有關客戶的信貸上限、信貸審批及其他監控程序，確保採取跟進措施收回逾期債務。此外，本集團於各年末檢討各個別債務的可收回金額，確保就不可收回金額作出足夠虧損撥備。就此而言，本公司董事認為本集團的信貸風險已大幅減少。

本集團的信貸風險集中度為62.4%（二零一七年：55.3%），應收賬款總額的69.4%（二零一七年：61.4%）分別來自本集團最大的應收賬款及五大應收賬款。

#### 應收貸款

本集團應收眾聯心血管病醫院應收貸款的信貸風險集中。本公司董事認為相關信貸風險有限，因為其通過參與管理及運營，定期監控眾聯心血管病醫院的財務狀況。截至二零一八年十二月三十一日止年度，根據收購眾聯心血管病醫院的附註27(b)，應收貸款成為集團內資產的一部分，並於合併時悉數抵銷。

#### 其他應收款項

由於本公司董事在評估交易對手的財務背景及可信度後認為違約概率極低，故並無就其他應收款項作出減值撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Credit risk and impairment assessment (Cont'd)

##### *Fixed bank deposit/restricted bank balances/bank balances*

The credit risk on fixed bank deposit, restricted bank balances and bank balances are limited because the majority of the counter-parties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no other significant concentration of credit risk.

##### (iv) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that the undiscounted amount is derived from interest rate at the end of the reporting period.

### 34. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### (iii) 信貸風險及減值評估 (續)

##### *固定銀行存款／受限制銀行結餘／銀行結餘*

固定銀行存款、受限制銀行結餘及銀行結餘的信貸風險有限，因為大多數交易對手是國際信用評級機構指定的信用評級較高的銀行。本集團並無其他重大信貸集中風險。

##### (iv) 流動資金風險

流動資金風險管理乃由管理層最終負責，並已建立適當的流動資金風險管理框架，以符合本集團管理短期、中期及長期資金及流動資金的規定。本集團的政策為通過持續監察預測及實際現金流量，就金融資產及負債的到期狀況進行配對，從而維持充足的儲備及借款融資，管理流動資金風險。

下表詳列本集團的非衍生金融負債的餘下合約到期狀況。此表按照金融負債未貼現現金流量編製，其中以本集團須付款的最早日期為基礎。其他非衍生金融負債的到期日以協定的還款日為基礎。

表格包含利息及本金現金流量。未貼現金額則源自報告期末的利率。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iv) Liquidity risk (Cont'd)

##### Liquidity tables

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 1 month 按要求或 少於1個月 RMB'000 人民幣千元	1-3 months 1至3個月 RMB'000 人民幣千元	3 months to 1 year 3個月 至1年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
At 31 December 2018	於二零一八年 十二月三十一日						
Accounts and other payables	應付賬款及其他應付款項	-	378,474	-	-	378,474	378,474
Amount due to a shareholder	應付一名股東款項	-	682	-	-	682	682
Amount due to a non-controlling shareholder of a subsidiary	應付一間附屬公司的一名非控股股東款項	-	152,204	-	-	152,204	152,204
			531,360	-	-	531,360	531,360
At 31 December 2017	於二零一七年 十二月三十一日						
Accounts and other payables	應付賬款及其他應付款項	-	323,534	-	-	323,534	323,534
Amount due to a shareholder	應付一名股東款項	-	925	-	-	925	925
			324,459	-	-	324,459	324,459

### 34. 金融工具 (續)

#### (b) 金融風險管理目標及政策 (續)

##### (iv) 流動資金風險 (續)

##### 流動資金表

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (c) Fair value

Other than the financial assets carried at fair value as detailed in the following table, the directors of the Company consider that the carrying amounts of other financial instruments that are recorded at amortised cost in the consolidated financial statements approximate their fair values.

Financial assets	金融資產	Fair values as at 31 December 2018 於 二零一八年 十二月 三十一日 的公平值 RMB'000 人民幣千元	Fair value as at 31 December 2017 於 二零一七年 十二月 三十一日 的公平值 RMB'000 人民幣千元	Fair value hierarchy 公平值架構	Valuation techniques and key inputs 估值技巧及 主要輸入數據
Unlisted fund	非上市基金	23,162	16,275	Level 2 第二級	Quoted price from a financial institution 報價來自金融機構
Portfolio investment fund	證券投資基金	53,980	51,185	Level 2 第二級	Quoted price from a financial institution 報價來自金融機構
Structured bank deposits	結構性銀行存款	402,000	491,840	Level 2 第二級	Quoted price from a financial institution 報價來自金融機構

There was no transfer between Level 2 and other Levels in both years.

### 34. 金融工具 (續)

#### (c) 公平值

除下表所詳述按公平值列賬的金融資產外，本公司董事認為，按攤銷成本於綜合財務報表中入賬的其他金融工具的賬面金額與其公平值相若。

於兩個期間內，第二級及其他級別工具之間並無轉撥。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

### 35. 融資活動產生的負債重新確認

下表詳述本集團融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量或未來現金流量將在本集團的綜合現金流量表中分類為融資活動現金流量的負債。

		Amount due to a non-controlling shareholder of a subsidiary 應付一間附屬公司的一名非控股股東款項 RMB'000 人民幣千元 (Note 24) (附註24)	Amount due to a shareholder 應付一名股東款項 RMB'000 人民幣千元 (Note 24) (附註24)	Bank loan 銀行貸款 RMB'000 人民幣千元 (Note 27(b)) (附註27(b))	Dividend payable 應付股息 RMB'000 人民幣千元 (Note 14) (附註14)	Interest payable 應付利息 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	-	3,179	-	-	-	3,179
Financing cash flows	融資現金流量	-	(2,254)	-	(46,783)	-	(49,037)
Non-cash change	非現金變動	-	-	-	46,783	-	46,783
Dividend recognised	已確認股息	-	-	-	46,783	-	46,783
At 31 December 2017	於二零一七年十二月三十一日	-	925	-	-	-	925
Financing cash flows (note)	融資現金流量(附註)	40,985	(243)	(60,000)	(54,230)	(936)	(74,424)
Non-cash changes	非現金變動	-	-	-	-	-	-
Acquisitions of subsidiaries	收購附屬公司	90,219	-	60,000	-	-	150,219
Payable for acquisition of a subsidiary	收購一間附屬公司應付款項	21,000	-	-	-	-	21,000
Interest expenses	利息開支	-	-	-	-	936	936
Dividend recognised	已確認股息	-	-	-	54,230	-	54,230
At 31 December 2018	於二零一八年十二月三十一日	152,204	682	-	-	-	152,886

Note: The cash flows from amount due to a non-controlling shareholder of a subsidiary make up the net amount of proceeds and repayments in the consolidated statement of cash flows.

附註：應付一間附屬公司的一名非控股股東款項的現金流量構成綜合現金流量表的所得款項及還款淨額。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 36. RELATED PARTY DISCLOSURES

In addition to the amounts due to a shareholder and a non-controlling shareholder of a subsidiary in Note 24, and transactions, balances and commitments disclosed elsewhere in the consolidated financial statements, the Group had entered into the following related party transactions:

### 36. 關聯方披露

除附註24應付一名股東及一間附屬公司的一名非控股股東款項以及綜合財務報表其他章節所披露的交易、結餘及承擔外，本集團已訂立以下關聯方交易：

Name of related companies 關聯公司名稱	Relationship 關係	Nature of transactions 交易性質	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Kanghua Group 康華集團	Shareholder 股東	Rental expense 租金開支	25,106	22,969
Tongli Enterprise 同力實業	Non-controlling shareholder of Renkang Hospital 仁康醫院的非控股股東	Rental expense 租金開支	3,624	3,387
東莞市菁盛園林工程 有限公司 東莞市菁盛園林工程 有限公司	Company controlled by Xingye Group (note) 由興業集團控制的公司 (附註)	Landscape maintenance expense 園林綠化維護開支	–	33
東莞市東成石材有限公司 東莞市東成石材有限公司	Company controlled by Xingye Group (note) 由興業集團控制的公司 (附註)	Purchase of construction materials 購買建築材料	17	1,151
東莞市海月建設發展 有限公司 東莞市海月建設發展 有限公司	Company controlled by Kanghua Group 由康華集團控制的公司	Landscape engineering and maintenance service 園林工程及維護服務	780	620

Other than those disclosed above, certain subsidiaries of the Group had provided staff healthcare services to companies controlled by Mr. Wang Junyang, Ms. Wang Aici, Ms. Wang Aiqin and Mr. Chen Wangzhi, all of whom are close family members (collectively referred as "Controlling Shareholders") and the corresponding aggregate service fees amounted to approximately RMB120,000 (2017: RMB39,000) for the year ended 31 December 2018.

Note: Xingye Group is controlled by one of the Controlling Shareholders.

#### Compensation of key management personnel

Key management personnel includes directors and supervisors. The remuneration of the key management personnel during the year is disclosed in Note 11. The remuneration of directors and supervisors is determined by the remuneration committee having regard to the performance of individuals and market trends.

除上文所披露者外，本集團若干附屬公司已向受王君揚先生、王愛慈女士、王愛勤女士及陳旺枝先生(彼等均為近親家庭成員，統稱「控股股東」)控制的公司提供員工醫療服務，而相應服務費總額於截至二零一八年十二月三十一日止年度約為人民幣120,000元(二零一七年：人民幣39,000元)。

附註：興業集團由其中一名控股股東所控制。

#### 主要管理人員薪酬

主要管理層包括董事及監事。於本年度，主要管理層的薪酬披露於附註11。董事及監事的薪酬由薪酬委員會根據個人表現及市場趨勢釐定。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 37. 本公司的財務狀況表

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investment in subsidiaries	投資於附屬公司	768,596	418,596
Other receivables	其他應收款項	-	5,000
		768,596	423,596
<b>Current assets</b>	<b>流動資產</b>		
Other receivables	其他應收款項	65,252	68,013
Financial assets at FVTPL	按公平值計入損益的金融資產	400,000	-
AFS investments	可供出售投資	-	451,840
Amount due from a subsidiary	應收一間附屬公司款項	58,590	55,895
Restricted bank balances	受限制銀行結餘	16,947	2,634
Bank balances and cash	銀行結餘及現金	45,877	162,698
		586,666	741,080
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款項	3,622	3,266
Amount due to a shareholder	應付一名股東款項	682	682
Amount due to a subsidiary	應付一間附屬公司款項	162,686	10,459
Amount due to a non-controlling shareholder of a subsidiary	應付一間附屬公司的一名非控股股東款項	21,000	-
		187,990	14,407
<b>Net current assets</b>	<b>流動資產淨值</b>	398,676	726,673
<b>Net assets</b>	<b>資產淨值</b>	1,167,272	1,150,269
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	334,394	334,394
Reserves	儲備	832,878	815,875
<b>Total equity</b>	<b>權益總額</b>	1,167,272	1,150,269

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd) 37. 本公司的財務狀況表(續)

Movements in reserves:

儲備變動：

		Share premium 股份溢價 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Statutory reserve 法定儲備 RMB'000 人民幣千元	(Accumulated losses) retained earnings (累計虧損) 保留盈利 RMB'000 人民幣千元 (note) (附註)	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	698,214	53,394	–	(11,677)	739,931
Profit and total comprehensive income for the year	年內溢利及全面收入 總額	–	–	–	122,727	122,727
Dividend	股息	–	–	–	(46,783)	(46,783)
Transfers	轉讓	–	–	473	(473)	–
At 31 December 2017	於二零一七年 十二月三十一日	698,214	53,394	473	63,794	815,875
Profit and total comprehensive income for the year	年內溢利及全面收入 總額	–	–	–	71,233	71,233
Dividend	股息	–	–	–	(54,230)	(54,230)
Transfers	轉讓	–	–	16,624	(16,624)	–
At 31 December 2018	於二零一八年 十二月三十一日	698,214	53,394	17,097	64,173	832,878

Note: According to the relevant laws in the PRC, the Company which was established in the PRC is required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of the respective registered capital. The transfer to this reserve must be made before the distribution of dividends to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.

附註：根據中國相關法律，於中國成立的本公司須根據中國會計法規所釐定將其稅後淨利潤至少10%轉讓予不可分配儲備基金，直至儲備結餘達到各自註冊資本的50%。須向所有者分配股息之前轉入該儲備。該等儲備金可用於抵銷過往年度的虧損（如有），除清盤外不可分配。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 38. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2018 and 2017 are as follows:

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment/ operation 註冊成立/ 成立/營運 地點及日期	Issued and fully paid share/ registered capital 已發行及繳足 股份/註冊資本		Attributable equity interest to the Group 本集團應佔股權		Principal activities 主要業務
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
<i>Directly held</i> 直接持有						
Dongguan Kanghua Hospital Co., Ltd.* 東莞康華醫院有限公司	The PRC 15 September 2005 中國 二零零五年 九月十五日	Registered capital RMB350,000,000 註冊資本人民幣 350,000,000元	Registered capital RMB350,000,000 註冊資本人民幣 350,000,000元	100%	100%	Operating of hospital 醫院運營
Dongguan Renkang Hospital Co., Ltd.* 東莞仁康醫院有限公司	The PRC 23 August 2005 中國 二零零五年 八月二十三日	Registered capital RMB60,000,000 註冊資本人民幣 60,000,000元	Registered capital RMB60,000,000 註冊資本人民幣 60,000,000元	57%	57%	Operating of hospital 醫院運營
Dongguan Kanghua Healthcare Management Co., Ltd.* 東莞康華醫療管理有限公司	The PRC 1 February 2016 中國 二零一六年 二月一日	Registered capital RMB11,000,000 註冊資本人民幣 11,000,000元	Registered capital RMB11,000,000 註冊資本人民幣 11,000,000元	100%	100%	Provision of hospital management services 提供醫院管理服務
Kanghua Healthcare Management (HK) Company Limited 康華醫療管理(香港)有限公司	Hong Kong 17 May 2016 香港 二零一六年 五月十七日	Ordinary shares HK\$10,000 普通股 10,000港元	Ordinary shares HK\$10,000 普通股 10,000港元	100%	100%	Provision of management services 提供管理服務
東莞市康華醫藥有限公司 東莞市康華醫藥有限公司	The PRC 14 April 2017 中國 二零一七年 四月十四日	Registered capital RMB5,000,000 註冊資本人民幣 5,000,000元	Registered capital RMB5,000,000 註冊資本人民幣 5,000,000元	100%	100%	Sale of pharmaceutical products 藥品銷售
東莞康華醫療產業投資基金有限公司 東莞康華醫療產業投資基金有限公司	The PRC 15 June 2017 中國 二零一七年 六月十五日	Registered capital RMB100,000,000 註冊資本人民幣 100,000,000元	Registered capital RMB100,000,000 註冊資本人民幣 100,000,000元	100%	100%	Inactive 暫無業務

### 38. 附屬公司資料

本公司於二零一八年及二零一七年十二月三十一日的附屬公司資料如下：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 38. PARTICULARS OF SUBSIDIARIES (Cont'd)

### 38. 附屬公司資料(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment/ operation 註冊成立/ 成立/營運 地點及日期	Issued and fully paid share/ registered capital 已發行及繳足 股份/註冊資本		Attributable equity interest to the Group 本集團應佔股權		Principal activities 主要業務
		2018 二零一八年	2017 二零一七年	2018 二零一八年	2017 二零一七年	
東莞康華養老服務管理有限公司 東莞康華養老服務管理有限公司	The PRC 9 August 2017 中國 二零一七年 八月九日	Registered capital RMB10,000,000 註冊資本人民幣 10,000,000元	Registered capital RMB10,000,000 註冊資本人民幣 10,000,000元	100%	100%	Investment holding 投資控股
東莞康華康復醫療投資有限公司 東莞康華康復醫療投資有限公司	The PRC 16 January 2018 中國 二零一八年 一月十六日	Registered capital RMB80,000,000 註冊資本人民幣 80,000,000元	N/A 不適用	100%	N/A 不適用	Investment holding 投資控股
Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd.* 重慶康華眾聯心血管病醫院有限公司	The PRC 10 June 2014 中國 二零一四年 六月十日	Registered capital RMB270,000,000 註冊資本人民幣 270,000,000元	N/A 不適用	60%	N/A 不適用	Operating of hospital 醫院運營
<i>Indirectly held</i> 間接持有						
東莞仁康養老服務有限公司 東莞仁康養老服務有限公司	The PRC 27 September 2017 中國 二零一七年 九月二十七日	Registered capital RMB5,000,000 註冊資本人民幣 5,000,000元	Registered capital RMB5,000,000 註冊資本人民幣 5,000,000元	100%	100%	Inactive 暫無業務
東莞康華養老服務有限公司 東莞康華養老服務有限公司	The PRC 7 November 2017 中國 二零一七年 十一月七日	Registered capital RMB5,000,000 註冊資本人民幣 5,000,000元	Registered capital RMB5,000,000 註冊資本人民幣 5,000,000元	100%	100%	Inactive 暫無業務
Anhui Hualin Medical Investment Co., Ltd.* 安徽樺霖醫療投資有限公司	The PRC 19 December 2016 中國 二零一六年 十二月十九日	Registered capital RMB23,390,000 註冊資本人民幣 23,390,000元	N/A 不適用	57%	N/A 不適用	Investment holding/provision of rehabilitation and other healthcare services 投資控股/提供康復及其他 醫療服務
合肥鑫谷康復醫療投資有限公司 合肥鑫谷康復醫療投資有限公司	The PRC 22 October 2014 中國 二零一四年 十月二十二日	Registered capital RMB1,000,000 註冊資本人民幣 1,000,000元	N/A 不適用	57%	N/A 不適用	Provision of rehabilitation and other healthcare services 提供康復及其他醫療服務

\* English translated name is for identification purpose only.

\* 英文譯名僅供識別。

Except for Kanghua Healthcare Management (HK) Company Limited, all other subsidiaries are wholly-domestic owned enterprise with limited liability established in the PRC.

除康華醫療管理(香港)有限公司外,所有其他附屬公司為於中國成立的有限責任境內全資企業。

None of the subsidiaries had issued any debt securities at the end of the year.

概無附屬公司於年末已發行任何債務證券。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 38. PARTICULARS OF SUBSIDIARIES (Cont'd)

The table below shows details of non wholly-owned subsidiaries of the Group that have material non-controlling interests at the end of each year:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要經營地點	Proportion of ownership and voting rights held by non-controlling interests 非控股權益所持擁有權及投票權比例		Profit (loss) allocated to non-controlling interests 分配至非控股權益的溢利(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2018	2017	2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年
				RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Renkang Hospital 仁康醫院	The PRC 中國	43%	43%	4,026	4,547	28,201	24,175
Anhui Hualin Group 安徽樺霖集團	The PRC 中國	43%	N/A 不適用	1,079	N/A 不適用	17,720	N/A 不適用
Zhonglian Cardiovascular Hospital 眾聯心血管病醫院	The PRC 中國	40%	N/A 不適用	(11,776)	N/A 不適用	84,616	N/A 不適用
				(6,671)	4,547	130,537	24,175

Summarised financial information in respect of Renkang Hospital that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

### 38. 附屬公司資料(續)

下表顯示本集團非全資附屬公司於各年底擁有重大非控股權益的詳情：

有關擁有重大非控股權益的仁康醫院的財務資料概要載列如下。以下財務資料概要指集團內公司間對銷前的金額。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	64,406	64,386
Non-current assets	非流動資產	132,900	139,663
Current liabilities	流動負債	(131,722)	(147,828)
Equity attributable to owners of the Company	本公司擁有人應佔權益	37,383	32,046
Non-controlling interests of Renkang Hospital	仁康醫院非控股權益	28,201	24,175

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 38. PARTICULARS OF SUBSIDIARIES (Cont'd)

### 38. 附屬公司資料(續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	224,522	214,600
Other income	其他收入	1,456	361
Total expenses	總開支	(216,615)	(204,386)
Profit and total comprehensive income for the year	年內溢利及全面收入總額	9,363	10,575
Profit and total comprehensive income for the year attributable to:	以下各項應佔年內溢利全面收入總額：		
– owners of the Company	– 本公司擁有人	5,337	6,028
– non-controlling interests	– 非控股權益	4,026	4,547
		9,363	10,575
Net cash inflow from operating activities	經營活動所得淨現金流入	35,314	43,534
Net cash outflow from investing activities	投資活動所得淨現金流出	(8,686)	(6,951)
Net cash outflow from financing activities	融資活動所得淨現金流出	(34,112)	(22,370)
Net cash (outflow) inflow	淨現金(流出)流入	(7,484)	14,213

Summarised financial information in respect of Anhui Hualin Group that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

有關擁有重大非控股權益的安徽樺霖集團的財務資料概要載列如下。以下財務資料概要指集團內公司間對銷前的金額。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	30,817	N/A 不適用
Non-current assets	非流動資產	24,180	N/A 不適用
Current liabilities	流動負債	(13,786)	N/A 不適用
Equity attributable to owners of the Company	本公司擁有人應佔權益	23,491	N/A 不適用
Non-controlling interests of Anhui Hualin Group	安徽樺霖集團非控股權益	17,720	N/A 不適用



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 38. PARTICULARS OF SUBSIDIARIES (Cont'd)

### 38. 附屬公司資料(續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	49,670	N/A 不適用
Other income	其他收入	2,358	N/A 不適用
Total expenses	總開支	(49,518)	N/A 不適用
Profit and total comprehensive income for the year	年內溢利及全面收入總額	2,510	N/A 不適用
Profit and total comprehensive income for the year attributable to:	以下各項應佔年內溢利 全面收入總額：		
– owners of the Company	– 本公司擁有人	1,431	N/A 不適用
– non-controlling interests	– 非控股權益	1,079	N/A 不適用
		2,510	N/A 不適用
Net cash inflow from operating activities	經營活動所得淨現金流入	7,236	N/A 不適用
Net cash outflow from investing activities	投資活動所得淨現金流出	(18,527)	N/A 不適用
Net cash inflow from financing activities	融資活動所得淨現金流入	16,485	N/A 不適用
Net cash inflow	淨現金流入	5,194	N/A 不適用

Summarised financial information in respect of Zhonglian Cardiovascular Hospital that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

有關擁有重大非控股權益的眾聯心血管病醫院的財務資料概要載列如下。以下財務資料概要指集團內公司間對銷前的金額。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	23,540	N/A 不適用
Non-current assets	非流動資產	477,714	N/A 不適用
Current liabilities	流動負債	(263,491)	N/A 不適用
Non-current liabilities	非流動負債	(26,225)	N/A 不適用
Equity attributable to owners of the Company	本公司擁有人應佔權益	126,922	N/A 不適用
Non-controlling interests of Zhonglian Cardiovascular Hospital	眾聯心血管病醫院非控股權益	84,616	N/A 不適用

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018  
截至2018年12月31日止年度

### 38. PARTICULARS OF SUBSIDIARIES (Cont'd)

### 38. 附屬公司資料(續)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	16,185	N/A 不適用
Other income	其他收入	126	N/A 不適用
Total expenses	總開支	(45,752)	N/A 不適用
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(29,441)	N/A 不適用
Loss and total comprehensive expense for the year attributable to:	以下各項應佔年內虧損及全面開支總額：		
– owners of the Company	– 本公司擁有人	(17,665)	N/A 不適用
– non-controlling interests	– 非控股權益	(11,776)	N/A 不適用
		(29,441)	N/A 不適用
Net cash inflow from operating activities	經營活動所得淨現金流入	38,545	N/A 不適用
Net cash outflow from investing activities	投資活動所得淨現金流出	(13,089)	N/A 不適用
Net cash outflow from financing activities	融資活動所得淨現金流出	(20,058)	N/A 不適用
Net cash inflow	淨現金流入	5,398	N/A 不適用

# Financial Summary

## 財務概要

		For the year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
<b>RESULTS</b>	<b>業績</b>					
Revenue	收益	1,639,287	1,389,169	1,240,390	1,063,702	985,108
Profit before taxation	除稅前溢利	221,754	218,076	198,473	148,818	135,212
Income tax expenses	所得稅開支	(60,482)	(56,937)	(52,786)	(29,854)	(27,445)
Profit for the year	年內溢利	161,272	161,139	145,687	118,964	107,767
Attributable to:	以下人士應佔權益：					
Equity owners of the Company	本公司權益持有人	167,943	156,592	141,260	118,847	102,237
Non-controlling interests	非控股權益	(6,671)	4,547	4,427	117	5,530
		161,272	161,139	145,687	118,964	107,767
		As at 31 December 於十二月三十一日				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	總資產	2,203,052	1,732,393	1,595,978	1,105,920	1,885,024
Total liabilities	總負債	(693,578)	(442,994)	(420,935)	(859,172)	(1,746,656)
		1,509,474	1,289,399	1,175,043	246,748	138,368
Equity attributable to:	以下人士應佔權益：					
Equity owners of the Company	本公司權益持有人	1,378,937	1,265,224	1,155,415	231,547	123,284
Non-controlling interests	非控股權益	130,537	24,175	19,628	15,201	15,084
		1,509,474	1,289,399	1,175,043	246,748	138,368

Notes:

附註：

- |   |   |
|---|---|
| <p>(i) The financial information set out above is prepared in accordance with International Financial Reporting Standards.</p> <p>(ii) The financial summary does not form part of the consolidated financial statements.</p> <p>(iii) The financial information of year 2014 to 2015 was extracted from the accountants' report dated 27 October 2016.</p> | <p>(i) 上述財務資料按照國際財務報告準則編製。</p> <p>(ii) 財務概要並不構成綜合財務報表的一部份。</p> <p>(iii) 二零一四年至二零一五年的財務資料摘錄自日期為二零一六年十月二十七日的會計報告。</p> |
|---|---|

Anhui Hualin 「安徽樺霖」	Anhui Hualin Medical Investment Co., Ltd. (安徽樺霖醫療投資有限公司), a limited liability company established in the PRC on 19 December 2016 with 57% of its equity interest being held by Dongguan Kanghua Medical Rehabilitation Investment Company Limited (東莞康華康復醫療投資有限公司), a wholly-owned subsidiary of the Company and 43% held by Hefei Haihua Enterprises Management Consulting Partnership (Limited Partnership) (合肥海樺企業管理諮詢合夥企業(有限合夥)), an Independent Third Party 安徽樺霖醫療投資有限公司，於二零一六年十二月十九日在中國成立的有公司，其股東分別由一間公司全資附屬公司及獨立第三方分別持有57%及43% (不包括安徽樺霖的權益)
Anhui Hualin Group 「安徽樺霖集團」	Anhui Hualin together with the entities the results of which are consolidated into its financial statements 安徽樺霖連同其實體的業績合併到財務報表中
Articles 「章程」	the articles of association of the Company, as amended, modified or supplemented from time to time 本公司採納並不時修訂、修改或補充的公司章程
Audit Committee 「審核委員會」	the audit committee of the Board 董事會審核委員會
AGM 「股東週年大會」	the annual general meeting of the Company for the year 2018 to be convened and held on 12 June 2019 本公司將於二零一九年六月十二日召開及舉行的二零一八年度股東週年大會
Board of Directors or Board 「董事會」	the board of Directors of the Company 本公司董事會
Company 「本公司」	Guangdong Kanghua Healthcare Co., Ltd. (廣東康華醫療股份有限公司), a joint stock limited liability company established under the laws of the PRC, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 3689) 廣東康華醫療股份有限公司，一家根據中國法律成立的股份有限公司，其H股於香港聯交所主板上市(股份代號：3689)
CG Code 「企業管治守則」	the Corporate Governance Code contained in Appendix 14 to the Hong Kong Listing Rules 香港上市規則附錄十四所載的《企業管治守則》
Controlling Shareholders 「控股股東」	has the meaning ascribed under the Hong Kong Listing Rules and unless the context otherwise requires, refers to Mr. Wang Junyang, Ms. Wang Aici, Kanghua Group, Xingye Group, Mr. Chen Wangzhi, Ms. Wang Ai Qin and Xingda Property as a group of Controlling Shareholders of the Company, and each of them, a "Controlling Shareholder" 具香港上市規則所賦予的涵義，除非文義另有所指，指王君揚先生、王愛慈女士、康華集團、興業集團、陳旺枝先生、王愛勤女士及興達物業作為一組本公司控股股東，而彼等各自為一名「控股股東」
Director(s) 「董事」	the director(s) of the Company 本公司董事或任何一位董事

## Definitions

### 釋義

Domestic Share(s) 「內資股」	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange 本公司所發行每股面值為人民幣1.00元並以人民幣認購或入賬列為繳足股款的普通股，並且是目前未在任何證券交易所上市或交易的非上市股份
Group or we or our 「本集團」或「我們」	the Company and its subsidiaries 本公司及其附屬公司
Guangdong HFPC 「廣東省衛計委」	the Health and Family Planning Commission of Guangdong Province (廣東省衛生和計劃生育委員會), which was reorganised from the former Guangdong Province Department of Health (廣東省衛生廳) and Guangdong Province Population and Family Planning Commission (廣東省人口和計劃生育委員) in October 2013 and includes its predecessor regulatory bodies for the purpose of this document 廣東省衛生和計劃生育委員會，於二零一三年十月由前身廣東省衛生廳及廣東省人口和計劃生育委員會重組成立，就本文件而言，包括該等前身監管機構
H Share(s) 「H股」	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange 本公司普通股股本中每股面值人民幣1.00元的境外上市外資普通股，將以港元認購及買賣，於香港聯交所主板上市
HK\$ or Hong Kong dollars 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣
Hong Kong 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
Hong Kong Listing Rules 「香港上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time 《香港聯合交易所有限公司證券上市規則》，經不時修訂、補充或修改
Hong Kong Stock Exchange 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Huaxin Building 「華心樓」	refers to the complex (華心樓) at Kanghua Hospital which was commissioned to provide VIP healthcare services 康華醫院華心樓，獲分派提供貴賓醫療服務
Independent Third Party(ies) 「獨立第三方」	Any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Hong Kong Listing Rules 根據香港上市規則，歸因於香港上市規則賦予的涵義，並非本公司關連人士的任何實體或人士

Kangdi Enterprise	Dongguan Kangdi Enterprise Co., Ltd. (東莞市康帝實業有限公司), a limited liability company established in the PRC on 25 July 2014 with 50% of its equity interest held by Mr. Wang Zhengren (王政仁) and 50% by Ms. Wang Keying (王可瑩), all of whom are members of the Wang Family, being cousins of Mr. Wang Junyang. Kangdi Enterprise holds a 15% equity interest in Renkang Hospital
「康帝實業」	東莞市康帝實業有限公司，一家於二零一四年七月二十五日在中國成立的有限責任公司，其股權由王政仁先生及王可瑩女士各持有50%，彼等均為王氏家族的成員及王君揚先生的堂兄弟姐妹。康帝實業於仁康醫院持有15%的股權
Kanghua Group	Dongguan Kanghua Investment Group Co., Ltd. (東莞市康華投資集團有限公司), a limited liability company established in the PRC on 29 March 2002 and one of the Controlling Shareholders holding approximately 59.06% interest in the Company. It is owned as to 97.46% by Mr. Wang Junyang and as to 2.54% by Ms. Wang Aici. Kanghua Group, Mr. Wang Junyang, Ms. Wang Aici, Xingye Group, Mr. Chen Wangzhi, Ms. Wang Aiqin and Xingda Property are acting together as a group of Controlling Shareholders
「康華集團」	東莞市康華投資集團有限公司，一家於二零零二年三月二十九日在中國成立的有限責任公司，持有本公司約59.06%權益，其分別由王君揚先生及王愛慈女士擁有97.46%及2.54%。康華集團、王君揚先生、王愛慈女士、興業集團、陳旺枝先生、王愛勤女士及興達物業作為一組控股股東一致行動
Kanghua Hospital	Dongguan Kanghua Hospital Co., Ltd. (東莞康華醫院有限公司), a limited liability company established in the PRC on 15 September 2005 and a wholly-owned subsidiary of the Company
「康華醫院」	東莞康華醫院有限公司，一家於二零零五年九月十五日在中國成立的有限責任公司，且為本公司的全資附屬公司
Kanghua Hospital Lease Agreement	the lease agreement dated 10 April 2016 entered into between Kanghua Hospital and Kanghua Group with respect to the land and buildings underlying the operations of Kanghua Hospital
「康華醫院租賃協議」	由康華醫院與康華集團就康華醫院營運相關的土地及建築物訂立的日期為二零一六年四月十日的租賃協議
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Hong Kong Listing Rules
「標準守則」	香港上市規則附錄十所載《上市發行人董事進行證券交易標準守則》
NHFPC	the National Health and Family Planning Commission of the PRC (中華人民共和國衛生和計劃生育委員會), which was reorganised from the former Ministry of Health (衛生部) and the National Population and Family Planning Commission (國家人口和計劃生育委員會) in March 2013 and includes such predecessor regulatory board for the purpose of this document
「國家衛計委」	中華人民共和國衛生和計劃生育委員會，於二零一三年三月由前身衛生部及國家人口和計劃生育委員會重組成立，就本文件而言，包括該等前身監管機構
Nomination Committee	the nomination committee of the Board
「提名酬委員會」	董事會提名委員會

# Definitions

## 釋義

Non-Competition Undertaking 「不競爭承諾」	the non-competition undertaking dated 11 October 2016 provided by the Controlling Shareholders in favour of the Company 控股股東以本公司為受益人提供的日期為二零一六年十月十一日的不競爭承諾
O&G 「婦產科」	obstetrics and gynaecology 婦產科
PRC or China 「中國」	the People's Republic of China 中華人民共和國
PRC Company Law 「中國公司法」	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Twelfth National People's Congress on 28 December 2013 and effective on 1 March 2014, as amended, supplemented and otherwise modified from time to time 《中華人民共和國公司法》，由第十二屆全國人民代表大會常務委員會於二零一三年十二月二十八日修訂並通過，自二零一四年三月一日起生效，經不時修訂、補充及以其他方式修改
Proposed Final Dividend 「建議末期股息」	the proposed final dividend distribution plan of RMB16 cents per Share (inclusive of applicable tax) subject to the approval by the Shareholders at the AGM as described under the section headed "Dividend" on pages 40 to 41 of this annual report 如本年報第40至41頁「股息」一節所述，建議末期股息派發計劃每股人民幣16分（含適用稅項），須股東於股東週年大會上批准後，始可作實
Prospectus 「招股章程」	the prospectus of the Company dated 27 October 2016 本公司日期為二零一六年十月二十七日的招股章程
Reporting period 「報告期間」	the year ended 31 December 2018 截至二零一八年十二月三十一日止年度
Remuneration Committee 「薪酬委員會」	the remuneration committee of the Board 董事會薪酬委員會
Renkang Hospital 「仁康醫院」	Dongguan Renkang Hospital Co., Ltd. (東莞仁康醫院有限公司), a limited liability company established in the PRC on 23 August 2005 with 57% of its equity interest being held by the Company, 15% by Kangdi Enterprise, 15% by Ms. Zhang Dandan and 13% by Ms. Wang Aier, respectively 東莞仁康醫院有限公司，一家於二零零五年八月二十三日在中國成立的有限責任公司，其股權分別由本公司、康帝實業、張丹丹女士及王愛兒女士持有57%、15%、15%及13%
Renkang Hospital Lease Agreement 「仁康醫院租賃協議」	the lease agreement dated 10 April 2016 entered into between Renkang Hospital and Tongli Enterprise with respect to the land and buildings underlying the operations of Renkang Hospital 由仁康醫院與同力實業就仁康醫院營運相關的土地及建築物訂立的日期為二零一六年四月十日的租賃協議

RMB 「人民幣」	the lawful currency of the PRC 中國法定貨幣
SFO 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 香港法例第 571 章《證券及期貨條例》(經不時修訂、補充或以其他方式修改)
Share(s) 「股份」	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including the Domestic Share(s) and the H Share(s) 本公司股本中每股面值人民幣 1.00 元的股份，包括內資股及 H 股
Shareholder(s) 「股東」	holder(s) of the Share(s) 股份持有人
subsidiary or subsidiaries 「附屬公司」	has the meaning ascribed thereto in the Companies Ordinance (Chapter 622 of the laws of Hong Kong) 具有香港法例第 622 章《公司條例》賦予該詞的含義
substantial shareholder(s) 「主要股東」	has the meaning ascribed thereto in the Hong Kong Listing Rules 具有香港上市規則賦予該詞的含義
Supervisor(s) 「監事」	the members of the Supervisory Committee 監事會成員
Supervisory Committee 「監事會」	the Company's supervisory committee established pursuant to the PRC Company Law 本公司根據中國公司法設立的監事會
Tongli Enterprise 「同力實業」	Dongguan Tongli Enterprise Co., Ltd. (東莞市同力實業有限公司), a limited liability company established in the PRC on 23 June 2003 with 43% of its equity interest being held by Ms. Wang Aiqin, 29% by Ms. Wang Aici, 15% by Ms. Zhang Dandan (張丹丹) and 13% by Ms. Wang Aier (王愛兒), respectively, all of whom are members of the Wang Family, being aunts of Mr. Wang Junyang. Pursuant to a nominee arrangement among the Wang Family, (i) Ms. Wang Aici (an aunt of Mr. Wang Junyang) agreed to hold 16% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Junyang; (ii) Ms. Wang Aiqin (an aunt of Mr. Wang Junyang and the spouse of Mr. Chen Wangzhi) agreed to hold 15% and 6.5% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Junyang and Mr. Chen Wangzhi, respectively; and (iii) Ms. Wang Aiqin agreed to hold 15% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Wencheng (王文成) 東莞市同力實業有限公司，一家於二零零三年六月二十三日在中國成立的有限責任公司，其股權分別由王愛勤女士、王愛慈女士、張丹丹女士及王愛兒女士持有 43%、29%、15% 及 13%，彼等均為王氏家族的成員及王君揚先生的姑母或姨母。根據王氏家族中的代名人安排，(i) 王愛慈女士(王君揚先生的姑母)同意代表王君揚先生持有其於同力實業 16% 權益；(ii) 王愛勤女士(王君揚先生的姑母及陳旺枝先生的配偶)同意代表王君揚先生及陳旺枝先生分別持有其於同力實業 15% 權益及 6.5% 權益；及 (iii) 王愛勤女士同意代表王文成先生持有其於同力實業 15% 權益



## Definitions

### 釋義

Wang Family	The family members of the founder of the Group, the late Mr. Wang Jincheng (王金城), including (i) his children; (ii) his siblings; (iii) the spouses of his siblings; and (iv) the children of his siblings
「王氏家族」	本集團創辦人已故王金城先生的家庭成員，包括(i)其子女；(ii)其兄弟姊妹；(iii)其兄弟姊妹的配偶；及(iv)其兄弟姊妹的子女
Xingda Property	Dongguan Xingda Property Investment Co., Ltd. (東莞市興達物業投資有限公司), a limited liability company established in the PRC on 14 December 2001 and one of the Controlling Shareholders holding approximately 8.22% interest in the Company. It is owned as to 50% each by Mr. Chen Wangzhi and Ms. Wang Aiqin. Xingda Property, Mr. Chen Wangzhi, Ms. Wang Aiqin, Mr. Wang Junyang, Ms. Wang Aici, Kanghua Group and Xingye Group are acting together as a group of Controlling Shareholders
「興達物業」	東莞市興達物業投資有限公司，一家於二零零一年十二月十四日在中國成立的有限公司，持有本公司約8.22%權益，其由陳旺枝先生及王愛勤女士各擁有50%。興達物業、陳旺枝先生、王愛勤女士、王君揚先生、王愛慈女士、康華集團及興業集團作為一組控股股東一致行動
Xingye Group	Dongguan Xingye Group Co., Ltd. (東莞市興業集團有限公司), a limited liability company established in the PRC on 15 April 1997 and one of the Controlling Shareholders holding approximately 7.48% interest in the Company. It is owned as to 80% by Mr. Wang Junyang and as to 20% by Ms. Wang Aici, respectively. Xingye Group, Mr. Wang Junyang, Ms. Wang Aici, Kanghua Group, Mr. Chen Wangzhi, Ms. Wang Aiqin and Xingda Property are acting together as a group of Controlling Shareholders
「興業集團」	東莞市興業集團有限公司，一家於一九九七年四月十五日在中國成立的有限公司及我們其中一名控股股東，持有本公司約7.48%權益，其由王君揚先生及王愛慈女士分別擁有80%及20%。興業集團、王君揚先生、王愛慈女士、康華集團、陳旺枝先生、王愛勤女士及興達物業作為一組控股股東一致行動
Zhonglian Cardiovascular Hospital	Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd. (重慶康華眾聯心血管病醫院有限公司), a limited liability company established in the PRC on 10 June 2014 and a non-wholly owned subsidiary of the Company
「眾聯心血管病醫院」	重慶康華眾聯心血管病醫院有限公司，於二零一四年六月十日在中國成立的有限公司，為一間公司的非全資附屬公司
%	percentage ratio
%	百分比比率



廣東康華醫療股份有限公司  
Guangdong Kanghua Healthcare Co., Ltd.\*