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康宁

溫州康寧醫院股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

( )

A AT E A CE E F
E EA E DED DECE BE 31, 2015

1 D C

1.1 The b a d f di ect (the **B**) f We zh Ka g i g H ital C ., Ltd. (the **C**) i lea ed t a ce the c lidated a al e lt f the C a d it b idia ie (c llecti el , the ,) f the fi a cial ea e ded Dece be 31, 2015 (the) ith c a ati e fig e f the ecedi g fi a cial ea e ded Dece be 31, 2014.

1.2 The fi a cial tate e t f the G f the Re ti g Pe i d (the **F**) a e e a ed i acc da ce ith the I te ati al Fi a cial Re ti g Sta da d (the **F**).

2 F A CA

2.1 F D

	F		D	31,
	2015	2014	2013	2012
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Re e e	**343,674**	296,296	226,363	170,813
P fit bef e i c e ta	**70,170**	68,567	47,576	17,964
I c e ta e e e	**(18,548)**	(17,369)	(11,383)	(4,733)
T tal c ehe i e i c e	**51,622**	51,198	36,193	13,231
Att ib table t :				
E it h lde f the C a	**55,709**	51,198	36,193	13,231
N -c t lli g i te e t	**(4,087)**			

		A	D	31,
	2015	2014	2013	2012
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
T tal a et	**1,224,434**	372,339	305,679	226,667
T tal liabilit	**262,205**	111,249	96,818	202,601
T tal e it	**962,229**	261,090	208,861	24,066
E it att ib table t :				
O e f the C a	**959,716**	261,090	208,861	24,066
N -c t lli g i te e t	**2,513**			

3 B E E A D

3.1 B

I 2015, the G c ti l e ha ced the e ati al ca abilitie f it h ital et k, facilitated e ce ha i g a g it e be h ital a d i ed e ati al efficie c ia ce te - atellite del. I 2015, the fi e h ital ed b the G e j ed g i g be f bed i e ati , hich i c ea ed f 1,760 bed i 2014 t 2,010 i 2015, a d high tilizati ate f bed , hich ge e ated table e e e f the G .

While c lidati g h ital b i e , e al ade t ategic la t i ke egi ac the c t a d e te ed a ket i the egi th gh the a et-light e t t e t a age e t del. I 2015, the G ta ted de taki g e t t e t a age e t f Ya jia F e H ital f T aditi al Chi e a d We te Medici e* (燕郊輔仁中西醫結合醫院, F), the chiat ic healthca e de a t e t f Che gd Re i H ital C a Li ited* (成都仁一醫院有限公司, a i de e de t thi d a t e tabli hed i the Pe le' Re blic f Chi a (the C C) J e 29, 2010 a d it a e a cha ged f Che gd Jih g H ital C a Li ited* (成都濟宏醫院有限公司) t the c e t e J l 28, 2015) a d Beiji g Yi i g H ital C ., Ltd. (北京怡寧醫院有限公司, B), i c ea i g the bed f the edical facilitie de it a age e t f 150 i 2014 t 370 i 2015 a d la i g a lid f dati f f the c t ide e a i .

The G ha al a belie ed that tale t a e the G ' c e c etiti e e a d the G i c ea ed i e t e t i cie tific e ea ch a d tale t f te i g. I 2015, the G ' ecialized e ea ch tea , h e e be e e i c ea ed t 12, bli hed 25 a e f diffe e t t e , 5 f hich e e i c ated i t the Scie ce Citati Databa e, a d la ded a ject f ded b the Nati al Nat al Scie ce F dati f the fi t ti e. A d i e b the e ha ce e t f cie tific e ea ch, the be f the G ' d ct i c ea ed f 150 at the begi i g f 2015 t 181 at the e d f 2015, h ca i g a i itial effect f tale t acc lati .

3.2 B

O Ja a 22, 2016, the C a e te ed i t (i) a f a e k ag ee e t ith We zh Medical U i e it * (溫州醫科大學) i elati t the ed e tabli h e t a d e ati f the P chiat Sch l f We zh Medical U i e it * (溫州醫科大學精神醫學學院); a d (ii) a e a d f de ta di g ith We zh Medical U i e it A et Ma age e t C a Li ited* (溫州醫科大學資產經營有限公司) a d We zh G da I f ati Tech l g C a Li ited* (溫州國大信息科技有限公司) i elati t the ed ac i iti f 51% f the e it i te e t i We zh G da I e t e t C a * (溫州國大投資有限公

* *For identification purposes only*

司) b the C a f We zh Medical U i e it A et Ma age e t C a Li ited th gh blic biddi g, bject t the e te i g i t f ele a t f al ag ee e t( ). F detail , lea e efe t the C a ' a ce e t dated Ja a 22, 2016. The P chiat Sch l f We zh Medical U i e it a e tabli hed Ma ch 20, 2016. A f the date f thi a ce e t, the C a ha t ac i ed a e it i te e t i We zh G da I e t e t C a .

O Ja a 28, 2016, the C a e te ed i t a f a e k ag ee e t ith M . HUANG Fe g a d M . HUANG Che (c llecti el , the) i elati t (i) the ed e tabli h e t f a ta get c a (the C) b the Ve d ; (ii) the ed i i f a age e t a d c lta c e ice b the Ta get C a t P jia g H a gfe g P chiat S ecialt H ital* (浦江黃鋒精神專科醫院) a d Ch 'a H a gfe g Ka g'e H ital* (淳安黃鋒康恩醫院); a d (iii) the ed ac i iti f 26% e it i te e t a d b e e t ca ital i c ea e i the Ta get C a b the C a (the). U the c leti f the P ed T a acti , it i e ected that the C a ill h ld 51% e it i te e t i the Ta get C a . F detail , lea e efe t the C a ' a ce e t dated Ja a 28, 2016. The Ta get C a a e tabli hed Feb a 5, 2016. A f the date f thi a ce e t, the C a ha t e te ed i t a ag ee e t i elati t the P ed T a acti .

O Feb a 22, 2016, the C a e te ed i t a a t e hi ag ee e t ith Sha ghai Ji Jia f E it I e t e t Ma age e t C ., Ltd. (上海金浦健服股權投資管理有限公司,), Sha ghai Yi che g A et Ma age e t Ce te L.P. (上海銀騁資產管理中心（有限合夥）), Ch g i g I d t G ida ce a d E it I e t e t F d C ., Ltd. (重慶產業引導股權投資基金有限責任公司), Shi a Medical I t e t C ., Ltd. (山東新華醫療器械股份有限公司), Jia g Shaga g G C ., Ltd. (江蘇沙鋼集團有限公司) a d USUM I e t e t G C ., Ltd. (渝商投資集團股份有限公司) i elati t (i) the e tabli h e t f Ch g i g Ji Healthca e Se ice I d t ial E it I e t e t F d L.P.* (重慶金浦醫療健康服務產業股權投資基金合夥企業（有限合夥）, (the F); a d (ii) the C a ' c t ib ti f RMB50.0 illi f the b c i ti t the I e t e t F d. O the a e date, the C a a d Ji Jia f , the a agi g a t e f the I e t e t F d, e te ed i t a t ategic c e ati ag ee e t i elati t , a g the , ce tai ight f the C a a a li ited a t e f the I e t e t F d. F detail , lea e efe t the C a ' a ce e t dated Feb a 23, 2016. The I e t e t F d a e tabli hed i the PRC Ma ch 22, 2016. A f the date f thi a ce e t, ch c t ib ti ha t bee ade a d the C a e ect t ake ch c t ib ti i 2016.

* *For identification purposes only*

3.3 B

L ki g i t the f t e, the C a ill f ll le e age the fa able g e e t licie i Chi a hich e c age the blic t e tabli h edical facilitie a d a a d e a d healthca e facilit et k th gh e i g e ed h ital i 2016. It i e ected that Li hai Ka g i g H ital C ., Ltd.* (臨海康寧醫院有限公司) ( ) a d We zh Yi i g Ge iat ic H ital C ., Ltd.* (溫州怡寧老年醫院有限公司) (, a h ll - ed b idia f the C a hich a efe ed t a the L ia Medical A ea i the ect f the C a dated N e be 10, 2015 (the) a d h e i ci al b i e i t ide edical e ice f the ge iat ic, i cl di g ge iat ic chiat ic ch l gical t eat e t) ill c e ce e ati i the fi t half f 2016. At the a e ti e, e ill al eed the e a ati f the e i g f Pi g a g Ka g i g H ital* (平陽康寧醫院), Q zh Yi i g H ital* (衢州怡寧醫院) a d She zhe Yi i g H ital* (深圳怡寧醫院), ai i g f the t c e ce e ati i the ec d half f 2016.

Mea hile, e ha e la ched the E t e e e ial P g a f 100 Pe le (百人創業計劃), a d ill c e ith e a f att acti g tale t a d i teg ati g e ce a d f the e a d the healthca e facilitie et k f the G th gh a i cha el i 2016. I additi , the C a ill c ti e t adhe e t belie i g that tale t a e the c e c etiti e e , c e ate ith We zh Medical U i e it i e ati g the P chiat Sch l f We zh Medical U i e it t e ha ce it ca abilitie i cie tific e ea ch a d tale t f te i g, th ec i g a l f tale t f the l g-te de el e t f the G .

4 A A E E D C A D A A

4.1 F

4.1.1 Revenue

The G ge e ate e e e ai l th gh the f ll i g a : (i) e e e f e ati g it ed h ital , a d (ii) a age e t fee f a agi g healthca e facilitie .

* *For identification purposes only*

Revenue from operating the Group's owned hospitals

Re e e f eati g the G ' ed h ital c i t f fee cha ged f the t atie t i it a d the i atie t e ice at it a i h ital , i cl di g t eat e t a d ge e al healthca e e ice , ha ace tical ale a d a cilla h ital e ice . The table bel et f th a b eakd f e e e f a d c t f eati g the G ' ed h ital f the e i d i dicated:

	F	
	D	31,
	2015	2014
	(RMB'000)	*(RMB'000)*
T eat e t a d ge e al healthca e e ice	**240,103**	206,790
Pha ace tical ale	**87,740**	77,384
A cilla h ital e ice	**2,270**	1,828
T tal e e e	**330,113**	286,002
C t f e e e	**206,283**	178,766
G fit	**123,830**	107,236

Re e e f the G ' ed h ital a ted t RMB330.1 illi , e e e ti g a ea - - ea i c ea e f 15.4%, acc ti g f 96.1% f the t tal e e e f the G f the Re ti g Pe i d, d e t the i c ea e i the a al effecti e e ice ca acit f ed h ital a d i a e age i atie t e di g e da e bed. Patie t i it ecei ed b the fi e f the G ' ed h ital hit a e ec d, ith t atie t i it f a i atel 129,355 (2014: a i atel 119,425) a d i atie t bed-da f 689,244 (2014: 615,242). A e age e di g e t atie t i it i c ea ed t RMB486 (2014: a i atel RMB482), a d t tal a e age i atie t e di g e da e bed i c ea ed t RMB384 (2014: RMB369), a tl d e t highe ice f ce tai edical e ice cha ged b Ca g a Ka g i g H ital C ., Ltd. (蒼南康寧醫院有限公司) a d Y gjia Ka g i g H ital C ., Ltd. (永嘉康寧醫院有限公司) i ce Ma ch 1, 2015 a d Ja a 1, 2015, e ecti el .

Re e e f t eat e t a d ge e al healthca e e ice acc ted f 72.7% f e e e f e ati g ed h ital (2014: 72.3%), a d e e e f ha ace tical ale acc ted f 26.6% f e e e f e ati g ed h ital (2014: 27.1%).

C t f e e e f the ed h ital f the G i a il c i ted f ha ace tical a d c able ed, e l ee be efit a d e e e , lea i g e e e , de eciati a d a tizati , ca tee e e e a d te ti g fee .

C t f e e e f ed h ital i c ea ed t RMB206.3 illi , e e e ti g a ea- -ea i c ea e f 15.4%, hich a i li e ith the i c ea e f e e e. G fit a gi the ef e ta ed a 37.5% (2014: 37.5%).

Management service fee income

The G ' a age e t e ice fee i c e i i a il de i ed f e de i g a age e t e ice t the healthca e facilitie . The table bel et f th the b eakd f a age e t e ice fee i c e a d c t f the e i d i dicated:

	F	
	D	**31,**
	2015	2014
	(RMB'000)	*(RMB'000)*
Re e e	**13,561**	10,294
C t f e e e	**7,006**	2,547
G fit	**6,555**	7,747

Ma age e t e ice fee i c e f the G a ted t RMB13.6 illi , e e e ti g a ea- -ea i c ea e f 31.7% a d acc ti g f 3.9% f the t tal e e e f the G f 2015, d e t the c t ib ti f the a age e t fee i elati t the e 1-e t ted Beiji g Yi i g H ital i 2015 hich a ted t RMB1.7 illi (2014: il).

C t f the G f e de i g a age e t e ice i a il i cl de be efit a d e e e f a age e t taff a ig ed a d a ti zati f e ati ight ac i ed f btai i g a age e t ight .

C t f e e e f a age e t e ice i c ea ed t RMB7.0 illi , e e e ti g a ea- -ea i c ea e f 175.1%, t aci g the i c ea e f e e e, ai l beca e i A il 2015, e c e ced a age e t f Ya jia F e H ital. The G ac i ed 19 ea a d 9 th f e ati ight f thi h ital a d ec g i zed RMB93.1 illi f i ta gible a et . RMB3.5 illi a a ti zed f ch e ati ight i 2015 a c t f e e e f a age e t e ice . Acc di gl , g fit a gi dec ea ed t 48.3% (2014: 75.3%).

4.1.2 *Gross Profit and Gross Profit Margin*

T tal g fit f the G a ted t RMB130.4 illi , e e e ti g a ea - - ea i c ea e f 13.4%. O e all g fit a gi dec ea ed t 37.9% (2014: 38.8%), eflecti g the fact that de ite f the tabilit i g fit a gi f ⊠ ed h ital , the th ee e⊠ healthca e facilitie de a age e t j t c e ced e ati i the Re ti g Pe i d a d a e et t be at e, ⊠ hich had a egati e i act the g fit a gi f the a age e t a d e ice b i e .

4.1.3 *Other Income*

Othe i c e f the G c i t f g e e t g a t a d i i f acc t a able. I 2015, the i c e a ted t RMB3.1 illi , e e e ti g a ea - - ea i c ea e f 346.2%, i a il d e t g e e t g a t a d b idie .

4.1.4 *Selling Expenses*

I 2015, the elli g e e e f the G a ted t RMB2.0 illi , e e e ti g a ea - - ea dec ea e f 5.8%, acc ti g f 0.6% f the t tal e e e f thi ea (2014: 0.7%).

4.1.5 *Administrative Expenses*

Ad i i t ati e e e e e f the G i a il c i t f be efit a d e e e f a age e t a d ad i i t ati e taff, e e e f the e⊠ l -b ilt h ital i t thei c e ce e t f e ati , de eciati , a tizati a d the .

I 2015, ad i i t ati e e e e e f the G a ted t RMB62.5 illi (2014: RMB45.6 illi), e e e ti g a ea - - ea i c ea e f 37.1%, i a il d e t : (i) a i c ea e f RMB6.2 illi i e l ee be efit a d e e e a a e lt f (1) the i c ea e i a age e t, e ea ch a d ad i i t ati e taff a d (2) e f a ce-ba ed b e di t ib ted t the e l ee f thei c t ib ti t b i e g ⊠ th; (ii) a i c ea e f RMB3.2 illi i the e tal fee f We zh Yi i g Ge iat ic H ital ⊠ hich i et t c e ce e ati ; a d (iii) a i c ea e f RMB5.2 illi i the e- ff li ti g e e e elated t i itial blic ffe i g.

4.1.6 Finance Income

I 2015, fi a ce i c e i c ea ed t RMB7.6 illi , e e e ti g a ea - - ea i c ea e f 917.8%, i a il beca e the ceed f the i itial blic ffe i g e e de ited i H g K g d lla ($). Highe e cha ge ate f HK$ agai t Re i bi (B) i c ea ed the ealized e cha ge gai b RMB9.8 illi , hich ff et the fi a ce e e e elati g t l g-te a able f RMB4.0 illi .

4.1.7 Share of Loss of Investments Accounted for Using the Equity Method

I 2015, ha e f l f i e t e t acc ted f i g the e it eth d a ted t RMB6.3 illi (2014: il), hich e e e t 49% e it i te e t i Beiji g Yi i g H ital, hich c e ced it e ati i Se te be 2015 a d ec ded l afte ta f RMB12.8 illi .

4.1.8 Income Tax Expense

I 2015, i c e ta e e e i c ea ed t RMB18.5 illi , e e e ti g a ea - - ea i c ea e f 6.8%, i a il d e t the highe fit bef e ta f RMB70.2 illi (2014: RMB68.6 illi). O effecti e ta ate i 2015 a d 2014 e e 26.4% a d 25.3%, e ecti el .

4.1.9 Net Profit

I 2015, fit att ib table t the ha eh lde f the C a (the) a ted t RMB55.7 illi , e e e ti g a ea - - ea i c ea e f 8.8% a c a ed ith 2014.

4.2 F

4.2.1 Inventory

A f Dece be 31, 2015, i e t bala ce dec ea ed t RMB7.5 illi (a f Dece be 31, 2014: RMB7.9 illi), i a il d e t the dec ea e i ha ace tical i e t .

4.2.2 *Trade Receivables*

A f Dece be 31, 2015, the bala ce f t ade ecei able i c ea ed t RMB123.1 illi (a f Dece be 31, 2014: RMB84.5 illi), i a il d e t : (i) the i c ea e i e e e e the a e e i d i li e ith the b i e g th f healthca e facilitie ; a d (ii) the i c ea e i the a t f t ade ecei able att ib table t edical i a ce g a . A i atel 79.5% f t ade ecei able f the G e e eithe bill t e e ted aged ithi i th .

4.2.3 *Other Receivables, Deposits and Prepayments*

A f Dece be 31, 2015, the ecei able , de it a d e a e t i c ea ed t RMB91.0 illi (a f Dece be 31, 2014: RMB41.2 illi), i a il d e t : (i) the i c ea e f RMB25.8 illi i e a e t f e tal e e e elati g t We zh Yi i g Ge iat ic H ital; (ii) the i c ea e f RMB13.0 illi elati g t the e a e t f the cha e f a e t f Pi g a g Ka g i g H ital C ., Ltd.* (平陽康寧醫院有限公司) (, a h ll - ed b idia f the C a); a d (iii) a l a f RMB12.0 illi e l e te ded t Che gd Re i H ital C a Li ited b the C a .

4.2.4 *Trade Payables*

A f Dece be 31, 2015, t ade a able dec ea ed t RMB20.0 illi (a f Dece be 31, 2014: RMB23.8 illi), f hich a i atel 84.5% aged ithi 90 da .

4.2.5 *Accruals and Other Payables*

A f Dece be 31, 2015, acc al a d the a able i c ea ed t RMB166.4 illi (a f Dece be 31, 2014: RMB60.0 illi), i a il d e t RMB90.5 illi f l g-te a able f c t act al ight i elati t i i f a age e t e ice , hich e e e t the a al i i e f a ce ta get f Ya jia F e H ital a et f thi a age e t ag ee e t f ch h ital, agg egated e the d ati f ch a age e t ag ee e t. Plea e efe t a ag a h 4.3.4 bel f e detail .

4.2.6 *Net Current Assets*

A f Dece be 31, 2015, et c e t a et f the G a ted t RMB664.0 illi (a f Dece be 31, 2014: RMB86.2 illi), i a il d e t a i c ea e i c e t a et i the a t f RMB590.7 illi hich a e the ca h fl f the i itial blic ffe i g, ff et b a i c ea e i c e t liabilitie i the a t f RMB50.0 illi a a e lt f d a i g d al a f Chi a CITIC Ba k hich i d e ithi e ea .

* *For identification purposes only*

4.3 C

The table bel et f th the i f ati a e t acted f the c lidated ca h fl tate e t f the G f the e i d i dicated:

	D 31,	
	2015	2014
	RMB'000	*RMB'000*
Net ca h (ed i)/f e ati g acti itie	**(5,063)**	33,328
Net ca h ed i i e ti g acti itie	**(382,367)**	(60,663)
Net ca h f /(ed i) fi a ci g acti itie	**708,785**	(2,977)
Net i c ea e/(dec ea e) i ca h a d ca h e i ale t	**321,355**	(30,312)

4.3.1 *Net Cash from Operating Activities*

I 2015, et ca h tfl f e ati g acti itie a ted t RMB5.1 illi . We had et ca h ge e ated f e ati g acti itie bef e cha ge i ki g ca ital f RMB87.0 illi , i a il c i ti g f fit bef e ta f RMB70.2 illi a d adj t e t f de eciati f e t , la t a d e i e t f RMB17.3 illi . Cha ge i ki g ca ital e lted i ca h tfl f RMB66.4 illi , i a il c i ti g f a i c ea e f RMB58.2 illi i t ade a d the ecei able a a e lt f: (i) i c ea ed t eat e t l e att ib table t the c ti ed e a i a d cali g f healthca e facilitie et k; a d (ii) e a e t f e tal e e e elati g t We zh Yi i g Ge iat ic H ital. We had f the ca h tfl f RMB25.7 illi att ib table t i c e ta aid.

4.3.2 *Net Cash Used in Investing Activities*

I 2015, et ca h ed i i e ti g acti itie a ted t RMB382.4 illi , i a il d e t : (i) cha e f e t , la t a d e i e t f RMB113.6 illi , c i ti g f (1) a t aid a d e aid t e ate a d g ade We zh Ka g i g H ital a d (2) a t aid t e ate Beiji g Yi i g H ital, Li hai Ka g i g H ital a d We zh Yi i g Ge iat ic H ital i t thei e i g; a d (ii) a te de it ith i itial te e th ee th f RMB251.3 illi .

4.3.3 *Net Cash from Financing Activities*

I 2015, et ca h f fi a ci g acti itie a . ted t RMB708.8 illi , i a il d. e t : (i) et ceed f the i itial . blic ffe i g f RMB590.7 illi ; (ii) ceed f RMB78.4 illi f i . a ce f ha e ca ital d. e t ca ital c t ib. ti b i e t i t the i itial . blic ffe i g; a d (iii) a l a f RMB50.0 illi f Chi a CITIC Ba k.

4.3.4 *Significant Investment, Acquisition and Disposal*

The G . e te ed i t a e t . t e t a age e t ag ee e t ⊠ith Ya jia F. e H ital i Ma ch 2015 a d a . le e tal ag ee e t i A il 2015. The te f the e t . t e t a age e t ag ee e t i f A il 2015 t Dece be 2034, e te dable if b th a tie ag ee th ee th i t e i . D. i g the te f the ag ee e t, the G . . de take t ide a age e t e ice t Ya jia F. e H ital a d eet a edete i ed ched. le f a . al i i . e f a ce ta get . The i i . e f a ce ta get begi ⊠ith RMB2.7 illi f the e i d f A il 1, 2015 t Dece be 31, 2015, i c ea e t RMB4.0 illi f the ea 2016, a d . b e . e tl i c ea e b a edete i ed fi ed ate ⊠ithi the a ge f 4% t 10% . til the ea f 2034, f ⊠hich the i i . e f a ce ta get i RMB14.1 illi . If Ya jia F. e H ital fail t eet . ch ta get, the G . i e . i ed t c t ib. te the h tfall. O the the ha d, the G . i e titled t ecei e a ti f fit (ba ed tat. t acc . t f Ya jia F. e H ital ⊠ith ce tai adj. t e t ag eed b t⊠ a tie . f t i the e t . t e t a age e t ag ee e t) e ceedi g the e f a ce ta get a it a age e t i c e f Ya jia F. e H ital. A a e . lt, the G . i effecti el bligated t a t Ya jia F. e H ital a edete i ed a . t e the te f the ag ee e t i e cha ge f the c t act. al ight t ide a age e t e ice t the h ital e the a e e i d. The G . ec g ize . ch c t act. al ight t a age Ya jia F. e H ital a d ecei e a age e t e ice fee a i ta gible a et f RMB93.1 illi the bala ce heet, ea . ed i itiall at the a . t calc. lated b di c . ti g the f. t. e a . al i i . e f a ce ta get . i g the e aili g a ket i te e t ate.

Sa e a di cl ed ab e, the G . had ig ifica t i e t e t, ac . i iti di al i 2015.

O Feb a 22, 2016, the C a e te ed i t a ag ee e t t c t ib te RMB50.0 illi t the I e t e t F d, hich hall i e t i healthca e a d the de e ice i d t ie . I i ci le, the I e t e t F d' i e t e t i the healthca e e ice i d t hall be le tha 80% f it t tal a t a ailable f i e t e t. F detail , lea e efe t the a ce e t f the C a dated Feb a 23, 2016. A f the date f thi a ce e t, ch c t ib ti ha t bee ade a d the C a e ect t ake ch c t ib ti i 2016.

4.3.5 *Capital Expenditure*

Ca ital e e dit e f the G i a il c i ted f e e dit e : (i) e t , la t a d e i e t, c i i g b ildi g a d c t cti , lea eh ld i e e t , edical e i e t, f it e a d ffice e i e t a d t ehicle ; (ii) la d e ight ; a d (iii) i ta gible a et . Ca ital e e dit e f the G i 2015 a RMB193.4 illi , e e e ti g a i c ea e f 163.1% f 2014, i a il d e t the ac i iti f the e ati ight f Ya jia F e H ital f 19 ea a d 9 th at a c ide ati f RMB93.1 illi .

4.3.6 *Use of Proceeds from Initial Public Offering*

The B a d cl el it ed the e f ceed f the i itial blic ffe i g ith efe e ce t th e a di cl ed i the P ect a d c fi ed that the e a ate ial cha ge i the ed e a e i l di cl ed i the P ect . A f Dece be 31, 2015, the G a lied the ceed f the f ll i g:

- RMB20.0 illi f the dec ati e e e f We zh Yi i g Ge iat ic H ital; a d

- RMB20.0 illi f c t ib ti t the egi te ed ca ital f a d i i f a l a t Pi g a g Ka g i g H ital, f hich RMB13.0 illi a ed f the cha e f e tie .

4.4

4.4.1 *Bank Borrowings*

A f Dece be 31, 2015, the bala ce f ba k b ⊠i g f the G a ted t RMB50.0 illi (a f Dece be 31, 2014: il), all d e ⊠ithi e ea .

4.4.2 *Contingent Liabilities*

A f Dece be 31, 2015, the G had c ti ge t liabilitie g a a tee that ⊠ ld ha e a ate ial i act the fi a cial iti e ati f the G .

4.4.3 *Asset Pledge*

A f Dece be 31, 2015, e f the G ' a et had bee ledged.

4.4.4 *Contractual Obligations*

The c t act al bligati f the G i a il c i t f e ati g lea e a a ge e t . A f Dece be 31, 2015, the f t e agg egate i i lea e a e t de -ca cellable lea e ag ee e t ⊠e e RMB209.0 illi .

4.4.5 *Financial Instruments*

Fi a cial i t e t f the G c i t f t ade ecei able , a t d e f elated a tie , the ecei able , te de it , ca h a d ca h e i ale t , ba k b ⊠i g , t ade a d the a able . The a age e t a age a d it the e e e t e e a iate ea e a e i le e ted a ti el a d effecti e a e .

4.4.6 *Exposure to Fluctuation in Exchange Rates*

The G de it ce tai f it fi a cial a et i f eig c e c , a d i ai l e ed t the fl ct ati i e cha ge ate f H g K g d lla agai t RMB. The G the ef e i e ed t f eig e cha ge i k.

The G ha t ed a de i ati e fi a cial i t e t t hedge agai t it e e t c e c i k. The a age e t a age the c e c i k b cl el it i g the e e t f the f eig c e c ate a d ill c ide hedgi g ig ifica t f eig c e c e e h ld ch eed a i e.

4.4.7 *Gearing Ratio*

A f Dece be 31, 2015, the G ' gea i g ati (t tal i te e t-bea i g liabilitie di ided b t tal a et) a 11.8% (2014: il).

5 FICA E E

5.1

The C a ' H ha e (the) e e li ted The St ck E cha ge f H g K g Li ited (the E) N e be 20, 2015 (the D). A f Dece be 31, 2015, the C a ' et ceed f the i itial blic ffe i g a ted t a i atel HK$693.2 illi (e i ale t t a i atel RMB580.7 illi) afte ded cti g de iti g c i i a d all elated e e e . A f the date f thi a ce e t, the C a d e t a tici ate a cha ge t it la the e f ceed a tated i the P ect .

5.2 D

The fi al di ide d di t ib ti la f the ea e ded Dece be 31, 2015 (the F D) a a ed at the i th eeti g f the Fi t Se i f the B a d. S bject t the a al f the P ed Fi al Di ide d b the Sha eh lde at the a al ge e al eeti g f the C a f the ea 2015 (the A) t be held J e 14, 2016, the P ed Fi al Di ide d ill be di t ib ted ab t J l 14, 2016 t the Sha eh lde h e a e a ea the egi te f e be f the C a J e 24, 2016 (the D).

The egi te f e be f the C a ill be cl ed f Ma 15, 2016 t J e 14, 2016, b th da i cl i e, d i g hich e i d t a fe f the Sha e ill be effected. I de t dete i e the ide tit f the Sha eh lde h a e e titled t atte d a d te at the AGM, all ha e t a fe d c e t acc a ied b the ele a t ha e ce tificate t be l dged ith the C a ' H Sha e Regi t a , C te ha e H g K g I e t Se ice Ltd. (**C**) at Sh 1712-1716, 17th Fl , H ell Ce t e, 183 Q ee ' R ad Ea t, Wa chai, H g K g t late tha 4:30 . . Ma 13, 2016.

The a t f fi al di ide d di t ib ti hall be calc lated ba ed the t tal be f ha e f the C a (the) i i e a f Dece be 31, 2015 a d the fi al ca h di ide d di t ib ti hall be ba ed RMB0.25 e Sha e (i cl i e f a licable ta). I de t alif f the P ed Fi al Di ide d, the h lde f H Sha e t l dge all ha e ce tificate acc a ied b the t a fe d c e t ith C te ha e (add e : Sh 1712-1716, 17/F, H ell Ce t e, 183 Q ee ' R ad Ea t, Wa Chai, H g K g) bef e 4:30 . . J e 17, 2016. F the e f a ce tai i g Sha eh lde h alif f the P ed Fi al Di ide d, the egi te f e be f H Sha e ill be cl ed f J e 19, 2016 t J e 24, 2016 (b th da i cl i e).

The P ed Fi al Di ide d ill be de i ated a d decla ed i RMB. The h lde f d e tic Sha e ill be aid i RMB a d the h lde f H Sha e ill be aid i H g K g d lla . The e cha ge ate f the P ed Fi al Di ide d t be aid i H g K g d lla ill be the ea f the e cha ge ate f H g K g d lla t RMB a a ced b the Pe le' Ba k f Chi a d i g the fi e b i e da i t the date f decla ati f the P ed Fi al Di ide d.

I acc da ce ith the E te i e I c e Ta La f the Pe le' Re blic f Chi a (中華人民共和國企業所得稅法) a d it i le e tati eg lati hich ca e i t effect Ja a 1, 2008, the C a i e i ed t ithh ld a d a e te i e i c e ta at the ate f 10% behalf f the - e ide t e te i e Sha eh lde h e a e a ea the egi te f e be f H Sha e he di t ib ti g the ca h di ide d . A H Sha e t egi te ed de the a e f a i di id al Sha eh lde , i cl di g HKSCC N i ee Li ited, the i ee , age t t tee , the ga izati g , hall be dee ed a Sha e held b - e ide t e te i e Sha eh lde . The ef e, thi ba i , e te i e i c e ta hall be ithheld f di ide d a able t ch Sha eh lde . If h lde f H Sha e i te d t cha ge it Sha eh lde tat , lea e e i e ab t the ele a t ced e ith age t t tee . The C a ill t ictl c l ith the la the e i e e t f the ele a t g e e t a th it a d ithh ld a d a e te i e i c e ta behalf f the ele a t Sha eh lde ba ed the egi te f e be f H Sha e a f the Rec d Date.

If the i di id al h lde f H Sha e a e H g K g Maca e ide t e ide t f the c t ie hich had a ag eed ta ate f 10% f the ca h di ide d t the ith the PRC de the ele a t ta ag ee e t, the C a h ld ithh ld a d a i di id al i c e ta behalf f the ele a t Sha eh lde at a ate f 10%. Sh ld the i di id al h lde f H Sha e be e ide t f the c t ie hich had a ag eed ta ate f le tha 10% ith the PRC de the ele a t ta ag ee e t, the C a hall ithh ld a d a i di id al i c e ta behalf f the ele a t Sha eh lde at a ate f 10%. I that ca e, if the ele a t i di id al h lde f H Sha e i h t eclai the e t a a t ithheld d e t the a licati f 10% ta ate, the C a ca a l f the ele a t ag eed efe e tial ta t eat e t ided that the ele a t Sha eh lde b it the e ide ce e i ed b the tice f the ta ag ee e t t C te ha e. The C a ill a i t ith the ta ef d afte the a al f the c ete t ta a th it . Sh ld the i di id al h lde f H Sha e be e ide t f the c t ie hich had a ag eed ta ate f e 10% b t le tha 20% ith the PRC de the ta ag ee e t, the C a hall ithh ld a d a the i di id al i c e ta at the ag eed act al ate i acc da ce ith the ele a t ta ag ee e t. I the ca e that the i di id al h lde f H Sha e a e e ide t f the c t ie hich had a ag eed ta ate f 20% ith PRC, hich ha t e te ed i t a ta ag ee e t ith PRC, the i e, the C a hall ithh ld a d a the i di id al i c e ta at a ate f 20%.

5.3

D i g the e i d f the Li ti g Date t Dece be 31, 2015, either the C a a f it b idia ie cha ed, ld edee ed a f the C a ' li ted ec itie .

5.4 A

The C a ' a dit c ittee ha e ie ed the G ' a al e lt f the fi a cial ea e ded Dece be 31, 2015 a d ha i ed that a licable acc ti g ta da d a d e i e e t ha e bee c lied ith a d that ade ate di cl e ha e bee ade b the C a .

The C a ' a dit c ittee c i t f t i de e de t -e ec ti e di ect f the C a , M . HUANG Zhi (the chai a f the a dit c ittee) a d M . WONG Ra d F k La , a d e -e ec ti e di ect f the C a , M . HE Xi . A g the , M . HUANG Zhi ha the a iate fe i al alificati (a ce tified blic acc ta t acc edited b the Chi e e I tit te f Ce tified P blic Acc ta t (中國註冊會計師協會)).

6 C A CE C A E E A CE C DE

The C a c lied ith all c de i i i the C ate G e a ce C de (the **C** **C**) et t i A e di 14 t the R le G e i g the Li ti g f Sec itie The St ck E cha ge f H g K g Li ited d i g the e i d f the Li ti g Date t Dece be 31, 2015, a e f the de iati f c de i i A.2.7 hich a i a il d e t the h t e i d f ti e f the Li ti g Date t Dece be 31, 2015. C de i i A.2.7 e i e that the chai a h ld at lea t a all h ld eeti g ith the -e ec ti e di ect (i cl di g i de e de t -e ec ti e di ect) ith t the e ec ti e di ect e e t. The C a ha c itted t aki g ece a a a ge e t t c l ith all the c de i i . The C a ill c ti e t e ie a d e ha ce it c ate g e a ce t e e that it ill c ti e t eet the e i e e t f the C ate G e a ce C de.

7 F A C A E

7.1 C

The fig e i thi a ce e t f the G ' e lt f the ea e ded Dece be 31, 2015 ha e bee ag eed b the C a ' e te al a dit , P ice ate h eC e (C), t the a t et t i the G ' a dited c lidated fi a cial tate e t f the ea e ded Dece be 31, 2015. The k e f ed b P C i thi e ect did t c tit te a a a ce e gage e t i acc da ce ith H g K g Sta da d A diti g, H g K g Sta da d Re ie E gage e t H g K g Sta da d A a ce E gage e t i ed b the H g K g I tit te f Ce tified P blic Acc ta t a d c e e tl , a a ce ha bee e e ed b P C thi a ce e t.

7.2 A

C a ed t the la t a dited fi a cial tate e t f the G , the e a e ig ifica t cha ge t acc ti g licie .

7.3 F

7.3.1 Consolidated Statement of Comprehensive Income

	D	31,
	2015	2014
	RMB'000	*RMB'000*
Re e . e	**343,674**	296,296
C t f e e . e	**(213,289)**	(181,313)
	130,385	114,983
Othe i c e	**3,074**	689
Othe l e	**(144)**	(151)
Selli g e e e	**(1,970)**	(2,092)
Ad i i t ati e e e e	**(62,520)**	(45,611)
	68,825	67,818
Fi a ce i c e	**11,625**	749
Fi a ce e e e	**(4,002)**	
F	**7,623**	749
Sha e f l f i e t e t acc . ted f . i g the e . it eth d	**(6,278)**	
	70,170	68,567
I c e ta e e e	**(18,548)**	(17,369)
	51,622	51,198
Othe c ehe i e i c e		
	51,622	51,198
Att ib. table t :		
E . it h lde f the C a	**55,709**	51,198
N -c t lli g i te e t	**(4,087)**	
Ea i g e ha e		
Ba ic a d dil. ted *(in RMB)*	**1.03**	1.02

7.3.2 Consolidated Balance Sheets

	A D	**31,**
	2015	2014
	RMB'000	*RMB'000*
A E		
-		
P e t , la t a d e . i e t	**233,200**	160,799
La d . e ight	**20,738**	21,210
I ta gible a et	**90,581**	1,229
I e t e t i a a ciate	**8,422**	
Defe ed i c e ta a et	**10,071**	4,641
De it a d e a e t	**48,324**	13,904
-	**411,336**	201,783
C		
I e t ie	**7,506**	7,911
T ade ecei able	**123,067**	84,532
Othe ecei able , de it a d e a e t	**42,690**	27,340
A . t d. e f elated a tie	**20,044**	13,502
Te de it	**251,334**	
Ca h a d ca h e . i ale t	**368,457**	37,271
	813,098	170,556
	1,224,434	372,339
E		
E		
C		
Sha e ca ital	**73,040**	50,000
Ca ital e e e	**797,510**	159,153
S. l. e e e	**11,342**	5,708
Retai ed ea i g	**77,824**	46,229
	959,716	261,090
N -c t lli g i te e t	**2,513**	
	962,229	261,090

	A D 31,	
	2015	2014
	RMB'000	*RMB'000*
IABI E		
-		
Defe ed g e e t g a t	**14,284**	14,156
L g-te a able	**98,821**	12,688
-	**113,105**	26,844
C		
T ade a able	**19,976**	23,829
Acc al a d the a able	**63,209**	47,340
C e t i c e ta liabilitie	**11,559**	13,236
Ba k b i g	**50,000**	
C e t ti f l g-te a able	**4,356**	
	149,100	84,405
	262,205	111,249
y	**1,224,434**	372,339

7.4 F

7.4.1 *General Information*

The C a a e tabli hed a a j i t t ck c e ati e e te i e de the a e f We zh Ka g i g Me tal C ale ce t H ital (溫州市康寧精神康復醫院) i the PRC Feb a 7, 1996. The add e f the C a ' egi te ed ffice i at She gji R ad, H a gl g Re ide tial Di t ict, We zh , Zhejia g, the PRC.

O Oct be 15, 2014, the C a a c e ted i t a j i t t ck li ited c a a d e a ed a We zh Ka g i g H ital C ., Ltd. (溫州康寧醫院股份有限公司).

The G i e gaged i e ati g chiat ic h ital i the PRC.

The C a had it i a li ti g the St ck E cha ge N e be 20, 2015.

The c lidated fi a cial tate e t a e e e ted i RMB a d ded t the ea e t th a d a , le the i e tated.

7.4.2 *Basis of Preparation*

The c lidated fi a cial tate e t f the G ha e bee e a ed i acc da ce ith the IFRS . The c lidated fi a cial tate e t ha e bee e a ed de the hi t ical c t c e ti .

(a) New and amended standards adopted by the Group

The f ll i g a e d e t t ta da d ha e bee ad ted b the G f the fi t ti e f the fi a cial ea begi i g afte Ja a 1, 2015:

A e d e t t IAS 19 c t ib ti f e l ee thi d a tie t defi ed be efit la .

A e d e t f a al i e e t t IFRS 2010-2012 C cle, IFRS 8, 'O e ati g eg e t ', IAS 16, 'P e t , la t a d e i e t', IAS 38, 'I ta gible a et ' a d IAS 24, 'Related a t di cl e '.

A e d e t f a al i e e t t IFRS 2011-2013 C cle, IFRS 3, 'B i e c bi ati ', IFRS 13, 'Fai al e ea e e t'.

A e d e t t IAS 27 'E it eth d i e a ate fi a cial tate e t '.

The di ect f the C a ted that the ad ti f the e a d e i ed IFRS had ate ial i act the G ' e ati g e lt a d fi a cial iti .

(b) New Hong Kong Companies Ordinance (Cap. 622)

I additi , the e i e e t f Pa t 9 Acc t a d A dit f the e H g K g C a ie O di a ce (Ca . 622) c e i t effect d i g the fi a cial ea , a a e lt, the e a e cha ge t e e tati a d di cl e f ce tai i f ati i the c lidated fi a cial tate e t .

(c) New standards and interpretations not yet adopted

A be f e ta da d a d a e d e t t ta da d a d i te etati a e effecti e f a al e i d begi i g afte Ja a 1, 2015 a d ha e t bee a lied i e a i g the e c lidated fi a cial tate e t . N e f the e i e ected t ha e a ig ifica t effect the c lidated fi a cial tate e t f the g , e ce t the f ll i g et t bel :

IFRS 9, 'Fi a cial i t e t '

IFRS 15, 'Re e e f c t act ith c t e '

IFRS 16, 'Lea e '

The e a e the IFRS IFRIC i te etati that a e t et effecti e that ld be e ected t ha e a ate ial i act the G .

7.4.3 Trade Receivables

	A D 31,	
	2015	2014
	RMB'000	*RMB'000*
T ade ecei able	**130,738**	89,537
Le : i i f i ai e t f t ade ecei able	**(7,671)**	(5,005)
T ade ecei able et	**123,067**	84,532

The ca i g a t f the G ' t ade ecei able a e de i ated i RMB, a d a i ate t thei fai al e .

A f Dece be 31, 2014 a d 2015, the agi g a al i f the t ade ecei able ☒a a f ll☒ :

	A D	31,
	2015	2014
	RMB'000	*RMB'000*
Agi g a al i ba ed the billi g date:		
Bill t e e ted	**9,580**	9,927
1-3 th	**74,718**	45,694
4-6 th	**19,635**	13,082
7-12 th	**19,937**	14,635
1-2 ea	**5,075**	4,574
2-3 ea	**1,426**	1,544
O e 3 ea	**367**	81
	130,738	89,537

Acc di g t the G ' te f b i e , all bill a e a able e e tati .

A f Dece be 31, 2014 a d 2015, the G ' t ade ecei able a t d e b t t i ai ed☒e e RMB73,442,000 a d RMB113,297,000, e ecti el . The e a e ai l elated t the a t t be clai ed f l cal cial i a ce b ea a d i ila g e e t de a t e t ☒hich a e ible f the ei b e e t f edical e e e f atie t ☒h a e c e ed b g e e t edical i a ce che e .

The a age e t c ide that ba ed a t a e t hi t th e a t ca be ec e ed i ea able ti e. The agi g a al i f the e t ade ecei able ☒a a f ll☒ :

	A D	31,
	2015	2014
	RMB'000	*RMB'000*
Le tha 1 ea	**110,355**	71,136
1-2 ea	**2,800**	2,269
2-3 ea	**142**	3
O e 3 ea		34
	113,297	73,442

A f Dece be 31, 2014 a d 2015, t ade ecei able f RMB6,168,000 a d RMB7,861,000 ☒ e e i ai ed, e ecti el . The a t f the i i ☒ e e RMB5,005,000 a d RMB7,671,000 a f Dece be 31, 2014 a d 2015, e ecti el . The agi g f the e t ade ecei able i a f ll ☒ :

	A D	31,
	2015	2014
	RMB'000	*RMB'000*
Le tha 1 ea	**3,935**	2,275
1-2 ea	**2,275**	2,305
2-3 ea	**1,284**	1,541
O e 3 ea	**367**	47
	7,861	6,168

M e e t f the G ' i i f i ai e t f t ade ecei able a e a f ll ☒ :

	A D	31,
	2015	2014
	RMB'000	*RMB'000*
At Ja a 1,	**5,005**	3,699
P i i f ecei able	**4,907**	2,957
Recei able ☒ itte ff a c llectible	**(2,241)**	(1,304)
W ite-back ec e ed		(347)
At Dece be 31,	**7,671**	5,005

The i i f ecei able i ai e t ha bee i cl ded i ad i i t ati e e e e i the c lidated tate e t f c ehe i e i c e. A t a e ge e all ☒ itte ff ☒ he the e i e ectati f ec e i g additi al ca h.

The a i e e t c edit i k a f the ea -e d i the ca i g a t f t ade ecei able . The G d e t h ld a c llate al a ec it .

7.4.4 *Other Receivables, Deposits and Prepayments*

	A D 31,	
	2015	2014
	RMB'000	*RMB'000*
Othe ecei able [(a)]	**14,337**	1,408
De it [(b)]	**17,268**	16,823
A . t d. e b a thi d a t [(c)]	**12,304**	
P e a e t f e tal	**30,007**	16,686
P e a e t f . cha e f e t [(d)]	**13,000**	
P e a e t f c t . cti i g e	**2,594**	1,216
P e a e t f g d a d e ice	**2,539**	1,511
P e a e t f IPO e e e		3,477
Othe	**43**	123
Le : i i f i ai e t f the ecei able	**(1,078)**	
T tal	**91,014**	41,244
C. e t	**42,690**	27,340
N -C. e t	**48,324**	13,904
T tal	**91,014**	41,244

The ca i g a . t f the G . ' the ecei able , de it a d e a e t a e de i ated i RMB a d a i ate t thei fai al. e .

(a) I cl. ded i the ecei able a f Dece be 31, 2015 a a ad a ce a e t a . ti g t RMB9,210,000 t Ya jia F. e H ital. S. ch ad a ce ill be e aid t the G . b Ya jia F. e H ital he a d a it ca h fl all a ag eed b b th a tie .

(b) I cl. ded i de it a f Dece be 31, 2014 a d 2015 a a de it f RMB12,688,000 t the c t act f the e h ital c t . cti k a the g. a a tee f f. lfill e t f bligati f the G . . de the c t . cti c t act. The de it ill be e aid t the G . afte the c t . cti i c leted a d all G . ' bligati ha bee di cha ged.

(c) The C a e te ed i t a ag ee e t ith Sich. a H gji Pa ace. tical C a Li ited (, a i de e de t thi d a t) i Ma ch 2015 a d la ed t de el ce tai b. i e ith Sich. a H gji. The C a laced a de it f RMB12,000,000 t Sich. a H gji a f. t. e ca ital c t ib. ti . S. b e . e t l , the ag ee e t a ca celled a d a . le e tal ag ee e t a e te ed i t b Sich. a H gji, Che gd. Jih g H ital C a Li ited (**C** , a h ll - ed . b idia f Sich a H gji) a d the C a J e 29, 2015. P a t t the le e tal ag ee e t, the th ee a tie ag eed t aba d the b i e la a d the de it h ld be e aid b Che gd Jih g t the G ithi 12 th c e ci g f J e 29, 2015, bea i g a i te e t ate f 5% e a . The a t i g a a teed b the ha eh lde f Sich a H gji.

O J l 28, 2015, Che d Jih g cha ged it a e t Che gd Re i H ital C a Li ited.

(d) The C a e te ed i t a ag ee e t ith Pi g a g Mi tia S ecialized F d C e ati e (, a i de e de t thi d a t) i Oct be 2015 t cha e a e t f Pi g a g Mi tia . The t tal c ide ati f the e t i RMB18,000,000. A f Dece be 31, 2015, RMB13,000,000 a aid t Pi g a g Mi tia .

7.4.5 *Accruals and Other Payables*

	A D	31,
	2015	2014
	RMB'000	*RMB'000*
Acc ed e l ee be efit	**18,637**	17,939
Recei t i ad a ce	**3,194**	3,416
Re tal a able	**3,004**	3,362
G a a tee de it ecei ed f c t cti c t act [(a)]	**12,688**	12,688
Othe a able f e t , la t a d e i e t	**20,831**	19,916
Othe ta e a able	**412**	641
Ad a ce ecei ed f a -c t lli g ha eh lde [(b)]	**3,110**	1,500
L g-te a able f c t act al ight t ide a age e t e ice	**90,489**	
Acc ed li ti g e e e	**11,606**	
Othe	**2,415**	566
	166,386	60,028
C e t	**63,209**	47,340
C e t ti f l g-te a able f c t act al ight t ide a age e t e ice	**4,356**	
N -c e t	**98,821**	12,688
	166,386	60,028

The ca i g a . t f acc . al a d the a able a e de i ated i RMB. The ca i g a . t a i ate thei fai al. e d. e t thei h t-te at. itie .

(a) The a . t☒a ided b the c t act f the e☒ h ital c t . cti ☒ k t the G . . The a . t☒ill be e aid t the c t act afte it di cha ge all it bligati . de the c t act, i cl. di g b. t t li ited t f. ll ettle e t f c t . cti ☒ ke '☒age a d ala ie .

(b) It e e e ted ad a ce ecei ed f a -c t li g ha eh lde f e f the G . ' . b idia ie .

7.4.6 *Revenue*

	☒ D	31,
	2015	2014
	RMB'000	*RMB'000*
T eat e t a d ge e al healthca e e ice	**240,103**	206,790
Pha ace. tical ale	**87,740**	77,384
A cilla h ital e ice	**2,270**	1,828
Ma age e t e ice fee	**13,561**	10,294
	343,674	296,296

7.4.7 *Expenses by Nature*

	D	31,
	2015	2014
	RMB’000	*RMB’000*
E l ee be efit e e e	**99,988**	82,750
Pha ace. tical a d c . able . ed	**86,483**	75,419
De eciati a d a tizati	**21,706**	15,067
O e ati g lea e e tal e e e	**8,563**	10,055
O e ati g lea e e tal e e e e aid f i eli e healthca e facilitie	**7,388**	6,612
Ca tee e e e	**11,280**	8,404
Utilitie e e e	**5,820**	5,381
E a i ati a d te ti g fee	**3,388**	3,900
P i i f i ai e t f t ade ecei able	**4,907**	2,610
P i i f i ai e t f the ecei able	**1,078**	
T a elli g e e e	**2,481**	3,086
P ti a d a keti g	**1,970**	2,092
D ati t cha itie	**1,814**	1,834
C e ati aid t atie t	**345**	1,147
Li ti g e e e	**5,177**	
A. dit ’ e . e ati		
A. dit e ice	**1,532**	315
N -a. dit e ice		
Othe	**13,859**	10,344
	277,779	229,016

7.4.8 *Income Tax Expense*

The i c e ta e e e f the G . f the ea e ded Dece be 31, 2014 a d 2015 i a al zed a f ll :

	D	31,
	2015	2014
	RMB'000	*RMB'000*
C. e t i c e ta :		
PRC c ate i c e ta	**23,978**	19,054
Defe ed i c e ta	**(5,430)**	(1,685)
	18,548	17,369

The ta the G . ' fit bef e i c e ta diffe f the the etical a . t that . ld a i e . i g the ta ate f the PRC, the i ci al lace f the G . ' e ati , a f ll :

	D	31,
	2015	2014
	RMB'000	*RMB'000*
P fit bef e i c e ta	**70,170**	68,567
Calc. lated at the ta ate f 25%	**17,543**	17,142
E e e t ta ded. ctible	**2,507**	227
I c e t . bject t ta	**(167)**	
O e - i i f i ea	**(1,335)**	
	18,548	17,369

PRC corporate income tax

The i c e ta i i f the G . i e ect f e ati i the PRC ha bee calc. lated at the ta ate f 25% the e ti ated a e able fit f the ea , ba ed the e i ti g legi lati , i te etati a d actice i e ect the e f, . le efe e tial ta ate e e a licable.

7.4.9 *Earnings per Share*

Basic earnings per share

The calc. lati f ba ic ea i g e ha e i ba ed fit att ib. table t di a e . it ha eh lde f the C a f RMB51,198,000 a d RMB55,709,000 f the ea e ded Dece be 31, 2014 a d 2015, e ecti el , a d the ⊠eighted a e age . be f di a ha e i i . e a f the e d f each e ti g e i d, calc. lated a f ll ⊠ :

Weighted average number of ordinary shares

	⊠ D 31,	
	2015	2014
	No. of shares	*No. of shares*
O di a ha e i . ed at begi i g f the e i d	**50,000,000**	50,000,000
Effect f i . a ce f ha e	**4,253,370**	
Weighted a e age . be f di a ha e at the e d f ea	**54,253,370**	50,000,000

The C a ⊠a c e ted i t a j i t t ck li ited c a Oct be 15, 2014. The calc. lati f ea i g e Sha e f the ea e ded Dece be 31, 2014 i ba ed 50,000,000 di a Sha e i i . e . the c e i a if th e Sha e ⊠e e . t ta di g f the begi i g f the ea . The calc. lati f ea i g e Sha e f the ea e ded Dece be 31, 2015 i ba ed 54,253,370 di a Sha e .

Diluted earnings per Share

The C a did t ha e a te tial dil. ti e Sha e th . gh . t the ea . Acc di gl , dil. ted ea i g e Sha e a e the a e a the ba ic ea i g e Sha e.

7.4.10 Final Dividends

O Ma 11, 2015, the B a d decla ed a fi al di ide d f RMB18,480,000 f the ea e ded Dece be 31, 2014. The ed di ide d a a ed b the Sha eh lde ' eeti g J e 1, 2015 a d the C a aid t the di ide d J l 23, 2015.

O Ma ch 24, 2016, the B a d decla ed a fi al di ide d f RMB18,260,000 f the ea e ded Dece be 31, 2015 hich i calc lated ba ed 73,040,000 i ed Sha e a f Dece be 31, 2015. The ed di ide d i t eflected a a di ide d a able i the c lidated fi a cial tate e t a f Dece be 31, 2015, a d ill be eflected a a a iati f etai ed ea i g f the ea e di g Dece be 31, 2016.

	D 31,	
	2015	2014
	RMB'000	*RMB'000*
P ed fi al di ide d f RMB0.25 (2014: RMB0.35) e di a Sha e	**18,260**	18,480

7.4.11 Commitments

Capital commitments

	A D 31,	
	2015	2014
	RMB'000	*RMB'000*
C t acted b t t ided f		
c t cti b ildi g	**36,635**	86,130
lea eh ld i e e t	**60,529**	1,784
e t , la t a d e i e t	**10,935**	794
	108,099	88,708

Operating lease commitments

The G lea e ce tai ffice b ildi g a d h ital de -ca cellable e ati g lea e ag ee e t .

The Group's future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	A D	**31,**
	2015	2014
	RMB'000	*RMB'000*
N t late tha 1 ea	**28,593**	26,654
Late tha 1 ea a d		
t late tha 5 ea	**74,546**	80,867
Late tha 5 ea	**105,831**	129,116
	208,970	236,637

Investment in subsidiaries

	A D	**31,**
	2015	2014
	RMB'000	*RMB'000*
N t late tha 1 ea	**43,000**	8,600
Late tha 1 ea a d		
t late tha 5 ea	**15,600**	2,400
	58,600	11,000

7.4.12 *Principal Subsidiaries*

The f ll i g i a li t f the i ci al b idia ie f the C a a f Dece be 31, 2015:

[illegible]	[illegible]	[illegible]	[illegible]	[illegible] (%)	[illegible] (%)	[illegible] (%)
Ca g a Ka g i g H ital C ., Ltd. (蒼南康寧醫院有限公司)	The PRC, Li ited liabilit c a	P chiat ic h ital i PRC	Paid-i ca ital f RMB1,000,000	100%	100%	
Qi gtia Ka g i g H ital C ., Ltd. (青田康寧醫院有限公司)	The PRC, Li ited liabilit c a	P chiat ic h ital i PRC	Paid-i ca ital f RMB1,000,000	100%	100%	
Y gjia Ka g i g H ital C ., Ltd. (永嘉康寧醫院有限公司)	The PRC, Li ited liabilit c a	P chiat ic h ital i PRC	Paid-i ca ital f RMB1,000,000	100%	100%	
Y e i g Ka g i g H ital C ., Ltd. (樂清康寧醫院有限公司)	The PRC, Li ited liabilit c a	P chiat ic h ital i PRC	Paid-i ca ital f RMB1,000,000	100%	100%	
She zhe Yi i g H ital C ., Ltd. (深圳市怡寧醫院有限公司)	The PRC, Li ited liabilit c a	P chiat ic h ital i PRC	Paid-i ca ital f RMB16,600,000		52%	48%
We zh Ka g i g J dicial F e ic Ce te (溫州康寧司法鑒定所)	The PRC, S le iet hi e te i e	F e ic chiat ic i de tificati i PRC	Paid-i ca ital f RMB500,000	100%	100%	
Li hai Ka g i g H ital C ., Ltd. (臨海康寧醫院有限公司)	The PRC, Li ited liabilit c a	P chiat ic h ital i PRC	Paid-i ca ital f RMB2,000,000	80%	80%	20%
We zh Yi i g Ge iat ic H ital C ., Ltd. (溫州怡寧老年醫院有限公司) [(a)]	The PRC, Li ited liabilit c a	P chiat ic h ital i PRC	Paid-i ca ital f RMB10,000,000	100%	100%	
Pi g a g Ka g i g H ital C ., Ltd. (平陽康寧醫院有限公司) [(b)]	The PRC, Li ited liabilit c a	P chiat ic h ital i PRC	Paid-i ca ital f RMB6,000,000	100%	100%	
She zhe Yi i g Medical I e t e t C ., Ltd. (深圳怡寧醫療投資有限公司) [(c)]	The PRC, Li ited liabilit c a	I e t e t h ldi g i PRC	Nil	100%	100%	
Q zh Yi i g H ital C ., Ltd. (衢州怡寧醫院有限公司) [(d)]	The PRC, Li ited liabilit c a	P chiat ic h ital i PRC	Nil	60%	60%	40%
Ha gzh H gla I f ati Tech l g C ., Ltd. (杭州宏瀾信息科技有限公司) [(e)]	The PRC, Li ited liabilit c a	O li e edical c lti g i PRC	Nil	100%	100%	
La gfa g Yi i g H ital Ma age e t C ., Ltd. (廊坊市怡寧醫院管理有限公司) [(f)]	The PRC, Li ited liabilit c a	H ital a age e t c lti g i PRC	Nil	100%	100%	

All the b idia ie a e e tabli hed i the PRC a li ited liabilit c a ie e ce t We zh Ka g i g J dicial F e ic Ce te , hich i a le iet hi e te i e.

(a) We zh Yi i g Ge iat ic H ital C ., Ltd. a e tabli hed N e be 2, 2015 ith a egi te ed ca ital f RMB10,000,000. It aid-i ca ital a RMB10,000,000 a f Dece be 31, 2015.

(b) Pi g a g Ka g i g H ital C ., Ltd. a e tabli hed N e be 2, 2015 ith a egi te ed ca ital f RMB6,000,000. It aid-i ca ital a RMB6,000,000 a f Dece be 31, 2015.

(c) She zhe Yi i g Medical I e t e t C ., Ltd. a e tabli hed Se te be 23, 2015 ith a egi te ed ca ital f RMB10,000,000. It aid-i ca ital a il a f Dece be 31, 2015.

(d) Q zh Yi i g H ital C ., Ltd. a e tabli hed N e be 20, 2015 ith a egi te ed ca ital f RMB30,000,000. It aid-i ca ital a il a f Dece be 31, 2015.

(e) Ha gzh H gla I f ati Tech l g C ., Ltd a e tabli hed N e be 20, 2015 ith a egi te ed ca ital f RMB5,000,000. It aid-i ca ital a il a f Dece be 31, 2015.

(f) La gfa g Yi i g H ital Ma age e t C ., Ltd a e tabli hed Dece be 2, 2015 ith a egi te ed ca ital f RMB10,000,000. It aid-i ca ital a il a f Dece be 31, 2015.

B de f the B a d
C ., .
A
Chairman

Zhejia g, the PRC
Ma ch 29, 2016

As of the date of this announcement, the Company's executive directors are Mr. GUAN Weili, Ms. WANG Lianyue and Ms. WANG Hongyue; the non-executive directors are Mr. YANG Yang and Ms. HE Xin; and the independent non-executive directors are Mr. CHONG Yat Keung, Mr. HUANG Zhi and Mr. WONG Raymond Fook Lam.