弘和仁愛醫療集團有限公司

pital Cor

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Su 2701, O E S
C
H K

REGISTERED OFFICE

M C r S r L m
PO B 309, U H u
Gr C m KY1-1104
C m

COMPANY'S WEBSITE

. m

AUDITOR

P r u C r

HONG KONG LEGAL ADVISOR

Cl r G & H m (H K)

COMPLIANCE ADVISOR

H C L m

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

C m r H K l r S r L m
S 1712-1716, 17 Fl r
H C
183 Qu R E
W , H K

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

M Fu S r (m) L m
PO B 1093, B u r H
Cl S r , Gr C m
KY1-1102, C m

	Six months ended June 30,	
	2018	2017
	RMB' 000	*RMB' 000*
	(Unaudited)	*(U u)*
R	174,459	88,209
– H m r	87,408	70,971
– G r	86,680	17,238
– W rm u r	371	—
A u Gr Pr [1]	80,386	60,399
A u N Pr [2]	49,115	45,202
A u Gr Pr m r	46.1%	68.5%
A u N Pr m r	28.2%	51.2%
A u r r (RMB) [3]	0.345	0.297
Adjusted items		
S r r m [2]()	31,540	18,421
[2]() [2]( )	53,751	29,214

	Six months ended June 30,	
	2018	2017
	RMB' 000	*RMB' 000*
	(Unaudited)	*(U u)*
R	174,459	88,209
Gr Pr [1]	53,846	41,978
N L [2]	(36,176)	(2,433)
L r r (RMB) [3]	(0.280)	(0.103)

N t

(1) T r r i Gr u r i m Ju 30, 2018 (Reporting Period) m u t RMB53.8
m il T u t r r i u l r r i r , u m i m r

BUSINESS REVIEW AND PROSPECTS

F ll Cr ' i m r i r i r I m C r ur r . W i m r ul m r i u m i , C r ' ll r m r r i . Ai m im , C ' m r rm i i , r i r i m I m r m m (三醫聯動) r u ll m I m . C ' m r i m u r r m u r , r m i I m r m r u r , r m r .

T Gr u I ll i m r m i r r i r r rm r i H i C P i m I m r u u r i r m I . Dur i R r P r , i Gr u ' u I m r r m r r ul . Gu i i r

(a)T 0 T (S)T/0.0039 7 3 0 rtt ()T 4.332 ( )T ( )T 0 T( )

The Group continued to improve management to increase hospital value

T Gr u mmit i u r r m i im m m m rm i i l m r r r i . T u r l m Gr u i i r i m r m ur m l ' . i, r m i r l m r r u i , ur ur l m r r u r i . W i r i m r u ur i r l , i u r i l u ri r i m r r u , i r i . W m r i u i r m r u r r r , r i r i u l m r r u i r u i . T u r i r i m r r r i u r r r Gr u i r i r r r r r r C m r i r u r , r i r m r ur r r i r r r ur r im r m, r r i r r u r r r m , r m r r ur r i r

The Group is principally engaged in the provision of medical services, which primarily consist of:

(1) operating hospitals and clinics and providing medical services at such facilities, including the provision of outpatient and inpatient services;

(2) providing management services to hospitals and clinics owned by independent third parties, including hospitals and clinics in which we have equity interests;

(3) providing services to hospitals and clinics owned by independent third parties, including hospitals and clinics in which we have equity interests, through our shared service platform;

(4) providing medical services at clinics in which we have equity interests; and

(5) providing medical services at hospitals and clinics that we own or manage.

FINANCIAL REVIEW

RESULTS OF OPERATIONS

Revenue

Our revenue increased by 97.8% from RMB88.2 million for the Corresponding Period to RMB174.5 million for the Reporting Period. The following table sets forth the Group's revenue by operating segment for the periods indicated:

	Six months ended June 30,	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue	174,459	88,209
– Hospitals and clinics we own or manage	87,408	70,971
– Group shared service platform	86,680	17,238
– Wanjia cooperation platform	371	—

G

A u t A m trt E

W r r u t m trt RMB18.6 m r t R rt P r , u t m trt r t R rt P r lu t m t r m r r uit r m t t t t r RMB14.1 m r r r m RMB7.4 m r t C rr P r , rm r u t m trt RMB7.5 m urr J H u r t Gr u r 2018.

Ot r L – N t

141Pr

W r r t r RMB41.3 m r t R rt P r m r t t RMB0.2 m r t C rr P r , m u t r lu r uit r m t C rr RMB43.7 m

rt 7( )T( )T( )T 1.691 0 T

A u t F / E (N t)

W r r u t (t) RMB7.3 m r t R rt P r 1115 7( )T(1)T41 u t r t R rt P r lu t m t r m 0 T ( )T(7 0 T (11r)T( )T(i)T( )T(t)T(

LIQUIDITY AND CAPITAL RESOURCES

Our t t ´u t as at Ju 30, 2018 as RMB1,756.7 m ll n as at D m r 31, 2017: RMB1,562.1 m ll n. A at Ju 30, 2018, as urr t RMB544.5 m ll n as at D m r 31, 2017: RMB404.2 m ll n urr t RMB232.2 m ll n as at D m r 31, 2017: RMB149.8 m ll n. T urr as 2.34 at Ju 30, 2018 m r t 2.70 at D m r 31, 2017.

Our urr t as RMB140.3 m ll n r m RMB404.2 m ll n as at D m r 31, 2017 t RMB544.5 m ll n as at Ju 30, 2018, r m r u t t m r m RMB. B , r r t m r , u as m r as at Ju 30, 2018 t m r u t I as at . Our urr t as RMB82.4 m ll n r m RMB149.8 m ll n as at D m r 31, 2017 t RMB232.2 m ll n as at Ju 30, 2018 as m u t r as rt t rm rr as m u t r at J u H u.

Our r m r u as R t P r r r t m as t r r . W as as RMB264.8 m ll n as at Ju 30, 2018 as at D m r 31, 2017: RMB260.8 m ll n as RMB. A at Ju 30, 2018, as rr as RMB278.8 m ll n as at D m r 31, 2017: RMB238.5 m ll n as m r as ur as t r u as N t 21 t t as as as at as t r rm T t t t r t r ur rr as as t r as at :

	Bank borrowings	
	2018	2017
	RMB'000	RMB'000
W t	86,418	23,846
B t 2	60,130	47,693
B t 2 5	132,287	166,925
	278,835	238,464

A Ju 30, 2018, t C m as as t as ul as r t r t t ´u t , 15.9%. Our D r t r t , t r as as u t r u t t u , lu as r ll as t u as t r m t C m as as u as r as t r ur r ´ur m as. A at Ju 30, 2018, t Gr u as as m l r as as t r u .

USE OF

Convertible Bonds

G u r m u r 25, 2018, C m
r u r m r Vr L m (**Vanguard Glory**, 70.19% u
r r C m), ur C m II u , V r G r II u r
r r HK$468 m II (**Vanguard Convertible Bonds**). W
r r HK$18.00, V r C r I B r r 26,000,000 r r
r C m .

T r (r r m V r C r I B m u
r m I HK$467 m II A Ju 30, 2018, r u I r m I
HKD405 m II r r u r C H M 2018. T u r u r r r
G u u II r . r r m r r r u , HK$405 m II r u I r
u r C H . T u I r r r r r .[illegible]

EXPOSURE TO FOREIGN EXCHANGE RISK

F r urr r . i r . i i u rum i Ui u i r i r .

T Gr u m i PRC i m i i i i RMB. F r i r . r i r i i i i i ' u i i urr i i .

A Ju 30, 2018, i Gr u i r i r . r r m r urr i i r m i r i i i US i HK i r .

T Gr u i u r i i i i i ur i urr r . ()T 375 0 T (r)T 0.338 0 T ()

MATERIAL ACQUISITIONS, FINANCING ACTIVITY AND DISPOSALS

J e b r 2018 N Pr H l L m t (捷穎控股有限公司) (New Pride), r t ll - u r C m , r u r m b i i i u i r i J H u i i RMB483 m ll O i r 27, 2017. T m l i i u i . l b r 2018.

J e b r 25, 2018 T C m V b r G l r r u r i r m ur u i i V b r G l r r i u r i C m r i u r l l i C m r l m u HK$468,000,000. T ir r i r r m i i C m l M 2, 2018 l r u M 5, 2018.

6Tr (()T 0.37 9 4 0( )T 1.78 T1(0.3 42 (B 1 0(1 0(0.32 42 2.58

F ru r 8, 2018 N Pr r u i ir r m b i i i u i r i

[redacted]

[redacted]E G E A CE A D HE I F MA I

END

[redacted]

[redacted]

DIRECTORS AND CHIEF EXEC[redacted]

S ( ) , D r i r u ( ) C m , D r i r u ( ) C m r i r u ( ) C m (P rt XV SFO) r r u ( ) i C m S E ur u i D 7 8 P rt XV SFO (u r i r i C m ur u i 352 SFO, r ( ) r i C m S E ur u i M I C .

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

A (D r i r (D r i r C m) r r m r / r i r u r i r D 2 3 P rt XV SFO r r r i r u r S i 336 SFO, r , r i r r i , r 5% r m r u S r C m .

L i r S r u r i S r C m

Name of Shareholder	Capacity/Nature of interest	Number of Shares or underlying Shares	Approximate percentage of interest in the Company[5]
V r Gl r	B r	123,000,000	89.01%
H C t l Fu V, L.P. [2]	I r i r II r	123,000,000	89.01%
H C t l Fu V GP, L.P. [2]	I r i r II r	123,000,000	89.01%
H C t l Fu V GP L mi [2]	I r i r II r	123,000,000	89.01%
H Gr u M m L mi [1] [2] [3]	I r i r II r m r i	164,193,985	118.81%
H M P rt r L mi [1] [2] [3]	I r i r II r m r i	164,193,985	118.81%
E F ru Gr u L mi [1] [2] [3]	I r i r II r m r i	164,193,985	118.81%
H C t l Fu VIII (C m) L.P. [3]	B r	38,693,985	28.00%
H C t l Fu VIII GP (C m) L.P. [3]	I r i r II r	38,693,985	28.00%
H C t l Fu VIII GP (C m) L mi [3]	I r i r II r	38,693,985	28.00%

SHARE-BASED PAYMENT SCHEMES

Share Subscription Agreement

O M 31, 2016, i C m r u r i r m (i Share Subscription Agreement) i r m m r i m m (ll i l , i Management Subscribers), i r r i im l m , M H ur L mi (r l r i C m ll i l i im l m M m Su r r) (Midpoint Honour), H C i 2008 M m L mi (m m m i H C i l i C m), V ur G i r , r l r i C m .

Pur u i S r Su r i A r m u u m m , i C m ll i u 3 0 ( ) T ( ) I D 2 N B D 5 (H ( ) ( ) ( )

Pre-IPO Share Appreciation Rights Scheme

At [illegible] Ju 2016, [illegible] rm [illegible] [illegible] r [illegible] r [illegible] [illegible] [illegible] m r r [illegible] [illegible] u [illegible] r [illegible] (the Pre-IPO SARs Scheme) r u [illegible] m [illegible] [illegible] r . T m [illegible] [illegible] r r [illegible] rm [illegible] Pr -IPO SAR S m [illegible] u [illegible] r r, [illegible] [illegible] N m r 2016.

O N m r 5.61 [illegible]

CHANGES TO DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules,

As at the date of this report, Mr. Zhao Jinhua (趙令歡) is a director of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (Stock Code: 0874), a director of Guangzhou Automobile Group Co., Ltd. (Stock Code: 2238), a director of China Galaxy Securities Co., Ltd. (Stock Code: 6881), a director of China Galaxy Securities Co., Ltd. (Stock Code: 601881), a director of Guangzhou Automobile Group Co., Ltd. (Stock Code: 601238), a director of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (Stock Code: 600332), a director of China Galaxy Securities Co., Ltd. (Stock Code: 1776), a director of China Galaxy Securities Co., Ltd. (Stock Code: 601881), a director of Guangzhou Automobile Group Co., Ltd. (Stock Code: 2

TO THE BOARD OF DIRECTORS OF HOSPITAL CORPORATION OF CHINA LIMITED
(r C m t mi t)

INTRODUCTION

W r t rm rmi rmi t ut 25 t 74, m r t rm
H t C r C L mi t (m)m t

	N t	June 30, 2018 RMB'000 (Unaudited)	D m r 31, 2017 RMB'000 (Au t)
ASSETS			
Non-current assets			
Pr rt , u m	12	146,746	18,383
I t	13	2,039,964	1,059,402
L u r	13	39,957	—
D rr m t	23	4,403	—
Ot r r , t r m	15	—	483,506
Total non-current assets		2,231,070	1,561,291
Current assets			
A t r- t	5.3	—	17,396
F t r u r t ri	5.3	146,661	—
I r		9,695	—
C t		13,099	—
Tr r	14	28,768	—
Ot r r , t r m	15	1,761	80,202
Am u u r m r t r	16	79,718	45,840
C u		264,805	260,787
Total current assets		544,507	404,225
Total assets		2,775,577	1,965,516

ssets

	Note	June 30, 2018 RMB'000 (Unaudited)	D m r 31, 2017 RMB'000 (Au)
LIABILITIES			
Non-current liabilities			
B rr	21	**192,417**	214,618
C rt l	22	**422,388**	—
D rr m l	23	**169,641**	35,633
A ru , r l r	20	**2,217**	3,311
Total non-current liabilities		**786,663**	253,562
Current liabilities			
B rr	21	**86,418**	23,846
Am u u r l	16	**36,103**	3,186
C l		**470**	—
Tr l	19	**16,491**	—
A ru r l	20	**86,166**	113,662
Curr m l		**6,532**	9,135
Total current liabilities		**232,180**	149,829
Total liabilities		**1,018,843**	403,391
Total equity and liabilities		**2,775,577**	1,965,516

T m l ul r .

T m 25 74 r r B r D r Au u 27, 2018 r .

Zhao John Huan **Lin Sheng**

		Attributable to owners of the Company							
	N t	Share capital RMB'000	Treasury share RMB'000	Share premium RMB'000	Reserves (Note 18) RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Attributable to non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)									
Balance at January 1, 2018		123	(3)	404,021	1,070,628	39,344	1,514,113	48,012	1,562,125
C m r									
– (L)/Pr rt r		—	—	—	—	(38,269)	(38,269)	2,093	(36,176)
N r t									
u t u r	26	—	—	—	—	—	—	146,499	146,499
S r t u r									
r - m -	17&18	—	3	28,972	40,500	—	69,475	—	69,475
S r - m - r									
u r t r m	18	—	—	—	2,687	—	2,687	—	2,687
S r - m - r									
2 494.0081 Tm(1)T (8)T ETEMC /S									

		Attributable to owners of the Company							
	Note	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Reserves (Note 18) RMB'000	Retained profits RMB'000	Subtotal RMB'000	Attributable to non-controlling interests RMB'000	Total equity RMB'000
(Unaudited)									
Balance at January 1, 2017		65	(2)	–	1,058,416	60,597	1,119,076	41,867	1,160,943
Comprehensive income									
– (Loss)/Profit for the period		–	–	–	–	(12,291)	(12,291)	9,858	(2,433)
Reclassification adjustments for gains included in the statement of profit or loss	17	(65)	2	–	63	–	–	–	–
Income tax relating to reclassification adjustments	17	–	–	–	–	–	–	–	–
Currency translation differences	17	89	(3)	(86)	–	–	–	–	–
Income and expenses recognised directly in equity									
Issue of shares upon initial public offering	17	34	–	434,827	–	–	434,861	–	434,861
Share issue expenses	17	–	–	(30,720)	–	–	(30,720)	–	(30,720)
Share-based payments		–	–	–	2,323	–	2,323	–	2,323
Balance at Junat									

	Note	Six months ended June 30, 2018 RMB'000 (Unaudited)	2017 RMB'000 (U u)
Cash flows from operating activities			
C r m r l		55,518	42,727
I m		(18,269)	(7,818)
I r	9	423	662
Net cash generated from operating activities		37,672	35,571
Cash flows from investing activities			
Pur r , u m		(18,950)	(775)
Pur m r u	5.3(a)	(155,000)	(93,100)
P m r u u r , u r		(304,318)	—
P m r r r u		(3,648)	—
P m r u u r		(35,000)	—
L r r		(42)	—
I r r ur		—	(30,000)
Pr r m r			
r /T1 1 T 9 0 0 2 ( )T( )T(m) /T1 0 T 99 0 0 (m) r r			

2 BASIS OF PREPARATION

(a) New and amended standards adopted by the Group

A m r r m i r urr r ri r i Gr u i u i m r ir i u im r r ui i i ii i r :

- IFRS 9 F I rum ,
- IFRS 15 R r m C i i Cu i m r .

T m i i i i i r i u i Gr u ' u i m r ur r ir i u im .

(b) Impact of standards issued but not yet applied by the Group

IFRS 16 L

IFRS 16 u r 2016. It ii r ui m i ii r 5

3 CHANGES IN ACCOUNTING POLICIES

T IFRS 9 F Instrum IFRS 15 R m C Cu i m r Gr u ' 1, 2018, r i r r r .

(a) Impact on the financial statements

A 3( ) 3( ) , IFRS 9 IFRS 15 i r m rm T r u im r m m rm ru IFRS 9 Instrum r r 1, 2018. T u im r m m rm ru IFRS 9 r i m mm r .

T ll l i u im r u i m. L i m i r i m. A r ui, u i r i u . A r ui, i u i r i m r r . T u im r m m r r 1 .

B i (i)	D m r 31, 2017 A r r	R u r IFRS 9	R u r IFRS 15	1, 2018 R
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets				
F i r u i r r u i u r r i r ('FVPL')	—	17,396	—	17,396
A r- r i	17,396	(17,396)	—	—
Total assets	1,965,516	—	—	1,965,516

3 CHANGES IN ACCOUNTING POLICIES–

(b) IFRS 9 Financial Instruments – Impact of adoption

IFRS 9 r IAS 39 m ur m , r m m , m rm u .

T IFRS 9 F rum r m 1, 2018 r u u

MCID

3 CHANGES IN ACCOUNTING POLICIES–

(b) IFRS 9 Financial Instruments – Impact of adoption–

Tr r / e

T Gr u I IFRS 9 m r i m ur i r i r I u m i I ll e r ll ir r I e i .

T m ur i r i r I , ir r I e i u . T i r l i u ll r. r r e m u l e ll e m r r l ir r I e m i . T Gr u l ir r r r l u i r i r I r e r r e l e r m l i r l r i r e m i .

A i m r i i IFRS 9 mm r l, i u im i r r r l r i l i e l D m r 31, 2017 ul r r i i e l e i 1, 2018.

(c) IFRS 9 Financial Instruments – Accounting policies applied from January 1, 2018

() l r

F l e i e l l e l l r r i m e r l i i r l r i m R ul r e uf l e l e l r r i - l , i e l i Gr u mm i i uf l r ll i e i.

Al r i Gr u m ur e l e i r l e l l e l l r r i l i e l FVPL, ir e i i r l r i l e ll r ul , r e l e i r l e l l e l l r r i l i . Tr e i i r l e i r l e l l e l l r r i l i rr e l FVPL r i r . Imm e l r l r i r r e l e i r i r l r i ('ECL') e ll e r i r l e l l e l l r r i l i m ur e l e m rl i e i e i im i r i m ur e l e r e l u i r m r i m r i m ('FVOCI'), r uil e l e l r i r i r l r i .

3 CHANGES IN ACCOUNTING POLICIES

(c) IFRS 9 Financial Instruments – Accounting policies applied from January 1, 2018

( ) C u m ur m

F 1

Fr m 1, 2018, Gr u r i m ur m r :

- m ur u (r u m r m (‘OCI’), r u r),
- m ur m.

F r m ur , l r r OCI. F r m u rum r u r m ur r u r m r u r m r r r

3 CHANGES IN ACCOUNTING POLICIES–

(c) IFRS 9 Financial Instruments – Accounting policies applied from January 1, 2018–

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D rum

C u m ur m rum Gr u ' u m r m i r i. T r r
m ur um 47 6 515 0.518592 0 T ( )T 0. ( )T ( )T(2T ( )T 7)T ( )T ( )T (u)T (r)T ( )T (m)T ( )T ( )50.7

3 CHANGES IN ACCOUNTING POLICIES

(c) IFRS 9 Financial Instruments – Accounting policies applied from January 1, 2018

( ) C u m ur m

E ui rum

T Gr u u ui m ur ui im r u r i r , i r Gr u ' m m l i , r r i r u i im FVOCI.

A r i Gr u m m rr l i i r OCI u ui i r r u r i r u im ui rum i r r r i r u i r r u m

W r Gr u ' m m l i i r u i im OCI, r u ui r r u r i r u i r r i r i r i D r m i r im i r i r r r i r u r m Gr u ' r i r m u .

C u r i r u FVPL r r r r ( ) i r u m i r r i r u . Im rm I (r r r m rm I) ui im m ur i FVOCI r r i r i r r r u .

F u i

I i r urr r r r , u i Gr u r u ui m ur i m r i.

3 CHANGES IN ACCOUNTING POLICIES–

(c) IFRS 9 Financial Instruments – Accounting policies applied from January 1, 2018–

( ) D r

D r

A t (r, r P l , r t t r u m r t) rm r r (. ., r m r m i Gr u ' m l l i) .

- i r i r P l r m i r i r ; r
- i Gr u r rr i r i r P l r m i r i r um l l i r P l ul i m l r l i r l r u m r ' - i u ' rr m i r r (r) i Gr u r rr u r(i)T 0.227 0 T

3 CHANGES IN ACCOUNTING POLICIES

(c) IFRS 9 Financial Instruments – Accounting policies applied from January 1, 2018

( ) Im rm

Fr m 1, 2018, Gr u r i rum rr m rt , r i r .
T Gr u r l ll r .

At , rt , Gr u i r r r rum
r u r i m l t r m r r t .

F r r r , Gr u l m r rm IFRS 9,
r ur i m l t r m r r t l .

(d) IFRS 15 Revenue from Contracts with Customers – Impact of adoption

T Gr u t IFRS 15 R rm C i Cu t m r rm 1, 2018
r ul u r t i m t m u r r t r
t m . T t IFRS 15 m t Gr u ' r r t r
r t t u t m r 1, 2018. T , r
r t m r u t m r t r 1, 2018.

(e) IFRS 15 Revenue from Contracts with Customers – Accounting policies

R R

3 CHANGES IN ACCOUNTING POLICIES

(e) IFRS 15 Revenue from Contracts with Customers – Accounting policies

R R

T r r i r m i i i rm m ur m i i i Gr u ' rm i rm i

- r im ur m u r r i Gr u i u i m r;
  r
- i Gr u ' ri r ui i i i rm i

mui i , r mui i r , i i r i rm i i i i rr i i i i

3 CHANGES IN ACCOUNTING POLICIES–

(e) IFRS 15 Revenue from Contracts with Customers – Accounting policies–

() H /M m S r

R r m r / m r r u i m r .

F r / m r u i r m r r i / r r r r r . C r r r r u i r m r / r r r r r

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

T Gr u ' i t t r i r : m r i r (u r m r m r u r r i r), r i r l u i r .

T r m m r m l rm m m l u r m r m m rm m r m r ur r u r r m r m l Gr u ' r m r D m r 31, 2017.

T r r m r m r m r m.

5.2 Liquidity risk

C m r i 2017 r m, r i r i i r m u RMB422,388,000, r m r r i r m ur r i r m r i l m r m r ur r l u r m r ur r i r m r i l m r m r ur r i r m r i l m r m r ur r i r m r i l m

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.3 Fair value estimation

T ll Gr u ' t r m ur r Ju 30, 2018 D m r 31, 2017.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Unaudited)				
As at June 30, 2018				
Assets				
Financial assets through profit or loss ('FVPL')				
– M r u t				
l	—	145,161	—	145,161
– C ll t ur				
u r ' r m				
r t	—	—	1,500	1,500
Total financial assets	—	145,161	1,500	146,661
Liabilities				
C rt l (N t 22)	—	—	422,388	422,388
Total financial liabilities	—	—	422,388	422,388

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
(Audited)				
As at December 31,2017				
Assets				
Available-for-sale financial assets				
– M r u t				
l	—	17,396	—	17,396
Total assets	—	17,396	—	17,396

T r r r t l 1, 2 3 ur t r .

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS-

5.3 Fair value estimation-

(c) F rum /2

T ll r i m Ju 30, 2018.

	M u r
	RMB'000
(Unaudited)	
O 1, 2018	17,396
A	155,000
S m	(29,650)
F r u r m u (N 7)	2,415
C Ju 30, 2018	145,161
T r r	2,415

T ( )T ( )T ( )T ( )T ( )T (i)T (u)T ( )T ( )T ( )T ( )T ( )

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.3 Fair value estimation

( ) F rum /3

	Cll t ur u r ' r m r t()	C rl l (N t 22)	T l
	RMB'000	RMB'000	RMB'000
(Unaudited)			
O 1, 2018	—	—	—
A t	1,700	(378,706)	(377,006)
F r u r m t	(200)	—	(200)
F r u r m t l u	—	(43,682)	(43,682)
Cl Ju 30, 2018	1,500	(422,388)	(420,888)
T l r l r u r t r i	(200)	(43,682)	(43,882)
l u u r l r t r i r ll u l t l r r r	(200)	(43,682)	(43,882)

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.3 Fair value estimation

( ) F rum /3

() C ll i ur u r ' r m r i

O i r 27, 2017, N Pr H l L mi (' N Pr ') r u r m r u i r J H u E r r M m C ., Li . (' J H u') Mr. H J Mr. H Y. Pur u i u r m Z X l im C ., Li .,, m r r u r i PRC i mi l i 83% Mr. H J N Pr ll i ur i r m r i u r i r mu. N Pr m i r ll i i m ur i r mm r m i r i m i ur i D m r 31, 2020, i i i r i ll i i ur i r rm l u r i i r m r u r i PRC i L i Ru , u i i i i i N Pr ll i

T D r i r C m 7D C L 2 6 7 6 6 0 T ( ) T ( ) T ( )

6 SEGMENT INFORMATION

O m r r m (′CODM'). T CODM, r m l r u r m i r C m

T CODM u r m i r u r m i r . W Gr u m r m r i r , m r m r i : ( ) i ur i r ; ( ) i ur i r ; ( ) i r u m r i r r ; ( ) i m u i r u i r r i r r ; ( ) i ur i r u r Gr u' m r l . I CODM, i Gr u r l i r m r u r i r u r Gr u' r m r r m r r l m r u r r r r r :

T Gr u i r m i r m r m ur r r r , m , r m (′EBITDA').

(a) General hospital services

R r m i r m PRC r r m r J H T i C M C ., Li . (′J H ')r i r m Ju 30, 2018 S Fu H C ., Li . (′Fu H ')r i r m Ju 30, 2017.

Fu H r u r i r Gr u Au u 29, 2017. T m r m i r Ju 30, 2017 r r i r r ul Fu H r i r r m J 1, 2017 Ju 30, 2017.

J H r u r i r Gr u u i i J H u m i 11, 2018. T m r m i r Ju 30, 2018 r r i r r ul J H r i r r m J 11, 2018 Ju 30, 2018. F r i r ′u i N 26.

F r r , r r m r r m r r u r i r r Ju 30, 2018 2017, r .

6 SEGMENT INFORMATION

(b) Hospital management services

R r m m PRC r r m r m r

6 SEGMENT INFORMATION

S m rm ut t Gr u ' r rt I m r :

	General hospital services RMB'000	Hospital management services RMB'000	Wholesale of pharmaceutical products RMB'000	Elimination RMB'000	Unallocated RMB'000	Total RMB'000
(Unaudited)						
Six months ended June 30, 2018						
S m r	86,680	87,408	16,100	(15,729)	—	174,459
Ir- m r	—	—	(15,729)	15,729	—	—
R rm t r u t m r	86,680	87,408	371	—	—	174,459
Tm r r						
– At m	42,364	—	371	—	—	42,735
– O rt m	44,316	87,408	—	—	—	131,724
	86,680	87,408	371	—	—	174,459
EBITDA	2,110	42,396	3,218	(771)	—	46,953
D r	(3,320)	(1,034)	(114)	—	(54)	(4,522)
Am rt	(3,680)	(2,768)	(190)	—	(32)	(6,670)
F ( )/ m	(717)	304	12	—	(6,852)	(7,253)
H u r r iu r m rt					(55,258)	(55,258)
(L)/Pr t r	(5,607)	38,898	2,926	(771)	(62,196)	(26,750)
(Unaudited)						
As at June 30, 2018						
S m t	394,197	735,749	13,123	(657)	206,783	1,349,195
G li	299,588	1,117,529	9,265	—	—	1,426,382
T t	693,785	1,853,278	22,388	(657)	206,783	2,775,577
T l it	153,875	138,885	8,445	—	717,638	1,018,843
(Unaudited)						
Other Segment information for the six months ended June 30, 2018						
D r m rt r m rm	(6,423)	(3,802)	(304)	—	(86)	(10,615)
A t urr t iu ll r m t	360,235	322,930	1,281	—	161	684,607

6 SEGMENT INFORMATION

S m rm ul i Gr u ' r rl l m r l :

	G r l m r	H l m m r	U ll r l	T l
	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)				
Six months ended June 30, 2017				
R r m i r u i m r	17,238	70,971	—	88,209
EBITDA	1,033	41,630	—	42,663
D r l	(361)	(1,023)	(324)	(1,708)
Am rl l	(575)	(1,153)	(18)	(1,746)
F m i	5	526	131	662
H u rl r l iu r l m rl l			(32,485)	(32,485)
Pr i/( ) r	102	39,980	(32,696)	7,386
(Unaudited)				
As at June 30, 2017				
S m i	26,155	309,715	424,454	760,324
G ll	7,948	950,916	—	958,864
T l i	34,103	1,260,631	424,454	1,719,188
T l l i	8,829	80,431	64,954	154,214
(Unaudited)				
Other Segment information for the six months ended June 30, 2017				
D r l m rl l m rm	(807)	(2,176)	(342)	(3,325)
A i urr i iu ll rr m i	269	796	—	1,065

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11 LOSS PER SHARE

(a) Basic and diluted loss per share

	Six months ended June 30,	
	2018	2017
	(Unaudited)	(U u t)
T l ir u l t r C m (RMB'000)	(38,269)	(12,291)
W r m r r r u (u)	136,457	118,860
B ul l r r (RMB)	(0.280)	(0.103)

13 INTANGIBLE ASSETS AND LAND USE RIGHT

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16 BALANCES WITH RELATED PARTIES

A Ju 30, 2018 D m

16 BALANCES WITH RELATED PARTIES

A Ju 30, 2018, r (2017:).

	As at June 30, 2018 RMB'000 (Unaudited)	As at December 31, 2017 RMB'000 (Audited)
Amounts due to related parties		

18 RESERVES

	Capital reserve RMB'000	Other reserve RMB'000	Total RMB'000
(Unaudited)			
At J r 1, 2018	1,046,641	23,987	1,070,628
S r - m - r	40,500	—	40,500
S r - m - r u r i r m	2,687	—	2,687
S r - m - r i m	12,124	—	12,124
At Ju 30, 2018	1,101,952	23,987	1,125,939
(Unaudited)			
At J r 1, 2017	1,041,933	16,483	1,058,416
S r - m	2,323	—	2,323
R u r	63	—	63
At Ju 30, 2017	1,044,319	16,483	1,060,802

19 TRADsed pa

20 ACCRUALS AND OTHER PAYABLES

	As at June 30, 2018 RMB'000 (Unaudited)	As at December 31, 2017 RMB'000 (Audited)
[illegible]	2,205	30,951
[illegible]	14,815	—
[illegible]	12,851	6,985
[illegible]	10,000	5,261
[illegible]	9,848	10,277
[illegible]	22,481	52,783
Other	16,183	10,716
[illegible]	88,383	116,973
Less: [illegible]	2,217	3,311
[illegible]	86,166	113,662

[illegible] RMB. [illegible].

21 BORROWINGS

As at December 31, 2018			As at December 31, 2017
Current	Non-current	Total	

21 BORROWINGS – [illegible]

(a) Bank loans

On [illegible] 11, 2017, the C [illegible] entered into a [illegible] with [illegible] Bank S[illegible] Z[illegible] [illegible] Br[illegible] for a [illegible] amounting to HKD285,280,000 [illegible] with [illegible] and repayable [illegible] Jul[illegible] H[illegible].

The [illegible] was amended on [illegible] 12, 2017 [illegible] 2022 [illegible] and the [illegible] 360 [illegible]. The [illegible] 100% [illegible] in [illegible] Jul[illegible] H[illegible] E[illegible] M[illegible] C., Ltd. ("Jul[illegible] H[illegible]") [illegible] 70% [illegible] in [illegible] Jul[illegible] H[illegible], DJ P[illegible] [illegible] T[illegible] [illegible] DJ M[illegible].

On [illegible] 16, 2018, Jul[illegible] H[illegible] entered into a [illegible] with [illegible] C[illegible] Bank [illegible] C[illegible] Jul[illegible] Br[illegible] for a [illegible] amounting to RMB10,000,000 [illegible] and [illegible] 92 [illegible] from [illegible], [illegible] 10, 2019. The [illegible] was [illegible] by [illegible] from Jul[illegible] H[illegible].

On F[illegible] 6, 2018, Jul[illegible] H[illegible] entered into a [illegible] with A[illegible] [illegible] Bank [illegible] C[illegible] Jul[illegible] Br[illegible] for a [illegible] amounting to RMB30,000,000 [illegible] and [illegible] 4.58% [illegible], [illegible] Au[illegible] 5, 2018. The [illegible] was [illegible] by [illegible] from Z[illegible] X[illegible] [illegible] C., Ltd., [illegible] Mr. H[illegible] Jul[illegible] [illegible], Mr. Y[illegible] Hu[illegible], Mr. H[illegible] Jul[illegible].

As [illegible] Jun[illegible] 30, 2018, the Gr[illegible]'s [illegible] [illegible]:

	Bank borrowings	
	2018	2017
	RMB'000	RMB'000
W[illegible]	86,418	23,846
B[illegible] [illegible] 2 [illegible]	60,130	47,693
B[illegible] [illegible] 5 [illegible]	132,287	166,925
	278,835	238,464

The [illegible] [illegible] [illegible]

22 CONVERTIBLE BONDS

On May 5, 2018, the Company issued convertible bonds in the principal amount of HKD468,000,000 (equivalent to RMB378,705,000) with a nominal value of HKD1,000,000 each. The convertible bonds are interest bearing at 6% per annum on the principal amount of the Convertible Bonds from May 5, 2018 (the "Issue Date") until the maturity date on May 5, 2021 (the "Maturity Date") payable on the

23 DEFERRED INCOME TAX

	As at June 30, 2018 RMB'000 (Unaudited)	As at December 31, 2017 RMB'000 (Audited)
Deferred income tax assets:		
– Deferred income tax assets to be recovered after more than 12 months	4,403	—
– Deferred income tax assets to be recovered within 12 months	—	—
	4,403	—
Deferred income tax liabilities:		
– Deferred income tax liabilities to be settled after more than 12 months	(169,064)	(35,056)
– Deferred income tax liabilities to be settled within 12 months	(5[illegible]	5346270IBT/TP483.7236 Tm

23 DEFERRED INCOME TAX

Deferred income tax liabilities

25 COMMITMENTS

(a) Capital commitments

S [illegible] [illegible] [illegible]

26 BUSINESS COMBINATION

(a) Acquisition of Jiande Hexu

O r 11, 2018 (u 1 N Pr u r J H u

26 BUSINESS COMBINATION

(a) Acquisition of Jiande Hexu

26 BUSINESS COMBINATION – [illegible]

(b) Acquisition of Cixi Hongai

On May [illegible]14, 2018 ([illegible] the Acquisition Date), the Group acquired 100% equity interest in Cixi Hongai from Mr. Mao Yu [illegible] Mr. Cao Yu [illegible], [illegible] and [illegible] for a consideration of RMB336,000,000, [illegible] the Group acquired 70% equity interest in Cixi Hongai, and Cixi Hongai became a subsidiary of the Group.

After the acquisition, Cixi Hongai [illegible] Group [illegible] and [illegible] RMB166,613,000 [illegible] from the equity interest [illegible] and [illegible] [illegible] [illegible]

27 SIGNIFICANT RELATED PARTY TRANSACTIONS

[illegible]

[illegible]

Name	Relationship with the Group
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

[illegible]

[illegible]

27 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Significant transactions with related parties

	Six months ended June 30,	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
C		
M		
– Y	83,650	70,207
– C H	3,758	—
	87,408	70,207
Pu m u m		
– D M E u m C ., L	8,125	—

(b) Entrusted loan to related parties

27 SIGNIFICANT RELATED PARTY TRANSACTIONS – [illegible]

(c) Key management compensation

K [illegible] m [illegible] u [illegible] r [illegible] i r [illegible] r m [illegible] m [illegible]. T [illegible] m [illegible] r [illegible] i t [illegible] m [illegible] m [illegible] r m i r [illegible] :

	Six months ended June 30,	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(U [illegible] u i)
W [illegible] , [illegible] r [illegible]	12,365	6,566
S [illegible] - [illegible] m [illegible]	24,229	17,405
C [illegible] ul [illegible] i [illegible]	154	96
W [illegible] r [illegible] i r [illegible]	200	127
	36,948	24,194

28 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

(a) Business combination - acquisition of Oriental Ally Holdings Limited

O [illegible] M [illegible] 29, 2018, i [illegible] C m [illegible] H [illegible] C [illegible] Fu [illegible] VIII (C [illegible] L.P. (i [illegible] 'V [illegible] r') [illegible] [illegible] u [illegible] r m [illegible] (i [illegible] 'S [illegible] Pu [illegible] A r m [illegible]') [illegible] i [illegible] u [illegible] [illegible] r i [illegible] Or [illegible] All H i [illegible] Lmi (Or [illegible] All ' r i [illegible] 'T [illegible] r i C m [illegible]'), [illegible] m [illegible] r [illegible] [illegible] Bri V r [illegible] i [illegible] mi [illegible] i [illegible] V [illegible] r, i [illegible] [illegible] [illegible] RMB630,000,000 (u [illegible] [illegible] r m [illegible] HKD773,879,717).

T [illegible] T [illegible] r i C m [illegible] [illegible] im [illegible] [illegible] m [illegible], [illegible] r [illegible] i [illegible] 100% u [illegible] r i [illegible] Im [illegible] S [illegible] Lmi (Im [illegible] S [illegible] '), [illegible] ur [illegible] r [illegible] i [illegible] 75% u [illegible] r i [illegible] Z [illegible] Gu [illegible] M [illegible] T [illegible] C ., Li (Gu [illegible] M [illegible]') [illegible] r i r [illegible] i [illegible] 'T [illegible] r i Gr u '). T [illegible] T [illegible] r i Gr u [illegible] r [illegible] [illegible] m [illegible] [illegible] r [illegible] m [illegible] m [illegible] [illegible] r [illegible] i [illegible] [illegible] r- r [illegible] i [illegible], Z [illegible] J [illegible] Gu [illegible] O [illegible] H [illegible] (J [illegible] H [illegible]') [illegible] PRC.

O [illegible] Au u t 6, 2018, i [illegible] u i [illegible] m i t [illegible] C m [illegible] r [illegible] i [illegible] 100% u i [illegible] r i [illegible] T [illegible] r i C m [illegible] i [illegible] T [illegible] r i C m [illegible] [illegible] m u [illegible] r [illegible] C m [illegible]. T [illegible] u [illegible] T [illegible] r i C m [illegible] i [illegible] C m [illegible] [illegible] r [illegible] i [illegible] 75% u i [illegible] r i [illegible] Gu [illegible] M [illegible] [illegible] r m [illegible] 25% u i [illegible] r i (i [illegible] 'R m [illegible] l [illegible] r i') [illegible] H [illegible] K [illegible] u M [illegible] m [illegible] C [illegible] ui [illegible] (S [illegible]) C ., Li . ('H [illegible] K [illegible] u') [illegible] r [illegible] [illegible] [illegible] [illegible] r i .

Pur u [illegible] i [illegible] U [illegible] r [illegible] L i r, i [illegible] C m [illegible] r [illegible] H [illegible] K [illegible] u [illegible] ui i [illegible] [illegible] i [illegible] C m [illegible] u [illegible] r [illegible] i [illegible] r m [illegible] l [illegible] r i [illegible] i [illegible] [illegible] r [illegible] i [illegible] [illegible] [illegible] i [illegible] m u [illegible] [illegible] u [illegible] r [illegible] i [illegible] r rmu [illegible]. H [illegible] K [illegible] u m [illegible] [illegible] i [illegible] ui i [illegible] i m ur [illegible] i [illegible] r [illegible] mm [illegible] r m i [illegible] m i i [illegible] [illegible] i [illegible] u i [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] r [illegible] m i i [illegible] [illegible] i rm [illegible] [illegible] i [illegible] U [illegible] r [illegible] L i r.

28 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

(a) Business combination - acquisition of Oriental Ally Holdings Limited

T [illegible] D m r 31, 2017 [illegible] D r i r C m r ur [illegible] 100% u i Or All , i r i u r , i u i u i D m r 31, 2017.

	RMB'000
C	
C r l u C m i V r ()	630,000
T	630,000

	RMB'000
C u	4,213
I : m	692,800
O r	53
O r r , r m	79
Am u r m r	99,536
Am u i r	(4,079)
A ru r	(69,109)
Curr m	(7,132)
D rr m	(173,200)
N i	543,161
L :	(136,410)
A :	223,249
N i	630,000

() C

T r i u r l i r C m r i r u r r m u HKD773,879,717 i C m i V r m i u r Au u 7, i r u i r rm m HKD1.00 r i m u rr , r l m u i HKD1.00. T r l m u r r m u i r m u r r l m u r i r C m i r r (u i u m i r).

A i r i r, i D r i r C m r rm i u r l i m u i r l m u i u