

E C A T S E
w w w

溫州康寧醫院股份有限公司
Wenzhou Kan

2 FINANCIAL HIGHLIGHTS

2.1 Principal Financial Data and Indicators

		For the six months ended June 30,	
		2020	2019
		(RMB'000)	(B'000)
		(Unaudited)	(T)
☒		465,150	378,910
		39,404	52,661
		(10,503)	(7,120)
		28,901	45,541
	C	36,410	52,064
	-	(7,509)	(6,523)
		As at	A
		June 30, D	31,
		2020	2019
		(RMB'000)	(B'000)
		(Unaudited)	(A)
T T T E		2,274,908	2,117,352
		960,485	855,843
		1,314,423	1,261,509
	C	1,186,459	1,164,484
	-	127,964	97,025

		For the six months ended June 30,	
		2020	2019
		(Unaudited)	()
Inpatients			
		6,853	5,593
E	-	1,240,393	1,012,333
(%)		83.1	84.9
	-	1,030,392	859,061
	(B'000)	324,990	251,945
A	-		
	(B)	315	293
	(B'000)	53,841	50,926
A	-		
	(B)	52	59
Total inpatient revenue (RMB'000)		378,831	302,871
Total average inpatient spending per bed-day (RMB)		368	353
Outpatients			
		125,852	105,986
	(B'000)	12,761	11,635
A	(B)	101	110
	(B'000)	47,294	45,704
A	(B)	376	431
Total outpatient revenue (RMB'000)		60,055	57,339
Total average outpatient spending per visit (RMB)		477	541
Total treatment and general healthcare services revenue (RMB'000)		337,751	263,580
Total pharmaceutical sales revenue (RMB'000)		101,135	96,630

D  ,  , w
B323.5 , 15.6% w
2019, w w w
w . w : () w
, 28.1%
w 2019; ()
w w w
w w ; () w
- - w w
w .

F ,
w 34.7% (
30, 2019: 36.4%). T
w 34.0% (
2019: 32.5%). T - - 30,
w
16.2% (w 30, 2019: 15.8%).

T 
,
, . D 
 , w
w B11.3 (30, 2019: B12.8);
B19.1 w B5.8 (
30, 2019:).

T  ,
, . D  ,
B7.1 (30, 2019: B3.4
),
B3.9 w    .

4.1.2 Gross Profit and Gross Profit Margin

D	₩	,	₩	B128.3
			39.4%	w
2019. ₩		w		B115.4
			43.8%	w
2019. ₩	w		w	
		:		

		For the six months ended June 30,	
		2020	2019
		(Unaudited)	(₩)
₩	₩	29.7%	25.1%
₩	₩	14.9%	14.5%
w	w	26.3%	22.3%
₩	₩	47.1%	62.8%
Consolidated gross profit margin		27.6%	24.3%

D	₩	,	₩
27.6% (		30, 2019: 24.3%),	w
			4.6
w		2019,	
	w		
-			

4.1.3 Tax and Surcharge

D	₩	,	₩	B2.0
(		30, 2019: B0.8	)	

4.1.4 Selling Expenses

D	₩	,	₩	B3.7
(		30, 2019: B4.5	), w	
B0.8			2019. ₩	
0.8%	₩	w	w	(
		30, 2019: 1.2%).		

4.1.5 Administrative Expenses

D

 ,  ,

W , W , T

 .

	For the six months ended June 30,	
	2020	2019
	(RMB'000)	(B'000)
	(Unaudited)	(Unaudited)
Employee benefits	35,136	33,962
Depreciation	5,970	5,709
Cost of sales	2,406	3,976
Transfer	1,468	2,188
	<u>9,659</u>	<u>7,055</u>
Total administrative expenses	<u>54,639</u>	<u>52,890</u>

D
B54.6
2019,
3.3%
3.5%
w
D
w
12.4% (
30,
2019: 14.7%).

4.1.6 Research and Development Expenses

D B2.6 (14.5% w 30, 2019: B2.3),
T w 0.6% (30, 2019: 0.6%).

4.1.7 Finance Expenses – Net

[illegible]

D  , B0.9 ,
B1.0

4.1.9 Credit Impairment Losses

D  , B16.1
(30, 2019: B10.7), 3.5%
 (30, 2019: 2.8%). A
30, 2020 D 31, 2019, B30.3 B21.4
 , w
8.6% 7.1%
w

4.1.10 Non-Operating Income (Expenses) and Other Gains

- -

4.1.11 Income Tax Expense

D 30, 2019: B7.1 B10.5 (47.5%
w 2019. F 26.7% 13.5%,
T w
B
2019,
, w

4.2 Financial Position

4.2.1 Inventory

A 30, 2020, B33.9 (D
31, 2019: B23.6), : ()
B31.3 (D 31, 2019: B21.0);
() B2.6 (D 31, 2019:
B2.6 W), 2701, 2806, 2807 2808
B C E C
T w :
C 2701, 2806, 2807
C 2808 B
C E
A S C , C W E C ,
C , C S C ,
75%
(A .) (S . .) 19.3
T (A .) (S . .) 325.73
C ,
C
S
C 30, 2017

4.2.2 Accounts Receivables

A 30, 2020, B352.6
 (D 31, 2019: B310.5), w
 w 14.5% w D B322.5 ,
 w 2019, w w
 D w 133 (30, 2019: 146
).

4.2.3 Other Receivables and Prepayments

A 30, 2020, B88.4
 (D 31, 2019: B68.7).

4.2.4 Investment Properties

A 30, 2020, B107.1
 (D W 31, 2019: B110.9), (302, 303
 B C W 304) W E B C W (302, 303
 C (2/F 11/F) W B D . T , w
 w :
 W W B C
 W E C
 (302, 303 304)
 A W E C , C , S C ,
 75%
 (A .) (S . .) 1,959.41
 T (A .) (S . .) 6,766,36
 T -

W

- w ,

29, 2043,

W W B C
W E C
(2/F 11/F)
W E C C S C
W E C , C , S C

A

W

75%

A

(A .) (S . .)

6,602.26

T

(A .) (S . .)

11,850.34

C ,

W

- w ,

29, 2043,

4.2.5 Other Non-current Financial Assets

A 30, 2020,

B51.3 (D 31, 2019: B51.3). D

W

-

.

4.2.6 Right-of-use Assets

A 30, 2020,

W 31, 2019: B235.3), w B253.4 (D

W

C

.

- -

4.2.7 Accounts Payables

A 30, 2020,

31, 2019: B75.6).

B63.6 (D

4.2.8 Contract Liability

A 30, 2020, B10.8 (D
31, 2019: B8.6).

4.2.9 Other Payables

A 30, 2020, B93.5 (D 31,
2019: B133.3).

4.3 Liquidity and Capital Resources

T w : w

For the six months ended June 30,	
2020	2019
(RMB'000)	(B'000)
(Unaudited)	(T)
17,799	4,157
(76,436)	(75,880)
94,945	(25,941)
36,424	(98,423)

I()
I()

4.3.1 Net Cash Generated from Operating Activities

D ,
B17.8 ,
B16.1
w B90.9
w B14.5

4.3.2 Net Cash Used in Investing Activities

D , B76.4
B67.1
& C .

4.3.3 Net Cash Generated from Financing Activities

During the year ended 30, 2020, the Company generated net cash from financing activities of B94.9 million, compared with B163.5 million for the year ended 31, 2019. The increase was primarily due to the issuance of new shares of B39.1 million.

4.3.4 Significant Investment, Acquisition and Disposal

There were no significant investments, acquisitions or disposals during the year ended 30, 2020.

4.4 Indebtedness

4.4.1 Bank Borrowings

As at 30, 2020, the Company had bank borrowings of B473.5 million (as at 31, 2019: B310.0 million), of which B201.0 million were secured. The increase of B272.5 million was primarily due to the issuance of new bank borrowings of B364.5 million.

4.4.2 Contingent Liability

As at 30, 2020, the Company had no contingent liabilities (as at 31, 2019: B10.0 million).

4.4.3 Asset Pledge

As at 30, 2020, the Company had pledged assets of B10.0 million (as at 31, 2019: B10.0 million). The pledged assets were primarily land and buildings, plant and equipment, and motor vehicles. The Company had no pledged financial assets (as at 31, 2019: B0.0 million).

4.4.4 Lease Liabilities

During the year ended 30, 2020, the Company recognized lease liabilities of B24.2 million (as at 31, 2019: B186.0 million). The decrease was primarily due to the payment of lease liabilities of B161.8 million.

4.4.5 Financial Instruments

The Company's financial instruments are primarily bank borrowings, trade receivables, trade payables, and other financial assets and liabilities. The Company has no derivatives or other financial instruments that are classified as held for trading.

4.4.6 Exposure to Fluctuation in Exchange Rates

The Group's exposure to exchange rate fluctuations is managed by the Group's Finance Department. The Group's policy is to hedge its foreign currency exposure to the extent possible. The Group's exposure to exchange rate fluctuations is managed by the Group's Finance Department. The Group's policy is to hedge its foreign currency exposure to the extent possible.

4.4.7 Gearing Ratio

As at 30, 2020, the Group's gearing ratio (defined as the ratio of total debt to total capitalization) was 42.2% (31, 2019: 40.4%).

4.4.8 Employees and Remuneration Policy

As at 30, 2020, the Group had 3,136 employees (31, 2019: 2,845). The Group's remuneration policy is to provide competitive salaries and benefits to its employees. The Group's remuneration policy is to provide competitive salaries and benefits to its employees.

The Group's remuneration policy is to provide competitive salaries and benefits to its employees. The Group's remuneration policy is to provide competitive salaries and benefits to its employees. The Group's remuneration policy is to provide competitive salaries and benefits to its employees.

A 15
 B 26, 2019, S w
 C . T w , B ,
 . T 37 ,
 S w 273,161 S . A 14
 , 23 ,
 w 180,516 S , 0.2391%
 S C . T w
 w . T ☒
 (B10.47 S).

Category of personnel	Number of persons granted (<i>person</i>)	Number of Shares granted (<i>Share</i>)	Number of grant representing total issued share capital of the Company
C	17	142,311	0.1885%
B , w ,	6	38,204	0.0506%
T	23	180,516	0.2391%
T S	S	C	.
T	S	W ☒	.
T	S	(溫州箴言康寧投資管理合夥企業(有限合夥))	.
w	S ☒ ☒	☒	.
T -	S	48	,
S		S	.
		48	

5 PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased 140,100 shares of its ordinary shares at a total cost of \$15,888,990. The weighted average price paid per share was \$113.40.

Repurchase period	Total number of H Shares repurchased	Price paid per share		Total consideration
		Highest (\$)	Lowest (\$)	
2020	35,000	17.90	17.80	624,200
A 2020	715,200	18.56	17.70	12,993,510
2020	9,400	16.00	15.80	148,540
2020	140,100	15.30	14.70	2,122,740
	899,700			15,888,990

The Company has not repurchased any shares of its ordinary shares during the period from January 1, 2020 to December 31, 2020.

The Company has not repurchased any shares of its ordinary shares during the period from January 1, 2021 to December 31, 2021.

6 EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting period.

7 REVIEW OF INTERIM RESULTS

T A C W 30, 2020, W ,

W^T A C w - D , . 
 (A C), .  , -
D , . A  . 

8 INTERIM DIVIDEND

T **B**
30, 2020 () 30, 2019:).

9 COMPLIANCE WITH CG CODE

 T C W CC C

10 ACCOUNTING STANDARDS

T C
 2017, C A w S B E
 w C (C 622 w) (**Companies**
Ordinance).

11 FINANCIAL REPORT

11.1 Accounting Policies

2006.

32 $\mathbb{T}^w_F$ A $\mathbb{S}_F$ B E .

T
w

2019

w

2019.

T
T C
w C S

11.2 Interim Financial Statement

T A F S B E w : C

11.2.1 Interim Consolidated Income Statement

(A B w)

		For the six months ended June 30,	
		2020 (Unaudited)	2019 (T)
1.	Revenue	465,150,452	378,910,291
	: C	(336,864,754)	(286,882,183)
	T	(1,999,246)	(831,972)
	S	(3,697,157)	(4,476,806)
	S	(54,639,015)	(52,890,346)
	F	(2,637,407)	(2,304,024)
		(11,846,196)	(10,198,874)
	:	(14,086,629)	(11,068,131)
	A :	2,454,371	1,925,426
	()/	5,443,616	6,567,461
	:	(923,557)	23,549,073
	C	(1,019,927)	(2,525,317)
	T	(16,112,650)	(10,730,916)
		-	984,550,452

11.2.2 Interim Consolidated Statement of Financial Position

(A		B	w	)		
					June 30, D	31,
ASSETS					2020	2019
					(Unaudited)	(A)
Current assets						
C					216,156,858	176,030,550
F					–	30,000,000
A					352,645,140	310,520,612
					76,843,282	63,317,366
A					11,516,259	5,366,020
					33,858,107	23,568,236
C	-				–	12,688,704
Total current assets					691,019,646	621,491,488
Non-current assets						
-					51,281,869	51,281,869
-					94,068,266	89,943,193
1						

LIABILITIES AND SHAREHOLDERS' EQUITY	June 30, 2020 <i>(Unaudited)</i>	December 31, 2019 <i>(Audited)</i>
Current liabilities		
Accounts payable and accrued liabilities	332,500,000	250,000,000
Short-term debt	576,686	
Accounts receivable	63,565,539	75,554,960
Contract liabilities	10,772,528	8,562,126
Deferred revenue	23,923,352	36,063,277
Other current liabilities	44,736,621	33,430,060
Current portion of long-term debt	93,516,092	133,348,712
Other current liabilities	66,053,557	79,741,922
Total current liabilities	635,644,375	616,701,057
Non-current liabilities		
Long-term debt	100,500,000	20,000,000
Deferred revenue	186,013,332	183,808,151
Other non-current liabilities	580,000	2,260,000
Long-term debt	2,000,000	2,000,000
Other non-current liabilities	9,797,371	9,949,267
Other non-current liabilities	25,949,596	21,124,118
Total non-current liabilities	324,840,299	239,141,536
Total liabilities	960,484,674	855,842,593
Shareholders' equity		
Common stock	75,500,000	75,500,000
Additional paid-in capital	826,376,743	824,715,445
Accumulated deficit	(37,817,508)	(21,721,144)
Accumulated other comprehensive income	33,189,321	33,189,321
Other shareholders' equity	289,210,662	252,800,715
Total equity attributable to shareholders of the parent company	1,186,459,218	1,164,484,337
Other equity	127,964,021	97,024,925
Total shareholders' equity	1,314,423,239	1,261,509,262
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,274,907,913	2,117,351,855

11.2.3 Interim Consolidated Statements of Cash Flow

(A		B	w	)
		For the six months ended June 30,		
		2020	2019	
		(Unaudited)	(	)
1.	Cash flows from operating activities			
	C	411,405,749	337,771,543	
	C	8,311,056	7,188,089	
	Sub-total of cash inflows	419,716,805	344,959,632	
	C	(174,912,876)	(153,687,796)	
	C	(162,022,960)	(137,201,128)	
	☑	(14,474,391)	(20,832,826)	
	C	(50,507,831)	(29,080,692)	
	Sub-total of cash outflows	(401,918,058)	(340,802,442)	
	Net cash flows from operating activities	17,798,747	4,157,190	
2.	Cash flows from investing activities			
	C	30,010,000	447,095	
	C	96,370		
		3,870,905		
		–	1,833,758	
	C	–	2,555,426	
	Sub-total of cash inflows	33,977,275	4,836,279	
	C	(67,075,009)	(63,099,075)	
	C	(15,145,000)	(13,020,000)	
		(25,593,510)	(1,246,349)	
	C	(2,600,000)	(3,351,048)	
	Sub-total of cash outflows	(110,413,519)	(80,716,472)	
	Net cash flows used in investing activities	(76,436,244)	(75,880,193)	

		For the six months ended June 30,	
		2020	2019
		(Unaudited)	(T)
3. Cash flows from financing activities			
C		23,361,500	4,245,000
	: C		
	-		
		21,771,500	4,245,000
C	w	367,285,789	170,000,000
C		-	
Sub-total of cash inflows		390,647,289	174,245,000
C	w	(201,900,000)	(146,000,000)
C		(8,241,036)	(6,647,896)
C		(85,561,157)	(47,538,263)
Sub-total of cash outflows		(295,702,193)	(200,186,159)
Net cash flows generated from/(used in) financing activities		94,945,096	(25,941,159)
4. Effect of foreign exchange rate changes on cash and cash equivalents		116,743	(758,597)
5. Net increase/(decrease) in cash and cash equivalents		36,424,342	(98,422,759)

11.2.4 Interim Consolidated Statement of Changes in Shareholders' Equity

(A	B	w						)
Equity attributable to shareholders of the parent company								
	Share capital	Capital surplus	Less: Treasury stock	Surplus reserve	Retained earnings	Non-controlling interests	Total shareholders' equity	
Balance at January 1, 2020	<u>75,500,000</u>	<u>824,715,445</u>	<u>(21,721,144)</u>	<u>33,189,321</u>	<u>252,800,715</u>	<u>97,024,925</u>	<u>1,261,509,262</u>	
	-	-	-	-	36,409,947	(7,508,712)	28,901,235	
C	-	-	-	-	-	21,771,500	21,771,500	
\$ - ,	-	3,914,851	(1,590,000)	-	-	-	2,324,851	
T w	-	(2,253,553)	-	-	-	(1,709,223)	(3,962,776)	
-	-	-	(14,506,364)	-	-	-	(14,506,364)	
B	-	-	-	-	-	18,385,531	18,385,531	
Balance at June 30, 2020 (Unaudited)	<u>75,500,000</u>	<u>826,376,743</u>	<u>(37,817,508)</u>	<u>33,189,321</u>	<u>289,210,662</u>	<u>127,964,021</u>	<u>1,314,423,239</u>	

Equity attributable to shareholders of the parent company

Share
capital

Capital

11.3 Notes to the Interim Financial Statement prepared in accordance with the China Accounting Standard for Business Enterprises

11.3.1 Accounts Receivable

(A)		B		w		)	

11.3.2 Accounts Payable

(A)		B		w		)	
T		30, 2020		D		31, 2019	
w :							
		June 30, 2020		D		31, 2019	
		(Unaudited)		(A		)	
W	3	54,973,453				65,881,555	
X	6	5,224,098				7,479,995	
3	1	2,277,029				1,381,101	
6	2	578,371				506,880	
1	3	276,874				94,816	
2		235,714				210,613	
3							
		63,565,539				75,554,960	

11.3.3 Revenue and Cost of Sales

(A)		B		w		)	
		For the six months ended					
		June 30,					
		2020		2019			
		(Unaudited)		(T		)	
C		438,885,748				360,209,402	
C		26,264,704				18,700,889	
		465,150,452				378,910,291	
C		323,463,045				279,933,288	
C		13,401,709				6,948,895	
		336,864,754				286,882,183	

Revenue and cost of sales from main operations

(A B w)

	For the six months ended June 30, 2020	
	(Unaudited) Revenue from main operations	(Unaudited) Cost of sales from main operations
☒ T	101,134,489 337,751,259	86,044,257 237,418,788
	<u>438,885,748</u>	<u>323,463,045</u>
	F 30, 2019	
	(T)	(T)
☒ T	96,629,883 263,579,519	82,628,810 197,304,478
	<u>360,209,402</u>	<u>279,933,288</u>

11.3.5 Income Tax Expense

(A B w)

		For the six months ended June 30,	
		2020	2019
		(Unaudited)	(T)
C			
D	w	23,778,834	14,824,769
		(13,276,086)	(7,704,851)
		<u>10,502,748</u>	<u>7,119,918</u>

T

w:

		For the six months ended June 30,	
		2020	2019
		(Unaudited)	(T)
T		39,403,983	52,661,149
	25%	9,850,996	13,165,287
C	,	579,650	1,158,271
F		121,674	119,184
A		(490,212)	(431,227)
		–	(318,561)
D	w	440,640	51,944
T			
	w		
	w	–	(6,624,980)
		<u>10,502,748</u>	<u>7,119,918</u>

11.3.6 Dividends

12 DEFINITIONS

A C

B

B

B

C ., . (北京怡寧醫院有限公司),

A 17, 2015,

C w , -w

w

B

C

C

C
司),

C ., . (蒼南康寧醫院有限公

C w , w - w

15, 2012,

C

C
春康林心理醫院有限公司),

C ., . (長

C w , F 16, 2016,

C , -w

w

A

W

C ., . w C,

S w E (S C : 2120)

C C

C C A 14

D ()

() C

D S ()

() C , w

B1.00 , w

B w

W

年醫院有限公司),

C ., . (溫州怡寧老

C w w -

2, 2015,

C ,

w

,

w

C

S ()

()

C , w B

B1.00 ,

S E

\$ D

, w

A C

E S T S

S E T S E

C ., . (淮南康寧醫院有限公司),
C w ,

22, 2017,
w S w

C ., . (廊坊怡寧醫院有限公司),
C ., . (廊坊市怡寧醫院管理有限公司)),
C w

D 2, 2015, C , w w
A 2, 2020

C T C C ., . (台州市路橋慈寧醫院有限公司),
C ., . (台州市路橋怡寧醫院有限公司)),
C w

D 12, 2016, C ,
w w

S A C
C C , C w ,

T w

C ., . (青田康寧醫院有限公司),
A 1, 2011, C C w , w - w

C ., . (衢州怡寧醫院有限公司),
20, 2015, C w ,
w w

30, 2020

司), C ., . (永嘉康寧醫院有限公
D 12, 2012, C w , w w

%

B B
Wenzhou Kangning Hospital Co., Ltd.
GUAN Weili
C

A , C
28, 2020

W A A , C , D . A W , .
W A A ; - D . A . A A , .
W . A - D . A , .
A A .