

Wenzhou Kan Ning Hospital Co., Ltd.

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)	(RMB'000)
		(Unaudited)	(Unaudited)
Operating income		465,150	378,910
Operating expenses		39,404	52,661
Operating profit		(10,503)	(7,120)
Operating profit attributable to equity holders of the Company		28,901	45,541
Operating profit attributable to equity holders of the Company and non-controlling interests		36,410	52,064
Operating profit attributable to equity holders of the Company and non-controlling interests		(7,509)	(6,523)
		As at	As at
		June 30,	June 30,
		2020	2019
		(RMB'000)	(RMB'000)
		(Unaudited)	(Unaudited)
Operating assets		2,274,908	2,117,352
Operating liabilities		960,485	855,843
Operating assets less operating liabilities		1,314,423	1,261,509
Operating assets less operating liabilities and non-controlling interests		1,186,459	1,164,484
Operating assets less operating liabilities and non-controlling interests		127,964	97,025

	For the six months ended June 30,	
	2020	2019
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Treatment and general healthcare services		
	337,751	263,580
Contract management services	237,419	197,304
Pharmaceutical sales	100,332	66,276
Owned hospitals		
	101,135	96,630
Contract management services	86,044	82,629
Pharmaceutical sales	15,091	14,001
Owned hospitals		
	438,886	360,210
Contract management services	323,463	279,933
Pharmaceutical sales	115,423	80,277

D

B438.9

2019,

C

2019, D

43.8%

	For the six months ended June 30,	
	2020 (Unaudited)	2019
Inpatients		
Number of inpatient admissions	6,853	5,593
Revenue from inpatient services (RMB'000)	1,240,393	1,012,333
Revenue from inpatient services as a percentage of total revenue (%)	83.1	84.9
Number of inpatient bed-days	1,030,392	859,061
Average inpatient spending per bed-day (RMB)	324,990	251,945
Number of inpatient admissions as a percentage of total admissions (%)	315	293
Average inpatient spending per bed-day (RMB'000)	53,841	50,926
Average inpatient spending per bed-day (RMB)	52	59
Total inpatient revenue (RMB'000)	378,831	302,871
Total average inpatient spending per bed-day (RMB)	368	353
Outpatients		
Number of outpatient visits	125,852	105,986
Revenue from outpatient services (RMB'000)	12,761	11,635
Average outpatient spending per visit (RMB)	101	110
Number of outpatient visits as a percentage of total visits (%)	47,294	45,704
Average outpatient spending per visit (RMB'000)	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 25.1% B378.8 2019, 19.9%
: ()
C ; ()
4.2%.
86.3% (30, 2019: 84.1%).

D 4.7% B60.1 2019, 18.7%.
13.7% (30, 2019: 15.9%).

D 28.1% 2019, 77.0% (30, 2019: 73.2%);
4.7% 2019, 23.0% (30, 2019: 26.8%), :
14.2% (30, 2019: 16.8%),
78.8% (30, 2019: 79.7%).

C
k

	For the six months ended June 30,	
	2020 (RMB'000) (Unaudited)	2019 (RMB'000) (Unaudited)
E	112,156	101,813
D	110,048	91,091
D	15,297	14,119
D	37,019	30,236
C	18,390	16,577
	11,647	7,807
	18,906	18,290
Cost of revenue of owned hospitals	323,463	279,933

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

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

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

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

4.1.3 Tax and Surcharge

D 27.6% (2018: 27.6%, 2019: 24.3%), 4.6 2019,

4.1.3 Tax and Surcharge

D. (1993, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683,

4.1.4 Selling Expenses

D. (30, 2019: B0.8, 0.8%, 30, 2019: 1.2%).

4.1.5 Administrative Expenses

During the six months ended June 30, 2020, administrative expenses decreased by RMB54.6 million (3.3%) from RMB165.4 million in 2019, mainly due to the decrease in depreciation and amortization expenses of RMB20.0 million (12.4%) and the decrease in employee benefits of RMB14.7 million (8.9%).

	For the six months ended June 30,	
	2020 (RMB'000) (Unaudited)	2019 (RMB'000) (Audited)
E Depreciation and amortization	35,136	33,962
D Employee benefits	5,970	5,709
C Salaries and wages	2,406	3,976
Other administrative expenses	1,468	2,188
	<u>9,659</u>	<u>7,055</u>
Total administrative expenses	<u>54,639</u>	<u>52,890</u>

During the six months ended June 30, 2020, administrative expenses decreased by RMB54.6 million (3.3%) from RMB165.4 million in 2019, mainly due to the decrease in depreciation and amortization expenses of RMB20.0 million (12.4%) and the decrease in employee benefits of RMB14.7 million (8.9%).

4.1.6 Research and Development Expenses

During the six months ended June 30, 2020, research and development expenses decreased by RMB2.6 million (14.5%) from RMB18.0 million in 2019, mainly due to the decrease in depreciation and amortization expenses of RMB0.6 million (3.3%) and the decrease in employee benefits of RMB1.4 million (7.8%).

4.1.7 Finance Expenses – Net

For the six months ended June 30, 2020, the Company's net finance expenses were RMB4,921,000 (2019: RMB5,706,000). The net finance expenses were mainly composed of the following items:

	For the six months ended June 30,	
	2020	2019
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Interest income	2,454	1,925
Finance income/(expense)	125	(759)
Bank charges	(9,165)	(3,520)
Net finance expenses	(4,921)	(5,706)

4.1.11 Income Tax Expense

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

4.2 Financial Position

4.2.1 Inventory

A J 30, 2020, B33.9 (D
 31, 2019: B23.6), : ()
 B31.3 (D 31, 2019: B21.0);
 () B2.6 (D 31, 2019:
 B2.6), 2701, 2806, 2807 2808
 k B C E C
 :

C 2701, 2806, 2807
 2808 k B
 C E C

A , E
 C , C , C ,
 C

75%

(A) () 19.3

(A) () 325.73

C

C

C J 30, 2017

4.2.2 Accounts Receivables

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

4.2.3 Other Receivables and Prepayments

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

4.2.4 Investment Properties

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

29, 2043,

$$(2/F \quad 11/F) \quad \begin{matrix} \text{B} & \text{C} \\ \text{E} & \text{C} \end{matrix}$$

E₁, C₁, C₂, C₃, C₄

75%

6,602.26

11,850.34

C. $\frac{1}{2} \times 11,850.34 = 5,925.17$

29, 2043,

4.2.5 Other Non-current Financial Assets

A 30, 2020, 14-B51.3 (D 31, 2019: 14-B51.3). D

4.2.6 Right-of-use Assets

A 30, 2020, 10:30 AM, B253.4 (D)

31, 2019: B235.3 (C)

4.2.7 Accounts Payables

A. J. 30, 2020, 14B63.6 (11D).
31, 2019: 14B75.6 (11D).

4.2.8 Contract Liability

At June 30, 2020, the balance was RMB10.8 million (December 31, 2019: RMB8.6 million).

4.2.9 Other Payables

At June 30, 2020, the balance was RMB93.5 million (December 31, 2019: RMB133.3 million).

4.3 Liquidity and Capital Resources

The following table summarizes the cash flows for the six months ended June 30, 2020 and 2019:

		For the six months ended June 30,	
		2020	2019
		(RMB'000)	(RMB'000)
		(Unaudited)	(Unaudited)
Operating activities		17,799	4,157
Investing activities		(76,436)	(75,880)
Financing activities		94,945	(25,941)
Net change in cash and cash equivalents		36,424	(98,423)

4.3.1 Net Cash Generated from Operating Activities

During the six months ended June 30, 2020, net cash generated from operating activities was RMB17.8 million, compared with RMB28.9 million for the same period in 2019. The increase was primarily due to the increase in cash received from customers of RMB60.0 million, offset by the increase in cash paid for taxes and social security contributions of RMB90.9 million, and the increase in cash paid for interest and dividends of RMB14.5 million.

4.3.2 Net Cash Used in Investing Activities

During the six months ended June 30, 2020, net cash used in investing activities was RMB76.4 million, compared with RMB67.1 million for the same period in 2019. The increase was primarily due to the increase in cash paid for the acquisition of subsidiaries and businesses of RMB76.4 million, offset by the increase in cash received from the disposal of subsidiaries and businesses of RMB67.1 million.

4.3.3 Net Cash Generated from Financing Activities

D

B94.9

B39.1

B163.5

k

4.3.4 Significant Investment, Acquisition and Disposal

30, 2020.

4.4 Indebtedness

4.4.1 Bank Borrowings

A 30, 2020, k
B473.5 (D 31, 2019: B310.0),
B201.0
B364.5

4.4.2 Contingent Liability

Accepted for publication: 30, 2020,  

4.4.3 Asset Pledge

A J B k 30, 2020, C E C C C B k.

4.4.4 Lease Liabilities

30, 2020, B24.2, B186.0

4.4.5 Financial Instruments

F

k

C

k

4.4.6 Exposure to Fluctuation in Exchange Rates

$\mathbf{k} \rightarrow \mathbf{k} + \mathbf{D}$

F. 30, 2020,  k. C. k. 

4.4.7 Gearing Ratio

A 30, 2020, 42.2% (D 31, 2019: 40.4%).

4.4.8 Employees and Remuneration Policy

A 30, 2020: 3,136
D 31, 2019: 2,845
B149.5
B128.1
B98.2

2018

J 13, 2018 (2017 AGM).

C 29, 2018

C 30, 2018.

A.  B.  C.  A.  B.  C.  A.  B.  C. 

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

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	6	38,204	0.0506%
	23	180,516	0.2391%

C.
 (溫州箴言康寧投資管理合夥企業(有限合夥))

k - 48

k 48

5 PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the reporting period, the Company repurchased 899,700 shares of its ordinary shares at a total cost of \$15,888,990. Details of the repurchases are as follows:

Repurchase period	Total number of H Shares repurchased	Price paid per share		Total consideration
		Highest (HK \$)	Lowest (HK \$)	
From January 1 to December 31, 2020	35,000	17.90	17.80	624,200
From January 1 to December 31, 2020	715,200	18.56	17.70	12,993,510
From January 1 to December 31, 2020	9,400	16.00	15.80	148,540
From January 1 to December 31, 2020	140,100	15.30	14.70	2,122,740
	899,700			15,888,990

The above information is for the Company's ordinary shares only. As at December 31, 2020.

The Company has not repurchased any of its listed securities during the reporting period. Details of the repurchases are as follows:

6 EVENTS AFTER THE REPORTING PERIOD

From January 1 to December 31, 2020, there were no events after the reporting period that have a material effect on the Company's financial position, performance or cash flows.

7 REVIEW OF INTERIM RESULTS

A C J 30, 2020,

A C D ,
(A C),
D A

8 INTERIM DIVIDEND

B
J 30, 2020 (J 30, 2019:).

9 COMPLIANCE WITH CG CODE

C C

10 ACCOUNTING STANDARDS

C 2017, C A B E
C (C 622) (Companies
Ordinance).

11 FINANCIAL REPORT

11.1 Accounting Policies

B E B F C (“Ministry of Finance”) F 15,
2006.

32 F A B E F

2019.
2019

C 2016.
C

11.2 Interim Financial Statement

F
A, B, E, C

11.2.1 Interim Consolidated Income Statement

(A, B)

		For the six months ended June 30,	
		2020 (Unaudited)	2019 (Unaudited)
1. Revenue		465,150,452	378,910,291
Cost of sales		(336,864,754)	(286,882,183)
Gross profit		(1,999,246)	(831,972)
Operating expenses		(3,697,157)	(4,476,806)
Operating income		(54,639,015)	(52,890,346)
Finance income		(2,637,407)	(2,304,024)
Finance expense		(11,846,196)	(10,198,874)
Income before income tax		(14,086,629)	(11,068,131)
Income tax expense		2,454,371	1,925,426
Profit after income tax		5,443,616	6,567,461
Other income		(923,557)	23,549,073
Other expense		(1,019,927)	(2,525,317)
Net income		(16,112,650)	(10,730,916)
Minority interest		—	(18,587)

11.2.2 Interim Consolidated Statement of Financial Position

(A. ~~14~~ B. ~~15~~)

ASSETS	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Current assets		
Cash and cash equivalents	216,156,858	176,030,550
Financial assets at fair value	–	30,000,000
Accounts receivable	352,645,140	310,520,612
Prepaid expenses and other assets	76,843,282	63,317,366
Assets held for sale	11,516,259	5,366,020
Other non-current assets	33,858,107	23,568,236
Current assets held for sale	–	12,688,704
Total current assets	691,019,646	621,491,488
Non-current assets		
Investments in subsidiaries	51,281,869	51,281,869
Investments in associates	94,068,266	89,943,193

LIABILITIES AND SHAREHOLDERS' EQUITY	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
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
Prepaid expenses and other assets	44,736,621	33,430,060
Income taxes payable	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
Deferred revenue	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
Preferred stock	826,376,743	824,715,445
Retained earnings	(37,817,508)	(21,721,144)
Accumulated other comprehensive income	33,189,321	33,189,321
Other equity	289,210,662	252,800,715
Total equity attributable to shareholders of the parent company	1,186,459,218	1,164,484,337
Non-controlling interest	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. ~~14~~ B ~~15~~)

	For the six months ended June 30,	
	2020 (Unaudited)	2019 (Unaudited)
1. Cash flows from operating activities		
Cash received from customers	411,405,749	337,771,543
Cash received from other sources	8,311,056	7,188,089
Sub-total of cash inflows	419,716,805	344,959,632
Cash paid for operating expenses	(174,912,876)	(153,687,796)
Cash paid for interest and dividends	(162,022,960)	(137,201,128)
Cash paid for income taxes	(14,474,391)	(20,832,826)
Cash paid for other operating activities	(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		
Cash received from the sale of property, plant and equipment	30,010,000	447,095
Cash received from the sale of investments	96,370	—
Cash received from the sale of other assets	3,870,905	—
Cash paid for the acquisition of property, plant and equipment	—	1,833,758
Cash paid for the acquisition of investments	—	2,555,426
Sub-total of cash inflows	33,977,275	4,836,279
Cash paid for the acquisition of property, plant and equipment	(67,075,009)	(63,099,075)
Cash paid for the acquisition of investments	(15,145,000)	(13,020,000)
Cash paid for the acquisition of other assets	(25,593,510)	(1,246,349)
Cash paid for other investing activities	(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)	(Unaudited)
3. Cash flows from financing activities			
Cash received from the issuance of bank loans		23,361,500	4,245,000
Cash received from the issuance of bank loans : Cash received from the issuance of bank loans			
		21,771,500	4,245,000
Cash received from the issuance of bank loans		367,285,789	170,000,000
Cash received from the issuance of bank loans		—	—
Sub-total of cash inflows		390,647,289	174,245,000
Cash paid for the acquisition of bank loans		(201,900,000)	(146,000,000)
Cash paid for the acquisition of bank loans		(8,241,036)	(6,647,896)
Cash paid for the acquisition of bank loans		(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. ~~1~~ B ~~1~~)

	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>
Net income	-	-	-	-	36,409,947	(7,508,712)	28,901,235
Dividends	-	-	-	-	-	21,771,500	21,771,500
Transfer of retained earnings to surplus reserve	-	3,914,851	(1,590,000)	-	-	-	2,324,851
Transfer of retained earnings to capital surplus	-	(2,253,553)	-	-	-	(1,709,223)	(3,962,776)
Transfer of retained earnings to treasury stock	-	-	(14,506,364)	-	-	-	(14,506,364)
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. 11.3.1 Accounts Receivable (Continued))

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Accounts receivable	6,750,000	8,250,000
Accounts receivable - related parties	384,779,056	330,174,215
Accounts receivable - non-related parties		
- Government	391,529,056	338,424,215
- Others	(38,883,916)	(27,903,603)
	<u>352,645,140</u>	<u>310,520,612</u>

The accounts receivable as of June 30, 2020 and December 31, 2019 are classified as follows:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)
1. Accounts receivable	307,256,118	266,932,953
2. Accounts receivable - related parties	54,328,309	57,988,407
3. Accounts receivable - non-related parties	24,130,088	13,089,001
- Government	5,814,541	413,854
- Others		
	<u>391,529,056</u>	<u>338,424,215</u>

A. 11.3.1 Accounts Receivable (Continued)

11.3.2 Accounts Payable

(A. ~~1~~ B. ~~2~~)

June 30, 2020 D June 31, 2019

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

11.3.3 Revenue and Cost of Sales

(A. ~~1~~ B. ~~2~~)

	For the six months ended June 30,	
	2020 (Unaudited)	2019 (Audited)
Operating income	438,885,748	360,209,402
Other income	26,264,704	18,700,889
	<u>465,150,452</u>	<u>378,910,291</u>
Cost of sales	323,463,045	279,933,288
Cost of services	13,401,709	6,948,895
	<u>336,864,754</u>	<u>286,882,183</u>

Revenue and cost of sales from main operations

(A. B.)

For the six months ended June 30, 2020	
(Unaudited) Revenue from main operations	(Unaudited) Cost of sales from main operations
101,134,489	86,044,257
<u>337,751,259</u>	<u>237,418,788</u>
<u><u>438,885,748</u></u>	<u><u>323,463,045</u></u>

For the six months ended June 30, 2019	
(Unaudited) Revenue from main operations	(Unaudited) Cost of sales from main operations
96,629,883	82,628,810
<u>263,579,519</u>	<u>197,304,478</u>
<u><u>360,209,402</u></u>	<u><u>279,933,288</u></u>

11.3.4 Earnings Per Share

(A) $\frac{B}{C}$

() B

For the six months ended
June 30,
2020 2019
(Unaudited) ()

Weighted average common shares outstanding		
(B) ⁽¹⁾	36,409,947	52,064,124
() ⁽¹⁾	<u>72,769,749</u>	<u>73,040,000</u>

B (B) 0.50 0.71

() F, 13, 2018, C 2,460,000 D
A D
k, A B
E 7, 2,460,000 D
C J 30, 2020.

F 30, 2020, C
899,700 k, k
k C

() D

D
C F J
30, 2020,
B36,409,947. B
73,034,363. B0.50.
F 30, 2019,
B52,064,124. B
73,915,743.
B0.70.

11.3.5 Income Tax Expense

(A) ☒ B ☒ ()

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

() ☒

	For the six months ended June 30,	
	2020 (Unaudited)	2019 ()
	<u>39,403,983</u>	<u>52,661,149</u>
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	440,640	51,944
	–	(6,624,980)
	<u>10,502,748</u>	<u>7,119,918</u>

11.3.6 Dividends

12 DEFINITIONS

A	C	B
B	C., (北京怡寧醫院有限公司), A, 17, 2015, C	C
B	C	C
C	C., (蒼南康寧醫院有限公司), 15, 2012, C	C
C	C., (長春康林心理醫院有限公司), C, F 16, 2016, C	C
C	C., k k E (k C : 2120)	C, B
C	C, A 14	
D	() C	
D	() C, B1.00, B, k	
	C., (溫州怡寧老年醫院有限公司), 2, 2015, C	
	C	
	C	
()	() C, B1.00, B, k E	

 \$  D

Figure 1 | **Figure 1A** shows the **Figure 1B** shows the **Figure 1C** shows the






 , <https://www.utwente.nl/en/onderzoek/onderzoeksinfrastructuur/onderzoeksinfrastructuurkenniscentrum>


司), 22, 2017, C (淮南康寧醫院有限公司), C

限公司, (廊坊怡寧醫院有限公司), (廊坊市怡寧醫院管理有限公司)),
2, 2015,
A, 2, 2020

C, (台州市路橋
慈寧醫院有限公司, k
(台州市路橋怡寧醫院有限公司)),
C,
C
D 12, 2016, C

Figure 1. Schematic representation of the experimental design. (A) The subjects were divided into two groups: the control group (C) and the experimental group (E). (B) The control group (C) was divided into two subgroups: the control group (C) and the control group (C). (C) The experimental group (E) was divided into two subgroups: the experimental group (E) and the experimental group (E). (D) The control group (C) was divided into two subgroups: the control group (C) and the control group (C). (E) The experimental group (E) was divided into two subgroups: the experimental group (E) and the experimental group (E).

本公司與青田康寧醫院有限公司（青田康寧醫院有限公司），
 A 1, 2011, C C -

司), 2015年C, (衢州怡寧醫院有限公司), C, 2015, C

30, 2020

%

Attest: _____ C
A, _____ 28, 2020