



## 2 FINANCIAL HIGHLIGHTS

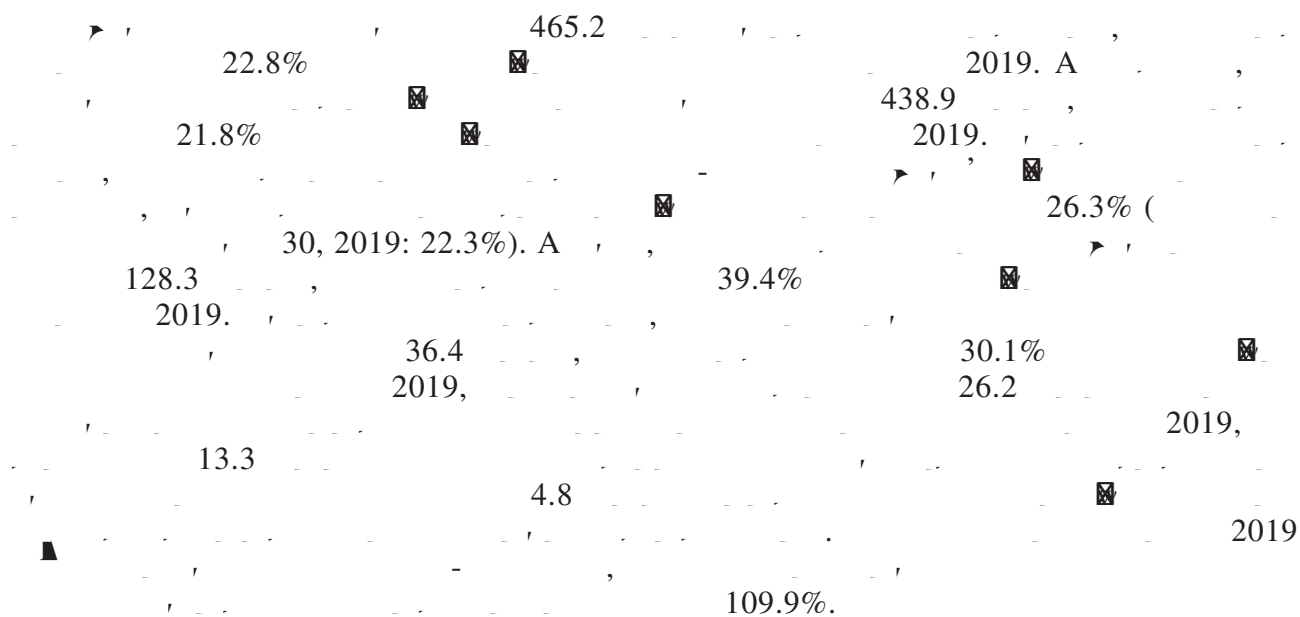
### 2.1 Principal Financial Data and Indicators

	For the six months ended June 30,	
	2020 (RMB'000) (Unaudited)	2019 (RMB'000) (Unaudited)
Revenue	465,150	378,910
Operating expenses	39,404	52,661
Operating profit	(10,503)	(7,120)
Other income	28,901	45,541
Other expenses	36,410	52,064
Net profit	(7,509)	(6,523)
	As at	As at
	June 30,	June 30,
	2020	2019
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Assets	2,274,908	2,117,352
Liabilities	960,485	855,843
Equity	1,314,423	1,261,509
Reserves	1,186,459	1,164,484
Other	127,964	97,025



## 4 MANAGEMENT DISCUSSION AND ANALYSIS

### 4.1 Financial Review



#### 4.1.1 Revenue and Cost of Revenue

	For the six months ended June 30,	
	2020	2019
	(RMB'000)	( '000)
	(Unaudited)	(Unaudited)
	438,886	360,210
	19,116	15,281
	7,148	3,419
<b>Total revenue</b>	<b>465,150</b>	<b>378,910</b>



	For the six months ended June 30,	
	2020 (Unaudited)	2019
<b>In Patients</b>		
Number of inpatients	6,853	5,593
Number of inpatient bed-days	1,240,393	1,012,333
Occupancy rate (%)	83.1	84.9
Revenue from inpatient services (RMB'000)	1,030,392	859,061
Revenue from inpatient pharmaceutical sales (RMB'000)	324,990	251,945
Revenue from inpatient pharmaceutical sales as a percentage of inpatient services revenue (%)	315	293
Revenue from inpatient pharmaceutical sales (RMB'000)	53,841	50,926
Revenue from inpatient pharmaceutical sales as a percentage of total inpatient revenue (%)	52	59
<b>Total inpatient revenue (RMB'000)</b>	<b>378,831</b>	<b>302,871</b>
<b>Total average inpatient spending per bed-day (RMB)</b>	<b>368</b>	<b>353</b>
<b>Out Patients</b>		
Number of outpatients	125,852	105,986
Revenue from outpatient services (RMB'000)	12,761	11,635
Revenue from outpatient pharmaceutical sales (RMB'000)	101	110
Revenue from outpatient pharmaceutical sales as a percentage of outpatient services revenue (%)	47,294	45,704
Revenue from outpatient pharmaceutical sales (RMB'000)	376	431
<b>Total outpatient revenue (RMB'000)</b>	<b>60,055</b>	<b>57,339</b>
<b>Total average outpatient spending per visit (RMB)</b>	<b>477</b>	<b>541</b>
<b>Total treatment and general healthcare services revenue (RMB'000)</b>	<b>337,751</b>	<b>263,580</b>
<b>Total pharmaceutical sales revenue (RMB'000)</b>	<b>101,135</b>	<b>96,630</b>

378.8  
2019,  
19.9%

25.1%

(-)

4.2%

86.3% (30, 2019: 84.1%).

60.1  
2019,  
18.7%.

4.7%

13.7% (30, 2019: 15.9%).

28.1%

2019,  
30,  
77.0%  
2019: 73.2%);

4.7%

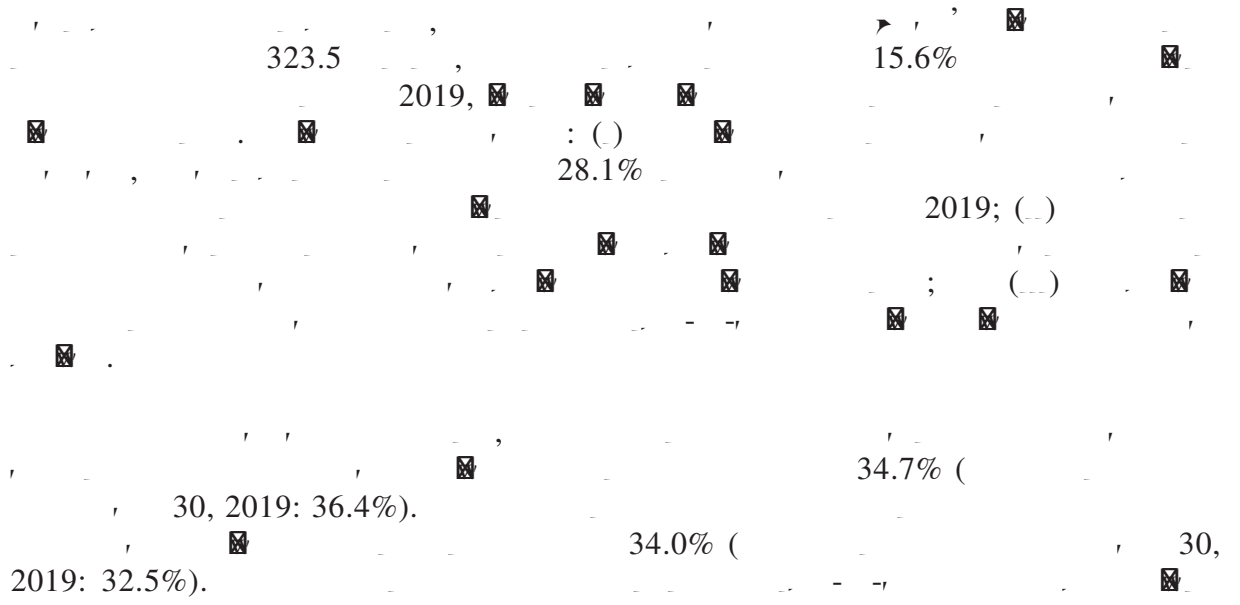
2019,  
23.0%  
30, 2019: 26.8%),

14.2% (30, 2019: 16.8%),

78.8% (30, 2019: 79.7%).

<b>For the six months ended June 30,</b>	
<b>2020</b>	<b>2019</b>
<i>(RMB'000)</i>	<i>('000)</i>
<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>112,156</b>	101,813
<b>110,048</b>	91,091
<b>15,297</b>	14,119
<b>37,019</b>	30,236
<b>18,390</b>	16,577
<b>11,647</b>	7,807
<b>18,906</b>	18,290
<b>323,463</b>	279,933

**Cost of revenue of owned hospitals**





### ***4.1.5 Administrative Expenses***





**4.1.11 Income Tax Expense**

As of December 31, 2019, the effective tax rate was 10.5% (47.5% in 2018). The effective tax rate for 2019 was 26.7% compared to 13.5% in 2018. The effective tax rate for 2019 was 26.7% compared to 13.5% in 2018. The effective tax rate for 2019 was 26.7% compared to 13.5% in 2018.

**4.2 Financial Position**

**4.2.1 Inventory**

As of December 31, 2020, the inventory was 33.9 million (23.6 million in 2019). The inventory was 31.3 million (21.0 million in 2019). The inventory was 270.1 million (280.6 million in 2019). The inventory was 270.1 million (280.6 million in 2019). The inventory was 270.1 million (280.6 million in 2019).

As of December 31, 2020, the inventory was 33.9 million (23.6 million in 2019). The inventory was 31.3 million (21.0 million in 2019). The inventory was 270.1 million (280.6 million in 2019). The inventory was 270.1 million (280.6 million in 2019). The inventory was 270.1 million (280.6 million in 2019).

As of December 31, 2020, the inventory was 33.9 million (23.6 million in 2019). The inventory was 31.3 million (21.0 million in 2019). The inventory was 270.1 million (280.6 million in 2019). The inventory was 270.1 million (280.6 million in 2019). The inventory was 270.1 million (280.6 million in 2019).

30, 2017



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29, 2043,

462.9( )24 (2/ 11/ ) (15)



**4.3.3 Net Cash Generated from Financing Activities**

94.9	39.1	163.5
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**4.3.4 Significant Investment, Acquisition and Disposal**

As at 30, 2020.

**4.4 Indebtedness**

**4.4.1 Bank Borrowings**

As at 30, 2020,	31, 2019:
473.5 (364.5)	310.0 (201.0)

**4.4.2 Contingent Liability**

As at 30, 2020,	
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**4.4.3 Asset Pledge**

As at 30, 2020,	
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**4.4.4 Lease Liabilities**

As at 30, 2020,	24.2	186.0
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**4.4.5 Financial Instruments**

As at 30, 2020,	
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#### 4.4.6 Exposure to Fluctuation in Exchange Rates

As at 30, 2020, the Company's net exposure to exchange rate fluctuations is \$1,818,529 (2019: \$1,818,529). The Company's net exposure to exchange rate fluctuations is primarily due to the Company's investments in the United States and the United Kingdom. The Company's net exposure to exchange rate fluctuations is primarily due to the Company's investments in the United States and the United Kingdom.

#### 4.4.7 Gearing Ratio

As at 30, 2020, the Company's gearing ratio is 42.2% (2019: 40.4%).

#### 4.4.8 Employees and Remuneration Policy

As at 30, 2020, the Company has 3,136 employees (2019: 2,845). The Company's employees are primarily located in the United States and the United Kingdom. The Company's employees are primarily located in the United States and the United Kingdom.

2018 W 13, 2018 (2017 AGM). 29, 2018 30, 2018.

As at 30, 2018, the Company has 2,845 employees (2017: 2,845). The Company's employees are primarily located in the United States and the United Kingdom. The Company's employees are primarily located in the United States and the United Kingdom.

A	15		
	26, 2019,		
			37
	273,161	A 14	
		23	
	180,516		0.2391%
	( 10.47 )		

Category of Personnel	Number of Persons granted (Person)	Number of Shares granted (Share)	Number of grant representing total issued share capital of the Company
	17	142,311	0.1885%
	6	38,204	0.0506%
	<u>23</u>	<u>180,516</u>	<u>0.2391%</u>

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 (溫州箴言康寧投資管理合夥企業(有限合夥))

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## 5 PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

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
	<b>899,700</b>			<b>15,888,990</b>

## 6 EVENTS AFTER THE REPORTING PERIOD

30, 2020

## 7 REVIEW OF INTERIM RESULTS

As at 30, 2020, the Company's interim results for the period ended 30, 2020, are as follows:

As at 30, 2020, the Company's interim results for the period ended 30, 2020, are as follows:

## 8 INTERIM DIVIDEND

As at 30, 2020 (30, 2019: \$0.00).

## 9 COMPLIANCE WITH CG CODE

The Company is in compliance with the provisions of the Companies Act, 2017.

## 10 ACCOUNTING STANDARDS

The Company has adopted the Accounting Standards prescribed under the Companies Act, 2017, (622 of 2017) (Companies Ordinance).

## 11 FINANCIAL REPORT

### 11.1 Accounting Policies

The Company has adopted the Accounting Standards prescribed under the Companies Act, 2017, (622 of 2017) ("Ministry of Finance") (15, 2006).

The Company has adopted the Accounting Standards prescribed under the Companies Act, 2017, (622 of 2017) (15, 2006).

The Company has adopted the Accounting Standards prescribed under the Companies Act, 2017, (622 of 2017) (15, 2006).

2019

2016.

## 11.2 Interim Financial Statement

A : ( )

### 11.2.1 Interim Consolidated Income Statement

(A : ( ) )

	For the six months ended	
	2020 (Unaudited)	2019 ( )
<b>1. Revenue</b>	<b>465,150,452</b>	378,910,291
:	<b>(336,864,754)</b>	(286,882,183)
:	<b>(1,999,246)</b>	(831,972)
:	<b>(3,697,157)</b>	(4,476,806)
:	<b>(54,639,015)</b>	(52,890,346)
:	<b>(2,637,407)</b>	(2,304,024)
:	<b>(11,846,196)</b>	(10,198,874)
:	<b>(14,086,629)</b>	(11,068,131)
:	<b>2,454,371</b>	1,925,426
A :	<b>5,443,616</b>	6,567,461
( )/	<b>(923,557)</b>	23,549,073
:	<b>(1,019,927)</b>	(2,525,317)
:	<b>(16,112,650)</b>	(10,730,916)
:	<b>-</b>	(18,587)



**11.2.2 Interim Consolidated Statement of Financial Position**

(A, , , , )

<b>ASSETS</b>	<b>June 30, 2020 (Unaudited)</b>	<b>31, 2019 (A, )</b>
<b>Current assets</b>		
	<b>216,156,858</b>	176,030,550
	-	30,000,000
A	<b>352,645,140</b>	310,520,612
	<b>76,843,282</b>	63,317,366
A	<b>11,516,259</b>	5,366,020
	<b>33,858,107</b>	23,568,236
	-	12,688,704
<b>Total current assets</b>	<b><u>691,019,646</u></b>	<u>621,491,488</u>
<b>Non-current assets</b>		
	<b>51,281,869</b>	51,281,869
	<b>94,068,266</b>	89,943,193
A 58	55( 5 18 ,16,259) / 10 10	(130,000,000) 0.02

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

### 11.2.3 Interim Consolidated Statements of Cash Flow

(A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z)

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

	<b>For the six months ended</b>	
	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>3. Cash flows from financing activities</b>		
<b>Proceeds from the issuance of bank loans</b>	<b>23,361,500</b>	4,245,000
<b>Proceeds from the issuance of bonds</b>	<b>21,771,500</b>	4,245,000
<b>Proceeds from the issuance of capital</b>	<b>367,285,789</b>	170,000,000
<b>Proceeds from the issuance of equity</b>	<b>—</b>	—
<b>Sub-total of cash inflows</b>	<b>390,647,289</b>	174,245,000
<b>Payments for the acquisition of property, plant and equipment</b>	<b>(201,900,000)</b>	(146,000,000)
<b>Payments for the acquisition of intangible assets</b>	<b>(8,241,036)</b>	(6,647,896)
<b>Payments for the acquisition of subsidiaries</b>	<b>(85,561,157)</b>	(47,538,263)
<b>Sub-total of cash outflows</b>	<b>(295,702,193)</b>	(200,186,159)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>94,945,096</b>	(25,941,159)
<b>4. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>116,743</b>	(758,597)
<b>5. Net increase/(decrease) in cash and cash equivalents</b>	<b>36,424,342</b>	(98,422,759)

## 11.2.4 Interim Consolidated Statement of Changes in Shareholders' Equity

(A) ( )

	Equity attributable to shareholders of the Parent company						Non-controlling interests	Total shareholders' equity
	Share capital	Capital surplus	Less: Treasury stock	Surplus reserve	Retained earnings			
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	
	-	-	-	-	-	21,771,500	21,771,500	
	-	3,914,851	(1,590,000)	-	-	-	2,324,851	
	-	(2,253,553)	-	-	-	(1,709,223)	(3,962,776)	
	-	-	(14,506,364)	-	-	-	(14,506,364)	





**Revenue and cost of sales from main operations**

(A, , , , )

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

<b>June 30, 2019</b>	
<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>96,629,883</b>	<b>82,628,810</b>
<b>263,579,519</b>	<b>197,304,478</b>
<b><u>360,209,402</u></b>	<b><u>279,933,288</u></b>

### 11.3.4 Earnings Per Share

		For the six months ended June 30,	
		2020 (Unaudited)	2019 (Unaudited)
Weighted average number of common shares outstanding	( ) <sup>(1)</sup>	36,409,947	52,064,124
Weighted average number of common shares outstanding, including restricted stock	( ) <sup>(1)</sup>	<u>72,769,749</u>	<u>73,040,000</u>
Net income	( )	<u>0.50</u>	<u>0.71</u>
<p>(1) As of June 30, 2018, the Company had 2,460,000 shares of restricted stock outstanding. As of June 30, 2020, the Company had 7,246,000 shares of restricted stock outstanding. As of June 30, 2020, the Company had 899,700 shares of restricted stock outstanding.</p> <p>(2) As of June 30, 2020, the Company had 7,246,000 shares of restricted stock outstanding. As of June 30, 2019, the Company had 7,246,000 shares of restricted stock outstanding.</p>			
Weighted average number of common shares outstanding	( )	36,409,947	52,064,124
Weighted average number of common shares outstanding, including restricted stock	( )	73,034,363	73,915,743
Net income	( )	0.50	0.70

### 11.3.5 Income Tax Expense

(A) ( )

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

:

For the six months ended June 30,	
2020 (Unaudited)	2019 ( )
39,403,983	52,661,149

25%

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9,850,996	13,165,287
579,650	1,158,271
121,674	119,184
(490,212)	(431,227)
-	(318,561)
440,640	51,944
-	(6,624,980)
<b>10,502,748</b>	<b>7,119,918</b>

### 11.3.6 Dividends

12 DEFINITIONS

A... (北京怡寧醫院有限公司),

A... 17, 2015,

司), (蒼南康寧醫院有限公  
15, 2012,

春康林心理醫院有限公司), (長  
16, 2016,

W... ( : 2120)

A... 14  
( ) ( )

( ) 1.00 ,

W... (溫州怡寧老  
年醫院有限公司),  
2, 2015,

( ) ( )

\$

A

司), (淮南康寧醫院有限公司),

22, 2017,

限公司), (廊坊怡寧醫院有

(廊坊市怡寧醫院管理有限公司)),

2, 2015,

Ar. 2, 2020

慈寧醫院有限公司), (台州市路橋

(台州市路橋怡寧醫院有限公司)),

12, 2016,

A

司), (青田康寧醫院有限公司),

A 1, 2011,

司), (衢州怡寧醫院有限公司),

20, 2015,

30, 2020



