

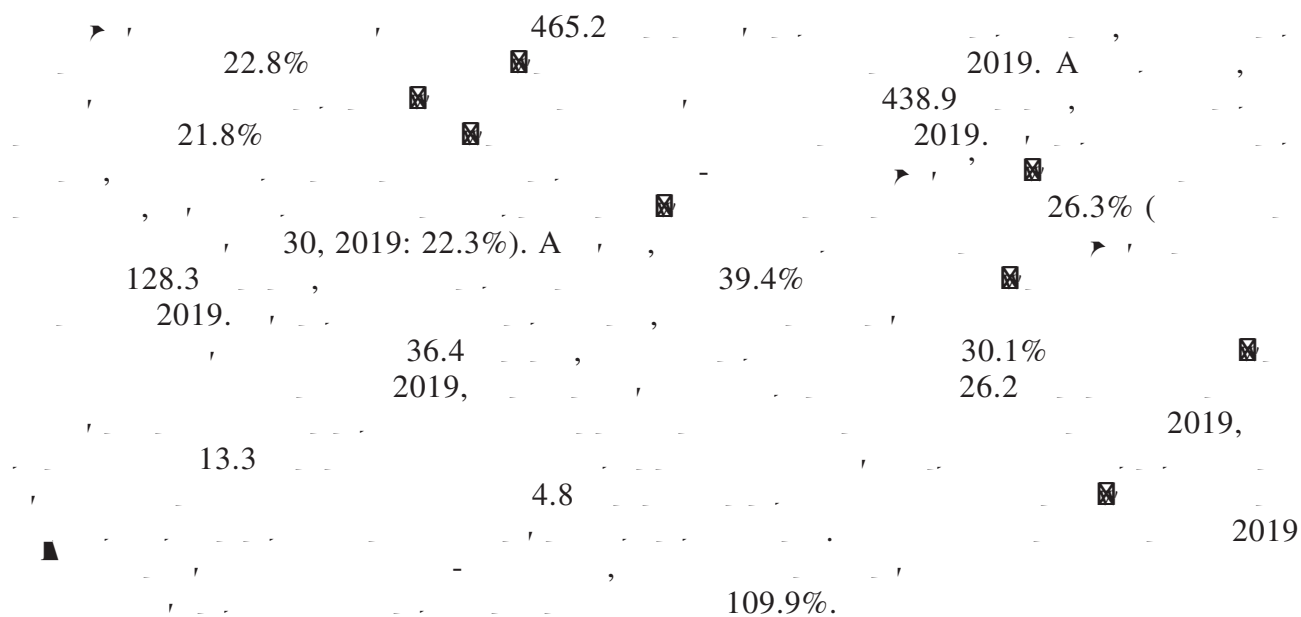
2 FINANCIAL HIGHLIGHTS

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 income	(10,503)	(7,120)
Other income	28,901	45,541
Other expenses	36,410	52,064
Other income/(expenses)	(7,509)	(6,523)
Profit/(loss) before income tax		
Income tax		
Profit/(loss) after income tax		
As at June 30, 2020 (RMB'000) (Unaudited)		As at June 31, 2019 (RMB'000) (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 equity	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
Total revenue	465,150	378,910

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	For the six months ended June 30,	
	2020 (Unaudited)	2019
In Patients		
Number of inpatients	6,853	5,593
Number of bed-days	1,240,393	1,012,333
Average length of stay (%)	83.1	84.9
Number of inpatient admissions	1,030,392	859,061
Number of inpatient discharges	324,990	251,945
Number of inpatient deaths	315	293
Number of inpatient transfers	53,841	50,926
Number of inpatient deaths and transfers	52	59
Total inpatient revenue (RMB'000)	378,831	302,871
Total average inpatient spending per bed-day (RMB)	368	353
Out Patients		
Number of outpatients	125,852	105,986
Number of outpatient visits	12,761	11,635
Number of outpatient admissions	101	110
Number of outpatient discharges	47,294	45,704
Number of outpatient deaths and transfers	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

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%

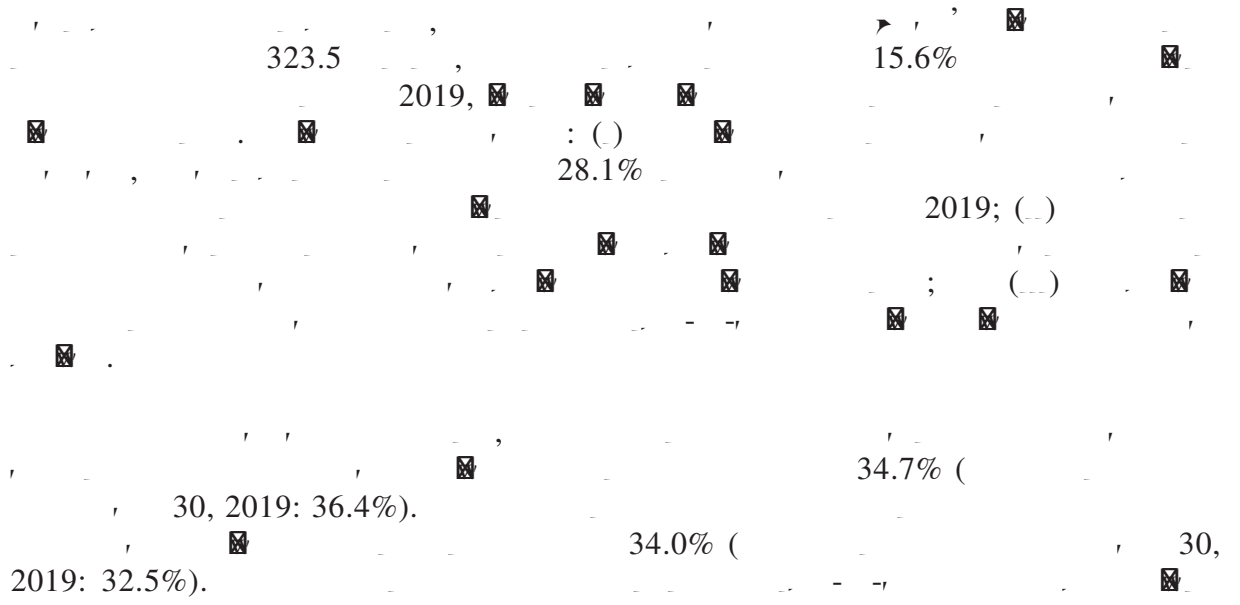
2019,
23.0%
30, 2019: 26.8%),

14.2% (30, 2019: 16.8%),

78.8% (30, 2019: 79.7%).

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

Cost of revenue of owned hospitals



4.1.5 Administrative Expenses

1.0 0.9

4.1.9 Credit Impairment Losses

(30, 2019: 10.7), 16.1 3.5%
 30, 2020 (30, 2019: 2.8%). A
 31, 2019, 30.3 21.4
 8.6% 7.1%

4.1.10 Non-Operating Income (Expenses) and Other Gains

4.1.11 Income Tax Expense

As of December 31, 2019, the effective tax rate was 10.5% (47.5% as of December 31, 2019). The effective tax rate for 2019 was 26.7% compared to 13.5% for 2018. The effective tax rate for 2019 was higher than the statutory rate of 21% due to the recognition of a net operating loss carryforward of \$7.1 million in 2019.

4.2 Financial Position

4.2.1 Inventory

As of December 31, 2020, the inventory balance was \$33.9 million (23.6 million as of December 31, 2019). The inventory balance as of December 31, 2019 was \$21.0 million. The inventory balance as of December 31, 2019 was \$21.0 million, which was \$2.6 million higher than the inventory balance as of December 31, 2018 of \$18.4 million.

Year	Inventory Balance (\$ million)
2020	33.9
2019	23.6
2018	18.4

The inventory balance as of December 31, 2020 was \$33.9 million, which was \$10.3 million higher than the inventory balance as of December 31, 2019 of \$23.6 million. The inventory balance as of December 31, 2019 was \$23.6 million, which was \$5.2 million higher than the inventory balance as of December 31, 2018 of \$18.4 million.

Year	Inventory Balance (\$ million)	Change from Prior Year (\$ million)	Change from Prior Year (%)
2020	33.9	10.3	43.6%
2019	23.6	5.2	28.3%
2018	18.4	-	-

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

30, 2020.

4.4 Indebtedness

4.4.1 Bank Borrowings

As at 30, 2020,	31, 2019:
473.5	310.0
364.5	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

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4.4.6 Exposure to Fluctuation in Exchange Rates

As at 30, 2020, the Company's net assets are exposed to fluctuations in exchange rates. The Company's net assets are primarily denominated in Canadian dollars. The Company's net assets are exposed to fluctuations in exchange rates through its investments in foreign currencies. The Company's net assets are exposed to fluctuations in exchange rates through its investments in foreign currencies. The Company's net assets are exposed to fluctuations in exchange rates through its investments in foreign currencies.

4.4.7 Gearing Ratio

As at 30, 2020, the Company's gearing ratio is 42.2% (31, 2019: 40.4%).

4.4.8 Employees and Remuneration Policy

As at 30, 2020, the Company has 3,136 employees (31, 2019: 2,845). The Company's employees are primarily located in Canada. The Company's employees are primarily located in Canada. The Company's employees are primarily located in Canada. The Company's employees are primarily located in Canada. The Company's employees are primarily located in Canada.

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

As at 30, 2018, the Company has 1,818,529 shares outstanding. The Company's shares are primarily denominated in Canadian dollars. The Company's shares are primarily denominated in Canadian dollars. The Company's shares are primarily denominated in Canadian dollars. The Company's shares are primarily denominated in Canadian dollars. The Company's shares are primarily denominated in Canadian dollars.

A	15	26, 2019,	
			37
	273,161	A 14	
	180,516	23	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
	899,700			15,888,990

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

On 30, 2020 (30, 2019: -).

9 COMPLIANCE WITH CG CODE

The Company is in compliance with the CG Code.

10 ACCOUNTING STANDARDS

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

11 FINANCIAL REPORT

11.1 Accounting Policies

The Company's accounting policies are consistent with the accounting policies of the Company as at 30, 2019, and are in accordance with the accounting standards issued by the "Ministry of Finance" in 2006.

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:

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:

11.2 Interim Financial Statement

A : ()

11.2.1 Interim Consolidated Income Statement

(A : ())

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

LIABILITIES AND SHAREHOLDERS' EQUITY	June 30, 2020 (Unaudited)	31, 2019 (Audited)
Current liabilities		
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
Other liabilities	93,516,092	133,348,712
	<u>66,053,557</u>	<u>79,741,922</u>
Total current liabilities	<u>635,644,375</u>	<u>616,701,057</u>
Non-current liabilities		
Long-term debt	100,500,000	20,000,000
Other long-term liabilities	186,013,332	183,808,151
Deferred tax liabilities	580,000	2,260,000
Other non-current liabilities	2,000,000	2,000,000
	9,797,371	9,949,267
	<u>25,949,596</u>	<u>21,124,118</u>
Total non-current liabilities	<u>324,840,299</u>	<u>239,141,536</u>
Total liabilities	<u>960,484,674</u>	<u>855,842,593</u>
Shareholders' equity		
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
	<u>289,210,662</u>	<u>252,800,715</u>
Total equity attributable to shareholders of the Parent company	<u>1,186,459,218</u>	<u>1,164,484,337</u>
	<u>127,964,021</u>	<u>97,024,925</u>
Total shareholders' equity	<u>1,314,423,239</u>	<u>1,261,509,262</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>2,274,907,913</u></u>	<u><u>2,117,351,855</u></u>

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)
1. Cash flows from operating activities		
	411,405,749	337,771,543
	8,311,056	7,188,089
Sub-total of cash inflows	<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)
Sub-total of cash outflows	<u>(401,918,058)</u>	<u>(340,802,442)</u>
Net cash flows from operating activities	<u>17,798,747</u>	<u>4,157,190</u>
2. Cash flows from investing activities		
	30,010,000	447,095
	96,370	
	3,870,905	
	-	1,833,758
	-	2,555,426
Sub-total of cash inflows	<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)
Sub-total of cash outflows	<u>(110,413,519)</u>	<u>(80,716,472)</u>
Net cash flows used in investing activities	<u>(76,436,244)</u>	<u>(75,880,193)</u>

	For the six months ended	
	June 30,	
	2020	2019
	(Unaudited)	(Unaudited)
3. Cash flows from financing activities		
Proceeds from the issuance of bank loans	23,361,500	4,245,000
Proceeds from the issuance of bonds	21,771,500	4,245,000
Proceeds from the issuance of capital	367,285,789	170,000,000
Proceeds from other financing activities	-	-
Sub-total of cash inflows	390,647,289	174,245,000
Payments for the purchase of property, plant and equipment	(201,900,000)	(146,000,000)
Payments for the purchase of intangible assets	(8,241,036)	(6,647,896)
Payments for the purchase of investments	(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) ()

	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)	

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)		June 30, 2020 (Unaudited)	31, 2019 (A)
		6,750,000	8,250,000
		<u>384,779,056</u>	<u>330,174,215</u>
		391,529,056	338,424,215
		<u>(38,883,916)</u>	<u>(27,903,603)</u>
		<u><u>352,645,140</u></u>	<u><u>310,520,612</u></u>
		30, 2020	
		31, 2019	:
		June 30, 2020 (Unaudited)	31, 2019 (A)
		307,256,118	266,932,953
		54,328,309	57,988,407
		24,130,088	13,089,001
		<u>5,814,541</u>	<u>413,854</u>
		<u><u>391,529,056</u></u>	<u><u>338,424,215</u></u>
		A	A

Revenue and cost of sales from main operations

(A, , , ,)

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

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

11.3.5 Income Tax Expense

(A) ()

For the six months ended
June 30,

2020 2019
(Unaudited) ()

23,778,834 14,824,769
(13,276,086) (7,704,851)

10,502,748 7,119,918

:

For the six months ended
June 30,

2020 2019
(Unaudited) ()

39,403,983 52,661,149

25%

9,850,996 13,165,287

579,650 1,158,271

121,674 119,184

A

(490,212) (431,227)

– (318,561)

440,640 51,944

– (6,624,980)

10,502,748 7,119,918

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,

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年醫院有限公司),
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司), (淮南康寧醫院有限公司),

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限公司), (廊坊怡寧醫院有

(廊坊市怡寧醫院管理有限公司)),

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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,

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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),

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