# 溫州康寧醫院股份有限公司

W sp

(A joint stock limited liability company incorporated in the

## 2 FINANCIAL HIGHLIGHTS

### 2.1 Principal Financial Data and Indicators

| | For the six months ended June 30, 2020 (RMB'000) (Unaudited) | 2019 ([illegible]'000) ([illegible]) |
|---|---|---|
| | **465,150** | 378,910 |
| | **39,404** | 52,661 |
| | **(10,503)** | (7,120) |
| | **28,901** | 45,541 |
| | **36,410** | 52,064 |
| | **(7,509)** | (6,523) |

| | As at June 30, 2020 (RMB'000) (Unaudited) | A[illegible] [illegible] 31, 2019 ([illegible]'000) (A[illegible]) |
|---|---|---|
| | **2,274,908** | 2,117,352 |
| | **960,485** | 855,843 |
| | **1,314,423** | 1,261,509 |
| | **1,186,459** | 1,164,484 |
| | **127,964** | 97,025 |

[illegible] . A [illegible]

## 4 MANAGEMENT DISCUSSION AND ANALYSIS

### 4.1 Financial Review

[illegible] 465.2 [illegible] 22.8% [illegible] 2019. A [illegible] 438.9 [illegible] 21.8% [illegible] 2019. [illegible] 26.3% ( [illegible] 30, 2019: 22.3%). A [illegible] 128.3 [illegible] 39.4% [illegible] 2019. [illegible] 36.4 [illegible] 30.1% [illegible] 2019, [illegible] 26.2 [illegible] 2019, [illegible] 13.3 [illegible] 4.8 [illegible] 2019 [illegible] 109.9%.

#### *4.1.1 Revenue and Cost of Revenue*

[illegible]: (i) [illegible]; (ii) [illegible]; (iii) [illegible].

[illegible]:

| | For the six months ended June 30, | |
|---|---|---|
| | **2020** | 2019 |
| | ***(RMB'000)*** | *( '000)* |
| | ***(Unaudited)*** | *( )* |
| [illegible] | **438,886** | 360,210 |
| [illegible] | **19,116** | 15,281 |
| [illegible] | **7,148** | 3,419 |
| **Total revenue** | **465,150** | 378,910 |

[illegible]

| | For the six months ended June 30, 2020 (Unaudited) | 2019 ([illegible]) |
|---|---|---|
| **Inpatients** | | |
| [illegible] | **6,853** | 5,593 |
| [illegible] | **1,240,393** | 1,012,333 |
| [illegible] *(%)* | **83.1** | 84.9 |
| [illegible] | **1,030,392** | 859,061 |
| [illegible] *([illegible]’000)* | **324,990** | 251,945 |
| A[illegible] *([illegible])* | **315** | 293 |
| [illegible] *([illegible]’000)* | **53,841** | 50,926 |
| A[illegible] *([illegible])* | **52** | 59 |
| **Total inpatient revenue *(RMB’000)*** | **378,831** | 302,871 |
| **Total average inpatient spending per bed-day *(RMB)*** | **368** | 353 |
| **Outpatients** | | |
| [illegible] | **125,852** | 105,986 |
| [illegible] *([illegible]’000)* | **12,761** | 11,635 |
| A[illegible] *([illegible])* | **101** | 110 |
| [illegible] *([illegible]’000)* | **47,294** | 45,704 |
| A[illegible] *([illegible])* | **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 , 25.1% 2019, : ( ) 19.9% , , ; ( ) 4.2%. 86.3% ( 30, 2019: 84.1%).

60.1 , 4.7% 2019, 18.7%. 13.7% ( 30, 2019: 15.9%).

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%).

:

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

323.5 , 15.6%
2019,
: ( )
28.1%
2019; ( )
; ( )

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

### *4.1.2 Gross Profit and Gross Profit Margin*

, 128.3 , 39.4% 2019. 115.4 , 43.8% 2019. k :

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

, 27.6% ( 30, 2019: 24.3%), 4.6 2019, .

### *4.1.3 Tax and Surcharge*

, 2.0 ( 30, 2019: 0.8 ).

### *4.1.4 Selling Expenses*

, 3.7 ( 30, 2019: 4.5 ), 0.8 2019. 0.8% ( 30, 2019: 1.2%).

#### *4.1.5 Administrative Expenses*

#### *4.1.7 Finance Expenses – Net*

0.9 ,
1.0
.

### *4.1.9 Credit Impairment Losses*

16.1
( 30, 2019: 10.7 ), 3.5%
( 30, 2019: 2.8%). A
30, 2020 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*

10.5 (

30, 2019: 7.1 ), 47.5%

2019.

30, 2019, 26.7% 13.5%, .

2019,

## 4.2 Financial Position

### *4.2.1 Inventory*

A 30, 2020, 33.9 (

31, 2019: 23.6 ), : ( )

31.3 ( 31, 2019: 21.0 );

( ) 2.6 ( 31, 2019:

2.6 ), 2701, 2806, 2807 2808

k

:

| | |
|---|---|
| | 2701, 2806, 2807 2808 k |
| A | |
| | 75% |
| (A .) ( . .) | 19.3 |
| (A .) ( . .) | 325.73 |
| | |
| | |
| | 30, 2017 |

#### *4.2.2 Accounts Receivables*

A 30, 2020, 352.6 ( 31, 2019: 310.5 ), 322.5 , 14.5% 31, 2019, 2019, .

, 133 ( 30, 2019: 146 ).

#### *4.2.3 Other Receivables and Prepayments*

A 30, 2020, 88.4 ( 31, 2019: 68.7 ).

#### *4.2.4 Investment Properties*

A 30, 2020, 107.1 ( 31, 2019: 110.9 ), ( 302, 303 304) II (2/ 11/ ) , . :

| | |
|---|---|
| | ( 302, 303 304) |
| A | , , Z , |
| | 75% |
| (A .) ( . .) | 1,959.41 |
| (A .) ( . .) | 6,766,36 |
| | - |

29, 2043,

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

*4.2.8 Contract Liability*

A [illegible] 30, 2020, [illegible] 10.8 [illegible] ( [illegible] 31, 2019: [illegible] 8.6 [illegible] ).

*4.2.9 Other Payables*

A [illegible] 30, 2020, [illegible] 93.5 [illegible] ( [illegible] 31, 2019: [illegible] 133.3 [illegible] ).

## 4.3 Liquidity and Capital Resources

[illegible]:

| | For the six months ended June 30, | |
|---|---|---|
| | **2020** | 2019 |
| | ***(RMB'000)*** | *( [illegible] '000)* |
| | ***(Unaudited)*** | *( [illegible] )* |
| [illegible] | **17,799** | 4,157 |
| [illegible] | **(76,436)** | (75,880) |
| [illegible] /( [illegible] ) [illegible] | **94,945** | (25,941) |
| [illegible] /( [illegible] ) [illegible] | **36,424** | (98,423) |

*4.3.1 Net Cash Generated from Operating Activities*

[illegible], [illegible] 17.8 [illegible], [illegible] 28.9 [illegible], [illegible] 16.1 [illegible] 60.0 [illegible], [illegible] k [illegible] 90.9 [illegible]. [illegible] 14.5 [illegible].

*4.3.2 Net Cash Used in Investing Activities*

[illegible], [illegible] 76.4 [illegible], [illegible] 67.1 [illegible], [illegible], [illegible], [illegible] & [illegible].

*4.3.3 Net Cash Generated from Financing Activities*

94.9 , 163.5 k 39.1 .

*4.3.4 Significant Investment, Acquisition and Disposal*

, 30, 2020.

## 4.4 Indebtedness

*4.4.1 Bank Borrowings*

A 30, 2020, k 473.5 ( 31, 2019: 310.0 ), 201.0 364.5 .

*4.4.2 Contingent Liability*

A 30, 2020, .

*4.4.3 Asset Pledge*

, , , Z k . A 30, 2020, Z k.

*4.4.4 Lease Liabilities*

. A 30, 2020, - 24.2 , 186.0 .

*4.4.5 Financial Instruments*

. , - , , , k , . k .

### 4.4.6 Exposure to Fluctuation in Exchange Rates

k k k

30, 2020, k k

### 4.4.7 Gearing Ratio

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

### 4.4.8 Employees and Remuneration Policy

A 30, 2020, 3,136 ( 31, 2019: 2,845 ). ( ) 149.5 ( 30, 2019: 128.1 ). 98.2 ( ).

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

A 2017 A , 8 A 20, 2018, 165 , 1,818,529 .

A 15

A 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% |
| | 23 | 180,516 | 0.2391% |

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(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

[illegible] 899,700 [illegible] ( [illegible] ) [illegible] $15,888,990. [illegible]:

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

[illegible] 13, 2020.

[illegible]

## 6 EVENTS AFTER THE REPORTING PERIOD

[illegible] 30, 2020 [illegible]

## 7 REVIEW OF INTERIM RESULTS

A 30, 2020,

A A ), ,

## 8 INTERIM DIVIDEND

30, 2020 ( 30, 2019: ).

## 9 COMPLIANCE WITH CG CODE

## 10 ACCOUNTING STANDARDS

A 2017, ( 622 ) ( **Companies Ordinance**).

## 11 FINANCIAL REPORT

### 11.1 Accounting Policies

A ( **"Ministry of Finance"**) 15, 2006.

A 32

2019. 2019

2016.

## 11.2 Interim Financial Statement

### *11.2.1 Interim Consolidated Income Statement*

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

### 11.2.2 *Interim Consolidated Statement of Financial Position*

*(A[illegible])*

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

| LIABILITIES AND SHAREHOLDERS' EQUITY | **June 30, 2020** *(Unaudited)* | 31, 2019 |
|---|---|---|
| **Current liabilities** | | |
| | **332,500,000** | 250,000,000 |
| | **576,686** | |
| | **63,565,539** | 75,554,960 |
| | **10,772,528** | 8,562,126 |
| | **23,923,352** | 36,063,277 |
| | **44,736,621** | 33,430,060 |
| | **93,516,092** | 133,348,712 |
| | **66,053,557** | 79,741,922 |
| **Total current liabilities** | **635,644,375** | 616,701,057 |
| **Non-current liabilities** | | |
| | **100,500,000** | 20,000,000 |
| | **186,013,332** | 183,808,151 |
| | **580,000** | 2,260,000 |
| | **2,000,000** | 2,000,000 |
| | **9,797,371** | 9,949,267 |
| | **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** | | |
| | **75,500,000** | 75,500,000 |
| | **826,376,743** | 824,715,445 |
| | **(37,817,508)** | (21,721,144) |
| | **33,189,321** | 33,189,321 |
| | **289,210,662** | 252,800,715 |
| **Total equity attributable to shareholders of the parent company** | **1,186,459,218** | 1,164,484,337 |
| | **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 )*

| | For the six months ended June 30, 2020 (Unaudited) | 2019 |
|---|---|---|
| **1. Cash flows from operating activities** | | |
| | **411,405,749** | 337,771,543 |
| | **8,311,056** | 7,188,089 |
| **Sub-total of cash inflows** | **419,716,805** | 344,959,632 |
| | **(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** | **(401,918,058)** | (340,802,442) |
| **Net cash flows from operating activities** | **17,798,747** | 4,157,190 |
| **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** | **33,977,275** | 4,836,279 |
| | **(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** | **(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)*** | |
| **3.** | **Cash flows from financing activities** | | |
| | | **23,361,500** | 4,245,000 |
| | | **21,771,500** | 4,245,000 |
| | | **367,285,789** | 170,000,000 |
| | | **–** | |
| | **Sub-total of cash inflows** | **390,647,289** | 174,245,000 |
| | | **(201,900,000)** | (146,000,000) |
| | | **(8,241,036)** | (6,647,896) |
| | | **(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 [illegible])*

| | 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 | 75,500,000 | 824,715,445 | (21,721,144) | 33,189,321 | 252,800,715 | 97,024,925 | 1,261,509,262 |
| [illegible] | - | - | - | - | 36,409,947 | (7,508,712) | 28,901,235 |
| [illegible] | - | - | - | - | - | 21,771,500 | 21,771,500 |
| [illegible] | - | 3,914,851 | (1,590,000) | - | - | - | 2,324,851 |
| [illegible] | - | (2,253,553) | - | - | - | (1,709,223) | (3,962,776) |
| [illegible] | - | - | (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 |
| | **384,779,056** | 330,174,215 |
| | **391,529,056** | 338,424,215 |
| S : | **(38,883,916)** | (27,903,603) |
| | **352,645,140** | 310,520,612 |

30, 2020 31, 2019 :

| | **June 30, 2020 *(Unaudited)*** | 31, 2019 *(A )* |
|---|---|---|
| 1 | **307,256,118** | 266,932,953 |
| 1 2 | **54,328,309** | 57,988,407 |
| 2 3 | **24,130,088** | 13,089,001 |
| 3 | **5,814,541** | 413,854 |
| | **391,529,056** | 338,424,215 |

A .

### 11.3.2 Accounts Payable

*(A )*

30, 2020 31, 2019 :

| | June 30, 2020 (Unaudited) | 31, 2019 (A ) |
|---|---|---|
| 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 |
| | **63,565,539** | 75,554,960 |

### 11.3.3 Revenue and Cost of Sales

*(A )*

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

***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** |
| | **438,885,748** | **323,463,045** |

| | 30, 2019 | |
|---|---|---|
| | 96,629,883 | 82,628,810 |
| | 263,579,519 | 197,304,478 |
| | 360,209,402 | 279,933,288 |

### *11.3.4 Earnings Per Share*

*(A )*

*( )*

| | For the six months ended June 30, | |
|---|---|---|
| | **2020** | 2019 |
| | ***(Unaudited)*** | *( )* |
| ( )( ) | **36,409,947** | 52,064,124 |
| ( )( ) | **72,769,749** | 73,040,000 |
| ( ) | **0.50** | 0.71 |

( ) 13, 2018, 2,460,000 . A k , A 7, 2,460,000 30, 2020.

30, 2020, 899,700 k , k .

*( )*

30, 2020, 36,409,947. 73,034,363. 0.50. 30, 2019, 52,064,124. 73,915,743. 0.70.

### 11.3.5 Income Tax Ex*pense*

*(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

30, 2020, 0 1 .7

## 12 DEFINITIONS

A

., . (北京怡寧醫院有限公司),

A 17, 2015,

., . (蒼南康寧醫院有限公司),

15, 2012,

.,(長春康林心理醫院有限公司),

16, 2016,

., ., k

(: 2120)

A 14

( )

( )

( )

1.00

k

., . (溫州怡寧老年醫院有限公司),

2, 2015,

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