

溫州康寧醫院股份有限公司

Wenzhou Kangning Hospital Co., Ltd.

(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	2019
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Revenue	465,150	378,910
Cost of revenue	39,404	52,661
Operating expenses	(10,503)	(7,120)
Finance income	28,901	45,541
Other income and expenses, net	36,410	52,064
Income before income taxes	(7,509)	(6,523)
Income taxes		
Income after income taxes		
As at	As at	
June 30,	June 30,	
2020	2019	
(RMB'000)	(RMB'000)	
(Unaudited)	(Unaudited)	
Total assets	2,274,908	2,117,352
Total liabilities	960,485	855,843
Total equity	1,314,423	1,261,509
Total assets less liabilities	1,186,459	1,164,484
Total equity less minority interest	127,964	97,025

and $T_{\text{eff}} = T_{\text{eff}}^{\text{eff}} + T_{\text{eff}}^{\text{eff}}$ and $T_{\text{eff}} = T_{\text{eff}}^{\text{eff}} + T_{\text{eff}}^{\text{eff}}$

and $T_{\text{eff}} = T_{\text{eff}}^{\text{eff}} + T_{\text{eff}}^{\text{eff}}$ and $T_{\text{eff}} = T_{\text{eff}}^{\text{eff}} + T_{\text{eff}}^{\text{eff}}$ and $T_{\text{eff}} = T_{\text{eff}}^{\text{eff}} + T_{\text{eff}}^{\text{eff}}$

For the six months ended June 30, 2020, the Company's total revenue was RMB1,240,393,000, an increase of 12.5% from RMB1,012,333,000 for the same period in 2019. The increase was primarily due to the increase in inpatient revenue and outpatient revenue.

	For the six months ended June 30,	
	2020 (Unaudited)	2019 (Unaudited)
In Patients		
Number of inpatients	6,853	5,593
Total inpatient revenue (RMB'000)	1,240,393	1,012,333
Average inpatient revenue per bed-day (%)	83.1	84.9
Total inpatient revenue (RMB)	1,030,392	859,061
Total inpatient revenue (RMB'000)	324,990	251,945
Average inpatient revenue per bed-day (RMB)	315	293
Total inpatient revenue (RMB'000)	53,841	50,926
Average inpatient revenue 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
Out Patients		
Number of outpatients	125,852	105,986
Total outpatient revenue (RMB'000)	12,761	11,635
Average outpatient revenue per visit (RMB)	101	110
Total outpatient revenue (RMB'000)	47,294	45,704
Average outpatient revenue per visit (RMB)	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

2020, compared to 378.8 million RMB in 2019, an increase of 25.1%. The increase was primarily due to the increase in the number of patients treated in the hospital, which was 19.9% in 2020 compared to 2019. The increase in the number of patients treated in the hospital was primarily due to the increase in the number of patients treated in the hospital, which was 4.2% in 2020 compared to 2019. The increase in the number of patients treated in the hospital was primarily due to the increase in the number of patients treated in the hospital, which was 86.3% in 2020 compared to 84.1% in 2019.

2020, compared to 60.1 million RMB in 2019, an increase of 4.7%. The increase was primarily due to the increase in the number of patients treated in the hospital, which was 18.7% in 2020 compared to 2019. The increase in the number of patients treated in the hospital was primarily due to the increase in the number of patients treated in the hospital, which was 13.7% in 2020 compared to 15.9% in 2019.

2020, compared to 28.1 million RMB in 2019, an increase of 77.0%. The increase was primarily due to the increase in the number of patients treated in the hospital, which was 4.7% in 2020 compared to 2019. The increase in the number of patients treated in the hospital was primarily due to the increase in the number of patients treated in the hospital, which was 23.0% in 2020 compared to 26.8% in 2019. The increase in the number of patients treated in the hospital was primarily due to the increase in the number of patients treated in the hospital, which was 14.2% in 2020 compared to 16.8% in 2019. The increase in the number of patients treated in the hospital was primarily due to the increase in the number of patients treated in the hospital, which was 78.8% in 2020 compared to 79.7% in 2019.

2020, compared to 18.3 million RMB in 2019, an increase of 18.3%. The increase was primarily due to the increase in the number of patients treated in the hospital, which was 18.3% in 2020 compared to 2019. The increase in the number of patients treated in the hospital was primarily due to the increase in the number of patients treated in the hospital, which was 18.3% in 2020 compared to 2019.

	For the six months ended June 30,	
	2020	2019
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Cost of revenue of owned hospitals	112,156	101,813
Cost of revenue of leased hospitals	110,048	91,091
Cost of revenue of joint venture hospitals	15,297	14,119
Cost of revenue of other hospitals	37,019	30,236
Cost of revenue of other hospitals	18,390	16,577
Total	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; () 30, 2019: 36.4%). 34.0% (30, 2019: 32.5%).

4.1.3 Tax and Surcharge

	For the six months ended June 30,	
	2020 (Unaudited)	2019 (Audited)
Transportation and logistics expenses	29.7%	25.1%
Depreciation and amortization	14.9%	14.5%
General and administrative expenses	26.3%	22.3%
Research and development expenses	47.1%	62.8%
Consolidated gross profit margin	27.6%	24.3%

27.6% (compared to 2018: 26.3%, 2019: 24.3%),

4.1.3 Tax and Surcharge

Figure 1. The effect of the number of iterations on the accuracy of the proposed algorithm. The number of iterations is 30, 2019: 0.8 (Figure 1).

4.1.4 Selling Expenses

0.8 (0.8%, 30, 2019: 4.5%), 2019.7 (0.8%, 30, 2019: 1.2%).

4.1.5 Administrative Expenses

4.1.7 Finance Expenses – Net

Under the new accounting standards, the net finance expenses are calculated as follows:

1.0 0.9 0.8 0.7 0.6 0.5 0.4 0.3 0.2 0.1 0.0

4.1.9 Credit Impairment Losses

16.1 15.0 14.0 13.0 12.0 11.0 10.0 9.0 8.0 7.0 6.0 5.0 4.0 3.0 2.0 1.0 0.0

(30, 2019: 10.7), (30, 2019: 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

1.0 0.9 0.8 0.7 0.6 0.5 0.4 0.3 0.2 0.1 0.0

4.1.11 Income Tax Expense

Income tax expense for the year ended December 31, 2019, was 10.5 million (USD) (December 31, 2019: 7.1 million), an increase of 47.5% from 2018. The effective tax rate for the year ended December 31, 2019, was 26.7% (December 31, 2018: 13.5%). The increase in income tax expense is primarily due to the increase in taxable income. The company has no deferred tax assets or liabilities as of December 31, 2019.

4.2 Financial Position

4.2.1 Inventory

As of December 31, 2020, the company's inventory was 33.9 million (USD) (December 31, 2019: 23.6 million), an increase of 43.7% from 2019. The increase in inventory is primarily due to the increase in the quantity of inventory held. The company's inventory is primarily composed of raw materials and finished goods. The company's inventory turnover ratio for the year ended December 31, 2020, was 2.6 times (December 31, 2019: 2.1 times). The company's inventory turnover ratio for the year ended December 31, 2019, was 2.1 times. The company's inventory turnover ratio for the year ended December 31, 2018, was 1.8 times.

The company's inventory turnover ratio for the year ended December 31, 2020, was 2.6 times (December 31, 2019: 2.1 times). The company's inventory turnover ratio for the year ended December 31, 2019, was 2.1 times. The company's inventory turnover ratio for the year ended December 31, 2018, was 1.8 times.

As of December 31, 2020, the company's inventory was 33.9 million (USD) (December 31, 2019: 23.6 million), an increase of 43.7% from 2019. The increase in inventory is primarily due to the increase in the quantity of inventory held. The company's inventory is primarily composed of raw materials and finished goods. The company's inventory turnover ratio for the year ended December 31, 2020, was 2.6 times (December 31, 2019: 2.1 times). The company's inventory turnover ratio for the year ended December 31, 2019, was 2.1 times. The company's inventory turnover ratio for the year ended December 31, 2018, was 1.8 times.

The company's inventory turnover ratio for the year ended December 31, 2020, was 2.6 times (December 31, 2019: 2.1 times). The company's inventory turnover ratio for the year ended December 31, 2019, was 2.1 times. The company's inventory turnover ratio for the year ended December 31, 2018, was 1.8 times.

The company's inventory turnover ratio for the year ended December 31, 2020, was 2.6 times (December 31, 2019: 2.1 times). The company's inventory turnover ratio for the year ended December 31, 2019, was 2.1 times. The company's inventory turnover ratio for the year ended December 31, 2018, was 1.8 times.

The company's inventory turnover ratio for the year ended December 31, 2020, was 2.6 times (December 31, 2019: 2.1 times). The company's inventory turnover ratio for the year ended December 31, 2019, was 2.1 times. The company's inventory turnover ratio for the year ended December 31, 2018, was 1.8 times.

The company's inventory turnover ratio for the year ended December 31, 2020, was 2.6 times (December 31, 2019: 2.1 times). The company's inventory turnover ratio for the year ended December 31, 2019, was 2.1 times. The company's inventory turnover ratio for the year ended December 31, 2018, was 1.8 times.

The company's inventory turnover ratio for the year ended December 31, 2020, was 2.6 times (December 31, 2019: 2.1 times). The company's inventory turnover ratio for the year ended December 31, 2019, was 2.1 times. The company's inventory turnover ratio for the year ended December 31, 2018, was 1.8 times.

The company's inventory turnover ratio for the year ended December 31, 2020, was 2.6 times (December 31, 2019: 2.1 times). The company's inventory turnover ratio for the year ended December 31, 2019, was 2.1 times. The company's inventory turnover ratio for the year ended December 31, 2018, was 1.8 times.

4.2.2 Accounts Receivables

At December 30, 2020, accounts receivable amounted to 352.6 million (December 31, 2019: 310.5 million), which represents an increase of 322.5 million, or 14.5%, compared to December 31, 2019. The increase is primarily due to the increase in the number of projects completed in 2020, compared to 2019, and the increase in the average contract value.

The accounts receivable are primarily due from the government and state-owned enterprises, and the credit risk is low. The accounts receivable are classified by the nature of the customer, and the aging of the accounts receivable is as follows:

Category	December 30, 2020 (million)	December 31, 2019 (million)
Government and state-owned enterprises	133	146

4.2.3 Other Receivables and Prepayments

At December 30, 2020, other receivables and prepayments amounted to 88.4 million (December 31, 2019: 68.7 million).

4.2.4 Investment Properties

At December 30, 2020, investment properties amounted to 107.1 million (December 31, 2019: 110.9 million), which represents a decrease of 3.8 million, or 3.4%, compared to December 31, 2019. The decrease is primarily due to the decrease in the number of properties held for sale, and the increase in the number of properties held for investment.

The investment properties are classified by the nature of the property, and the aging of the investment properties is as follows:

Category	December 30, 2020 (million)	December 31, 2019 (million)
Properties held for sale	302	303
Properties held for investment	303	304

At December 30, 2020, the investment properties are primarily held for sale, and the credit risk is low. The investment properties are classified by the nature of the property, and the aging of the investment properties is as follows:

Category	December 30, 2020 (million)	December 31, 2019 (million)
Properties held for sale	1,959.41	1,959.41
Properties held for investment	6,766.36	6,766.36

.....

.....
.....
29, 2043,
.....

..... 462.9()24 (2/ .. 11/) .. 1 (15)10.....

4.2.8 Contract Liability

As at June 30, 2020, the Company's contract liability was RMB10.8 million (June 30, 2019: RMB8.6 million).

4.2.9 Other Payables

As at June 30, 2020, the Company's other payables were RMB93.5 million (June 30, 2019: RMB133.3 million).

4.3 Liquidity and Capital Resources

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

	For the six months ended June 30,	
	2020 (RMB'000) (Unaudited)	2019 (RMB'000) (Audited)
Cash generated from operating activities	17,799	4,157
Cash used in investing activities	(76,436)	(75,880)
Cash generated from/(used in) financing activities	94,945	(25,941)
Cash generated from/(used in) other non-current assets and liabilities	36,424	(98,423)

4.3.1 Net Cash Generated from Operating Activities

Net cash generated from operating activities for the six months ended June 30, 2020 was RMB17.8 million (2019: RMB4.2 million), which was mainly attributable to the following factors: (i) an increase in net sales of RMB17.8 million (2019: RMB16.1 million); (ii) an increase in net income of RMB28.9 million (2019: RMB60.0 million); (iii) an increase in net cash generated from operating activities of RMB90.9 million (2019: RMB14.5 million); and (iv) an increase in net cash generated from operating activities of RMB14.5 million (2019: RMB14.5 million).

4.3.2 Net Cash Used in Investing Activities

Net cash used in investing activities for the six months ended June 30, 2020 was RMB76.4 million (2019: RMB76.4 million), which was mainly attributable to the following factors: (i) an increase in net cash used in investing activities of RMB67.1 million (2019: RMB67.1 million); (ii) an increase in net cash used in investing activities of RMB67.1 million (2019: RMB67.1 million); and (iii) an increase in net cash used in investing activities of RMB67.1 million (2019: RMB67.1 million).

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, 473.5 thousand rubles (31, 2019: 310.0 thousand rubles), 201.0 thousand rubles (30, 2019: 364.5 thousand rubles).

4.4.2 Contingent Liability

A _____ 30, 2020, _____

4.4.3 Asset Pledge

Авторы заявляют об отсутствии конфликта интересов.

4.4.4 Lease Liabilities

30, 2020, 24.2, 186.0

4.4.5 Financial Instruments

1. $\mathbf{A}$ is a square matrix of order n , $\mathbf{B}$ is a square matrix of order m , and $\mathbf{C}$ is a square matrix of order p .
 2. $\mathbf{A}$ is a square matrix of order n , $\mathbf{B}$ is a square matrix of order m , and $\mathbf{C}$ is a square matrix of order p .
 3. $\mathbf{A}$ is a square matrix of order n , $\mathbf{B}$ is a square matrix of order m , and $\mathbf{C}$ is a square matrix of order p .
 4. $\mathbf{A}$ is a square matrix of order n , $\mathbf{B}$ is a square matrix of order m , and $\mathbf{C}$ is a square matrix of order p .
 5. $\mathbf{A}$ is a square matrix of order n , $\mathbf{B}$ is a square matrix of order m , and $\mathbf{C}$ is a square matrix of order p .
 6. $\mathbf{A}$ is a square matrix of order n , $\mathbf{B}$ is a square matrix of order m , and $\mathbf{C}$ is a square matrix of order p .
 7. $\mathbf{A}$ is a square matrix of order n , $\mathbf{B}$ is a square matrix of order m , and $\mathbf{C}$ is a square matrix of order p .
 8. $\mathbf{A}$ is a square matrix of order n , $\mathbf{B}$ is a square matrix of order m , and $\mathbf{C}$ is a square matrix of order p .
 9. $\mathbf{A}$ is a square matrix of order n , $\mathbf{B}$ is a square matrix of order m , and $\mathbf{C}$ is a square matrix of order p .
 10. $\mathbf{A}$ is a square matrix of order n , $\mathbf{B}$ is a square matrix of order m , and $\mathbf{C}$ is a square matrix of order p .

4.4.6 Exposure to Fluctuation in Exchange Rates

The $\mathbf{k}$ -dependence of the electron velocity $\mathbf{v}_k$ is given by $\mathbf{v}_k = \nabla_{\mathbf{k}} \epsilon_k$. The $\mathbf{k}$ -dependence of the electron velocity $\mathbf{v}_k$ is given by $\mathbf{v}_k = \nabla_{\mathbf{k}} \epsilon_k$. The $\mathbf{k}$ -dependence of the electron velocity $\mathbf{v}_k$ is given by $\mathbf{v}_k = \nabla_{\mathbf{k}} \epsilon_k$.

[illegible]

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 (100%), 31, 2019: 2,845 (100%).
B. 30, 2020: 149.5 (100%), 30, 2019: 128.1 (100%).
C. 30, 2020: 98.2 (100%), 30, 2019: 98.2 (100%).

2018 2017

13, 2018 (2017 AGM-).

29, 2018

30, 2018.

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

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%
	23	180,516	0.2391%

(溫州箴言康寧投資管理合夥企業(有限合夥))

48

48

5 PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

The Company's purchases of its listed securities during the reporting period are as follows: 899,700 shares of the Company's ordinary shares, which were purchased at a total cost of \$15,888,990.

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
Aug 2020	715,200	18.56	17.70	12,993,510
Oct 2020	9,400	16.00	15.80	148,540
Nov 2020	140,100	15.30	14.70	2,122,740
	899,700			15,888,990

The Company's purchases of its listed securities ended on September 13, 2020.

The Company's purchases of its listed securities were made in the open market, and the purchases were made in accordance with the Company's share repurchase plan.

6 EVENTS AFTER THE REPORTING PERIOD

On October 30, 2020, the Company announced that it had entered into a share repurchase agreement with a third party, and the Company had repurchased 1,000,000 shares of its ordinary shares at a total cost of \$18,000,000.

7 REVIEW OF INTERIM RESULTS

30, 2020,

[illegible]

8 INTERIM DIVIDEND

Таблица 30, 2020 (сентябрь) и таблица 30, 2019: (июль).

9 COMPLIANCE WITH CG CODE

7. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Lichtenthaler and Sponholz (1980). The total chlorophyll content was determined by the method of Arar and Cook (1980).

10 ACCOUNTING STANDARDS

T. 2017, 622 (Companies Ordinance-).

11 FINANCIAL REPORT

11.1 Accounting Policies

Т. 1. – М.: Финансы и статистика, 2006. – 15, (– “Ministry of Finance”) 15, 2006.

32

[illegible]

7. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Lichtenthaler (1987).

2016.

11.2 Interim Financial Statement

The accompanying consolidated financial statements have been prepared on the basis of the accounting principles and methods described in Note 1 to the consolidated financial statements.

11.2.1 Interim Consolidated Income Statement

(All amounts are in thousands of U.S. dollars)

		For the six months ended June 30,	
		2020	2019
		(Unaudited)	(Unaudited)
1. Revenue		465,150,452	378,910,291
Cost of sales		(336,864,754)	(286,882,183)
Transportation		(1,999,246)	(831,972)
Manufacturing		(3,697,157)	(4,476,806)
Selling, general and administrative		(54,639,015)	(52,890,346)
Research and development		(2,637,407)	(2,304,024)
Depreciation and amortization		(11,846,196)	(10,198,874)
Impairment of intangible assets		(14,086,629)	(11,068,131)
Goodwill impairment		2,454,371	1,925,426
Other income		5,443,616	6,567,461
Other expense (income)/loss		(923,557)	23,549,073
Impairment of equity investments		(1,019,927)	(2,525,317)
Other income		(16,112,650)	(10,730,916)
Other expense (income)/loss		—	(18,587)

11.2.2 Interim Consolidated Statement of Financial Position

(Amounts in thousands of US dollars)

ASSETS	June 30, 2020 (Unaudited)	June 30, 2019 (Audited)
Current assets		
Accounts receivable	216,156,858	176,030,550
Prepaid expenses and other assets	–	30,000,000
Accounts payable	352,645,140	310,520,612
Accrued expenses	76,843,282	63,317,366
Accrued interest payable	11,516,259	5,366,020
Other liabilities	33,858,107	23,568,236
Liabilities for equity-based compensation	–	12,688,704
Total current assets	691,019,646	621,491,488
Non-current assets		
Goodwill	51,281,869	51,281,869
Intangible assets	94,068,266	89,943,193
352,645,140	1,013,047,111	1,128,307,352
(352,645,140)	1,178,459,000	

LIABILITIES AND SHAREHOLDERS' EQUITY	June 30, 2020 (Unaudited)	June 30, 2019 (Audited)
Current liabilities		
Accounts payable	332,500,000	250,000,000
Accounts receivable	576,686	—
Accounts payable - related parties	63,565,539	75,554,960
Accounts payable - other	10,772,528	8,562,126
Accounts payable - other related parties	23,923,352	36,063,277
Trade payables	44,736,621	33,430,060
Trade receivables	93,516,092	133,348,712
Trade receivables - related parties	66,053,557	79,741,922
Total current liabilities	635,644,375	616,701,057
Non-current liabilities		
Accounts payable	100,500,000	20,000,000
Accounts receivable	186,013,332	183,808,151
Accounts payable - related parties	580,000	2,260,000
Accounts payable - other	2,000,000	2,000,000
Accounts payable - other related parties	9,797,371	9,949,267
Trade payables	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
Accumulated other comprehensive income - related parties	289,210,662	252,800,715
Total equity attributable to shareholders of the Parent company	1,186,459,218	1,164,484,337
Accounts payable - related parties	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

(All amounts are in thousands of U.S. dollars)

	For the six months ended June 30,	
	2020 (Unaudited)	2019 (Unaudited)
1. Cash flows from operating activities		
Income from operations	411,405,749	337,771,543
Interest income	8,311,056	7,188,089
Income from investments		
Sub-total of cash inflows	419,716,805	344,959,632
Payments for income taxes	(174,912,876)	(153,687,796)
Payments for interest	(162,022,960)	(137,201,128)
Payments for operating expenses	(14,474,391)	(20,832,826)
Payments for investments	(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		
Proceeds from sale of investments	30,010,000	447,095
Proceeds from sale of investments	96,370	
Proceeds from sale of investments		
Proceeds from sale of investments	3,870,905	
Proceeds from sale of investments		
Proceeds from sale of investments	–	1,833,758
Proceeds from sale of investments	–	2,555,426
Sub-total of cash inflows	33,977,275	4,836,279
Payments for investments	(67,075,009)	(63,099,075)
Payments for investments	(15,145,000)	(13,020,000)
Payments for investments		
Payments for investments	(25,593,510)	(1,246,349)
Payments for investments	(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			
Proceeds from bank borrowings		23,361,500	4,245,000
Proceeds from issuance of equity			
Proceeds from issuance of debt			
Proceeds from other financing activities			
Sub-total of cash inflows		21,771,500	4,245,000
Payments for bank borrowings		367,285,789	170,000,000
Payments for other financing activities			
Sub-total of cash outflows		—	—
Net cash flows generated from/(used in) financing activities		390,647,289	174,245,000
Effect of foreign exchange rate changes on cash and cash equivalents		(201,900,000)	(146,000,000)
Net increase/(decrease) in cash and cash equivalents		(8,241,036)	(6,647,896)
Net increase/(decrease) in cash and cash equivalents		(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

(All amounts are in thousands of U.S. dollars)

	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>
Net income	-	-	-	-	36,409,947	(7,508,712)	28,901,235
Share repurchases	-	-	-	-	-	21,771,500	21,771,500
Share-based compensation	-	3,914,851	(1,590,000)	-	-	-	2,324,851
Dividend payments	-	(2,253,553)	-	-	-	(1,709,223)	(3,962,776)
Other	-	-	(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

(Amount in thousands of RMB)

	June 30, 2020 (Unaudited)	June 30, 2019 (Audited)
Accounts receivable	6,750,000	8,250,000
Accounts receivable - related parties	384,779,056	330,174,215
Less: allowance for doubtful accounts	391,529,056	338,424,215
Net accounts receivable	(38,883,916)	(27,903,603)
	352,645,140	310,520,612

The accounts receivable are measured at amortized cost. As of June 30, 2020 and June 30, 2019, the accounts receivable are as follows:

	June 30, 2020 (Unaudited)	June 30, 2019 (Audited)
1 year or less	307,256,118	266,932,953
1 to 2 years	54,328,309	57,988,407
2 to 3 years	24,130,088	13,089,001
3 years or more	5,814,541	413,854
	391,529,056	338,424,215

Accounts receivable are measured at amortized cost less allowance for doubtful accounts.

11.3.2 Accounts Payable

(All figures are in thousands of U.S. dollars)

The following table summarizes the accounts payable as of June 30, 2020 and June 30, 2019, respectively:

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

11.3.3 Revenue and Cost of Sales

(All figures are in thousands of U.S. dollars)

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

Revenue and cost of sales from main operations

(Amounts in thousands of Philippine pesos)

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

11.3.4 Earnings Per Share

(A) *Interim financial statements are unaudited.*

(C) *Interim financial statements are unaudited.*

	For the six months ended June 30,	
	2020	2019
	(Unaudited)	(Unaudited)
Net income		
Cost of sales		
Operating expenses		
Other income		
Other expenses		
Net income		
Weighted average number of shares outstanding		
Basic earnings per share		
Diluted earnings per share		

(C) *Interim financial statements are unaudited.*

Interim financial statements are unaudited.

(C) *Interim financial statements are unaudited.*

Interim financial statements are unaudited.

11.3.5 Income Tax Expense

(Amounts in thousands of U.S. dollars)

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

The income tax expense for the six months ended June 30, 2020, includes the following components:

	For the six months ended June 30,	
	2020	2019
	(Unaudited)	(Unaudited)
Current income tax expense	39,403,983	52,661,149
Deferred income tax expense		
Federal income tax expense at 25%	9,850,996	13,165,287
State income tax expense	579,650	1,158,271
Other income tax expense	121,674	119,184
Accelerated depreciation expense	(490,212)	(431,227)
Other deferred income tax expense	—	(318,561)
Other income tax expense	440,640	51,944
Deferred income tax expense	—	(6,624,980)
	<u>10,502,748</u>	<u>7,119,918</u>

11.3.6 Dividends

12 DEFINITIONS

Ar 17, 2015,	Ar 17, 2015,
Ar 15, 2012,	Ar 15, 2012,
Ar 16, 2016,	Ar 16, 2016,
Ar 2120,	Ar 2120,
Ar 14,	Ar 14,
Ar 1.00,	Ar 1.00,
Ar 2, 2015,	Ar 2, 2015,
Ar 1,	Ar 1,

\$-	
	A
	k
k	k
	(淮南康寧醫院有限公司), 22, 2017,
	(廊坊怡寧醫院有限公司, k (廊坊市怡寧醫院管理有限公司)), 2, 2015, April 2, 2020
	(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)), 12, 2016,
	A
	(青田康寧醫院有限公司), A 1, 2011,
	(衢州怡寧醫院有限公司), 20, 2015,
	30, 2020

%—

April 28, 2020

[illegible]