



溫州康寧醫院股份有限公司

Wenzhou Kangning Hospital Co., Ltd.

(A joint

2 FINANCIAL SUNMMARY

2.1 PRINCIPAL FINANCIAL DATA AND INDICATORS

	For the six months ended June 30,	
	2019	2018
	<i>RMB'000</i>	<i>'000</i>
	<i>(Unaudited)</i>	<i>()</i>
-	378,910	356,778
	52,661	59,108
	(7,120)	(18,256)
	45,541	40,852
	52,064	41,987
-	(6,523)	(1,135)
	As at	A
	June 30,	31,
	2019	2018
	<i>(RMB'000)</i>	<i>'000)</i>
	<i>(Unaudited)</i>	<i>(A)</i>
	2,010,230	1,840,724
	751,355	635,451
	1,258,875	1,205,273
-	1,158,252	1,120,995

3 BUSINESS REVIEW AND OUTLOOK

2019, A (NHTSA) ,

w 4+7

W

:

2019, , w

2018 w , W , w W

, w w ,

W

w

W

800

30, 2019, , w

20 (31, 2018: 18)

5,593 (31, 2018: 5,140).

2019, , W

W ,

w

(, 30, 2019, 5 (31, 2018: 6)

990 (31, 2018: 1,160).

2019, w , W

51% w

65% (

14, 2019).

, w W

w , w

- , w

2018, w 8.6% 378.9 6.2% w 373.0 2018, 8.8% w 5.7%. 96.6% (30, 2018: 96.5%), w 3.4% (30, 2018: 3.5%).

w 3.4% (30, 2018: 3.5%).

For the six months ended June 30,
2019 2018
(RMB'000) ('000)
(Unaudited) ()

Treatment and general healthcare services

263,580 252,958
197,304 149,417
66,276 103,541

Pharmaceutical sales

96,630 78,253
82,629 65,087
14,001 13,166

Owned hospitals

360,210 331,211
279,933 214,504
80,277 116,707

360.2 29.0 2018. 31.2% w w w w w 2018; () w ; () w

W

W



,

W

, W

:

**For the six months
ended June 30,**

2019

2018

(Unaudited) ()

Inpatients

5,593

4,180

-

1,012,333

756,580

302.9 ,
6.5% , w 2018,
: () , 26.9%
; ()
- , w 16.2%
. 84.1% (30,
2018: 85.9%).
57.3 ,
22.6% w 2018,
: () 15.7%; ()
5.9% -
. w
15.9% (30, 2018: 14.1%),
w
. ,
w 4.2% , w 2018,
73.2% (23.5%
30, 2018: 76.4%); 26.8%
w 2018, 30, 2018: 23.6%), w :
w (30, 2018: 14.3%), 16.8%
(79.7% (
30, 2018: 80.6%).

4.1.3 Tax and Surcharge

4.1.4 Selling Expenses

10

4.1.5 Administrative Expenses

	RMB million	
	(Unaudited)	
	For the six months ended June 30,	
	2019	2018
	(RMB'000)	('000)
	(Unaudited)	()
	33,962	26,332
	137	6,584
	5,709	3,932
	3,976	4,398
	2,188	1,623
	6,918	8,081
Total administrative expenses	52,890	50,950
	RMB million	
52.9 ,	3.8%	w
2018,	29.0%	
,		
6.4 w		2018,
		,
		.
	14.2% (	30, 2018: 14.8%).

4.1.6 Research and Development Expenses

2.3 (23.3% w 30, 2018: 3.0 2018. 0.6% (30, 2018: 0.9%), 0.6 w .

4.1.7 Finance Expenses – Net

[illegible]

4.1.8 Investment Income/(Losses)

23.5
w
27.9
22.3
2018,
3.9
.

4.1.9 Assets Impairment Losses and Credit Impairment Losses

10.7 (30, 2018:
6.9), 2.9%
(30, 2018: 1.7%). A 30, 2019
31, 2018,
29.7 25.2
8.0% 7.8%
.

4.1.10 Non-Operating Income (Expenses) and Other Gains

-	-
w	w
-	-
:	:
	For the six months ended June 30,
	2019 2018
	(RMB'000) ('000)
	(Unaudited) ()
	25,666
	50 962
	723 235
Non-operating income	26,439 1,197
-	(13,240)
-	(990) (1,370)
-	(241) (721)
Non-operating expenses	(14,471) (2,091)
Other gains	6,567 4,254
26.4 , -	
w , - ; -	
14.5 , w w	13.2
6.6 ,	
3.9 .	

4.2.4 Investment Properties

A 30, 2019, 138.2
 (W 31, 2018: 128.6),
 W W (3 & 4)
 W (2 11)
 .
 , w
 w
 :
 W W
 (3 & 4)
 A W
 W ,
 ,
 ,
 W (2012) . 3-290602, W
 (2012) W 3-290604, W
 (2012) . 3-290616, W (2012) .
 3-290617, (2017) W
 . 0136790, (2017) W
 . 0136791, (2017) W
 W . 0136792, (2017)
 . 0136793
 75%
 (A .) (. .) 3,722.29
 (A .) (. .) 11,137.06
 -
 W - w , 29, 2043,
 W W
 (2 11)
 A W
 W ,
 ,
 W (2012) . 3-289403
 75%
 (A .) (. .) 6,602.26

(A .) (. .) 11,850.34

W


- w ,
 29, 2043,

4.2.5 Other Non-current Financial Assets

A 30, 2019, - 51.0
 (31, 2018: 51.0). ,
 - .

4.2.6 Right-of-use Assets

A 30, 2019, - - w 262.9 (31,
 2018:), w .

4.2.7 Accounts Payables

A 30, 2019, 53.3 (,
 31, 2018: 73.6 W),
  .

4.2.8 Contract Liability

A 30, 2019, 9.1 (,
 31, 2018: 2.2).

4.2.9 Other Payables

A 30, 2019, 119.0 (,
 31, 2018: 129.8),
 .

4.3 Liquidity and Capital Resources

W


:

W

/()

For the six months ended June 30,	
2019	2018
(RMB'000)	('000)
(Unaudited)	()
4,157	25,390
(75,880)	(132,285)
(25,941)	25,735
(98,423)	(81,439)
<u> </u>	<u> </u>

4.3.1 Net Cash Generated from Operating Activities

4.2 , 45.5
 39.2 , w
 w 20.8 w 72.2 W .
 w 20.8 .

4.3.2 Net Cash Used in Investing Activities

75.9
 , 63.0 ,
 ; 13.0
 .

4.3.3 Net Cash Used in Financing Activities

25.9 , 47.4 ,
 w w w 24.0 .

4.3.4 Significant Investment, Acquisition and Disposal

30, 2019.

4.4 Indebtedness

4.4.1 Bank Borrowings

A 30, 2019, w
 249.0 (31, 2018: 225.0),
 w 146.0 w w
 170.0 .

4.4.2 Contingent Liabilities

A 30, 2019, w
 .

4.4.3 Asset Pledge

W , W ,
 . A 30, 2019, w
 .

4.4.4 Lease Liabilities

As at 30, 2019, the Company's lease liabilities were \$191.3 million. As at 31, 2018, the Company's lease liabilities were \$191.3 million.

4.4.5 Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, and other financial instruments. The Company's financial instruments are classified as financial assets or financial liabilities.

4.4.6 Exposure to Fluctuation in Exchange Rates

The Company's operations are primarily in the United States. The Company's financial statements are presented in US dollars. The Company's exposure to fluctuation in exchange rates is primarily related to the US dollar. The Company's exposure to fluctuation in exchange rates is primarily related to the US dollar. As at 30, 2019, the Company's exposure to fluctuation in exchange rates was \$191.3 million. As at 31, 2018, the Company's exposure to fluctuation in exchange rates was \$191.3 million.

4.4.7 Gearing Ratio

As at 30, 2019, the Company's gearing ratio was 37.4% (31, 2018: 34.5%).

4.4.8 Employees and Remuneration Policy

As at 30, 2019, the Company's employees were 2,746 (31, 2018: 2,581). The Company's remuneration policy is based on the Company's performance and the performance of its employees. The Company's remuneration policy is based on the Company's performance and the performance of its employees. As at 30, 2019, the Company's remuneration policy was 96.5% (31, 2018: 96.2%).

5 PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

The Company's purchase, sale and redemption of listed securities are as follows:

6 SUBSEQUENT EVENTS

30, 2019 ,

7 REVIEW OF INTERIM RESULTS

A w 30, 2019, w ,

A w - , . A (A), . - , .

8 INTERIM DIVIDEND

30, 2019 (30, 2018:).

9 COMPLIANCE WITH CG CODE

w

10 ACCOUNTING STANDARDS

A 2017, w (622 w) ().

11 FINANCIAL REPORT

11.1 Accounting Policies

11.1.1 Accounting Policies

w A - 15, 2006.

w A . 32 - .

2016.

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11.2 Consolidated Interim Financial Information



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A

W :

11.2.1 Interim Consolidated Statement of Comprehensive Income

		For the six months ended	
		June 30,	
		2019	2018
		RMB	
		(Unaudited)	()
1. Revenue		378,910,291	356,778,081
:		(286,882,183)	(227,375,436)
		(831,972)	(3,375,006)
		(4,476,806)	(2,570,269)
		(52,890,346)	(50,950,061)
		(2,304,024)	
		(10,198,874)	(5,530,111)
A :		6,567,461	4,253,548
	/()	23,549,073	(4,318,848)
:		(2,525,317)	(4,318,848)
		(10,730,916)	(5,742,669)
A		—	(1,160,929)
		(18,587)	(6,378)
2. Operating profit		40,693,117	60,001,922
A :	-	26,438,682	1,197,342
:	-	(14,470,650)	(2,091,319)
3. Total profit		52,661,149	59,107,945
:		(7,119,918)	(18,256,405)

		For the six months ended	
		June 30,	
		2019	2018
		RMB	
		(Unaudited)	()
4. Net profit		<u>45,541,231</u>	<u>40,851,540</u>
		<u>45,541,231</u>	<u>40,851,540</u>
		-	
		<u>52,064,124</u>	<u>41,986,854</u>
		<u>(6,522,893)</u>	<u>(1,135,314)</u>
5. Total comprehensive income		<u>45,541,231</u>	<u>40,851,540</u>
		<u>52,064,124</u>	<u>41,986,854</u>
		<u>(6,522,893)</u>	<u>(1,135,314)</u>
6. Earnings per share			
()		0.71	0.57
		<u>0.70</u>	<u>0.57</u>

11.2.2 Interim Consolidated Statement of Financial Position

ASSETS	June 30, 2019 RMB (Unaudited)	31, 2018 (A)
Current assets		
	88,643,935	187,076,694
A	343,085,203	299,750,063
	63,601,330	58,051,581
A	6,773,294	16,683,839
	23,496,443	20,813,747
- w	12,688,704	12,688,704
Total current assets	538,288,909	595,064,628
Non-current assets		
-	50,974,323	50,974,323
-	84,166,020	100,321,983
	138,214,682	128,568,963
	429,798,060	444,322,834
	128,365,125	131,187,406
- -	262,857,848	—
	119,723,596	185,257,977
W	47,503,344	19,296,005
-	159,645,805	144,386,669
	47,483,569	33,825,347
-	3,209,169	7,517,900
Total non-current assets	1,471,941,541	1,245,659,407
TOTAL ASSETS	2,010,230,450	1,840,724,035

LIABILITIES AND OWNERS' EQUITY	June 30, 2019 RMB (Unaudited)	31, 2018 (A)
Current liabilities		
- w	170,000,000	145,000,000
A	53,319,851	73,644,717
	9,139,823	2,244,706
	19,877,674	28,270,410
	36,365,584	41,119,676
	118,956,827	129,807,988
-	84,786,940	63,757,304
Total current liabilities	492,446,699	483,844,801
Non-current liabilities		
- w	40,000,000	40,000,000
	191,292,498	—
-	—	86,645,200
	10,101,163	10,253,059
	17,514,645	14,707,619
Total non-current liabilities	258,908,306	151,605,878
Total liabilities	751,355,005	635,450,679
Owners' equity		
	75,500,000	75,500,000
	825,220,846	827,379,886
:	(21,780,000)	(21,910,000)
	29,981,034	29,981,034
	249,330,816	210,044,608
Total equity attributable to owners of the parent company	1,158,252,696	1,120,995,528
-	100,622,749	84,277,828
Total owners' equity	1,258,875,445	1,205,273,356
TOTAL LIABILITIES AND OWNERS' EQUITY	2,010,230,450	1,840,724,035

11.2.3 Interim Consolidated Statements of Cash Flow

	For the six months ended June 30,	
	2019	2018
	RMB	
	(Unaudited)	()
1. Cash flows from operating activities		
	337,771,543	305,515,384
	7,188,089	31,297,616
Sub-total of cash inflows	344,959,632	336,813,000
	(153,687,796)	(116,359,237)
	(137,201,128)	(103,723,092)
	(20,832,826)	(24,181,735)
	(29,080,692)	(67,158,842)
Sub-total of cash outflows	(340,802,442)	(311,422,906)
Net cash flows generated from operating activities	4,157,190	25,390,094
2. Cash flows generated from investing activities		
	447,095	
	1,833,758	
	2,555,426	230,042,378
Sub-total of cash inflows	4,836,279	230,042,378
	(63,099,075)	(83,978,177)
	(13,020,000)	(16,790,000)
	(1,246,349)	
	(3,351,048)	(261,559,650)
Sub-total of cash outflows	(80,716,472)	(362,327,827)
Net cash flows generated from investing activities	(75,880,193)	(132,285,449)

		For the six months ended June 30,	
		2019	2018
		<i>RMB</i>	
		<i>(Unaudited)</i>	<i>()</i>
3. Cash flows from financing activities		4,245,000	4,430,000
:			
-		4,245,000	4,430,000
	w	170,000,000	170,000,000
Sub-total of cash inflows		174,245,000	174,430,000
	w	(146,000,000)	(139,791,600)
		(6,647,896)	(5,934,843)
		(47,538,263)	(2,968,171)
Sub-total of cash outflows		(200,186,159)	(148,694,614)
Net cash flows generated from financing activities		(25,941,159)	25,735,386
4. Effect of changes in foreign exchange rate		(758,597)	(279,073)
5. Net decrease in cash and cash equivalents		(98,422,759)	(81,439,042)
A :		187,066,694	237,538,659
6. Cash and cash equivalents at end of the period		88,643,935	156,099,617

11.2.4 Interim Consolidated Statement of Changes In Equity

	Equity attributable to owners of the parent company						Total owners' equity
	Share capital	Capital surplus	Less: treasury stock	Surplus reserve	Retained earnings	Non-controlling interests	
Balance at January 1, 2019	75,500,000	827,379,886	(21,910,000)	29,981,034	210,044,608	84,277,828	1,205,273,356
	-	-	-	-	52,064,124	(6,522,893)	45,541,231
W	-	-	-	-	-	4,245,000	4,245,000
-	-	2,688,937	-	-	-	-	2,688,937
W	-	-	-	-	-	-	-
-	-	(12,255)	-	-	(1,452,916)	245,168	(1,220,003)
	-	(130,000)	130,000	-	-	(2,040,163)	(2,040,163)
	-	(4,705,722)	-	-	-	-	(4,705,722)
	-	-	-	-	-	20,417,809	20,417,809
W	-	-	-	-	(11,325,000)	-	(11,325,000)
Balance at June 30, 2019	<u>75,500,000</u>	<u>825,220,846</u>	<u>(21,780,000)</u>	<u>29,981,034</u>	<u>249,330,816</u>	<u>100,622,749</u>	<u>1,258,875,445</u>

	Equity attributable to owners of the parent company					Total owners' equity
	Share capital	Capital surplus	Surplus reserve	Retained earnings	Non-controlling interests	
Balance at December 31, 2017	73,040,000	808,244,186	23,710,012	146,840,254	58,662,363	1,110,496,815
A :				(164,301)		(164,301)
Balance at January 1, 2018	73,040,000	808,244,186	23,710,012	146,675,953	58,662,363	1,110,332,514
				41,986,854	(1,135,314)	40,851,540
W					4,730,000	4,730,000
-		206,400				206,400
		910,596				910,596
W	-	-	-	(10,956,000)	-	(10,956,000)
Balance at June 30, 2018	<u>73,040,000</u>	<u>809,361,182</u>	<u>23,710,012</u>	<u>177,706,807</u>	<u>62,257,049</u>	<u>1,146,075,050</u>

11.3 Notes to the Consolidated Interim Financial Information prepared in accordance with the China Accounting Standard for Business Enterprises

11.3.1 Accounts receivable

			June 30, 2019 RMB (Unaudited)	31, 2018 (A)
A			6,750,000	6,749,917
A	-		366,111,251	318,519,503
			372,861,251	325,269,420
:			(29,776,048)	(25,519,357)
			<u>343,085,203</u>	<u>299,750,063</u>
				30, 2019
	31, 2018	w :		
			June 30, 2019 RMB (Unaudited)	31, 2018 (A)
W			286,466,031	261,000,854
1			73,454,874	51,396,190
1 - 2			10,456,002	12,862,881
2 - 3			2,484,344	9,495
3			<u>372,861,251</u>	<u>325,269,420</u>
A				w

11.3.2 Accounts payable

	30, 2019	31, 2018
W :		
	June 30,	31,
	2019	2018
	RMB	
	(Unaudited)	(A)
W		
3	47,578,421	43,099,493
3 - 6	4,026,068	3,971,590
6 - 1	1,370,483	836,832
1 - 2	102,513	25,470,222
2 - 3	50,497	50,357
3	191,869	216,223
	53,319,851	73,644,717

11.3.3 Revenue and cost of revenue

	For the six months ended June 30,	
	2019	2018
	RMB	
	(Unaudited)	()
	373,009,541	343,318,252
	5,900,750	13,459,829
	378,910,291	356,778,081
	286,006,377	220,865,063
	875,806	6,510,373
	286,882,183	227,375,436

Revenue and cost of sales from main operations

For the six months ended June 30, 2019	
<i>RMB</i> <i>(Unaudited)</i>	<i>RMB</i> <i>(Unaudited)</i>
Revenue from main operations	Cost of revenue from main operations
96,629,883	82,628,810
263,579,519	197,304,478
12,800,139	6,073,089
<u>373,009,541</u>	<u>286,006,377</u>
30, 2018	
()	()
78,253,106	65,087,164
252,958,034	149,416,996
12,107,112	6,360,903
<u>343,318,252</u>	<u>220,865,063</u>

11.3.4 Earnings per share

()

W
x

()

w
30, 2019,

w

w

0.70.

2018,

w

For the six months ended June 30,	
2019	2018
RMB	
(Unaudited)	()
52,064,124	41,986,854
73,040,000	73,040,000
0.71	0.57

w

52,064,124,

w

73,915,743

30,

. A

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11.3.5 Income tax expenses

For the six months ended June 30,	
2019	2018
RMB	
(Unaudited)	()
14,824,769	20,483,722
(7,704,851)	(2,227,317)
7,119,918	18,256,405

:

		For the six months ended June 30,	
		2019	2018
		RMB	
		(Unaudited)	()
		<u>52,661,149</u>	<u>59,107,945</u>
A	25%	13,165,287	14,776,986
		1,158,271	1,802,675
A		119,184	1,639,542
		(431,227)	
		(318,561)	(393,562)
		51,944	345,368
		—	85,396
w		<u>(6,624,980)</u>	
		<u><u>7,119,918</u></u>	<u><u>18,256,405</u></u>

11.3.6 Dividends

A	25, 2019,	11,325,000
	31, 2018 w	75,500,000
	31, 2018.	w
30, 2019.		
A	23, 2018,	10,956,000
	31, 2017.	w
2017		
13, 2018.		
13, 2018		

12 DEFINITIONS

A 2018 18, 2019

A

公司), . (北京怡寧醫院有限
w
A 17, 2015,
-w w
醫院有限公司), . (蒼南康寧
w 15, 2012,
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, (淳安黃鋒康恩
醫院)
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怡寧老年醫院有限公司), w
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(杭州耶利米信息科技有限公司),
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27, 2018,
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院有限公司),
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A 25, 2016,
-w w

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怡寧神病醫院有限公司,
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(荷澤怡寧醫院有限公司)),
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A 6, 2017,
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有限公司),
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22, 2017,
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院有限公司,
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(廊坊市怡寧醫院
管理有限公司)),
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2, 2015,
w w w

橋慈寧醫院有限公司, .. (台州市路
院有限公司)), .. (台州市路橋怡寧醫
院有限公司)), w

公司), .. (四會康寧醫院有限
w

A 19, 2016, w
, -w w .

公司) 10, 2019 .. (廣東肇康醫療投資有限
公司)

(622 w)

院有限公司), .. (台州康寧醫
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