



# 廣東康華醫療股份有限公司 Guangdong Kanghua Healthcare Co., Ltd.\*

(於中華人民共和國註冊成立的股份有限公司)  
(A joint stock company incorporated in the People's Republic of China with limited liability)

股份代號 Stock Code : 3689

\*僅供識別 For identification purposes only

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2020  
INTERIM  
REPORT  
中報



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Wang Junyang (*Chairman*)  
Mr. Chen Wangzhi (*Chief Executive Officer*)  
Mr. Wong Wai Hung Simon (*Vice Chairman*)  
Ms. Wang Ai Qin

#### Non-executive Director

Mr. Lv Yubo

#### Independent Non-executive Directors

Mr. Yeung Ming Lai  
Dr. Chen Keji  
Mr. Chan Sing Nun

#### Audit Committee

Mr. Chan Sing Nun (*Chairman*)  
Dr. Chen Keji  
Mr. Yeung Ming Lai

#### Remuneration Committee

Mr. Chan Sing Nun (*Chairman*)  
Ms. Wang Ai Qin  
Mr. Yeung Ming Lai

#### Nomination Committee

Mr. Wang Junyang (*Chairman*)  
Dr. Chen Keji  
Mr. Yeung Ming Lai

### SUPERVISORY COMMITTEE

Mr. Chen Shaoming (*Chairman*)  
Mr. Wang Shaofeng  
Mr. Yue Chunyang

### JOINT COMPANY SECRETARIES

Mr. Wong Wai Hang Ricky  
Ms. Chau Hing Ling

### SECRETARY TO THE BOARD

Ms. Wang Yingda

### 董事會

#### 執行董事

王君揚先生 (*主席*)  
陳旺枝先生 (*行政總裁*)  
王偉雄先生 (*副主席*)  
王愛勤女士

#### 非執行董事

呂玉波先生

#### 獨立非執行董事

楊銘澧先生  
陳可冀醫生  
陳星能先生

#### 審核委員會

陳星能先生 (*主席*)  
陳可冀醫生  
楊銘澧先生

#### 薪酬委員會

陳星能先生 (*主席*)  
王愛勤女士  
楊銘澧先生

#### 提名委員會

王君揚先生 (*主席*)  
陳可冀醫生  
楊銘澧先生

### 監事會

陳少明先生 (*主席*)  
王少鋒先生  
岳春陽先生

### 聯席公司秘書

黃偉恒先生  
周慶齡女士

### 董事會秘書

王櫻達女士

### AUTHORISED REPRESENTATIVES

Mr. Wong Wai Hung Simon  
Mr. Wong Wai Hang Ricky

### AUDITOR

Deloitte Touche Tohmatsu

### LEGAL ADVISERS AS TO HONG KONG LAWS

Allen & Overy

### LEGAL ADVISERS AS TO PRC LAWS

Commerce & Finance Law Offices

### REGISTERED OFFICE

3/F, Outpatient Zone One  
Dongguan Kanghua Hospital  
Nancheng Street Road  
Dongguan  
Guangdong Province  
PRC

### HEAD OFFICE IN THE PRC

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Dongguan  
Guangdong Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3207, Metroplaza Tower 2  
223 Hing Fong Road  
Kwai Fong, New Territories  
Hong Kong

### H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### STOCK CODE

3689

### COMPANY'S WEBSITE

<http://www.kanghuagp.com>

### 授權代表

王偉雄先生  
黃偉恒先生

### 核數師

德勤•關黃陳方會計師行

### 香港法律顧問

安理國際律師事務所

### 中國法律顧問

通商律師事務所

### 註冊辦事處

中國  
廣東省  
東莞市  
南城街道  
東莞康華醫院  
門診一區3樓

### 中國總部

中國  
廣東省  
東莞市  
東莞大道1000號

### 香港主要營業地點

香港  
新界葵芳  
興芳路223號  
新都會廣場第二座3207室

### H股證券登記處

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東183號  
合和中心  
17樓1712–1716號舖

### 股份代號

3689

### 公司網站

<http://www.kanghuagp.com>

# Financial Highlights

## 財務概覽

### KEY FINANCIAL PERFORMANCE 主要財務表現

		For the six months ended 30 June 截至六月三十日止六個月		
		PoP Change 按期變動	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收益	-16.8%	760,987	914,364
Gross profit	毛利	-60.6%	73,174	185,946
Gross profit margin	毛利率		9.6%	20.3%
(Loss) profit before taxation	除稅前(虧損)溢利	-246.9%	(124,446)	84,689
(Loss) profit for the period	期內(虧損)溢利	-327.2%	(126,219)	55,549
(Loss) profit for the period attributable to owners of the Company	本公司擁有人應佔期內(虧損)溢利	-257.2%	(106,324)	67,637
Adjusted EBITDA <sup>#</sup>	經調整EBITDA <sup>#</sup>	-79.4%	28,096	136,615
(Loss) earnings per share – basic (RMB cents)	每股(虧損)盈利 – 基本(人民幣分)	-257.4%	(31.8)	20.2

<sup>#</sup> Adjusted EBITDA is earnings before accounting for bank and other interest income, interest expenses, taxes, depreciation and amortisation, fair value gain/loss and investment income from financial assets at FVTPL, net exchange gain and impairment loss on goodwill.

<sup>#</sup> 經調整EBITDA為除銀行及其他利息收入、利息支出、稅項、折舊及攤銷、公平值收益／虧損及按公平值計入損益的金融資產投資收入、匯兌收益淨額及商譽減值虧損前的盈利。



### PATIENT VISITS

#### 病人人次

Thousand Visits 千人次

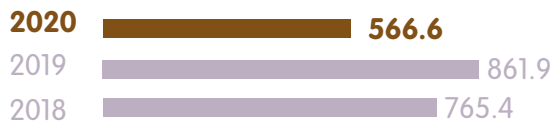
#### No. of inpatient

##### 住院人次



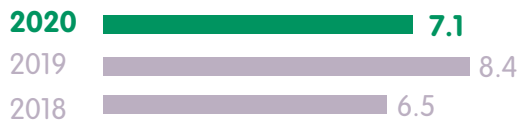
#### No. of outpatient

##### 門診人次



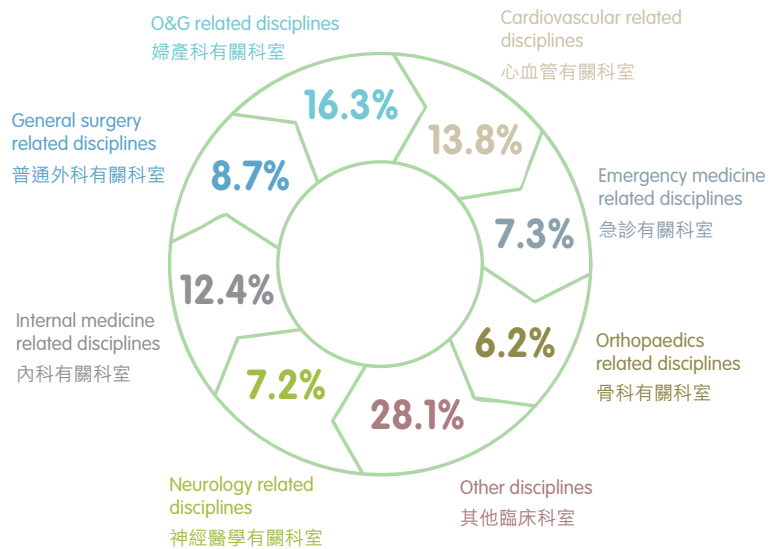
#### No. of surgeries

##### 手術量



### REVENUE PROPORTION BY MAJOR HEALTHCARE DISCIPLINES\*

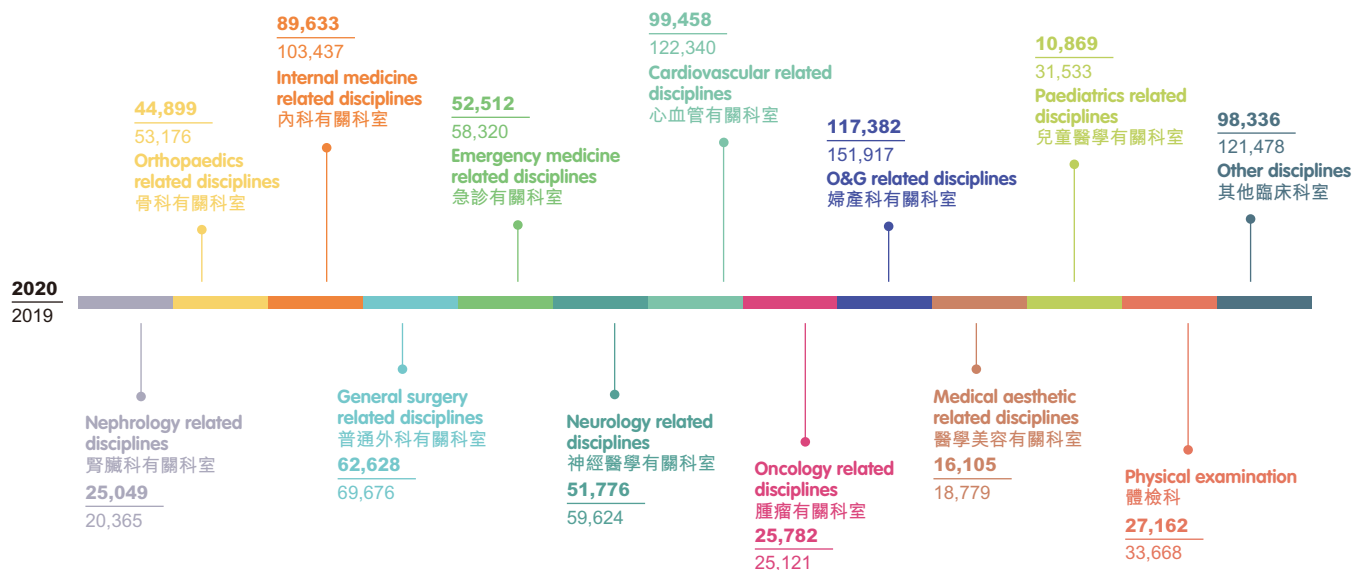
#### 主要科室收益佔比\*



### REVENUE PoP OF MAJOR HEALTHCARE DISCIPLINES\*

#### 主要科室期內收益同比\*

RMB'000 人民幣千元



\* The amount does not include revenue from rehabilitation and other healthcare services, sale of pharmaceutical products and others.

\* 該金額不包括提供康復及其他醫療服務、銷售藥品及其他的收益。

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW AND OUTLOOK

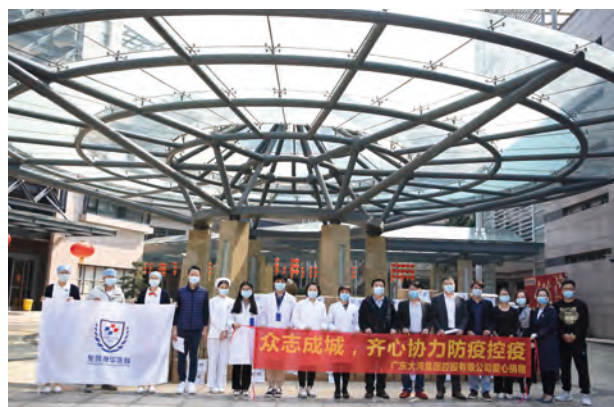
Business Overview for the six months ended 30 June 2020

During the first half of 2020, the unexpected and unprecedented pandemic caused by the novel coronavirus disease 2019 ("COVID-19") has exerted downward pressure on the national economic development, and accordingly, the operations of a wide range of industries and sectors in the PRC have been severely affected. The Group's operations have resulted in a certain degree of operational disturbance, including temporary restrictions and closures of rehabilitation centres, and rescheduling of some of our non-emergency services and surgeries at our hospitals. The restriction and control measures have caused a decline in the volume of outpatient visits, inpatient visits and surgical operations during the first half of 2020. The implementation of various pandemic prevention policies and preventive measures to control the COVID-19 pandemic have temporarily suppressed the demand for our medical services.

### 業務回顧和展望

截至二零二零年六月三十日止六個月的業務概覽

於二零二零年上半年，由新型冠狀病毒肺炎（「COVID-19」）所引起的出乎意料且前所未有的疫情已對國民經濟發展造成了下行壓力，中國各行各業的經營因此而受到嚴重影響。本集團的營運在一定程度上造成了營運混亂，包括臨時限制及關閉康復中心，並且我們的醫院部分非緊急服務及手術須重新排期。限制及控制措施導致二零二零年上半年門診人次、住院人次以及外科手術量均有下降。實施多種疫情預防政策及預防措施以控制COVID-19疫情暫時抑制了對我們醫療服務的需求。



# Management Discussion and Analysis

## 管理層討論及分析

In the first half of 2020, the Group's consolidated revenue amounted to RMB761.0 million (six months ended 30 June 2019: RMB914.4 million), representing a period-on-period decrease of 16.8%, mainly attributable to the decline in overall patient visits of our owned-hospital operations. The Group's owned-hospitals (making up our hospital services segment), namely Kanghua Hospital, Renkang Hospital and Kangxin Hospital, have all recorded a decline in revenue of 15.7%, 23.4% and 24.2%, respectively. Our rehabilitation and other related healthcare services segment, through our ownership of 57% equity interest in Anhui Hualin, which directly and indirectly through its wholly-owned subsidiary, holds sponsor interests in private non-enterprise entities in Anhui Province, the PRC, has recorded a revenue of RMB31.5 million (six months ended 30 June 2019: RMB35.6 million), representing a period-on-period decrease of 11.6%, primarily caused by the pandemic control measures due to COVID-19 in Anhui Province, under which our rehabilitation centres were unable to resume normal operation during the period.

於二零二零年上半年，本集團的綜合收入為人民幣761.0百萬元（截至二零一九年六月三十日止六個月：人民幣914.4百萬元），同比減少16.8%，主要是由於我們運營自有醫院的患者整體就診次數下降。本集團擁有的醫院（構成我們的醫院服務部門），即康華醫院、仁康醫院及康心醫院的收益分別下降15.7%、23.4%及24.2%。我們的康復及其他醫療服務分部通過我們擁有57%股權的安徽樺霖，其直接及間接透過其全資附屬公司持有中國安徽省的私營非企業實體的保薦人權益，已錄得收益人民幣31.5百萬元（截至二零一九年六月三十日止六個月：人民幣35.6百萬元），同比減少11.6%，主要乃由於安徽省COVID-19疫情而採取的疫情控制措施所致，在此期間，我們的康復中心無法恢復正常運作。





# Management Discussion and Analysis

## 管理層討論及分析

The Group's consolidated loss for the six months ended 30 June 2020 amounted to RMB126.2 million (six months ended 30 June 2019: consolidated profit of RMB55.5 million). The loss incurred during the Reporting Period is mainly attributable to: (i) the significant decline in revenue and profit at Kanghua Hospital and Renkang Hospital primarily as a result of the decline in the number of patient visits across all their service offerings during the period of the pandemic; (ii) the continuing significant loss incurred at Kangxin Hospital (which commenced operation in March 2017 and was acquired by the Group in August 2018), in the current interim period, Kangxin Hospital recorded a decrease in revenue of 24.2% as compared with the prior interim period, primarily due to the impact of COVID-19 (which in turn resulted in a decrease in number of patient visits), however, Kangxin Hospital also faced a number of ongoing challenges including large burden on professional headcounts, overhead expenditure and fixed costs, as well as the loss of certain key professional healthcare talent during the first half of 2020, due to the fierce and intense competition for healthcare professionals and experts in the local Chongqing market; and (iii) the Group recognised an impairment loss on goodwill in respect of the cash generating units of Kangxin Hospital (the "Kangxin Hospital CGU") and Anhui Hualin (the "Anhui Hualin CGU"). The Board considers that the estimated short- to medium-term future growth of Kangxin Hospital and Anhui Hualin were lower than previously anticipated, accordingly, the aggregate recoverable amount of Kangxin Hospital CGU and Anhui Hualin CGU are below its aggregated own carrying amount, which results in the recognition of an impairment loss in goodwill in a total of RMB76.0 million during the Reporting Period.

截至二零二零年六月三十日止六個月，本集團的綜合虧損為人民幣126.2百萬元（截至二零一九年六月三十日止六個月：綜合溢利人民幣55.5百萬元）。報告期內產生的虧損主要乃由於：(i)康華醫院及仁康醫院的收入及溢利大幅下降，主要乃由於疫情期間其所有服務項目中的患者就診次數減少所致；(ii)康心醫院（於二零一七年三月開始營運，而於二零一八年八月被本集團收購）蒙受的持續重大虧損，於本中期間，康心醫院的收入較上個中期間減少24.2%，主要乃由於受COVID-19的影響，患者就診次數的減少所致。然而，康心醫院亦面臨著一系列持續的挑戰，包括專業人員人數、間接費用及固定成本的巨大負擔，以及於二零二零年上半年由於重慶本地市場對醫療專業人員及專家的競爭激烈而導致部分主要專業醫療人才流失；及(iii)本集團就康心醫院的現金產生單位（「康心醫院現金產生單位」）及安徽樺霖（「安徽樺霖現金產生單位」）確認商譽的減值虧損。董事會認為，康心醫院及安徽樺霖的短期至中期未來增長估計低於先前預期，因此，康心醫院現金產生單位及安徽樺霖現金產生單位的可收回總金額低於其自身賬面總值，導致於報告期間確認商譽減值虧損合計人民幣76.0百萬元。



# Management Discussion and Analysis

## 管理層討論及分析

The Group's Adjusted EBITDA (Adjusted EBITDA is earnings before accounting for bank and other interest income, finance costs, taxes, depreciation and amortisation, fair value gain/loss and investment income from financial assets at FVTPL, net exchange gain and impairment loss on goodwill) has recorded a period-on-period decrease of 79.4% to RMB28.1 million (six months ended 30 June 2019: RMB136.6 million), which indicates that the Group's core operations as a whole remained stable and profitable to certain extent, after eliminating the effects of financing, investment-related income/loss, effects of exchange rates, capital expenditures and extraordinary non-cash related losses.

During the Reporting Period, the Group actively responded to the impact brought by COVID-19, and strived to ensure stable and effective operations across all our operating segments. Meanwhile, the Group seized the development opportunity in expanding our business in elderly healthcare services. In July 2020, the Group has succeeded in bidding for the land use rights of a land parcel to undertake an integrated healthcare project to develop comprehensive elderly healthcare medical facilities with a particular focus on geriatric patients and rehabilitation to offer best-in-class geriatric and rehabilitation services in Dongguan City. The Board expects that such development will further enhance the Group's capability in providing high-end integrated medical care to meet the increasing demand for quality geriatric and rehabilitation services in Guangdong Province (and in particular Dongguan City).

### Hospital Services

The Group's owned hospitals, namely, Kanghua Hospital, Renkang Hospital and Kangxin Hospital, represent our Group's hospital services segment. During the Reporting Period, COVID-19 has caused a number of adverse impact on our key operating performance indicators, in particular (i) the total number of inpatient visits declined to 26,030 (for six months ended 30 June 2019: 36,025), representing a period-on-period decrease of 27.7%; (ii) the overall average spending per inpatient visit amounted to RMB17,977.6 (six months ended 30 June 2019: RMB14,883.7), representing a period-on-period increase of 20.8%; (iii) the overall bed utilisation rate dropped to 60.8% (six months ended 30 June 2019: 80.6%), mainly affected by the lowered bed utilisation during the most intense period of the pandemic; (iv) the average length of stay remained relatively stable at 7.6 days (six months ended 30 June 2019: 7.3 days); (v) the total number of outpatient visits declined to 566,568 (six months ended 30 June 2019: 861,872), representing a period-on-period decrease of 34.3%; (vi) the overall average spending per outpatient amounted to RMB399.7 (six months ended 30 June 2019: RMB347.6), representing a period-on-period increase of 15.0%; and (vii) the total number of surgical operations declined to 17,991 (six months ended 30 June 2019: 20,994), representing a period-on-period decrease of 14.3%.

本集團的經調整EBITDA (經調整EBITDA為除銀行及其他利息收入、融資成本、稅項、折舊及攤銷、公平值收益／虧損及按公平值計入損益的金融資產投資收入、匯兌收益淨額及商譽減值虧損前的盈利) 同比下降79.4%至人民幣28.1百萬元 (截至二零一九年六月三十日止六個月：人民幣136.6百萬元)，表明本集團的核心業務於撇除融資、投資相關收入／虧損、匯率影響、資本支出及重大非現金相關虧損後，仍保持穩定及一定程度的盈利。

於報告期內，本集團積極地應對COVID-19帶來的影響，並努力確保我們所有運營分部的穩定及有效運營。同時，本集團抓住發展機遇，擴大老年醫療服務業務。於二零二零年七月，本集團成功競得地塊的土地使用權以進行一項綜合醫療保健項目，並開發綜合老年醫療設施，尤其專注於老年患者及康復，以提供東莞市一流的老年人及康復服務。董事會預期，有關發展項目將進一步提升本集團提供高端綜合醫療服務的能力，以滿足廣東省 (尤其是東莞市) 對優質老年人及康復服務不斷增長的需求。

### 醫院服務

本集團擁有的醫院 (即康華醫院、仁康醫院及康心醫院) 代表本集團的醫院服務部門。於報告期內，COVID-19對我們的主要運營績效指標產生許多不利影響，特別是(i)住院人次總數下降至26,030名 (截至二零一九年六月三十日止六個月：36,025名)，同比下降27.7%; (ii) 每名住院病人的整體平均支出為人民幣17,977.6元 (截至二零一九年六月三十日止六個月：人民幣14,883.7元)，同比增長20.8%; (iii) 主要因疫情最嚴重期間病床利用率下降導致病床的整體利用率下降至60.8% (截至二零一九年六月三十日止六個月：80.6%); (iv) 平均住院時間相對穩定於7.6天 (截至二零一九年六月三十日止六個月：7.3天); (v) 門診人次總數下降至566,568名 (截至二零一九年六月三十日止六個月：861,872名)，同比減少34.3%; (vi) 每個門診病人的整體平均支出為人民幣399.7元 (截至二零一九年六月三十日止六個月：人民幣347.6元)，同比增長15.0%; 及(vii) 外科手術總數減少至17,991宗 (截至二零一九年六月三十日止六個月：20,994宗)，同比減少14.3%。

# Management Discussion and Analysis

## 管理層討論及分析

The table below sets forth certain key operational data of the Group's owned hospitals of our hospital services segment for the periods indicated:

下表載列本集團擁有的醫院服務分部的醫院於所示期間的若干主要營運數據：

		For the six months ended 30 June 截至六月三十日止六個月		
		Change 變動	2020 二零二零年	2019 二零一九年
Inpatient healthcare services	住院醫療服務			
Inpatient visits	住院人次	-27.7%	26,030	36,025
Average length of stay (days)	平均住院日數(天)	+0.3	7.6	7.3
Patient's average spending per visit (RMB)	患者每人每次平均開支 (人民幣元)	+20.8%	17,977.6	14,883.7
Outpatient healthcare services	門診醫療服務			
Outpatient visits	門診人次	-34.3%	566,568	861,872
Patient's average spending per visit (RMB)	患者每人每次平均開支 (人民幣元)	+15.0%	399.7	347.6
Physical examination services	體檢服務			
Physical examination visits	體檢人次	-31.5%	52,305	76,307
Patient's average spending per visit (RMB)	患者每人每次平均開支 (人民幣元)	+17.7%	519.3	441.2

### Kanghua Hospital

In the first half of 2020, Kanghua Hospital continued to restructure the healthcare management departments, strengthen horizontal communication and enhance working efficiency. Kanghua Hospital continued to pursue new management concepts, including the tools that apply "data and performance management and multi-quality control" (資料績效管理、多品質管制), in order to enhance the monitoring and analysis of key medical quality process and outcome indicators, as well as to continuously improve the key projects. As one of the six designated hospitals for treatment of infectious diseases in Dongguan City under the pandemic, Kanghua Hospital was instructed by the Board to "fight against the pandemic" and safeguard the health of the public and our employees. The medical staff of Kanghua Hospital came forward and rose to the challenge, with more than 120 medical staff members volunteering to fight against the pandemic on the front line. The pandemic affected the operations of Kanghua Hospital to a certain extent, resulting in a decrease in the total number of patients.

### 康華醫院

二零二零年上半年，康華醫院繼續調整醫療管理部門組織架構，加強橫向溝通、提高工作效率。康華醫院持續實行「資料績效管理、多品質管制」工具的應用等新的管理理念，加強對重點醫療品質過程指標、結果指標進行監測、分析，對重點項目進行持續改進。面對疫情，康華醫院作為東莞市六家定點救治醫院之一，董事局指示一定要全力「抗疫」，守衛大眾和每一個員工的健康，康華醫院的醫務人員挺身而出，迎難而上，逾120名人員請纓奔赴抗疫一線。疫情對康華醫院的運營情況造成一定程度的影響，導致整體病人量有所下降。

# Management Discussion and Analysis

## 管理層討論及分析

During the Reporting Period, Kanghua Hospital has recorded revenue of RMB613.0 million (six months ended 30 June 2019: RMB727.4 million), representing a period-on-period decrease of 15.7%. As of 30 June 2020, Kanghua Hospital has outpatient visits of 431,161 with a decrease of 34.9% as compared with the corresponding period last year and inpatient visits of 20,862 with a decrease of 26.1% as compared with the corresponding period last year.

In 2019, Kanghua Hospital planned the establishment of the “Internet + Medical Healthcare Services” (互聯網 + 護理服務) organisational structure. With the “Household Kanghua Angel” (康華天使到家) project formally implemented, Kanghua Hospital also became the first hospital in Dongguan City to develop and operate an online nurse appointment platform. In the first half of 2020, Kanghua Hospital continued to optimise its online services and further pushed forward with the trial operations as an internet hospital. Our management is of the view that the new internet service deployment is expected to reduce the impacts of pandemic on the operations in the future.

In January 2020, the Department of Respiratory and Critical Medicine of Kanghua Hospital has formally obtained the certification as a PCCM-certified class III hospital. The “PCCM Standardisation Construction Project” (PCCM規範化建設項目), which is initiated by the respiratory therapist branch of the Chinese Medical Doctor Association (中國醫師協會呼吸醫師分會), the respiratory medicine branch of the Chinese Medical Association (中華醫學會呼吸病學分會), the National Respiratory Medicine Specialty Consortium (全國呼吸專科醫聯體) and the National Respiratory Medical Quality Control Centre (國家呼吸醫療品質控制中心), aims to promote the standardisation development of the Department of Respiratory and Critical Medicine, comprehensively build a national team of respiratory and critical medicine physicians, and improve the overall national standard of the Department of Respiratory and Critical Medicine. The project will then meet the increasingly severe clinical requirements to address respiratory diseases.

於報告期內，康華醫院錄得收益人民幣613.0百萬元（截至二零一九年六月三十日止六個月：人民幣727.4百萬元），同比減少15.7%。截至二零二零年六月三十日，康華醫院門診人次為431,161次，較去年同期下降34.9%；住院人次為20,862次，較去年同期下降26.1%。

二零一九年，康華醫院部署建立了「互聯網+護理服務」組織架構，「康華天使到家」項目正式上線，康華醫院也成為了東莞市首家自主研發、第一家開通網約護士資訊平台的醫院。二零二零年上半年，康華醫院持續優化網上服務及進一步推進互聯網醫院的試運行，管理層認為新互聯網服務部署有望可減低未來疫情對業務的影響。

二零二零年一月，康華醫院呼吸與危重症醫學科正式取得三級醫院PCCM達標證書。「PCCM規範化建設項目」由中國醫師協會呼吸醫師分會、中華醫學會呼吸病學分會、全國呼吸專科醫聯體、國家呼吸醫療品質控制中心共同發起，旨在推動呼吸與危重症醫學科規範化發展，全面建設國家呼吸與危重症醫學科醫師人才梯隊，提高國家呼吸與危重症醫學科整體水準，滿足日益嚴峻的呼吸系統疾病的臨床需求。



# Management Discussion and Analysis

## 管理層討論及分析

### Renkang Hospital

In the social security system evaluation in 2019, Renkang Hospital achieved a better result. In the first half of 2020, Renkang Hospital continued its good work in medical insurance management by adjusting charging standards and social security reimbursement to increase the income per capita. In the first half of 2020, Renkang Hospital also strengthened the construction of the emergency department and ICU by establishing the Department of Emergency and Critical Medicine and introduced high-calibre talent to provide strong life support and protection to clinical departments. These efforts have raised the emergency and first aid standards of the hospital. In terms of equipment investments, according to the equipment procurement plan at the beginning of the year, the radiology department introduced high-end CT and DR equipment. Currently, the installation of DR equipment is completed, with the CT equipment expected to arrive in July. With the relevant formalities and certificates being processed, the equipment is expected to be put into use in the second half of the year, thereby providing clinical departments with the support to promote their service offerings. During the COVID-19 pandemic, as of June, Renkang Hospital was entitled to a reduction in contribution of approximately RMB1.2 million under the social security policy scheme; in the first half of the year, a total of 3,446 nucleic acid tests were administered from February to June, generating an additional revenue of approximately RMB0.34 million.

During the Reporting Period, Renkang Hospital has recorded revenue of RMB89.2 million (six months ended 30 June 2019: RMB116.6 million), representing a period-on-period decrease of 23.4%. As of 30 June 2020, Renkang Hospital has outpatient visits of 128,248 with a decrease of 33.3% as compared with the corresponding period last year and inpatient visits of 4,500 with a decrease of 34.8% as compared with the corresponding period last year.

In terms of academic development of the hospital, in order to strengthen the management of medical technologies, Renkang Hospital organised the medical technology files of the medical staff, and evaluated and summarised the scientific research projects and new technologies launched by the hospital. In accordance with the national management standards for medical technologies, restricted medical technologies in the Department of Orthopaedics and Department of O&G shall be registered with the Municipal Health Bureau, and the hospital shall continue to improve its standard of medical technologies.

### 仁康醫院

在二零一九年社保系統考評中，仁康醫院取得了較好的成績；二零二零年上半年，仁康醫院繼續做好醫保管理工作，針對收費標準與社保報銷的項目進行了調整，增加了人均收入。二零二零年上半年，仁康醫院加強急診科和ICU建設，並成立急危重症醫學部，引進高級人才，為臨床科室提供強有力的生命支援保障，從而提升全院的急診急救水準。設備引進方面，根據年初的設備採購計劃，放射科引進CT和DR高端設備，目前DR設備安裝完成，CT設備預計七月份到貨，相關手續、證件正在辦理中，預計下半年能投入使用，為推動臨床科室服務提供保障。於COVID-19疫情期間，截止六月仁康醫院獲得社保政策計劃減免供款約人民幣1.2百萬元；上半年進行核酸檢測，二月至六月共處理了3,446人次，產生額外收入約人民幣0.34百萬元。

於報告期內，仁康醫院錄得收益人民幣89.2百萬元（截至二零一九年六月三十日止六個月：人民幣116.6百萬元），同比減少23.4%。截至二零二零年六月三十日，仁康醫院門診人次為128,248次，較去年同期減少33.3%；住院人次為4,500次，較去年同期減少34.8%。

在醫院學術發展方面，為加強醫療技術管理，仁康醫院整理醫務人員醫療技術檔案，對醫院開展的科研項目和新技術進行評估和總結。按照國家醫療技術管理要求，在市衛生健康局備案醫院骨科、婦產科限制類醫療技術，不斷提高醫院醫療技術水準。

# Management Discussion and Analysis

## 管理層討論及分析

In strengthening the construction of key specialties of the hospital, Renkang Hospital established the “Department of Respiratory and Critical Medicine”, which was actively constructed in accordance with the specialty evaluation standards. We strived to improve in the evaluation and inspection annually, and promoted the rescue treatment for respiratory medicine and critical medicine cases. At the same time, Renkang Hospital established the Department of Emergency and Critical Medicine by introducing academic leaders and forming an ICU team to improve the emergency and first aid standards. The Department of Obstetrics and Gynecology, Department of Stomatology, Department of Chinese Medicine, and Department of Anesthesiology actively developed new businesses and technologies, which brought upon good economic and social benefits.

### Kangxin Hospital

In the first half of 2020, the COVID-19 pandemic severely impacted the operations of Kangxin Hospital. Despite a decrease in the number of patients, the overall construction level and medical treatment capability of the hospital have clearly improved. Since the pandemic, Kangxin Hospital adhered to scientific prevention and control measures, and not a single infected or suspected case was reported in the hospital during this period. Besides effectively maintaining our own prevention and control, Kangxin Hospital also actively supported the prevention and control work of the local government. It immediately established a critical medicine team consisting of 30 medical staff (being the first medical team from a private hospital in Chongqing), and simultaneously sent 11 groups consisting of a total of 150 medical staff to provide medical protection for quarantine stations in Jiangbei District. This engagement currently remains active. Since Chongqing initiated the first-level response to the pandemic prevention and control on 24 January, Kangxin Hospital has made every effort to ensure the normal admission of patients by continuing with the services of outpatient consultations and operations, as well as ensuring that patients, if deemed necessary, should be admitted to minimise the casualties due to the pandemic.

During the Reporting Period, Kangxin Hospital has recorded revenue of RMB19.3 million (six months ended 30 June 2019: RMB25.5 million), representing a period-on-period decrease of 24.2%. As of 30 June 2020, Kangxin Hospital has outpatient visits of 7,159 with a decrease of 5.6% as compared with the corresponding period last year; inpatient visits of 668 with a decrease of 25.6% as compared with the corresponding period last year; and performed 240 cardiovascular surgeries with a decrease of 30.0% as compared with the corresponding period last year.

在加強醫院的主要專科建設方面，仁康醫院成立「呼吸與危重症醫學科」，按照專科評審標準積極建設，爭取年度提高評審檢查，推動醫院呼吸內科急危重症搶救治療。同時，仁康醫院成立急診和重症醫學科，引進學科帶頭人，組建ICU人才梯隊，提升全院的急診急救水準。婦產科、口腔科、中醫科、麻醉科積極開展新業務、新技術，取得良好的經濟效益和社會效益。

### 康心醫院

二零二零年上半年，COVID-19疫情對康心醫院的經管情況造成嚴重衝擊，雖然病人量有所下降，但醫院整體建設水準和醫療救治能力明顯提升。疫情發生後，康心醫院堅持科學防控，期間醫院未曾報告一例感染或疑似病例。在抓好自身防控的同時，康心醫院還積極支持地方政府防控工作，第一時間組建由30名醫護人員組成的重症醫療隊（為重慶首個民營醫院醫療隊），同時先後派出11批，150名醫護人員，為江北區隔離觀察點提供醫療保障，此項工作還在繼續。自一月二十四日，重慶啟動疫情防控一級回應後，康心醫院全力保證病人的正常收治，一直堅持門診不停診，手術不停做，做到病人應收盡收，盡力減少疫情人員傷亡。

於報告期內，康心醫院錄得收益人民幣19.3百萬元（截至二零一九年六月三十日止六個月：人民幣25.5百萬元），同比減少24.2%。截至二零二零年六月三十日，康心醫院門診人次為7,159次，較去年同期減少5.6%；住院人次為668次，較去年同期減少25.6%；及進行240宗心血管手術，較去年同期減少30.0%。

# Management Discussion and Analysis

## 管理層討論及分析

Although the admission of patients was affected to a certain extent, Kangxin Hospital strived to seek breakthroughs in technology and continued to strengthen its business construction. In the first half of 2020, Kangxin Hospital completed a number of extremely rare, complicated and challenging surgeries. The Department of Ultrasound performed its first “stress myocardial contrast echocardiography” case for a patient before the surgery; the Department of Cardiology successfully performed an interventional surgery for a child with the rare “Noonan Syndrome”; and the Department of Cardiovascular Surgery successfully performed the first TAVR (Transcatheter Aortic Valve Replacement) surgery as the first case in a private hospital in the Southwestern Region. Meanwhile, Kangxin Hospital is designated by National Health Commission’s Capacity Building and Continuous Education Centre (國家衛生健康委能力建設和繼續教育中心) as the “Primary Hospital Electrophysiology Specialty Training Project Base” (基層醫院電生理專項能力培訓專案基地), indicating that the capability of Kangxin Hospital in electrophysiology interventional surgery is recognised by the government and other peers in the industry.

Despite its operational potential, Kangxin Hospital also faced many ongoing challenges including large burden on professional headcounts, overhead expenditure and fixed costs, as well as the loss of certain key professional healthcare talent during the first half of 2020, due to the fierce and intense competition for healthcare professionals and experts in the local Chongqing market. The temporary loss of certain key medical experts has, a certain extent, caused further decline in patient visits at Kangxin Hospital during the current interim period and is expected to have an adverse impact on our short-term management forecast in revenue growth. As a result, the Group has further recognised an impairment loss on goodwill of RMB48.5 million in respect of the Kangxin Hospital CGU during the current interim period (the Group has recognised an impairment loss on goodwill of RMB60.0 million during the year ended 31 December 2019). However, the Group will continue to step up in recruitment of experienced medical experts and improvement of our medical capabilities to regain and attract local patients.

雖然病人收治受到一定影響，但康心醫院力求在技術上尋求突破，持續加強業務建設。二零二零年上半年，康心醫院完成多個極其罕見且複雜、手術難度極高的外科手術，包括超聲科為一名術前患者實施了醫院首例「負荷超聲心肌增強顯像」；心內科為一名非常罕見的「努南綜合症」患兒成功進行了介入手術；及心外科成功實施了醫院首例TAVR手術（經心尖主動脈瓣置換術），為西南地區民營醫院首例。同時，康心醫院被國家衛生健康委能力建設和繼續教育中心確定為「基層醫院電生理專項能力培訓專案基地」，使康心醫院的電生理介入手術能力得到政府和同行認可。

儘管具有營運潛力，康心醫院亦面臨著一系列持續的挑戰，包括專業人員人數、間接費用及固定成本的巨大負擔，以及於二零二零年上半年由於重慶本地市場對醫療專業人員及專家的競爭激烈而導致部分主要專業醫療人才流失。若干主要專業醫療專家的暫時流失在一定程度上導致了本中期期間康心醫院的就診人次進一步下降，預計將對我們對收入增長的短期管理預測產生不利影響。因此，於本中期期間本集團進一步就康心醫院現金產生單位確認商譽減值虧損人民幣48.5百萬元（截至二零一九年十二月三十一日止年度本集團已確認商譽減值虧損人民幣60.0百萬元）。然而，本集團將繼續加大聘請經驗豐富的醫療專家及改善醫療能力的力度以重新獲得並吸引本地病患。

# Management Discussion and Analysis

## 管理層討論及分析

The table below sets forth the revenue contribution by healthcare disciplines of our hospital services segment for the periods indicated:

下表載列於所示期間按醫院服務分部的醫學專科劃分的收益貢獻：

		For the six months ended 30 June 截至六月三十日止六個月				
		2020 二零二零年		2019 二零一九年		
		% of revenue of the Group's owned hospitals 分佔本集團 擁有醫院的		% of revenue of the Group's owned hospitals 分佔本集團 擁有醫院的		
Healthcare disciplines 醫學專科	Change 變動	RMB'000 人民幣千元	收益百分比	RMB'000 人民幣千元	收益百分比	
O&G related disciplines	婦產科有關科室	-22.7%	117,382	16.3	151,917	17.5
Cardiovascular related disciplines	心血管有關科室	-18.7%	99,458	13.8	122,340	14.1
Internal medicine related disciplines	內科有關科室	-13.3%	89,633	12.4	103,437	11.9
General surgery related disciplines	普通外科有關科室	-10.1%	62,628	8.7	69,676	8.0
Emergency medicine related disciplines	急診有關科室	-10.0%	52,512	7.3	58,320	6.7
Neurology related disciplines	神經醫學有關科室	-13.2%	51,776	7.2	59,624	6.9
Orthopaedics related disciplines	骨科有關科室	-15.6%	44,899	6.2	53,176	6.1
Oncology related disciplines	腫瘤有關科室	+2.6%	25,782	3.6	25,121	2.9
Nephrology related disciplines	腎臟科有關科室	+23.0%	25,049	3.5	20,365	2.3
Medical aesthetic related disciplines	醫學美容有關科室	-14.2%	16,105	2.1	18,779	2.1
Paediatrics related disciplines	兒童醫學有關科室	-65.5%	10,869	1.5	31,533	3.6
Physical examination	體檢科	-19.3%	27,162	3.8	33,668	3.9
Other disciplines	其他臨床科室	-19.1%	98,336	13.6	121,478	14.0
<b>Total</b>	<b>總計</b>		<b>721,591</b>	<b>100.0</b>	<b>869,434</b>	<b>100.0</b>

Note: The Group's healthcare disciplines can generally be classified into clinical disciplines and medical technology disciplines. Medical technology disciplines provide diagnostic and treatment support according to the requirements of clinical disciplines from time to time. Revenue derived from services delivered through medical technology disciplines is generally recognised in the relevant clinical disciplines that utilised such services.

附註：本集團的醫學專科一般可分為臨床專科和醫療技術專科。醫療技術專科根據臨床專科的要求不時提供診斷和治療支援。通過醫療技術專科提供服務產生的收益通常在使用這些服務的相關臨床專科中確認。



# Management Discussion and Analysis

## 管理層討論及分析

In the first half of 2020, the Group performed a total of 17,991 surgeries (six months ended 30 June 2019: 20,994), including 7,084 surgeries (six months ended 30 June 2019: 8,380) with level 3 or level 4 complexities, representing a period-on-period decrease of 14.3% and 15.5%, respectively. The decline is primarily attributable to the COVID-19 pandemic which caused the rescheduling of some of our non-emergency services and surgeries. However, the Board believes that the impact of the pandemic on our hospital operations is largely temporary. The number of patients of our hospitals has rebounded since May 2020 and in June 2020, the business operations and medical service revenue have substantially resumed normal as compared with the corresponding period last year.

O&G disciplines, cardiovascular disciplines, internal medicine disciplines, general surgery disciplines and emergency medicine disciplines (six months ended 30 June 2019: O&G disciplines, cardiovascular disciplines, internal medicine disciplines, general surgery disciplines and neurology disciplines) were the top five revenue generating disciplines of the Group for the first half of 2020, accounting for approximately 58.4% of the Group's total revenue in the same period (six months ended 30 June 2019: 58.3%).

於二零二零年上半年，本集團已施行合共17,991例（截至二零一九年六月三十日止六個月：20,994例）手術，包括7,084例（截至二零一九年六月三十日止六個月：8,380例）三、四級複雜手術，同比分別減少14.3%及15.5%。減少主要乃由於COVID-19疫情導致我們為若干非緊急服務或手術重新排期所致。然而，董事會認為，疫情對我們醫院運營的影響很大程度上是暫時的。自二零二零年五月以來，我們醫院的患者人數有所回升，於二零二零年六月，業務運營及醫療服務收入與去年同期相比已基本恢復正常。

婦產科、心血管科、內科、普通外科及急診醫學科（截至二零一九年六月三十日止六個月：婦產科、心血管科、內科、普通外科及神經科）為二零二零年上半年本集團產生五大收益的專科，佔本集團同期總收益約58.4%（截至二零一九年六月三十日止六個月：58.3%）。



# Management Discussion and Analysis

## 管理層討論及分析

During the six months ended 30 June 2020, revenue from all our major disciplines of our owned hospitals recorded substantial decline, which are mainly caused by the decrease in patient visits due to the COVID-19 pandemic. In particular, O&G-related disciplines remained to be our largest medical discipline and recorded a significant decrease in revenue with a period-on-period decline of 22.7%. Our O&G related disciplines have been a stable revenue driver for the Group, and the significant decrease in revenue is primarily attributable to a decline in patient visits as pregnant women are generally reluctant to attend regular check-ups and hospital visits during the period of the pandemic. However, since March 2020, with the implementation of the pandemic prevention and control measures, the COVID-19 pandemic has been brought under control to a certain extent. The Dongguan Municipal Government issued the latest notice to speed up the resumption of work and production of enterprises in Dongguan City. In order to “fully support the resumption of work and production, and strictly prevent and control the pandemic within the department” (全力支持復工復產，嚴格科內疫情防控), the Department of Gynecology of Kanghua Hospital, began to fully admit outpatients and inpatients, under the pre-condition of further improving the relevant measures for pandemic prevention and control. Also, revenue from cardiovascular related disciplines recorded a period-on-period decrease of 18.7%, primarily attributable to the decline in revenue from Kangxin Hospital and the rescheduling of non-emergency surgeries. Revenue from paediatrics-related disciplines also recorded a considerable period-on-period decrease of 65.5%, primarily attributable to the stay-at-home policy implemented nation-wide and children were advised not to attend hospitals during the time of the pandemic. And despite the drop in revenue across all our medical disciplines, our oncology-related disciplines and nephrology-related disciplines recorded a period-on-period increase of 2.6% and 23.0%, respectively, primarily because these disciplines are generally less interrupted by the pandemic and their patients normally require regular and on-going medical attention.

截至二零二零年六月三十日止六個月，我們擁有醫院的所有主要專科的收益均錄得嚴重下跌，主要乃由於COVID-19疫情導致就診人數減少。尤其是，婦產科有關科室仍然為我們最大的醫學專科，錄得收益嚴重下滑，同比下降22.7%。婦產科有關科室為本集團穩定的收益驅動力，其收益嚴重下滑主要乃由於疫情期間孕婦不願定期檢查及醫院就診人數減少。然而，自二零二零年三月以來，憑藉實施疫情防控措施，COVID-19疫情已得到一定程度的控制。東莞市政府發佈有關加快東莞市企業復工復產的最新通知。為了「全力支持復工復產，嚴格科內疫情防控」，康華醫院的婦科在進一步完善有關疫情防控措施的前提下，開始全面接納門診和住院患者。此外，心血管有關科室的收益同比下降18.7%，主要是由於康心醫院的收益減少及重新安排非緊急手術所致。兒童醫學有關科室的收益亦錄得大幅減少，同比下降65.5%，主要歸因於疫情期間在全國範圍內實施的居家政策並建議兒童不要去醫院。儘管我們所有醫學專科的收益均減少，但腫瘤有關科室及腎臟科有關科室的收益分別同比增長2.6%及23.0%，主要乃由於該等科室通常較少受到疫情的干擾，其患者通常需要定期及持續的醫療護理。

# Management Discussion and Analysis

## 管理層討論及分析

### VIP Special Services

The Group's special services are high-end healthcare services that extend beyond basic medical services and are specifically catered for more affluent patients who are willing to pay a premium for higher quality and customised services that are not generally available in public hospitals. The Group's special services consist of VIP healthcare services, reproductive medicine, plastic and aesthetic surgery and laser treatment. In the first half of 2020, the total revenue derived from special services amounted to RMB78.3 million (six months ended 30 June 2019: RMB90.6 million), representing a period-on-period decrease of 13.5%. Although, during the first half of 2020, the number of both VIP inpatient and outpatient visits have decreased significantly, however, the average spending per inpatient visit of our VIP healthcare services amounted to RMB43,437.2 (six months ended 30 June 2019: RMB29,830.5), representing a period-on-period increase of 45.6%, primarily because the demand of our service offerings from Huaxin Building (a complex in Kanghua Hospital dedicated to VIP healthcare services), in particular, our O&G services to VIP patients have maintained strong and these services were previously confirmed and scheduled prior to the outbreak. Our revenue from VIP inpatient services recorded RMB30.8 million (six months ended 30 June 2019: RMB35.6 million), representing a period-on-period decrease of 13.4%, primarily caused by a decline in the number of inpatient visits. Furthermore, our revenue from VIP outpatient service amounted to RMB21.6 million (for the six months ended 30 June 2019: RMB19.3 million), representing a period-on-period increase of 11.9%.

However, our revenue from reproductive medicine has dropped to RMB17.8 million (six months ended 30 June 2019: RMB27.7 million) with a period-on-period decrease of 35.6%. The drop in revenue of reproductive medicine is mainly caused by the reduction in the demand for the services of our reproductive medicine centre during the time of the pandemic.

### VIP特殊服務

本集團的特殊服務是超出基本醫療服務的高端化醫療服務，主要針對高收入患者，彼等願意為普通公立醫院難以提供的高品質及定制化服務支付額外費用。本集團的特服務包括殊貴賓醫療服務、生殖醫學、整形及美容手術及激光治療。於二零二零年上半年，來自特殊服務的總收益為人民幣78.3百萬元（截至二零一九年六月三十日止六個月：人民幣90.6百萬元），同比減少13.5%。儘管於二零二零年上半年，貴賓住院及貴賓門診人次均大幅下降，然而，我們的貴賓醫療服務的每名住院病人的平均支出為人民幣43,437.2元（截至二零一九年六月三十日止六個月：人民幣29,830.5元），同比增長45.6%，主要是由於華心樓（康華醫院專門用於貴賓醫療服務的綜合大樓）提供的服務，特別是貴賓婦產科服務需求保持強勁且該等服務先前已於疫情前予以確認及排期。我們的貴賓住院服務收益錄得人民幣30.8百萬元（截至二零一九年六月三十日止六個月：人民幣35.6百萬元），同比減少13.4%，主要原因是住院人次下降。此外，我們的貴賓門診服務收入為人民幣21.6百萬元（截至二零一九年六月三十日止六個月：人民幣19.3百萬元），同比增加11.9%。

然而，我們的生殖醫學收益已下降至人民幣17.8百萬元（截至二零一九年六月三十日止六個月：人民幣27.7百萬元），同比下降35.6%。生殖醫學的收益下降主要由於疫情期間對我們的生殖醫學中心服務的需求減少所致。

# Management Discussion and Analysis

## 管理層討論及分析

The table below sets forth some key operating data and revenue for the Group's special services:

下表列出本集團特殊服務的若干關鍵營運數據及收益：

Special Services	特殊服務	Change 變動	For the six months ended 30 June 截至六月三十日止六個月	
			2020 二零二零年	2019 二零一九年
VIP healthcare services	貴賓醫療服務			
Inpatient visits	住院人次	-40.5%	709	1,192
Outpatient visits	門診人次	-53.1%	15,251	32,488
Revenue (RMB'000)	收益(人民幣千元)	-4.5%	52,348	54,820
Reproductive medicine	生殖醫學			
Number of outpatient visits	門診人次	-39.8%	16,017	26,602
Revenue (RMB'000)	收益(人民幣千元)	-35.6%	17,849	27,720
Plastic and aesthetic surgery	整形美容外科			
Revenue (RMB'000)	收益(人民幣千元)	-25.1%	2,042	2,725
Laser treatment	激光治療			
Revenue (RMB'000)	收益(人民幣千元)	+14.4%	6,066	5,303
Total revenue from special services (RMB'000)	特殊服務的總收益 (人民幣千元)	-13.5%	78,305	90,568

### Rehabilitation and other Healthcare Services

During the Reporting Period, the Group's rehabilitation and other related healthcare services segment, through its ownership of 57% equity interest in Anhui Hualin, has recorded a revenue of RMB31.5 million (six months ended 30 June 2019: RMB35.6 million), representing a period-on-period decrease of 11.6%. Anhui Hualin directly and indirectly (through its wholly-owned subsidiary) holds sponsor interests in certain private non-enterprise entities in Anhui Province, the PRC. It mainly operates two rehabilitation hospitals, a general hospital, an outpatient centre, eleven rehabilitation centres and one vocational training school (collectively referred to as "Anhui Hualin Group"). The Anhui Hualin Group has generated significant synergies to the Group and expanded our presence in the rehabilitation healthcare sector in the PRC. Since its acquisition, Anhui Hualin Group has developed steadily, with its network of medical institutions and rehabilitation centres constantly expanding.

### 康復及其他醫療服務

於報告期內，本集團的康復及其他醫療服務分部(透過其擁有安徽樺霖57%的股本權益)錄得收益人民幣31.5百萬元(截至二零一九年六月三十日止六個月：人民幣35.6百萬元)，同比減少11.6%。安徽樺霖透過其全資附屬公司直接及間接在中國安徽省若干民辦非企業單位持有舉辦者權益。其主要運營兩間康復醫院、一間綜合醫院、一個門診中心、十一間康復中心及一間職業培訓學校(統稱「安徽樺霖集團」)。安徽樺霖集團已為本集團帶來巨大的協同效應，並拓展我們於中國康復醫療行業之版圖。自收購以來，安徽樺霖集團穩步發展，其醫療機構及康復中心網絡不斷擴大。

# Management Discussion and Analysis

## 管理層討論及分析

Anhui Hualin Group currently employs more than 800 staff and has a stable cooperation with the Anhui Disabled Person's Federation (安徽省殘疾人聯合會) and local governments in the provision of training services for the disabled. The Anhui Hualin Group is also a major organisation offering children rehabilitation services in Anhui Province, the PRC. As at 30 June 2020, the three hospitals operated by Anhui Hualin Group have a total of 220 registered beds. During the Reporting Period, Anhui Hualin Group has 20,666 (six months ended 30 June 2019: 12,562) outpatient visits, 1,430 (six months ended 30 June 2019: 890) inpatient visits and served 62,083 (six months ended 30 June 2019: 29,212) rehabilitation patient visits.

At the beginning of 2020, due to the pandemic, substantially all offline business activities were prohibited according to the requirements of the authorities including Hefei Municipal Health Commission, Anhui Disabled Persons' Federation and Hefei Human Resources and Social Security Bureau: hospitals closed outpatient clinics and stopped admitting new patients; rehabilitation centres and vocational training schools were not allowed to resume work and classes, which caused a sharp decrease in Anhui Hualin's business revenue. At the same time, in order to ensure individual safety, it is necessary to increase the investment in various pandemic prevention measures, which in turn increased the operating costs of the hospitals. As a result, the operation of the hospitals was facing tremendous pressure. In the face of unprecedented difficulties and pressures, Anhui Hualin has adopted a series of effective measures to "increase revenue and cut expenditure", while ensuring the stability of key business backbone personnel. These efforts have laid the foundation for facilitating the resumption of work and production in the "post-pandemic period". After mid-May, while ensuring pandemic prevention and safety, the three major business operations have resumed work and service, which has successfully safeguarded the sustainable development of the Company. Despite a sharp increase in our business after resumption of our operations, the income loss caused by the pandemic has not been fully offset.

安徽樺霖集團目前擁有800多名員工，且與安徽省殘疾人聯合會及當地政府在殘疾人培訓服務方面有著穩定的合作關係。安徽樺霖集團亦為中國安徽省提供兒童康復服務的主要機構。於二零二零年六月三十日，安徽樺霖集團經營的三間醫院共有220張註冊床位。於報告期內，安徽樺霖集團的門診人次、住院人次及康復服務接待人數分別達20,666名（截至二零一九年六月三十日止六個月：12,562名）、1,430名（截至二零一九年六月三十日止六個月：890名）及62,083名（截至二零一九年六月三十日止六個月：29,212名）。

於二零二零年年初，由於受疫情影響，根據合肥市衛健委、安徽省殘聯、合肥市人社局等主管部門要求，實質上不允許開展絕大部分線下業務活動：醫院關閉門診，停止收治新住院病人；康復中心、職業培訓學校不允許復工開課，使安徽樺霖業務創收急劇下降。同時為確保人身安全，需要增加各項防疫措施的投入，又加大了醫院的運行成本，因此，醫院運行面臨了巨大的壓力。面對從所未有的困難和壓力，安徽樺霖採取了一系列「開源節流」的有效措施，同時確保主業務骨幹人員的穩定，為「後疫情時期」能快速復工復崗奠定了基礎。五月中旬以後，在確保防疫安全的情況下，三大業務陸續復工復產，確保本公司的可持續性發展，我們恢復營運後業務急劇增加，但亦未能完全抵銷因疫情影響所損失的收入。

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As regards academic progress, in the first half of 2020, Anhui Hualin hired a number of experts and consultants, laying the foundation for future development. However, labour costs increased significantly. In contrast to the closure of most institutions due to the pandemic, the new rehabilitation institutions in Feixi and Beicheng took the initiative to admit children that required rehabilitation, which overfulfilled their designated quota. During the pandemic, each rehabilitation centre used the intelligent technology system of Kanghua Hospital to continue with online rehabilitation service. After resumption of work, Anhui Hualin convinced the Anhui Provincial Disabled Persons' Federation to issue an official document to include online rehabilitation service in the financial fund payment, which directly increased the income of the rehabilitation centres during the pandemic period and mitigated the pandemic impacts to a certain extent. In the first half of 2020, Anhui Hualin actively made tenders for new projects, including the management of Hefei Compulsory Drug Rehabilitation Centre and the operation of Hefei Daoxiang Village Home for the Disabled. At the same time, Anhui Hualin actively expanded non-medical projects, including Hefei Kangaiyun Pharmacy, and Hefei Xianguang Primary School and Children's Disability Rehabilitation and Nursery Project.

Anhui Hualin has put tremendous effort in expanding its business and operational presence in the Anhui Province, however, ever since the opening of Hefei Kanghua Rehabilitation Hospital (合肥康華康復醫院) in November 2018 (a rehabilitation specialty hospital aiming to become a class III rehabilitation hospital in the long term), the stimulation to revenue growth of Anhui Hualin Group (particularly in the first half of year 2020) was lower than previously anticipated. At the same time, with the rapid expansion in its business operations, Anhui Hualin Group has significantly incurred various fixed costs and capital expenditure. As a result, the management anticipates that the rise in operating cost and expenditure will suppress its revenue growth potential in the short- to medium-term, which is expected to have an adverse impact on the short-term management forecast in its profitability. Therefore, the Group has recognised an impairment loss on goodwill of RMB27.5 million in respect of the Anhui Hualin CGU during the current interim period.

In the future, Anhui Hualin Group will continue to recruit and nurture talent through various channels, constantly enhance its medical software and hardware configuration, comprehensively improve the level of its medical services, further increase its business revenue and implement strict control on costs, and continue to make beneficial contributions to the Group.

學術進展方面，二零二零年上半年，安徽樺霖聘請了多名專家顧問為未來發展定下了基礎，但同時亦大幅增加人力成本。疫情影響下，機構封閉，肥西和北城康復新機構主動出擊，超額完成康復患兒收治任務。在疫情期間，各康復中心利用康華醫院智慧技術系統，堅持開展線上康復服務。復工後，安徽樺霖說服安徽省殘聯下發紅頭文件，將線上康復服務納入財政資金支付，直接為康復中心在疫期增加收入，在一定程度上減輕因疫情所帶來的影響。二零二零年上半年，安徽樺霖積極投標新專案，設立合肥市強制戒毒所醫院管理、合肥稻香村殘疾人之家運營。同時，安徽樺霖積極拓展非醫療類專案，包括合肥康愛雲大藥房、合肥霞光小學兒童殘障康復托養項目等。

安徽樺霖為擴大其於安徽省的業務及運營作出巨大努力，惟自二零一八年十一月合肥康華康復醫院（其是一家以長期成為三級康復醫院為發展目標的康復專科醫院）開業以來，安徽樺霖集團（尤其是二零二零年上半年）收益增長刺激低於先前預期。同時，隨著業務經營的迅速發展，安徽樺霖集團已產生巨額固定成本及資本支出。因此，管理層預計，運營成本及支出的增長將於短期至中期內抑制其收益增長潛力，並預期對其盈利能力的短期管理預測產生不利影響。因此，本集團已於本中期期間就安徽樺霖現金產生單位確認商譽減值虧損人民幣27.5百萬元。

未來，安徽樺霖集團將堅持多途徑人才引進及培養，不斷夯實醫療軟件及硬件配置，全面提升醫療服務水平，進一步提升業務收益及嚴格控制成本，並繼續為本集團作出利好貢獻。

# Management Discussion and Analysis

## 管理層討論及分析

### Hospital Management Services

In August 2018, the Group completed the acquisition of 60% equity interest of Kangxin Hospital and it had become a non-wholly-owned subsidiary of the Company. The Board considers that full integration and consolidation of Kangxin Hospital into the Group's operations will enable the Group to benefit from the operating prospects of Kangxin Hospital to a greater extent in the long term. Since the acquisition of Kangxin Hospital, throughout 2019 and the first half of 2020, up to the date of this report, the Group has no other management arrangement with third party hospitals and the Company will continue to search for appropriate opportunities to undertake hospital management operations to the extent commercially desirable to the Group.

### Sale of Pharmaceutical Products

The Group's sale of pharmaceutical products segment includes a pharmaceuticals and medical consumables trading company established for the purpose of streamlining pharmaceuticals and medical consumables sales directly to the patients at the Group's hospitals and walk-in customers who may not be the patients of the Group's hospitals. In general, the operation of this pharmaceutical company has lowered our overall cost of revenue through centralising the purchase function and thereby increasing the overall margin of the Group. Revenue from sales of pharmaceutical products for the Reporting Period amounted to RMB6.3 million (six months ended 30 June 2019: RMB8.8 million), representing a period-on-period decrease of 28.7%.

### Elderly Healthcare Services

The Group's other segment represents the provision of elderly healthcare services, which commenced in 2018, with the strategy to establish a comprehensive elderly healthcare centre located inside Renkang Hospital, namely, Renkang Elderly Care Centre (仁康護理院) initially with 60 registered beds to explore the potential of providing quality high-end elderly care services to local residents in Houjie Town, Dongguan City. In view of the accelerating aging population problem in the PRC that leads to the high development potential of the healthcare and elderly care industry, the establishment of the Renkang Elderly Care Centre was the Group's first presence and extension of our big health concept business development. In April 2020, the first phase of Renkang Elderly Care Centre formally started the medical insurance settlement work and was awarded by the Provincial Department of Civil Affairs as a four-star elderly care centre in the same month. In June 2020, the second phase of the nursing home project passed the inspection of the Municipal Health Supervision Bureau and the Civil Affairs Bureau. It is now applying to be a designated medical insurance institution. Upon successful application, it will be able to provide high-quality services to more elderly people and drive the expansion and development of related businesses through the nursing home.

### 醫院管理服務

於二零一八年八月，本集團完成收購康心醫院60%的股權，康心醫院已成為本公司的非全資附屬公司。董事會認為，將康心醫院全面整合及合併至本集團的運營中，可使本集團從該醫院的經營前景中獲得顯著的長期收益。自收購康心醫院以來，於二零一九年全年及二零二零年上半年及直至本報告日期，本集團並無與第三方醫院的其他管理安排，且本公司將繼續尋找適當機會承接本集團在商業上合適的醫院管理業務。

### 銷售藥品

本集團銷售藥品分部包括為將藥品及醫療耗材直接銷售予本集團醫院的患者以及非本集團醫院患者的步入式客戶而設立的藥品及醫療耗材貿易公司。該製藥公司的運作一般透過集中採購功能整體降低我們的收益成本，從而提高本集團的整體利潤率。報告期內銷售藥品的收益為人民幣6.3百萬元（截至二零一九年六月三十日止六個月：人民幣8.8百萬元），同比減少28.7%。

### 老年醫療服務

本集團其他分部即提供老年醫療服務，始於二零一八年，其戰略是在仁康醫院內部建立一個綜合性的老人保健中心，即仁康護理院，初步擁有60張註冊床位，以開拓向東莞市厚街鎮的當地居民提供優質高端養老服務的潛力。鑑於中國人口加速老齡化問題導致醫療保健及老年護理行業的巨大發展潛力，成立仁康護理院為本集團首次亮相及擴展我們的大型保健概念業務發展。於二零二零年四月，仁康護理院一期工程正式開通醫療保險結算工作，並於同月獲省民政廳授予四星級養老機構。於二零二零年六月，護理院二期專案通過市衛生監督局和民政局的檢查驗收，現正在申辦醫保定點機構，待通過後，將為更多的長者提供優質的服務，並通過護理院帶動相關業務的拓展和發展。

Revenue from provision of elderly healthcare services for the Reporting Period amounted to RMB1.6 million (six months ended 30 June 2019: RMB0.5 million), representing a period-on-period increase of 213.4% as a result of the increase in intake of patients during the current interim period. Since Renkang Elderly Care Centre is still in its early stage of operation, this segment is currently operating under loss, however, the management expects that as the number of intake increases, with Renkang Elderly Care Centre gradually gaining reputation in the local area, the operating performance will be improved in the future.

### Industry Outlook and Strategy

In view of the impact of the COVID-19 pandemic in the PRC over the first half of 2020, the authorities at the national level have commensurately realigned the policy of the entire healthcare industry, which are mainly represented by the following:

1. The pandemic and 5G technology have catalysed the rise of internet medical treatments. During the COVID-19 pandemic, given the environmental constraints, as well as the improving internet application, the number of the general public seeking online medical consultation has significantly increased. Furthermore, medical informatisation has greatly improved the efficiency and workflow of medical services. The emergence of medical kiosks in our hospitals provides the conditions required for the transformation and upgrade in medical institutions. The National Health Commission, the State Food and Drug Administration and the National Health Security Administration have successively issued the “Notice for Further Improving Medical Consultation and Treatment Reservation System and Enhancing the Construction of Smart Hospitals” and other related documents, providing a route to upgrade and transform medical institutions. These initiatives also lay down key guidelines for construction of internet hospitals, in response to which, our hospitals therefore expedite the construction work of internet hospitals.
2. The government promotes the centralised procurement and use of pharmaceutical products, and the constant introduction of relevant policies aim at lowering purchase prices of pharmaceutical products and regulating the procurement process. In April 2020, five government departments, including National Health Security Administration, issued the “Notice on Launching National Work on Centralised Procurement and Use of the Second Batch of Pharmaceutical Products”, pursuant to which it is stated that the standardised and normalised method for centralised procurement of pharmaceutical products is established to carry out the comprehensive reform of deepening centralised procurement and use of pharmaceutical products. Although such policy is only applicable to public hospitals, the Group makes reference to and assesses the centralised procurement model and its effectiveness, as such model may play a meaningful role in further reducing procurement costs and regulating procurement processes.

於報告期內，提供老年醫療服務的收益為人民幣1.6百萬元（截至二零一九年六月三十日止六個月：人民幣0.5百萬元），由於於本中期期間的患者接收量增加，而同比增長為213.4%。由於仁康護理院仍處於起步階段，此分部目前處於虧損營運狀態，然而，管理層預期隨著接收量的增加，仁康護理院在當地逐漸贏得聲譽，營運表現將來會得到改善。

### 行業前景及策略

二零二零年上半年已經過去，隨著COVID-19疫情對我國的影響，國家層面對整個醫療行業的政策也做出了相應的調整，主要體現如下幾點：

1. 疫情與5G技術催生互聯網就醫興起。在COVID-19疫情期間，受環境條件限制，同時在互聯網技術應用逐步完善的情況下，廣大群眾選擇網上就診率大大提高，同時醫療信息化大大改善了醫療服務效率和流程，我們醫院自助機的出現，為醫療機構轉型升級提供了必要條件。衛健委、藥監總局、國家醫保局先後出台政策推進《關於進一步完善預約診療制度加強智慧醫院建設的通知》等相關文件，為醫療機構指明了升級轉型的路徑。對互聯網醫院建設做了關鍵性指導，我院亦順應時勢，全面加快互聯網醫院建設相關工作。
2. 政府推進藥品集中採購和使用。為了降低藥品採購價格，規範採購秩序，不斷出台相關政策。二零二零年四月，國家醫保局等5個政府部門發佈《關於開展第二批國家組織藥品集中採購和使用工作的通知》，文件中對全面深化藥品集中採購和使用改革，建立了規範化、常態化的藥品集中帶量採購模式，儘管該項政策僅針對公立醫院開展，但其集中採購的模式及成效值得本集團參考和觀察，為進一步降低採購成本和規範採購流程有借鑒意義。



# Management Discussion and Analysis

## 管理層討論及分析

- The efficient use of medical insurance funds has improved. In order to further deepen the reform of the medical and healthcare system, effectively safeguard the basic medical needs of the insured, promote the rationalisation of medical and health resources, improve the efficient use of social medical insurance funds, and control the unreasonable growth of medical expenses, the Dongguan Municipal Health Security Administration Bureau, the Dongguan Municipal Health Bureau and the Dongguan Municipal Finance Bureau simultaneously issued the "Notice on Printing and Distributing the Dongguan Municipal Efficiency Improvement Programme of the Use of Medical Insurance Funds" in accordance with the State Council's recommended guidance on further deepening the reform of basic medical insurance payment. According to the notice, it is emphasised that medical insurance funds must be utilised under the principle of "determining expenditure based on income, while maintaining a balance between income and expenditure with a surplus" (以收定支、收支平衡、略有結餘). In this regard, the income and expenditure budget for medical insurance funds shall be prepared scientifically and implemented strictly. For the purposes of graded medical consultation and treatment based on the city healthcare scheme driven by the medical insurance funds, the medical insurance funds will strategically purchase basic medical services, which will encourage designated hospitals to actively regulate the medical consultation and treatment practices, as well as to improve the momentum to pursue medical quality. This notice strives for the transformation of designated hospitals from scale expansion to internal development, for the purposes of controlling the unreasonable growth in medical expenses and alleviating the financial burden of the insured. Furthermore, this notice aims to improve the efficient use of medical insurance funds and advance the stable and sustainable development of the social medical security system. By implementing the abovementioned policies, we can further regulate medical consultation and treatment practices, and improve the quality of medical services. In the meantime, we can make use of this opportunity to develop the clinical trial advantages for various diseases so that our industrial competitiveness can be enhanced.
- 醫療保險基金使用效率提升。為進一步深化醫藥體制改革，切實保障參保人基本醫療需求，促進醫療衛生資源合理利用，提高社會醫療保險基金使用效率，控制醫療費用不合理增長，依據國務院關於進一步深化基本醫療保險支付方式改革的相關指導意見精神，東莞市醫療保障局聯同東莞市衛生健康局、東莞市財政局同時下發了《關於印發〈東莞市醫療保險基金使用效率提升方案〉的通知》。文件精神堅持醫保基金「以收定支、收支平衡、略有結餘」的使用原則，科學編製並嚴格執行醫保基金收支預算，以全市衛生規劃為基礎，以醫保基金為嚮導，以分級診療為目的，醫保基金通過戰略性購買基本醫療服務，激發定點醫院主動規範診療行為、提高醫療質量的內生動力，努力實現定點醫院從規模擴張向內涵式發展轉變，達到控制醫療費用不合理增長的目的，減輕參保人經濟負擔，進而提升醫保基金使用效率，促進社會醫療保障制度能夠穩健、可持續發展。通過落實上述政策，我們能進一步規範診療行為，提高醫療質量，同時可以藉此機會更好地發展多種疾病的臨床試驗優勢，提升行業競爭力。

# Management Discussion and Analysis

## 管理層討論及分析

### Future Plans for Material Investments and Capital Assets

In July 2020, the Group has succeeded in bidding for the land use rights of a land parcel to undertake an integrated healthcare project to develop a comprehensive medical facility with a particular focus on geriatric patients and rehabilitation to offer first-class geriatric and rehabilitation services in Dongguan City. The Board expects that such development will further enhance the Group's capability in providing high-end integrated medical care to meet the increasing demand for quality geriatric and rehabilitation services in Guangdong Province (and in particular Dongguan City). The consideration for the acquisition of the land parcel amounts to RMB82.6 million. Details of the transaction is disclosed in the Company's announcement dated 23 July 2020. The acquisition was completed on 25 August 2020.

Save as disclosed in this report, the Group did not have other plans for material investments or capital assets as of the date of this report.

### FINANCIAL REVIEW

#### Segment Revenue

The Group generates revenue primarily from: (i) hospital services – providing healthcare services through its owned hospitals, namely Kanghua Hospital, Renkang Hospital and Kangxin Hospital (since August 2018), comprising inpatient healthcare services, outpatient healthcare services and physical examination services; (ii) rehabilitation and other healthcare services – providing rehabilitation services to patients with physical or mental disabilities and other healthcare related services including elderly care and training service for the disabled; (iii) sale of pharmaceutical products and medical consumables to patients of the Group's hospitals and walk-in customers who may not be patients of the Group's hospitals; and (iv) others.

### 重大投資及資本資產之未來計劃

於二零二零年七月，本集團已成功競得一塊土地的土地使用權，以進行一項綜合醫療保健項目，並開發綜合醫療設施，尤其專注於老年患者及康復，以提供東莞市一流的老年人及康復服務。董事會預期，有關開發將進一步提升本集團提供高端綜合醫療服務的能力，以滿足廣東省（尤其是東莞市）對優質老年人及康復服務不斷增長的需求。收購地塊的代價為人民幣82.6百萬元。交易詳情披露於本公司日期為二零二零年七月二十三日的公告。收購事項於二零二零年八月二十五日完成。

除本報告披露者外，截至本報告日期，本集團並無其他重大投資計劃或資本資產計劃。

### 財務回顧

#### 分部收益

本集團主要從以下各項賺取收益：(i) 醫院服務—通過其本身擁有的醫院（即康華醫院、仁康醫院及康心醫院（自二零一八年八月起））提供醫療服務，包括住院醫療服務、門診醫療服務及體檢服務；(ii) 康復及其他醫療服務—為身體或精神殘疾病人提供康復服務及其他醫療相關服務，包括老年護理及殘疾人訓練服務；(iii) 向本集團醫院的病人及未必為本集團醫院病人的步入式客戶銷售藥品及醫療耗材；及(iv) 其他。

# Management Discussion and Analysis

## 管理層討論及分析

The following tables below set forth the revenue, costs of revenue, gross profit and gross profit margin of the Group by segment for the periods indicated:

下表載列所示期間本集團按分部劃分的收益、收益成本、毛利及毛利率：

For the six months ended 30 June 2020 (unaudited)

截至二零二零年六月三十日止六個月  
(未經審核)

		Hospital services	Rehabilitation and other healthcare services	Sale of pharmaceutical products	Others	Total
		醫院服務	康復及其他醫療服務	銷售藥品	其他	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益	721,591	31,458	6,302	1,636	760,987
Cost of revenue	收益成本	(652,347)	(27,865)	(4,930)	(2,671)	(687,813)
Gross profit (loss)	毛利(損)	69,244	3,593	1,372	(1,035)	73,174
Gross profit (loss) margin	毛利(損)率	9.6%	11.4%	21.8%	-63.3%	9.6%

For the six months ended 30 June 2019 (unaudited)

截至二零一九年六月三十日止六個月  
(未經審核)

		Hospital services	Rehabilitation and other healthcare services	Sale of pharmaceutical products	Others	Total
		醫院服務	康復及其他醫療服務	銷售藥品	其他	總計
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益	869,434	35,569	8,839	522	914,364
Cost of revenue	收益成本	(694,153)	(27,385)	(6,786)	(94)	(728,418)
Gross profit	毛利	175,281	8,184	2,053	428	185,946
Gross profit margin	毛利率	20.2%	23.0%	23.2%	82.0%	20.3%

Revenue from the Group's hospital services amounts to RMB721.6 million (six months ended 30 June 2019: RMB869.4 million), representing a period-on-period decrease of 17.0%, accounting for 94.8% (six months ended 30 June 2019: 95.1%) of the total revenue of the Group.

本集團醫院服務的收益為人民幣721.6百萬元(截至二零一九年六月三十日止六個月：人民幣869.4百萬元)，同比減少17.0%，佔本集團總收益94.8%(截至二零一九年六月三十日止六個月：95.1%)。

# Management Discussion and Analysis

## 管理層討論及分析

Revenue from hospital services comprised (i) revenue from inpatient healthcare services amounted to RMB468.0 million (six months ended 30 June 2019: RMB536.2 million), representing a period-on-period decrease of 12.7%, accounting for 61.5% (six months ended 30 June 2019: 58.6%) of the total revenue of the Group; (ii) revenue from outpatient healthcare services amounted to RMB226.5 million (six months ended 30 June 2019: RMB299.6 million), representing a period-on-period decrease of 24.4%, accounting for 29.8% (six months ended 30 June 2019: 32.8%) of the total revenue of the Group; and (iii) revenue from physical examination services amounted to RMB27.2 million (six months ended 30 June 2019: RMB33.7 million), representing a period-on-period decrease of 19.3%, accounting for 3.6% (six months ended 30 June 2019: 3.7%) of the total revenue of the Group. The decrease in revenue from hospital services is mainly due to (i) a decrease in the number of inpatient, outpatient and physical examination visits during the period due to the COVID-19 pandemic, and to certain extent, offset by an increase in overall average spending during the period; and (ii) the decline in revenue across all of our major disciplines and our VIP special services. During the Reporting Period, the revenue from our VIP special services accounts for approximately 10.3% of the Group's total revenue (six months ended 30 June 2019: 9.9%) and 10.8% of the Group's revenue from our hospital services segment (six months ended 30 June 2019: 10.4%). The decline in revenue from our hospital services is primarily caused by the decrease in total number of patient visits which led to the decrease in healthcare services income during the current interim period. However, the Board believes that the impact of the pandemic on our hospital operations is largely temporary. The number of patients of our hospitals has rebounded since May 2020 and in June 2020, the business operations and medical service revenue have substantially returned to the normal level as compared with the corresponding period last year. The Board is of the view that the fundamental demand of our service remained strong and stable.

Revenue from rehabilitation and other healthcare services amounted to RMB31.4 million (six months ended 30 June 2019: RMB35.6 million), representing a period-on-period decrease of 11.6%, accounting for 4.1% (six months ended 30 June 2019: 3.9%) of the total revenue of the Group. The decrease in revenue is mainly attributable to the operational disturbance, including the temporary closures of our rehabilitation centres during the period of COVID-19 pandemic.

醫院服務的收益包括(i)住院醫療服務的收益人民幣468.0百萬元(截至二零一九年六月三十日止六個月:人民幣536.2百萬元),同比減少12.7%,佔本集團總收益61.5%(截至二零一九年六月三十日止六個月:58.6%);(ii)門診醫療服務的收益人民幣226.5百萬元(截至二零一九年六月三十日止六個月:人民幣299.6百萬元),同比減少24.4%,佔本集團總收益29.8%(截至二零一九年六月三十日止六個月:32.8%);及(iii)體檢服務的收益人民幣27.2百萬元(截至二零一九年六月三十日止六個月:人民幣33.7百萬元),同比減少19.3%,佔本集團總收益3.6%(截至二零一九年六月三十日止六個月:3.7%)。醫院服務的收益減少主要由於:(i)COVID-19疫情令期內住院、門診及體檢人次減少,在一定程度上為期內平均開支全面增加所抵銷;及(ii)所有主要科室及VIP特殊服務的收益下滑。於報告期間內,VIP特殊服務的收益佔本集團總收益約10.3%(截至二零一九年六月三十日止六個月:9.9%)及佔本集團醫院服務分部收益的10.8%(截至二零一九年六月三十日止六個月:10.4%)。我們醫院服務收益的減少主要是由於患者就診總數的減少導致本中期期間醫療服務收入減少。然而,董事會認為該疫情對我們醫院運營的影響很大程度上是暫時的。自二零二零年五月以來,我們醫院的病人數量有所回升,於二零二零年六月,業務運營及醫療服務收益與去年同期相比已基本恢復到正常水平。董事會認為,對我們服務的基本需求仍然強勁且穩定。

康復及其他醫療服務的收益為人民幣31.4百萬元(截至二零一九年六月三十日止六個月:人民幣35.6百萬元),同比減少11.6%,佔本集團總收益4.1%(截至二零一九年六月三十日止六個月:3.9%)。收益減少主要歸因於營運中斷,包括於COVID-19疫情期間暫時關閉我們的康復中心。

# Management Discussion and Analysis

## 管理層討論及分析

Revenue from sale of pharmaceutical products and medical consumables amounted to RMB6.3 million (six months ended 30 June 2019: RMB8.8 million), representing a period-on-period decrease of 28.7%, accounting for 0.8% (six months ended 30 June 2019: 1.0%) of the total revenue of the Group. The decrease in revenue is mainly attributable to the decrease in the number of outpatient visits in both Kanghua Hospital and Renkang Hospital during the current interim period.

Revenue from the others segment represents income from provision of elderly healthcare services at Renkang Elderly Care Centre, which amounted to RMB1.6 million (six months ended 30 June 2019: RMB0.5 million), representing a period-on-period increase of 213.4%, accounting for 0.2% (six months ended 30 June 2019: 0.1%) of the total revenue of the Group. The increase in revenue is mainly attributable to increase in intake of patients during the current interim period.

### Cost of Revenue

Cost of revenue of the Group's hospital services segment (consisting of inpatient healthcare services, outpatient healthcare services and physical examination services) primarily consisted of cost of pharmaceuticals, medical consumables, staff cost, depreciation, service expenses, utilities expenses, rental expenses and other costs. Cost of revenue of the Group's hospital services segment decreased to RMB652.3 million (six months ended 30 June 2019: RMB694.2 million), representing a period-on-period decrease of 6.0%. The decrease in cost of revenue of our hospital services segment is mainly attributable to the decline in hospital service operations during the current interim period due to the outbreak of COVID-19 pandemic which caused the reduction in certain variable costs including cost of pharmaceuticals and medical consumables as well as certain utilities expenses.

Cost of revenue of the Group's rehabilitation and other healthcare services segment amounted to RMB27.9 million (six months ended 30 June 2019: RMB27.4 million), representing a period-on-period increase of 1.8%, and primarily consisted of staff costs, medical consumables, depreciation, utilities and rental expenses. Despite the decrease in revenue, the cost of revenue of our rehabilitation and other healthcare services segment maintained at relatively the same level as compared with prior interim period, as substantial portion of the cost of revenue are fixed and payable even during the closure of our rehabilitation centres at the period of the pandemic.

Cost of revenue of the Group's sale of pharmaceutical products segment amounted to RMB4.9 million (six months ended 30 June 2019: RMB6.8 million), representing a period-on-period decrease of 27.9%, mainly represent cost of purchase of pharmaceutical and medical consumable products, which is in line with the decrease in revenue.

銷售藥品及醫療耗材的收益為人民幣6.3百萬元(截至二零一九年六月三十日止六個月: 人民幣8.8百萬元), 同比減少28.7%, 佔本集團的總收益0.8%(截至二零一九年六月三十日止六個月: 1.0%)。收益減少主要由於於本中期間康華醫院及仁康醫院的門診人次減少所致。

來自其他分部的收益指在仁康護理院提供老年醫療服務的收益人民幣1.6百萬元(截至二零一九年六月三十日止六個月: 人民幣0.5百萬元), 同比增長213.4%, 佔本集團總收益的0.2%(截至二零一九年六月三十日止六個月: 0.1%)。收益增加主要是由於本中期間患者的接收量增加。

### 收益成本

本集團醫院服務分部(包括住院醫療服務、門診醫療服務及體檢服務)的收益成本主要包括藥品成本、醫療耗材、員工成本、折舊、服務開支、水電費、租金開支和其他成本。本集團醫院服務分部的收益成本減少至人民幣652.3百萬元(截至二零一九年六月三十日止六個月: 人民幣694.2百萬元), 同比減少6.0%。我們醫院服務分部的收益成本下降, 主要由於COVID-19疫情爆發導致本中期間醫院服務業務減少, 從而令若干可變成本(包括藥品及醫療耗材成本以及若干水電開支)下降。

本集團的康復及其他醫療服務的收益成本為人民幣27.9百萬元(截至二零一九年六月三十日止六個月: 人民幣27.4百萬元), 同比增長1.8%, 主要包括員工成本、醫療耗材、折舊、水電費及租金開支。儘管收益減少, 惟我們的康復及其他醫療服務分部的收益成本與上一個中期間相比保持相對相同水平, 原因為我們絕大部分的收益成本即使於疫情期間康復中心關閉時, 仍屬固定且應予支付。

本集團銷售藥品分部的收益成本為人民幣4.9百萬元(截至二零一九年六月三十日止六個月: 人民幣6.8百萬元), 同比減少27.9%, 主要指藥品及醫療耗材採購成本, 該減幅與收益減少相符。

# Management Discussion and Analysis

## 管理層討論及分析

Cost of revenue of the Group's others segment (provision of elderly healthcare services at Renkang Elderly Care Centre) amounted to RMB2.7 million (six months ended 30 June 2019: RMB0.1 million), representing a period-on-period increase of 2,741.5%, which mainly represented the cost of services including direct staff cost and consumables incurred at the elderly care centre. The significant increase is due to the official commencement in operation of the centre in late-2019 with substantial increase in its staff headcounts and full deployment of its services.

For the six months ended 30 June 2020, cost of pharmaceuticals, medical consumables and staff cost accounted for approximately 28.0% (six months ended 30 June 2019: 32.0%), 26.1% (six months ended 30 June 2019: 27.3%) and 32.3% (six months ended 30 June 2019: 27.5%), respectively, of the total cost of revenue of the Group. Our total staff related costs including salary, bonus and other benefits had increased by 10.8% as compared with the corresponding period last year.

### Gross Profit and Gross Profit Margin

Total gross profit of the Group amounted to RMB73.2 million (six months ended 30 June 2019: RMB185.9 million), representing a period-on-period decrease of 60.6%. The overall gross profit margin decreased to 9.6% (six months ended 30 June 2019: 20.3%), primarily due to:

- (i) the decrease in overall patient visits and revenue across all our operating segments and medical healthcare disciplines from our hospital service operations due to the outbreak of COVID-19 pandemic during the first half of 2020, while a large proportion of our cost of revenue, including direct staff costs, depreciation and amortisation, rental expenses remain relatively fixed;
- (ii) the unexpected and unprecedented pandemic have basically caused a sudden pause and slowdown in the Group's business operations across all segments, however, the total number of staff headcounts have not been reduced during the time of the pandemic with a view that effects of the outbreak is temporary and of short-term;
- (iii) although there is increase in the average spending of patients in the current interim period, however, such an increase is considered temporary and is caused by fall in patient visits with lower average spending that requires non-emergency medical services during the time of the pandemic. Such effect did not fully compensate the loss in revenue due to operational disturbance of the pandemic; and
- (iv) Kangxin Hospital is continually running at negative gross margin due to its early stage of ramping up its operations that incurs a large amount of fixed medical staff costs, overhead expenditure and other direct fixed costs.

本集團其他分部的收益成本(仁康護理院提供老年醫療服務)人民幣2.7百萬元(截至二零一九年六月三十日止六個月:人民幣0.1百萬元),同比增加2,741.5%,主要指服務成本,包括直接員工成本及長者護理中心的消耗品。該大幅增加乃由於該中心於二零一九年底正式投入運營,其員工人數大幅增加及全面開展服務。

截至二零二零年六月三十日止六個月,藥品成本、醫療耗材及員工成本分別佔本集團總收益成本約28.0%(截至二零一九年六月三十日止六個月:32.0%)、26.1%(截至二零一九年六月三十日止六個月:27.3%)及32.3%(截至二零一九年六月三十日止六個月:27.5%)。我們的員工相關成本總額(包括薪金、花紅及其他福利)較去年同期增加10.8%。

### 毛利及毛利率

本集團總毛利為人民幣73.2百萬元(截至二零一九年六月三十日止六個月:人民幣185.9百萬元),同比減少60.6%。整體毛利率下降至9.6%(截至二零一九年六月三十日止六個月:20.3%),主要原因是:

- (i) 二零二零年上半年COVID-19疫情爆發導致我們醫院服務運營的所有營運分部及醫療保健門診的整體患者就診人次及收益減少,而我們的較大部分收益成本(包括直接員工成本、折舊及攤銷、租金支出)保持相對固定;
- (ii) 突發且前所未有的疫情基本上導致本集團所有分部的業務運營驟停及放緩,然而,鑒於疫情的影響屬暫時及短期,故於疫情期間並無裁減員工總數;
- (iii) 儘管本中期期間患者的平均支出有所增加,惟該增加被認為是暫時性且乃由於在疫情期間需要非緊急醫療服務的就診人次減少及平均支出較低引起。該影響並不能完全抵銷因疫情對業務的干擾而造成的收益虧損;及
- (iv) 康心醫院由於處於起步階段,產生大量的固定醫務人員成本、經常性開支及其他直接固定成本,故其運營一直處於負毛利率狀態。

# Management Discussion and Analysis

## 管理層討論及分析

### Key Operational Information of our Owned Hospitals

The follow table sets forth certain key operational information of each of the hospitals owned by the Group for the periods indicated:

### 我們擁有的醫院的主要營運資料

下表列出於所示期間本集團擁有的每間醫院的若干主要營運資料：

		For the six months ended 30 June 截至六月三十日止六個月		
		Change 變動	2020 二零二零年	2019 二零一九年
<b>Inpatient healthcare services</b>	<b>住院醫療服務</b>			
Inpatient visits:	住院人次：			
Kanghua Hospital	康華醫院	-26.1%	20,862	28,224
Renkang Hospital	仁康醫院	-34.8%	4,500	6,903
Kangxin Hospital	康心醫院	-25.6%	668	898
Total inpatient visits	住院總人次	-27.7%	26,030	36,025
Average spending per visit (RMB)	每人次平均開支(人民幣元)			
Kanghua Hospital	康華醫院	+21.0%	19,292.8	15,945.3
Renkang Hospital	仁康醫院	+18.5%	10,959.8	9,251.9
Kangxin Hospital	康心醫院	-2.5%	24,178.1	24,808.5
<b>Outpatient healthcare services</b>	<b>門診醫療服務</b>			
Outpatient visits:	門診人次：			
Kanghua Hospital	康華醫院	-34.9%	431,161	662,145
Renkang Hospital	仁康醫院	-33.3%	128,248	192,140
Kangxin Hospital	康心醫院	-5.6%	7,159	7,587
Total outpatient visits	門診總人次	-34.3%	566,568	861,872
Average spending per visit (RMB)	每人次平均開支(人民幣元)			
Kanghua Hospital	康華醫院	+16.0%	432.9	373.1
Renkang Hospital	仁康醫院	+11.4%	286.1	256.8
Kangxin Hospital	康心醫院	+4.7%	440.3	420.3
<b>Physical examination services</b>	<b>體檢服務</b>			
Physical examination visits:	體檢人次：			
Kanghua Hospital	康華醫院	-55.9%	21,582	48,928
Renkang Hospital	仁康醫院	+13.3%	30,723	27,109
Total physical examination visits	體檢總人次	-31.2%	52,305	76,037
Average spending per visit (RMB)	每人次平均開支(人民幣元)			
Kanghua Hospital	康華醫院	+78.9%	1,108.8	619.8
Renkang Hospital	仁康醫院	-14.6%	105.2	123.2

### Other Income

The other income of the Group primarily consisted of bank and other interest income, investment income from financial assets at FVTPL, government subsidies, rental income and others. In the first half of 2020, other income amounted to RMB15.8 million (six months ended 30 June 2019: RMB13.8 million), representing a period-on-period increase of approximately 14.6%. The decrease in investment income from financial assets at FVTPL to RMB3.1 million (six months ended 30 June 2019: RMB7.2 million) primarily due to certain principal-protected structured deposit have not yet matured at the end of the Reporting Period was offset by; (i) an increase in government subsidies to RMB2.1 million (six months ended 30 June 2019: RMB0.1 million) primarily due to receipt of subsidies in respect of the fight against COVID-19 pandemic during the first half of the year; and (ii) an increase in bank and other interest income to RMB2.6 million (six months ended 30 June 2019: RMB0.6 million) mainly due to more idle bank balances being placed as fixed bank deposits during the current interim period to generate steady and stable income.

As part of the Group's cash management to maximise return on idle cash, the Group invested in certain principal-protected structured deposit products issued by a PRC commercial bank and portfolio investment fund (all classified as financial assets at FVTPL) to achieve higher interest income and return without interfering with business operations or capital expenditures to earn better return on our excess cash balance.

### 其他收入

本集團的其他收入主要包括銀行及其他利息收入、按公平值計入損益的金融資產的投資收入、政府補貼、租金收入及其他。於二零二零年上半年，其他收入為人民幣15.8百萬元（截至二零一九年六月三十日止六個月：人民幣13.8百萬元），同比增加約14.6%。於報告期末若干保本結構性存款尚未到期導致按公平值計入損益的金融資產的投資收入減少至人民幣3.1百萬元（截至二零一九年六月三十日止六個月：人民幣7.2百萬元），由(i)政府補貼增加至人民幣2.1百萬元（截至二零一九年六月三十日止六個月：人民幣0.1百萬元），主要是由於上半年獲得抗擊COVID-19疫情的補貼；及(ii)本中期期間將更多閒置銀行結餘作為固定銀行存款存放以產生平穩且穩定的收入導致銀行及其他利息收入增加至人民幣2.6百萬元（截至二零一九年六月三十日止六個月：人民幣0.6百萬元）所抵銷。

作為本集團為盡量提高閒置現金回報的現金管理的一部份，本集團投資於一家中國商業銀行發行的若干保本結構性存款產品以及投資組合基金（全部分類為按公平值計入損益的金融資產）以獲取更高利息收入及回報，以便在不影響業務營運或資本開支的情況下利用剩餘資金賺取更高的回報率。



# Management Discussion and Analysis

## 管理層討論及分析

### Other Expenses, Gains and Losses

The other expenses, gains and losses of the Group primarily consisted of net exchange gain, loss on disposal of property, plant and equipment, allowance for credit loss with respect to accounts receivables, donations and fair value gain/loss on financial assets at FVTPL. In the first half of 2020, other expenses, gains and losses amounted to a net loss of RMB2.9 million (six months ended 30 June 2019: net gain of RMB4.9 million), primarily due to (i) a recorded net exchange gain of RMB1.3 million (six months ended 30 June 2019: net exchange gain of RMB1.0 million) mainly arising from our Hong Kong dollar denominated financial assets; (ii) no allowance for credit loss with respect to accounts receivables was recognised during the current interim period (six months ended 30 June 2019: RMB0.2 million); (iii) donations made during the current interim period of RMB1.4 million (six months ended 30 June 2019: RMB1.7 million); and (iv) a fair value loss on financial assets at FVTPL of RMB2.6 million is recognised (six months ended 30 June 2019: fair value gain of RMB5.8 million).

### Administrative Expenses

The administrative expenses of the Group primarily consisted of staff costs, repairs and maintenance expenses, office expenses, depreciation and amortisation, rental expenses, utilities expenses, entertainment and travelling expenses and other expenses. In the first half of 2020, administrative expenses amounted to RMB123.2 million (six months ended 30 June 2019: RMB113.0 million), representing a period-on-period increase of approximately 9.1%, primarily due to (i) an increase in administrative staff related costs including salary, bonus and other benefits to RMB54.9 million (six months ended 30 June 2019: RMB45.6 million) due to an increase in administrative staff headcounts and salary level increase; and (ii) an increase in depreciation and amortisation to RMB18.4 million (six months ended 30 June 2019: RMB16.6 million) due to expansion of our administrating operations.

### 其他開支、收益及虧損

本集團的其他開支、收益及虧損主要包括匯兌收益淨額、出售物業、廠房及設備的虧損以及有關應收賬款、捐款及按公平值計入損益的金融資產的公平值收益／虧損的信貸虧損撥備。於二零二零年上半年，其他開支、收益及虧損為淨虧損人民幣2.9百萬元（截至二零一九年六月三十日止六個月：淨收益人民幣4.9百萬元），主要由於：(i)錄得主要由我們的港元計值金融資產產生的匯兌收益淨額人民幣1.3百萬元（截至二零一九年六月三十日止六個月：匯兌收益淨額人民幣1.0百萬元）；(ii)於本中期期間概無確認有關應收賬款的信貸虧損撥備（截至二零一九年六月三十日止六個月：人民幣0.2百萬元）；(iii)於本中期期間作出捐款人民幣1.4百萬元（截至二零一九年六月三十日止六個月：人民幣1.7百萬元）；及(iv)已確認按公平值計入損益的金融資產的公平值虧損人民幣2.6百萬元（截至二零一九年六月三十日止六個月：公平值收益人民幣5.8百萬元）。

### 行政開支

本集團的行政開支主要包括員工成本、維修及保養開支、辦公室開支、折舊和攤銷、租金開支、水電開支、交際和交通開支以及其他開支。於二零二零年上半年，行政開支為人民幣123.2百萬元（截至二零一九年六月三十日止六個月：人民幣113.0百萬元），同比增長約9.1%，主要由於：(i)行政人員增多及薪資水平提高導致行政員工相關成本（包括薪資、花紅及其他福利）增加至人民幣54.9百萬元（截至二零一九年六月三十日止六個月：人民幣45.6百萬元）；及(ii)我們的管理業務擴張導致折舊及攤銷增加至人民幣18.4百萬元（截至二零一九年六月三十日止六個月：人民幣16.6百萬元）。

### Impairment of Goodwill

During the year ended 31 December 2018, the Group recognised (i) goodwill of RMB56.6 million arising from the acquisition of Anhui Hualin Group, which has been allocated to the CGU of rehabilitation and other healthcare services business (the Anhui Hualin CGU); and (ii) goodwill of RMB125.4 million arising from the acquisition of Kangxin Hospital, which has been allocated to the CGU of hospital services business (the Kangxin Hospital CGU). As at 30 June 2020, the Board conducted a review of the carrying values of the aforementioned CGUs.

The recoverable amounts of the Anhui Hualin CGU and Kangxin Hospital CGU have been determined based on a value in use calculation by references to valuation reports prepared by an independent professional valuer. The calculations use the respective cash flow projections of Anhui Hualin Group and Kangxin Hospital based on their financial budgets approved by the management of the Group. The key assumptions are growth rates and pre-tax discount rates, which are estimated based on past practices and expectations of future changes in the market. After taken into consideration of the historical performances and most recent actual performances of the Anhui Hualin CGU and Kangxin Hospital CGU, the Board considers that the estimated medium-term future growth in revenue and results of Anhui Hualin Group and Kangxin Hospital will be lower than previously anticipated. Accordingly, the respective aggregate recoverable amount of Anhui Hualin CGU and Kangxin Hospital CGU are below their aggregate carrying amount. During the six months ended 30 June 2020, the Group recognised impairment losses of RMB27.5 million (for the year ended 31 December 2019: nil) and RMB48.5 million (impairment loss of RMB60.0 million is recognised for the year ended 31 December 2019) related to goodwill allocated to the Anhui Hualin CGU and Kangxin Hospital CGU, respectively. As at 30 June 2020, the carrying amount of goodwill relating to the Anhui Hualin CGU is approximately RMB29.1 million (as at 31 December 2019: RMB56.6 million) and the Kangxin Hospital CGU is approximately RMB16.9 million (as at 31 December 2019: RMB65.4 million).

### 商譽減值

截至二零一八年十二月三十一日止年度，本集團已確認(i)收購安徽樺霖集團產生的商譽人民幣56.6百萬元，該商譽已分配至康復及其他醫療服務業務的現金產生單位(安徽樺霖現金產生單位)；及(ii)收購康心醫院產生的商譽人民幣125.4百萬元已分配至醫院服務業務的現金產生單位(康心醫院現金產生單位)。於二零二零年六月三十日，董事會已對上述現金產生單位的賬面值進行審閱。

安徽樺霖現金產生單位及康心醫院現金產生單位的可收回金額乃根據使用價值計算方法並經參考獨立專業估值師編製的估值報告後釐定。該計算方法使用基於本集團管理層所批准的財務預算的安徽樺霖集團及康心醫院各自的現金流量預測。關鍵假設指根據市場過往常規及未來變動預期所估計的增長率及稅前折現率。經考慮到安徽樺霖現金產生單位及康心醫院現金產生單位的歷史表現及最近期實際表現後，董事會認為，安徽樺霖集團及康心醫院收益及業績的估計中期未來增長將低於先前的預期。因此，安徽樺霖現金產生單位及康心醫院現金產生單位各自的可收回金額總額低於其賬面總值。截至二零二零年六月三十日止六個月，本集團已確認與分配至安徽樺霖現金產生單位及康心醫院現金產生單位有關商譽的減值虧損分別人民幣27.5百萬元(於截至二零一九年十二月三十一日止年度：無)及人民幣48.5百萬元(於截至二零一九年十二月三十一日止年度確認的減值虧損人民幣60.0百萬元)。於二零二零年六月三十日，與安徽樺霖現金產生單位及康心醫院現金產生單位有關的商譽賬面值分別為約人民幣29.1百萬元(於二零一九年十二月三十一日：人民幣56.6百萬元)及約人民幣16.9百萬元(於二零一九年十二月三十一日：人民幣65.4百萬元)。

# Management Discussion and Analysis

## 管理層討論及分析

Anhui Hualin Group was acquired by the Group in March 2018, and since then it is under rapid operational and business expansion. The Board is of the view that the primary factors resulting in the change in future cash flow projections and the impairment of goodwill relating to the Anhui Hualin CGU are as follows:

- (i) the actual revenue performance of Anhui Hualin Group during the year 2019 and in particular, the first half of 2020 was lower than previously anticipated. Anhui Hualin Group has undergone rapid business diversion and expansion over the past year, however, the number of patient visits and revenue growth have not reached our initial management forecast. Despite the fact that the effects of the recent COVID-19 pandemic was only temporary, the management have reduced the expected growth rates in revenue of its hospitals and rehabilitation centres operations;
- (ii) ever since the opening of Hefei Kanghua Rehabilitation Hospital in November 2018, the stimulation of revenue growth for Anhui Hualin Group, particularly in the first half of year 2020 was lower than previously forecasted. At the same time, such rapid expansion has incurred significant burden on various fixed costs and capital expenditure; and
- (iii) the local competition has been intense in the Anhui region, in particular, the competition for healthcare workers, which may have further pressure on staff costs in the short-term.

Kangxin Hospital commenced operations in March 2017, and 2020 was its fourth year of operation. The Board is of the view that the primary factors resulting in the change in future cash flow projections and the impairment of goodwill relating to the Kangxin Hospital CGU are as follows:

- (i) despite the recent COVID-19 pandemic was only temporary, the actual revenue performance of Kangxin Hospital during the year 2019, and in particular during the first half of 2020, was lower than previously anticipated. The number of inpatient and outpatient visits as well as the number of surgeries operated in 2020 had not reached our initial forecast numbers;
- (ii) competition for quality healthcare professionals in the Chongqing region is very keen and as Kangxin Hospital is still at an early stage of operation and developing its brand and reputation, it remains a challenge for Kangxin Hospital to recruit well-known and reputable doctors that are conducive to attracting patient visits. During the first half of 2020, Kangxin Hospital has lost certain key medical experts and talents, which to a certain extent have caused further decline in patient visits at Kangxin Hospital. It is expected that there will be an adverse impact on our short-term management forecast in revenue growth. As a result, we have reduced the expected growth in number of patient visits in Kangxin Hospital in the short-term; and

安徽樺霖集團於二零一八年三月被本集團收購，此後其營運及業務迅速發展。董事會認為，與安徽樺霖現金產生單位有關之導致未來現金流量預測變動及商譽減值的主要因素如下：

- (i) 安徽樺霖集團於二零一九年（特別是二零二零年上半年）的實際收益表現低於先前預期。安徽樺霖集團於過往一年中經歷快速的業務轉移及擴張，然而，患者就診人次及收益增長仍未達到我們最初的管理預測。儘管近期的COVID-19疫情僅屬暫時性的影響，但管理層已降低對醫院及康復中心業務收益增長率的預期；
- (ii) 自二零一八年十一月合肥康華康復醫院開業以來，對安徽樺霖集團，特別是二零二零年上半年的收益增長的刺激低於先前預期。同時，如此迅速的擴張為多項固定成本及資本支出帶來沉重負擔；及
- (iii) 安徽地區競爭（特別是醫護人員競爭）尤為激烈，短期內可能會進一步加大對員工成本壓力。

康心醫院於二零一七年三月投入運營，二零二零年為其營運的第四年。董事會認為，與康心醫院現金產生單位有關之導致未來現金流量預測變動及商譽減值的主要因素如下：

- (i) 儘管近期的COVID-19疫情僅屬暫時性現象，康心醫院於二零一九年，特別是二零二零年上半年的實際收益表現低於先前預期。二零二零年的住院及門診人次以及手術數量均未達致我們最初的預測數目；
- (ii) 重慶地區優質醫療專業人員競爭激烈，且由於康心醫院仍處於運營初期階段，及發展其品牌及聲譽的進程中，故繼續招募有助於吸引就診人次的知名及聲譽卓著的醫生對康心醫院仍屬挑戰。於二零二零年上半年，康心醫院流失若干關鍵醫療專家及人才，進而導致康心醫院的就診人次進一步下降。預期將對我們短期的收益增長管理預測產生不利影響。因此，我們已降低短期內對康心醫院就診人次增長的預期；及

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(iii) Kangxin Hospital has incurred fixed costs at a rate that is faster than its revenue growth as originally anticipated. In particular, certain fixed costs, including wages, repairs and maintenance and other fixed administrative expenses have increased at a higher rate than expected due to market conditions and the competitive landscape in Chongqing.

In view of the slow-down in revenue growth and the higher rate of costs increase for both Anhui Hualin Group and Kangxin Hospital, the management considers probable that there will be a decrease in the future cash flow projections in the short- to medium-term.

Impairment of goodwill in relation to the acquisitions of Anhui Hualin Group and Kangxin Hospital is assessed by comparing the recoverable amount of the relevant CGUs to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal, to its carrying values at the end of the Reporting Period. The value in use of the CGUs is determined by the Board based on the present value of estimated future cash flows to be generated from the CGUs and with reference to the valuation reports prepared by an independent professional valuer, which was approved by the Board. Where the actual future cash flows are less than expected, or changes in facts and circumstances resulting in downward revision of future cash flows, an impairment loss may arise. The management of the Group adopts significant judgement and assumptions in the value in use calculation for estimation of the recoverable amount of the CGUs. Such key assumptions include growth rates and pre-tax discount rates. The management and the Board will closely monitor the situation, and make adjustments as appropriate should future market activities and conditions indicate that such adjustments are required.

As disclosed in this report, the recent COVID-19 pandemic has affected almost all industries and sectors, which have led to a slowdown in the local and global economies. The situation has resulted in some businesses to temporarily cease operations for a significant amount of time during the first half of year 2020. At present, our hospitals and rehabilitation centres have resumed normal operation and are largely operating as usual with stringent and restrictive policies and controls being implemented. The Board is of the view the operations and adverse financial conditions of the Group as a whole during the current interim are largely temporary. The effects of the COVID-19 pandemic is less likely to be permanent, primarily because the bulk of our revenue from healthcare services are not directly correlated to the economic cycles and the overall demand of our Group's healthcare services (particularly those that are essential to health and well-being) is likely to remain strong in the medium to long term.

(iii) 康心醫院按該速率產生的固定成本較原先預期的收益增長為快。具體而言，鑒於重慶市的市況及競爭格局，若干固定成本包括薪資、維修及維護以及其他固定行政開支的增長速率高於預期。

鑒於安徽樺霖集團及康心醫院的收益增長放緩及成本增加速率加快，管理層認為，中短期的未來現金流量預測可能會減少。

與收購安徽樺霖集團及康心醫院有關的商譽減值，乃透過比較於報告期末已分配商譽至其賬面值的相關現金產生單位的可收回金額，即使用價值或公平值減出售成本的較高者進行評估。現金產生單位的使用價值，由董事會根據現金產生單位，將產生的估計未來現金流量現值，並參考由董事會批准的獨立專業估值師編製的估值報告釐定。倘實際未來現金流量少於預期，或者由於實際情況變化導致未來現金流量下調，則可能產生減值虧損。本集團管理層就使用價值計算採納重大判斷及假設，以估計現金產生單位的可收回金額。相關關鍵假設包括增長率及稅前折現率。管理層及董事會將密切監控相關狀況，並於未來市場活動及相關狀況表明須作出相關調整時，適時作出調整。

如本報告所披露，近期COVID-19疫情已近乎對各行各業造成影響，該情況導致地方及全球經濟放緩。該情況引致部分企業於二零二零年上半年大量時間暫時停業。目前，我們的醫院及康復中心已恢復正常營運且在很大程度上照常營運，並實施嚴格的限制性措施及防控。董事會認為，本集團於本中期的整體運營及不利財務狀況很大程度上為暫時狀況。COVID-19疫情的影響不大可能永遠存在，主要因為我們自醫療服務所得的大部分收益與經濟週期並非直接相關，及於中長期內仍然存在，惟對本集團醫療服務（尤其是對健康及安康至關重要的服務）的整體需求仍有可能保持強勁。

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### Finance Costs

Finance costs for the current interim period amounted to RMB11.3 million (six months ended 30 June 2019: RMB6.9 million). Finance costs for the current interim period represents (i) interest on bank loans of RMB7.2 million (six months ended 30 June 2019: nil); (ii) the interest element relating to lease liabilities charged to profit or loss during the current interim period of RMB6.4 million (six months ended 30 June 2019: RMB6.9 million); and (iii) less amount of interest capitalised in the cost of qualifying assets of RMB2.5 million (six months ended 30 June 2019: nil).

### Income Tax Expenses

The income tax expenses of the Group primarily consisted of PRC enterprise income tax and Hong Kong Profits Tax. In the first half of 2020 income tax expenses amounted to RMB1.8 million (six months ended 30 June 2019: RMB29.1 million), representing a period-on-period decrease of approximately 93.9%. The subsidiaries of the Group are generally subject to income tax rate of 25% on their respective taxable income. Our effective tax rate for the Reporting Period is -1.5% (six months ended 30 June 2019: 33.7%), and the decrease is primarily due to the tax effect of tax losses for losses incurred in Kangxin Hospital not being recognised, the substantial decrease in profit generated at Kanghua Hospital and Renkang Hospital in the current interim period, and tax effect of impairment loss recognised in respect of goodwill.

### Loss for the Period

In the first half of 2020, the Group has recorded loss for the Reporting Period amounting to RMB126.2 million (six months ended 30 June 2019: profit of RMB55.5 million), and loss attributable to the shareholders amounted to RMB106.3 million (six months ended 30 June 2019: profit attributable to the shareholders of RMB67.6 million). The loss is primarily due to the continuing losses incurred by Kangxin Hospital, the substantial decrease in profit generated at Kanghua Hospital and Renkang Hospital, and impairment loss recognised in respect of goodwill of RMB76.0 million for the current interim period.

### 融資成本

本中期期間的融資成本為人民幣11.3百萬元(截至二零一九年六月三十日止六個月:人民幣6.9百萬元)。本中期期間的融資成本為(i)銀行貸款利息人民幣7.2百萬元(截至二零一九年六月三十日止六個月:無);(ii)與本中期期間自損益扣除的租賃負債相關的利息要素人民幣6.4百萬元(截至二零一九年六月三十日止六個月:人民幣6.9百萬元);及(iii)減合資格資產成本內已資本化利息的金額人民幣2.5百萬元(截至二零一九年六月三十日止六個月:無)。

### 所得稅開支

本集團的所得稅開支主要包括中國企業所得稅及香港利得稅。於二零二零年上半年,所得稅開支為人民幣1.8百萬元(截至二零一九年六月三十日止六個月:人民幣29.1百萬元),同比減少約93.9%。本集團之附屬公司一般須就其應課稅所得收入按25%之所得稅稅率繳納稅項。我們於報告期內的實際稅率為-1.5%(截至二零一九年六月三十日止六個月:33.7%),減少主要由於康心醫院所產生虧損的稅收虧損的稅收影響未確認、康華醫院及仁康醫院於本中期期間產生的溢利明顯減少以及就商譽確認的減值虧損的稅務影響。

### 期內虧損

於二零二零年上半年,本集團於報告期間錄得虧損人民幣126.2百萬元(截至二零一九年六月三十日止六個月:溢利人民幣55.5百萬元),及股東應佔虧損為人民幣106.3百萬元(截至二零一九年六月三十日止六個月:股東應佔溢利人民幣67.6百萬元)。虧損主要是由於康心醫院產生持續虧損、康華醫院及仁康醫院產生的溢利大幅減少,以及本中期就商譽確認的減值虧損人民幣76.0百萬元所致。

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## 管理層討論及分析

### FINANCIAL POSITION

Property, Plant and Equipment, Right-of-use Assets and Deposits Paid for Acquisition of Property, Plant and Equipment

During the Reporting Period, the Group acquired property, plant and equipment and incurred expenditure on construction in progress of RMB26.1 million and RMB35.1 million (six months ended 30 June 2019: RMB36.7 million and RMB32.4 million), respectively, for the purpose of upgrading and expanding the service capacity of the Group's hospital operations and construction cost incurred at Phase II medical facility at our Kangxin Hospital.

As at 30 June 2020, the Group has right-of-use assets of RMB307.7 million (31 December 2019: RMB323.1 million) which includes leasehold lands of RMB148.8 million (31 December 2019: RMB150.4 million) and leasehold land and buildings relating to leases of RMB158.9 million (31 December 2019: RMB172.7 million) recognised in accordance with IFRS 16. During the Reporting Period, the Group entered into new lease agreements for the use of properties in the PRC for 3 to 5 years (six months ended 30 June 2019: 2 to 3 years). The Group is required to make fixed monthly payments. On lease commencement, the Group recognised right-of-use assets and lease liabilities of RMB1.0 million (six months ended 30 June 2019: RMB1.0 million) each relating to those new leases.

In addition, as at 30 June 2020, the Group has deposits paid for acquisition of property, plant and equipment amounting to RMB107.1 million (31 December 2019: 109.6 million). The deposits mainly represent deposits paid for construction cost of Phase II medical facilities at our Kangxin Hospital and amount paid for acquisition of new medical equipment and other new facilities as the Group continues to upgrade its medical facilities and its operating capacity.

### 財務狀況

物業、廠房及設備、使用權資產以及就收購物業、廠房及設備支付的按金

於報告期內，本集團購買物業、廠房及設備以及就在建工程產生支出分別為人民幣26.1百萬元及人民幣35.1百萬元（截至二零一九年六月三十日止六個月：人民幣36.7百萬元及人民幣32.4百萬元），以升級及擴大本集團醫院營運的服務能力以及我們康心醫院二期醫療設施產生的建設成本。

於二零二零年六月三十日，本集團的使用權資產為人民幣307.7百萬元（二零一九年十二月三十一日：人民幣323.1百萬元），包括租賃土地人民幣148.8百萬元（二零一九年十二月三十一日：人民幣150.4百萬元）及根據國際財務報告準則第16號確認與租賃有關的租賃土地及樓宇人民幣158.9百萬元（二零一九年十二月三十一日：人民幣172.7百萬元）。於報告期內，本集團訂立新租賃協議，以在中國使用物業3至5年（截至二零一九年六月三十日止六個月：2至3年）。本集團須按月支付固定費用。於租賃開始時，本集團就該等新租賃確認各自使用權資產及租賃負債人民幣1.0百萬元（截至二零一九年六月三十日止六個月：人民幣1.0百萬元）。

此外，於二零二零年六月三十日，本集團就收購物業、廠房及設備支付按金人民幣107.1百萬元（二零一九年十二月三十一日：人民幣109.6百萬元）。按金主要指就康心醫院二期醫療設施建設成本支付的按金及就購買新的醫療設備及其他新設施支付的款項，是由於本集團繼續升級醫療設施及經營能力。

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## 管理層討論及分析

### Accounts and Other Receivables

The account receivables of the Group primarily consisted of balances due from social insurance funds, certain corporate customers and individual patients. As at 30 June 2020, accounts receivables amounted to RMB226.2 million (31 December 2019: RMB264.2 million), of which 89.2% (31 December 2019: 74.0%) were aged within 90 days. Average accounts receivables turnover days for the Reporting Period is 58.3 days (six months ended 30 June 2019: 39.9 days). The decrease in accounts receivables and increase in accounts receivable turnover days is primarily due to (i) decline in revenue of our hospitals operations; and (ii) the temporary delay in accounts settlement from Dongguan social insurance funds and certain corporate customers. The management is of the view that the substantial increase in average accounts receivables turnover days is temporary and primarily due to the effects of the COVID-19 pandemic. As at 30 June 2020, the Group has carried out credit assessment on its accounts receivables and considered that there is no material credit loss.

The other receivables of the Group primarily consisted of prepayments to suppliers, interest receivables and others. As at 30 June 2020, other receivables increased to RMB46.1 million (31 December 2019: RMB36.4 million) primarily due to (i) a decrease of prepayments to suppliers to RMB8.2 million (31 December 2019: RMB9.9 million); and (ii) an increase in other receivables mainly due to expansion of the Group's operations in general.

### Accounts and Other Payables

The accounts and other payables of the Group primarily consisted of accounts payables, accrued expenses, receipt in advance, payables for acquisition of property, plant and equipment, provision for medical dispute claims and others. As at 30 June 2020, accounts and other payables decreased to RMB459.7 million (31 December 2019: RMB488.5 million) primarily due to (i) decrease in accounts payables to RMB249.2 million (31 December 2019: RMB262.0 million) due to decline in the Group's operations; (ii) decrease of accrued expenses to RMB82.1 million (31 December 2019: RMB83.1 million) mainly due to decrease in accrued staff salary and other operational and other administrative charges; and (iii) decrease in payables for acquisition of property, plant and equipment to RMB48.5 million (31 December 2019: RMB57.4 million) due to settlement of certain payables for medical equipment purchases and improvement works made to our owned-hospitals during the period.

### 應收賬款及其他應收款項

本集團的應收賬款主要包括應收社保基金、若干公司客戶和個人病人的結餘。於二零二零年六月三十日，應收賬款達人民幣226.2百萬元(二零一九年十二月三十一日：人民幣264.2百萬元)，其中89.2%(二零一九年十二月三十一日：74.0%)的賬齡為90天內。報告期間平均應收賬款周轉天數為58.3天(截至二零一九年六月三十日止六個月：39.9天)。應收賬款減少及應收賬款周轉天數增加主要是由於(i)我們醫院的經營收益下滑；及(ii)東莞社會保險基金及若干企業客戶的賬目結算暫時延誤所致。管理層認為，應收賬款平均周轉天數明顯延長為暫時性，主要是由於受到COVID-19疫情的影響。於二零二零年六月三十日，本集團對其應收賬款進行了信用評估，認為並無重大信貸損失。

本集團的其他應收款項主要包括對供應商的預付款、應收利息及其他。於二零二零年六月三十日，其他應收款項增至人民幣46.1百萬元(二零一九年十二月三十一日：人民幣36.4百萬元)，主要由於(i)對供應商的預付款減少至人民幣8.2百萬元(二零一九年十二月三十一日：人民幣9.9百萬元)；及(ii)大概主要因擴大本集團的業務營運導致其他應收款項增加。

### 應付賬款及其他應付款項

本集團的應付賬款及其他應付款項主要包括應付賬款、應計開支、預收款項、收購物業、廠房及設備應付款項、醫療糾紛索賠撥備及其他。於二零二零年六月三十日，應付賬款及其他應付款項減少至人民幣459.7百萬元(二零一九年十二月三十一日：人民幣488.5百萬元)，主要由於：(i)本集團的業務營運收縮導致應付賬款減少至人民幣249.2百萬元(二零一九年十二月三十一日：人民幣262.0百萬元)；(ii)應計開支減少至人民幣82.1百萬元(二零一九年十二月三十一日：人民幣83.1百萬元)，主要由於應計員工薪金及其他營運和其他行政費用減少；及(iii)收購物業、廠房及設備應付款項減少至人民幣48.5百萬元(二零一九年十二月三十一日：人民幣57.4百萬元)，是由於在期內結算醫療設備購買及裝修工程的若干應付款項。

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## 管理層討論及分析

### Net Current Assets and Net Assets

As at 30 June 2020, the Group has net current assets of RMB253.7 million (31 December 2019: RMB378.2 million) and net assets position of RMB1,331.3 million (31 December 2019: RMB1,457.6 million).

## LIQUIDITY AND CAPITAL RESOURCES

### Financial Resources

The Group continued to maintain a strong financial position with cash and cash equivalents of RMB93.2 million as at 30 June 2020 (31 December 2019: RMB223.9 million) and fixed bank deposits (included in non-current assets) of RMB105.7 million as at 30 June 2020 (31 December 2019: RMB37.0 million). The Group continues to generate steady cash inflow from operations and coupled with sufficient cash and bank balances, in the opinion of the directors of the Company, the Group will have adequate and sufficient liquidity and financial resources to meet the working capital requirement of the Group for at least the next twelve months following the end of the Reporting Period.

As at 30 June 2020, the Group had investments (classified as financial assets at FVTPL) in aggregate of RMB474.0 million (31 December 2019: RMB477.2 million) primarily consisting of, (i) portfolio investment fund of RMB74.0 million (31 December 2019: RMB77.2 million), representing an investment fund deposited with a discretionary fund manager in Hong Kong mandated to achieve appropriate return consistent with the Group's cash management policy. The portfolio included a mixture of cash and shares that are primarily listed in Hong Kong; and (ii) structured bank deposits of RMB400.0 million (31 December 2019: RMB400.0 million), representing principal-protected products issued by a PRC commercial bank.

### 流動資產淨值及淨資產

於二零二零年六月三十日，本集團的流動資產淨值及淨資產狀況分別為人民幣253.7百萬元(二零一九年十二月三十一日：人民幣378.2百萬元)及人民幣1,331.3百萬元(二零一九年十二月三十一日：人民幣1,457.6百萬元)。

### 流動資金及資本資源

#### 財務資源

本集團於二零二零年六月三十日繼續維持強勁的財務狀況，現金及現金等價物達人民幣93.2百萬元(二零一九年十二月三十一日：人民幣223.9百萬元)及於二零二零年六月三十日的定期銀行存款(計入非流動資產)為人民幣105.7百萬元(二零一九年十二月三十一日：人民幣37.0百萬元)。本集團繼續從經營活動產生穩定的現金流入，加上足夠的現金及銀行結餘，本公司董事認為，本集團將有足夠和充足的流動資金及財務資源，以滿足本集團於報告期間結束後至少未來十二個月的營運資金需求。

於二零二零年六月三十日，本集團作出投資(分類為按公平值計入損益的金融資產)合共人民幣474.0百萬元(二零一九年十二月三十一日：人民幣477.2百萬元)，主要包括(i)投資組合基金人民幣74.0百萬元(二零一九年十二月三十一日：人民幣77.2百萬元)，指授權存放至香港全權基金經理管理的投資基金，以達致符合本集團現金管理政策的適當回報。組合包括現金及主要在香港上市的股份的組合；及(ii)結構性銀行存款人民幣400.0百萬元(二零一九年十二月三十一日：人民幣400.0百萬元)，指由一家中國商業銀行發行的保本產品。



# Management Discussion and Analysis

## 管理層討論及分析

As part of the Group's cash management policy to manage excess cash, the Group purchases investment products from financial institutions to achieve higher interest income without interfering with business operations or capital expenditures. The Group carefully balances the risks and returns associated with the investment products when making the investment decisions. The senior management of the Group is closely involved in scrutinizing any decision of the Group to purchase investment products. The investment products should generally satisfy the following criteria, (i) its term should generally not exceed one year; (ii) it should not interfere with the Group's business operations or capital expenditures; (iii) it should be issued by a reputable bank which the Group has a long-term relationship, preferably exceeding five years; and (iv) the underlying investment portfolio should generally be low risk.

作為本集團藉以管理超額現金的其中一項現金管理政策，本集團在不影響業務營運或資本支出的前提下，向金融機構購買投資產品，以獲取更高的利息收益。本集團在制定相關投資決策時，會謹慎衡量投資產品的風險與收益。本集團高級管理層亦密切參與審議本集團有關購買投資產品的一切相關決策。投資產品一般須符合以下幾項標準：(i) 其收益週期一般不超過一年；(ii) 其將不涉及本集團的正常業務運作或資本支出；(iii) 其應由與本集團有長期合作關係（一般超過5年）及具有良好信譽的銀行發行；及(iv) 其基礎投資組合通常應具低風險。

### Cash Flow Analysis

The table below sets forth the information as extracted from the condensed consolidated statement of cash flow of the Group for the periods indicated:

### 現金流量分析

下表載列從本集團於所示期間簡明綜合現金流量表摘錄的資料：

		For the six months ended 30 June		
		截至六月三十日止六個月		
		2020		2019
		二零二零年		二零一九年
		Change	RMB'000	RMB'000
		變動	人民幣千元	人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	-60.0%	26,303	65,696
Net cash used in investing activities	投資活動所用現金淨額	+24.5%	(129,173)	(103,762)
Net cash (used in) generated from financing activities	融資活動(所用)所得現金淨額	N/A 不適用	(27,840)	43,281
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額		(130,710)	5,215

#### Net cash generated from operating activities

#### 經營活動所得現金淨額

During the Reporting Period, the net cash generated from operating activities amounted to RMB26.3 million (six months ended 30 June 2019: RMB65.7 million), representing a period-on-period decrease of 60.0%, which is primarily due to the deterioration of performance in Adjusted EBITDA for the Reporting Period and changes in working capital including decrease in accounts and other payables.

於報告期內，經營活動所得現金淨額為人民幣26.3百萬元（截至二零一九年六月三十日止六個月：人民幣65.7百萬元），同比減少60.0%，主要由於報告期內經調整EBITDA表現惡化；及營運資金變動，包括應付賬款及其他應付款項減少。

# Management Discussion and Analysis

## 管理層討論及分析

### Net cash used in investing activities

During the Reporting Period, the net cash used in investing activities amounted to RMB129.2 million (six months ended 30 June 2019: RMB103.8 million), representing a period-on-period increase of 24.5%, which is primarily due to (i) additional placement of RMB70.0 million in fixed bank deposits in the current period; (ii) a decrease in investment income received from financial assets at FVTPL and interest received as compared with the corresponding period last year; and (iii) a decrease in cash used for purchase of property, plant and equipment and deposits paid for acquisition of property, plant and equipment as compared with the corresponding period last year.

### Net cash (used in) generated from financing activities

During the Reporting Period, the net cash used in financing activities amounted to RMB27.8 million (six months ended 30 June 2019: net cash generated from financing activities of RMB43.3 million) and primarily consists of (i) net advances from non-controlling shareholders of subsidiaries of RMB2.0 million (six months ended 30 June 2019: RMB6.8 million); (ii) repayment of bank loans of RMB4.1 million (six months ended 30 June 2019: nil); (iii) paid interest amounting to RMB12.4 million (six months ended 30 June 2019: RMB6.8 million); and (iv) repayment of lease liabilities of RMB13.4 million (six months ended 30 June 2019: RMB10.7 million).

### Significant Investment, Acquisition and Disposal

Save as disclosed in this report, the Group had no significant investment, acquisition or disposal during the Reporting Period.

### Cash Management Activities

As part of the Group's cash management, the Group has from time to time purchased investment products issued by a reputable PRC commercial bank with terms ranging from 92 days to 93 days and portfolio investment funds to achieve higher interest income without interfering with business operations or capital expenditures. The investment products are not rated by any credit rating agency but is classified as low-risk by the issuing bank and may involve liquid listed securities. The Group carefully balances the risks and returns associated with the investment products when making the investment decisions. The senior management of the Group is closely involved in scrutinizing any decision of the Group to purchase investment products.

### 投資活動所用現金淨額

於報告期內，投資活動所用現金淨額為人民幣129.2百萬元(截至二零一九年六月三十日止六個月：人民幣103.8百萬元)，同比增加24.5%，主要由於(i)本期間額外存置定期銀行存款人民幣70.0百萬元；(ii)按公平值計入損益的金融資產所得投資收入及已收利息較去年同期有所減少；及(iii)就購置物業、廠房及設備及收購物業、廠房及設備已付按金所用現金較去年同期有所減少。

### 融資活動(所用)所得現金淨額

於報告期內，融資活動所用現金淨額人民幣27.8百萬元(截至二零一九年六月三十日止六個月：融資活動產生的現金淨額人民幣43.3百萬元)主要包括(i)來自附屬公司非控股股東墊款淨值人民幣2.0百萬元(截至二零一九年六月三十日止六個月：人民幣6.8百萬元)；(ii)償還銀行貸款人民幣4.1百萬元(截至二零一九年六月三十日止六個月：零)；(iii)已付利息人民幣12.4百萬元(截至二零一九年六月三十日止六個月：人民幣6.8百萬元)；及(iv)租賃負債還款人民幣13.4百萬元(截至二零一九年六月三十日止六個月：人民幣10.7百萬元)。

### 重大投資、收購及出售

除本報告所披露者外，本集團於報告期內並無任何重大投資、收購或出售。

### 現金管理活動

作為本集團現金管理的一部份，本集團不時購買由一家聲譽良好的中國商業銀行發行期限介乎92日至93日的投資產品及投資組合基金，在不影響業務運作或資本開支的前提下，以獲取更高的利息收益。投資產品未獲任何信貸評級機構評級，但由發行銀行分類為低風險，並可能涉及流通上市證券。本集團在制定相關投資決策時，會謹慎衡量投資產品的風險與收益。本集團高級管理層亦密切參與審議本集團有關購買投資產品的一切相關決策。

# Management Discussion and Analysis

## 管理層討論及分析

### Capital Expenditure

The Group regularly makes capital expenditures to expand its operations, maintain its medical facilities and improve its operating efficiency. Capital expenditure primarily consists of purchases of property, plant and equipment. The capital expenditure of the Group in the first half of 2020 was RMB43.1 million (six months ended 30 June 2019: RMB57.2 million). The Group has financed its capital expenditure through cash flows generated from operating activities and bank loans.

### USE OF PROCEED FROM THE INITIAL PUBLIC OFFERING

The Company's H shares were listed on the Hong Kong Stock Exchange on 8 November 2016. The Company's net proceeds from the initial public offering of its H shares amounts to approximately RMB782.6 million (equivalently to approximately HK\$874.9 million) after deducting underwriting commissions and all related expenses. The net proceeds from the initial public offering have been and will be utilised in accordance with the purposes set out in the Prospectus.

Up to 30 June 2020, of the net proceeds from the initial public offering, (i) RMB72.4 million, representing approximately 9.3% of the net proceeds, has been utilised as general working capital; (ii) RMB134.2 million, representing approximately 17.2% of the net proceeds, has been utilised on expansion of the Group's current operations and upgrading of hospital's facilities; and (iii) RMB157.8 million, representing approximately 20.2% of the net proceeds, has been utilised for acquisition and potential acquisition of businesses. As at 30 June 2020, out of the balance of the unutilised net proceeds of RMB418.2 million, part of such proceeds has been used to purchase certain financial products (classified as financial assets at FVTPL) to achieve higher interest income and capital return without interfering with business operations or capital expenditures to earn better return on our excess cash balance, and the remaining balance has been kept at the bank accounts of the Group (included in bank balances and cash). As at the date of this report, the Company does not anticipate any material change to its plan on the use of proceeds as stated in the Prospectus.

### 資本開支

本集團定期作出資本開支以擴大營運、維持醫療設施並提高經營效率。資本開支主要包括購買物業、廠房及設備。本集團於二零二零年上半年的資本開支為人民幣43.1百萬元（截至二零一九年六月三十日止六個月：人民幣57.2百萬元）。本集團以通過經營活動所得現金流量及銀行貸款為資本開支提供資金。

### 首次公開發售所得款項用途

本公司H股於二零一六年十一月八日於香港聯交所上市。本公司於扣除包銷佣金及所有相關費用後，首次公開發售H股所得款項淨額約為人民幣782.6百萬元（相等於約874.9百萬港元）。首次公開發售所得款項淨額已按照並將持續按照招股章程所載用途使用。

截至二零二零年六月三十日，首次公開發售所得款項淨額中(i)人民幣72.4百萬元（佔所得款項淨額約9.3%）已被動用作一般營運資金；(ii)人民幣134.2百萬元（佔所得款項淨額約17.2%）已被動用並用於擴大本集團現有業務及升級醫院設施；及(iii)人民幣157.8百萬元（佔所得款項淨額約20.2%）已被動用於業務收購及潛在收購。於二零二零年六月三十日，尚未動用之所得款項淨額結餘為人民幣418.2百萬元，當中部份所得款項已被用於購買若干金融產品（分類為按公平值計入損益的金融資產），從而獲得較高的利息收入及資本回報，又不會干擾業務營運或產生資本開支並就我們的超額現金結餘賺取更好的回報，以及餘額乃存於本集團的銀行賬戶（計入銀行結餘及現金）。於本報告日期，本公司預計招股章程所述所得款項用途計劃不會發生任何重大變動。

# Management Discussion and Analysis

## 管理層討論及分析

The following table sets forth the intended purposes for the net proceeds from the initial public offering, the utilisation of such proceeds and the timeline of utilisation estimated by the management:

下表載列首次公開發售所得款項淨額的擬定用途、該等所得款項的動用情況及管理層估計的動用期限：

Purpose 用途	Net proceeds from the initial public offering intended for the purpose as disclosed in the Prospectus (RMB million) 招股章程所披露， 首次公開發售所得 款項淨額的擬定用途 (人民幣百萬元)	Utilisation up to 30 June 2020 (RMB million) 截至二零二零年 六月三十日的 動用情況 (人民幣百萬元)	Unutilised amount (RMB million) 未動用金額 (人民幣百萬元)	Expected timeline for the utilisation of the unutilised amount <sup>(Note)</sup> 使用未動用 金額的預期期限 <sup>(附註)</sup>
Expansion of the Group's current operations and upgrading of hospital facilities 擴大本集團現有業務及升級醫院設施	70.4	8.0	62.4	By the end of 31 December 2021 於二零二一年十二月 三十一日前
Expansion of operating capacity and capability in multi-disciplinary specialised treatment and diagnosis and upgrade of medical facilities 擴大營運實力及多學科診治能力以及 升級醫療設施	281.7	126.2	155.5	By the end of 31 December 2021  於二零二一年十二月 三十一日前
Expansion of hospital management operations 擴大醫院管理營運	78.3	–	78.3	By the end of 31 December 2021 於二零二一年十二月 三十一日前
Expansion of healthcare operations in the PRC through selective mergers and acquisitions 通過選擇性併購擴大於中國的醫療業務	273.9	157.8	116.1	By the end of 31 December 2021 於二零二一年十二月 三十一日前
Working capital and other general corporate purposes 營運資金及其他一般公司用途	78.3	72.4	5.9	By the end of 31 December 2020 於二零二零年十二月 三十一日前
<b>Total 總計</b>	<b>782.6</b>	<b>364.4</b>	<b>418.2</b>	

Note: Such timeline is an estimation of the management only and is subject to change on account of the Group's operating conditions and market conditions from time to time. In particular, it should not be taken as an indication that any potential transaction is under negotiation and/or will materialise.

附註：有關期限僅為管理層的估計及可視乎本集團的營運狀況及不時的市況予以更改。尤其是，其不應被視為任何潛在交易正在磋商及／或任何潛在交易將會落實的跡象。

# Management Discussion and Analysis

## 管理層討論及分析

### INDEBTEDNESS

#### Bank Loans

In 2019, the Group obtained new bank loan facilities in the aggregate amount of RMB620.0 million for the purpose of funding the development of the Phase II medical facility and financing the operations of Kangxin Hospital, in which RMB235.4 million has been drawn down during the year ended 31 December 2019. As at 30 June 2020, the Group had secured bank loans of carrying amount of RMB213.4 million (31 December 2019: RMB216.3 million). The principal agreements underlying such bank loan facilities include the following:

- (i) a RMB420.0 million fixed asset facility agreement with Industrial and Commercial Bank of China Limited, Chongqing Jiangbei Branch, pursuant to which RMB169.4 million has been drawn down in 2019. The bank loan carried an interest rate at the benchmark lending rate offered by the People's Bank of China (adjusted annually from the drawn down date) and is secured by shares pledged over the entire equity in Kangxin Hospital held by the Company and its non-controlling shareholder. As at 30 June 2020, the effective interest rate of the secured bank loan is 5.9% (31 December 2019: 5.9%) per annum. As at 30 June 2020, the carrying amount of the borrowing in respect of such arrangement amounted to RMB156.4 million (31 December 2019: RMB155.6 million); and
- (ii) a RMB200.0 million financial leasing agreement with Industrial and Commercial Bank of China Leasing Co., Ltd., pursuant to which RMB66.0 million has been drawn down in 2019. The loan carried an interest rate at the benchmark lending rate offered by the People's Bank of China plus 5%, which was fixed at the drawn down date. This agreement involves a sale and lease back arrangement over certain medical equipment assets of Kangxin Hospital, pursuant to which such assets have been transferred to the lender and leased back to Kangxin Hospital, with an option exercisable by Kangxin Hospital to purchase the assets at a nominal consideration upon the maturity of the lease. Despite that such arrangement assumes the legal form of a lease, the Group retains effective control over such assets; thus, the Group accounted for such arrangement as a secured loan at amortised cost at an effective interest rate of 6.74% (31 December 2019: 6.74%) per annum and repayable in quarterly variable instalments until September 2027. In addition, such assets have been pledged to the lender as security throughout the loan period. As at 30 June 2020, the carrying amount of the borrowing in respect of such arrangement amounted to RMB56.9 million (31 December 2019: RMB60.7 million). As at 30 June 2020, the property, plant and equipment with net book value of RMB52.2 million (31 December 2019: RMB58.8 million) had been pledged to secure the banking facility granted.

### 債項

#### 銀行貸款

於二零一九年，本集團獲得新銀行貸款融資合共人民幣620.0百萬元，以為二期醫療設施的發展提供資金及為康心醫院運營撥資，其中截至二零一九年十二月三十一日止年度內已提取人民幣235.4百萬元。於二零二零年六月三十日，本集團有賬面值為人民幣213.4百萬元(二零一九年十二月三十一日：人民幣216.3百萬元)的有抵押銀行貸款。有關銀行貸款融資的主要合同包括以下各項：

- (i) 與中國工商銀行股份有限公司重慶江北分行訂立的人民幣420.0百萬元的固定資產借款合同，據此，於二零一九年已提取人民幣169.4百萬元。銀行貸款利率按中國人民銀行提供的貸款基準利率計算，自提取日期起每年進行調整，以及銀行貸款以本公司及其非控股股東持有的康心醫院全部股權的股份作抵押。於二零二零年六月三十日，有抵押銀行貸款的實際年利率為5.9% (二零一九年十二月三十一日：5.9%)。於二零二零年六月三十日，有關該項安排的借款賬面值達人民幣156.4百萬元(二零一九年十二月三十一日：人民幣155.6百萬元)；及
- (ii) 與工銀金融租賃有限公司訂立的人民幣200.0百萬元的融資租賃合同，據此，於二零一九年已提取人民幣66.0百萬元。該貸款的利率在提取日已固定，為中國人民銀行所報基準貸款利率加5%。該合同涉及有關康心醫院若干醫療設備資產的售後租回安排，據此，相關資產已轉讓予借方並回租予康心醫院，康心醫院可選擇性按租賃到期時的名義代價購買該資產。儘管該項安排以租賃的合法形式進行，惟本集團仍保有該等資產的實際控制權；因此，本集團將該項安排視為一項有抵押貸款，按攤銷成本計量，實際年利率為6.74% (二零一九年十二月三十一日：6.74%)，直至二零二七年九月末可按季度分期償還。此外，相關資產已於貸款期間抵押予借方作為一項擔保。於二零二零年六月三十日，有關該安排的借款賬面值為人民幣56.9百萬元(二零一九年十二月三十一日：人民幣60.7百萬元)。於二零二零年六月三十日，賬面淨值為人民幣52.2百萬元(二零一九年十二月三十一日：人民幣58.8百萬元)的物業、廠房及設備已抵押作所授出銀行融資的擔保。

# Management Discussion and Analysis

## 管理層討論及分析

In connection with the bank loan facilities above, certain of our controlling shareholders, a non-controlling shareholder of a subsidiary and a related company controlled by certain of our controlling shareholders provided guarantees and undertakings in favour of the relevant lender. The financial assistance provided by certain of our controlling shareholders is exempted from the connected transaction requirements under Chapter 14A of the Listing Rules by virtue of Rule 14A.90 of the Listing Rules.

### Contingent Liabilities

The Group is subject to legal proceedings and claims in the ordinary of business primarily arising from medical disputes brought on by patients. Provision for medical disputes is made based on the status of potential and active claims outstanding as at the end of the relevant period, and primarily taking into account any judicial appraisal or court determination against the Group. As at 30 June 2020, the total stated claim amount of the Group's on-going medical disputes was approximately RMB3.8 million (31 December 2019: RMB5.8 million) and there were certain medical disputes without claim amount stated. Based on the Group's assessment, during the Reporting Period, approximately RMB1.3 million (six months ended 30 June 2019: RMB0.2 million) had been provided and included in accounts and other payables of the Group.

As at 30 June 2020, the Group had no contingent liabilities or guarantees that would have a material impact on the financial position or operation of the Group.

### Pledge of Assets

As at 30 June 2020, certain property, plant and equipment of the Group with net book value of RMB52.2 million (31 December 2019: RMB58.8 million) had been pledged to secure banking facilities granted to the Group.

### Capital Commitments

The capital commitments of the Group were primarily attributable to construction costs relating to the expansion and renovation of the Group's medical facilities. As at 30 June 2020, the capital commitments in respect of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements were RMB343.6 million (31 December 2019: RMB332.0 million).

就上述銀行貸款融資而言，我們的多名控股股東、一間附屬公司的一名非控股股東及我們多名控股股東所控制的一間關聯公司已提供以相關借方為受益人的擔保及承諾。根據上市規則第14A.90條，多名控制股東提供的財務資助豁免遵守上市規則第14A章項下的關連交易規定。

### 或然負債

本集團受制於法律訴訟及於日常業務中由病人提出的醫療糾紛索賠。醫療糾紛的撥備是根據有關期間結束時可能和尚未了結的進行中索賠個案狀況而作出，主要考慮本集團將面臨的任何司法判決或法院裁決。於二零二零年六月三十日，本集團尚未了結的醫療糾紛索賠總額約為人民幣3.8百萬元（二零一九年十二月三十一日：人民幣5.8百萬元），而有部份醫療糾紛未有列明索賠金額。根據本集團作出的評估，於報告期內，本集團已作出約人民幣1.3百萬元（截至二零一九年六月三十日止六個月：人民幣0.2百萬元）的撥備，並計入本集團的應付賬款及其他應付款項中。

於二零二零年六月三十日，本集團並無會對本集團的財務狀況或經營產生重大影響的或然負債或擔保。

### 資產質押

於二零二零年六月三十日，本集團若干賬面淨值為人民幣52.2百萬元（二零一九年十二月三十一日：人民幣58.8百萬元）的物業、廠房及設備已被質押以擔保本集團獲授的銀行融資。

### 資本承擔

本集團的資本承擔主要歸因於與本集團醫療設施擴建及翻新有關的建築成本。於二零二零年六月三十日，本集團已訂約但未於簡明綜合財務報表撥備之物業、廠房及設備的資本承擔為人民幣343.6百萬元（二零一九年十二月三十一日：人民幣332.0百萬元）。

# Management Discussion and Analysis

## 管理層討論及分析

### Financial Instruments

The Group's financial instruments primarily consisted of accounts and other receivables, financial assets at FVTPL, fixed bank deposits, bank balances and cash, restricted bank balances, accounts and other payables, amounts due to non-controlling shareholders of subsidiaries, bank loans and lease liabilities. The management of the Company manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

### Exposure to Fluctuation in Exchange rates

The proceeds raised by the Company in its initial public offering of its H Shares is denominated in Hong Kong dollars. The Group deposits certain of its financial assets in Hong Kong dollars, and is mainly exposed to fluctuation in exchange rates of Hong Kong dollars against RMB. The Group is therefore exposed to foreign exchange risk.

The Group has not used any derivatives financial instruments to hedge against exposure to currency risk. The management manages the currency risk by closely monitoring the movement of the foreign currency rates and will consider hedging significant foreign currency exposure should such need arise.

### Gearing Ratio

As at 30 June 2020, the Group's gearing ratio (total interest-bearing bank loans divided by total equity and multiplied by 100%) was 16.0% (31 December 2019: 14.8%).

### 金融工具

本集團的金融工具主要包括應收賬款及其他應收款項、按公平值計入損益的金融資產、定期銀行存款、銀行結餘及現金、受限制銀行結餘、應付賬款及其他應付款項、應付附屬公司非控股股東的款項、銀行貸款及租賃負債。本公司管理層管理和監控這些風險，以確保及時有效地採取適當措施。

### 匯率波動風險

本公司H股首次公開發售所募集的所得款項以港元計值。本集團以港元存放部份金額的金融資產，主要受港元兌人民幣匯率波動的影響。因此，本集團面臨外匯風險。

本集團並未應用任何衍生金融工具對沖其貨幣風險承擔。管理層通過密切監測外幣匯率的變動來管理貨幣風險，並將考慮在有需要時就重大外幣承擔進行對沖。

### 資產負債比率

於二零二零年六月三十日，本集團之資產負債比率（計息銀行貸款總額除以總權益並乘以100%）為16.0%（二零一九年十二月三十一日：14.8%）。

### EMPLOYEES, REMUNERATION POLICIES AND TRAINING SCHEMES

The Group's comprehensive staff remuneration policy comprise basic salary determined with reference to the individual's position, seniority and length of service, performance bonus determined with reference to the metrics specific to the individual's job function and other benefits. The Group regularly benchmarks against available market data and adjusts its remuneration structure with a view to remaining competitive. As at 30 June 2020, the Group had a total of 3,608 (31 December 2019: 3,838) full-time staff.

The Group provides structured training and education programmes to enable its staff to consistently deliver high quality services. These programmes aim to equip the staff with a sound foundation of the medical principles and knowledge as well as practical skills in their respective practice area and foster a high standard of practice, organisation capability and vigilant attitude. Regular internal and external mandatory trainings are organised for medical staff to keep them abreast of the latest development in healthcare. From time to time, the Group identifies and sponsors its staff with high development potential to undertake further studies and professional training in prestigious academic institutions and participate in industry conventions. Medical teams also benefit from the experience and knowledge exchange during seminars and sharing sessions regularly held. The Group encourages medical staff to apply for professional and technical qualifications and enroll in specialised training programmes and assessments from time to time, including induction training for new employees, development training for young and middle-aged core talent, medical service quality training and management training for young core talent, with a view to ensuring that their relevant professional competencies meet the required standards. Through various training and education programmes, the Group also aims to foster a proactive risk reporting culture among staff, which is important in the early detection of clinical failure and damage control.

### 僱員、薪酬政策及培訓計劃

本集團全面的員工薪酬政策包括參考個人職位、資歷及服務年期計算的基本工資、參考個人工作職能特有指標的績效花紅和其他福利。本集團定期以現有市場數據為基準，調整其薪酬架構，保持競爭力。於二零二零年六月三十日，本集團有合共3,608名(二零一九年十二月三十一日：3,838名)全職員工。

本集團提供系統培訓及教育計劃，以使員工能夠持續提供高質量的服務。該等計劃旨在裝備員工，使其具備彼等各自實踐領域的醫療原則及知識以及執業技能的堅實基礎，並培養高標準的實踐、組織能力及嚴謹態度。本集團為醫務人員組織定期的內部及外部強制性培訓，以使彼等了解醫療的最新發展。本集團會不時甄選出發展潛力大的員工及贊助彼等在著名學術機構進一步開展學習及專業培訓以及參加行業會議。醫療團隊亦從定期舉行的研討會及分享會上的經驗及知識交流中受益。本集團鼓勵醫務人員報考專業技術職稱及不定期接受內部人員專項培訓及考核，包括新員工入職培訓、中青年骨幹拓展培訓、醫療服務質量培訓以及青年幹部管理培訓等，以確保彼等之相關業務能力符合標準。通過各種培訓及教育計劃，本集團亦力圖在員工中培養主動風險報告文化，這對於及早發現臨床誤診及損害控制實屬重要。



# Corporate Governance Highlights

## 企業管治概覽

### INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

### REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### EVENTS AFTER THE REPORTING PERIOD

In July 2020, the Group has succeeded in bidding for the land use rights of a land parcel to undertake an integrated healthcare project to develop a comprehensive medical facility with a particular focus on geriatric patients and rehabilitation to offer first-class geriatric and rehabilitation services in Dongguan City. The consideration for the acquisition of the land parcel amounts to RMB82.6 million. Details of the transaction is disclosed in the Company's announcement dated 23 July 2020. The acquisition was completed on 25 August 2020.

Save as disclosed in this report, there was no significant event after the Reporting Period.

### REVIEW OF INTERIM REPORT

The Company's audit committee has reviewed the Group's interim results for the six months ended 30 June 2020 and has opined that applicable accounting standards and requirements have been complied with and that adequate disclosures have been made by the Company.

The Company's audit committee consists of three independent non-executive directors of the Company, Mr. Chan Sing Nun (the chairman of the audit committee), Mr. Yeung Ming Lai and Dr. Chen Keji. Among them, Mr. Chan Sing Nun has the appropriate professional qualifications (a certified public accountant accredited by the Hong Kong Institute of Certified Public Accountants).

The auditor of the Company has also reviewed the Group's interim results for the six months ended 30 June 2020 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### 中期股息

董事會不建議派付截至二零二零年六月三十日止六個月的中期股息(截至二零一九年六月三十日止六個月：無)。

### 購回、出售或贖回本公司證券

於報告期內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

### 報告期後事項

於二零二零年七月，本集團已成功競得一塊土地的土地使用權，以進行一項綜合醫療保健項目，並開發綜合醫療設施，尤其專注於老年患者及康復，以提供東莞市一流的老年人及康復服務。收購地塊的代價為人民幣82.6百萬元。交易詳情披露於本公司日期為二零二零年七月二十三日的公告。收購事項於二零二零年八月二十五日完成。

除本報告所披露者外，報告期後並無任何重大事項。

### 審閱中期報告

本公司審核委員會已審閱本集團截至二零二零年六月三十日止六個月之中期業績，並認為本公司已遵守適用會計準則及要求並已作出充分披露。

本公司審核委員會由本公司三名獨立非執行董事，即陳星能先生(審核委員會主席)、楊銘灃先生及陳可冀醫生組成。其中陳星能先生具有適當的專業資格(由香港會計師公會認可的執業會計師)。

本公司核數師亦已按照香港會計師公會頒佈的香港審閱工作準則第2410號「由實體的獨立核數師執行中期財務資料審閱」審閱本集團截至二零二零年六月三十日止六個月之中期業績。

### CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. The Board is of the opinion that the Company has complied with the applicable code provisions under the CG Code during the six months ended 30 June 2020.

The Board is committed to promoting good corporate governance to safeguard the interests of the Shareholders and believes that maintaining a high standard of corporate governance is essential to the success of the Company and would provide a practice enhancing greater accountability and transparency and meeting the expectations of the Group's stakeholders. The Company will continue to review and enhance its corporate governance to ensure that it will continue to meet the applicable requirements of the CG Code.

### CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

Save as disclosed in this report, there has been no change in information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules since the date of the 2019 annual report of the Company.

### CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE HONG KONG LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Hong Kong Listing Rules.

### COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as a code of conduct of the Company for Directors' and Supervisors' securities transactions. Having made specific enquiry of all Directors and Supervisors, the Directors and the Supervisors have complied with the required standard set out in the Model Code during the six months ended 30 June 2020. Employees who are, or likely to be, in possession of unpublished inside information in relation to the Company or the Shares are prohibited from dealing in the Shares during the black-out period.

### APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our appreciation to the management team and staff of the Group for their contribution and also to extend my sincere gratitude to all our shareholders and business partners for their continuous support.

For and on behalf of the Board

Wang Junyang  
Chairman

Dongguan, the PRC  
31 August 2020

### 企業管治

本公司致力於維持高水平的企業管治常規。董事會認為，本公司於截至二零二零年六月三十日止六個月，已遵守企業管治守則之適用守則條文。

董事會致力推動良好的企業管治，以保障股東的利益，亦相信維持高水平的企業管治乃本公司的成功要素，有助建立高度問責及透明的常規，以達致本集團各利益相關者的期望。本公司將繼續審閱及提升其企業管治，確保其繼續符合企業管治守則的適用規定。

### 董事、監事及行政總裁資料的變更

除本報告所披露者外，自本公司之二零一九年年度報告日期以來，根據香港上市規則第13.51B(1)條，概無資料變更須予披露。

### 根據香港上市規則持續披露責任

本公司並無香港上市規則第13.20、13.21及13.22條項下的任何其他披露責任。

### 標準守則的合規

本公司已採納標準守則作為本公司董事和監事進行證券交易的行為守則。經向所有董事及監事作出具體查詢後，截至二零二零年六月三十日止六個月，董事及監事已遵守標準守則規定的所需標準。凡已經或可能管有未發佈有關本公司或股份內幕消息的僱員，一概不得於禁止交易期間買賣股份。

### 致謝

本人謹代表董事會藉此機會對本集團管理團隊及員工作出的貢獻表示感謝，同時對全體股東及業務夥伴的持續支持表示誠摯的感謝。

代表董事會

王君揚  
主席

中國·東莞  
二零二零年八月三十一日

## Other Information

### 其他資料

#### DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 June 2020, the interests and short positions of the Directors, the Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she were taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under section 352 of the SFO, or as notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

(a) The Company

Name of Director 董事姓名	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class <sup>(6)</sup> 相同類別股份所佔概約百分比 <sup>(6)</sup>	Approximate percentage of the Company's total issued share capital <sup>(6)</sup> 佔本公司已發行股本總額概約百分比 <sup>(6)</sup>
Mr. Wang Junyang 王君揚先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(2)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ; 於受控制法團的權益 <sup>(2)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Mr. Chen Wangzhi 陳旺枝先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ; 於受控制法團的權益 <sup>(3)</sup> ; 配偶的家族權益 <sup>(4)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Ms. Wang Aiqin 王愛勤女士	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ; 於受控制法團的權益 <sup>(3)</sup> ; 配偶的家族權益 <sup>(4)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Mr. Wong Wai Hung 王偉雄先生	Domestic Shares 內資股	Interest in a controlled corporation <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	25,000,000 (Long Position) (好倉)	10%	7.48%

#### 董事、監事及最高行政人員於證券之權益

於二零二零年六月三十日，本公司董事、監事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所的權益及淡倉（包括彼等根據證券及期貨條例之該等條文被視為或被當作擁有的權益及淡倉），或須列入由本公司按證券及期貨條例第352條存置之登記冊內，或根據標準守則須知會本公司及香港聯交所的權益及淡倉如下：

(a) 本公司

## Notes:

- (1) Pursuant to a concert party agreement, each of Mr. Wang Junyang, Ms. Wang Aici, Mr. Chen Wangzhi and Ms. Wang Aiqin has agreed to jointly control their respective interests in the Company and the decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Therefore, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (2) Kanghua Group (held as to 97.46% by Mr. Wang Junyang) held 197,500,000 Domestic Shares and Xingye Group (held as to 50% by Mr. Wang Junyang) held 25,000,000 Domestic Shares. As Mr. Wang Junyang controls more than one third of the voting power at the general meeting of each of Kanghua Group and Xingye Group, Mr. Wang Junyang is deemed to be interested in the same number of Shares in which each of Kanghua Group and Xingye Group is interested by virtue of the SFO.
- (3) Xingda Property (held as to 50% each by Mr. Chen Wangzhi and Ms. Wang Aiqin) held 27,500,000 Domestic Shares. As each of Mr. Chen Wangzhi and Ms. Wang Aiqin controls more than one third of the voting power at the general meeting of Xingda Property, each of Mr. Chen Wangzhi and Ms. Wang Aiqin is deemed to be interested in the same number of Shares in which Xingda Property is interested by virtue of the SFO.
- (4) As Mr. Chen Wangzhi and Ms. Wang Aiqin are husband and wife, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (5) Mr. Wong Wai Hung holds 34.0% in HH International (as defined below), which in turns holds 100% in Weishun Property (as defined below), which in turns holds 100% in Kangwei Industrial (as defined below), which in turns holds 37.5% in Xingye Group. Xingye Group held 25,000,000 Domestic Shares. As Mr. Wong Wai Hung controls more than one third of the voting power at the general meeting of Xingye Group, Mr. Wong Wai Hung is deemed to be interested in the same number of Shares in which Xingye Group is interested by virtue of the SFO.
- (6) The shareholding percentages are calculated on the basis of 250,000,000 Domestic Shares and 84,394,000 H Shares issued by the Company as at 30 June 2020.

## 附註：

- (1) 根據一項一致行動協議，王君揚先生、王愛慈女士、陳旺枝先生及王愛勤女士均同意共同控制其各自於本公司的權益，而就本集團業務及營運的決定應當作上述人士一致同意。因此，基於證券及期貨條例，上述各方視為於彼等合共持有的所有股份擁有權益。
- (2) 康華集團（王君揚先生持有97.46%）持有197,500,000股內資股，而興業集團（王君揚先生持有50%）持有25,000,000股內資股。由於王君揚先生於康華集團及興業集團各自的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，王君揚先生被視為於康華集團及興業集團各自擁有的相同數目股份擁有權益。
- (3) 興達物業（陳旺枝先生及王愛勤女士分別各自持有50%）持有27,500,000股內資股。由於陳旺枝先生及王愛勤女士在興達物業的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，陳旺枝先生及王愛勤女士被視為於興達物業擁有的相同數目股份擁有權益。
- (4) 由於陳旺枝先生及王愛勤女士為夫妻，故基於證券及期貨條例，其各自被視為於彼等合共持有的所有股份中擁有權益。
- (5) 王偉雄先生持有浩享國際（定義見下文）34.0%，而浩享國際持有偉順物業（定義見下文）100%，而偉順物業持有康偉實業（定義見下文）100%，而康偉實業持有興業集團37.5%。興業集團持有25,000,000股內資股，由於王偉雄先生於興業集團的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，王偉雄先生被視為於興業集團擁有的相同數目股份擁有權益。
- (6) 持股比例以本公司於二零二零年六月三十日發行的250,000,000股內資股及84,394,000股H股計算。

## Other Information

### 其他資料

#### (b) Associated corporations of the Company

#### (b) 本公司相聯法團

Name of Director 董事姓名	Associated corporation 相聯法團	Nature of interest 權益性質	Approximate percentage interest in the associated corporation 佔相聯法團權益概約百分比
Mr. Wang Junyang 王君揚先生	Kanghua Group 康華集團	Beneficial owner 實益擁有人	97.46%
Mr. Wang Junyang 王君揚先生	Xingye Group 興業集團	Beneficial owner 實益擁有人	50%
Mr. Wong Wai Hung 王偉雄先生	Xingye Group 興業集團	Interest in a controlled corporation <sup>(i)</sup> 於受控制法團的權益 <sup>(i)</sup>	37.50%
Mr. Chen Wangzhi 陳旺枝先生	Xingda Property 興達物業	Beneficial owner; family interest of spouse 實益擁有人；配偶的家族權益	100%
Ms. Wang Aiqin 王愛勤女士	Xingda Property 興達物業	Beneficial owner; family interest of spouse 實益擁有人；配偶的家族權益	100%

Note:

附註：

(i) Mr. Wong Wai Hung holds 34.0% in HH International (as defined below), which in turns holds 100% in Weishun Property (as defined below), which in turns holds 100% in Kangwei Industrial (as defined below), which in turns holds 37.5% in Xingye Group. As Mr. Wong Wai Hung controls more than one third of the voting power at the general meeting of Kangwei Industrial, Mr. Wong Wai Hung is deemed to be interested in the same amount of interest in Xingye Group in which Kangwei Industrial is interested by virtue of the SFO.

(i) 王偉雄先生持有浩享國際(定義見下文)34.0%，而浩享國際持有偉順物業(定義見下文)100%，而偉順物業持有康偉實業(定義見下文)100%，而康偉實業持有興業集團37.5%。由於王偉雄先生於康偉實業的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，王偉雄先生被視為於康偉實業擁有的興業集團的相同權益擁有權益。

Save as disclosed above, as at 30 June 2020, to the knowledge of the Board, none of the Directors, the Supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, the Supervisors and chief executives of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零二零年六月三十日，據董事會所知，概無本公司董事、監事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有任何(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所的權益或淡倉(包括彼等根據證券及期貨條例之該等條文被視為或被當作擁有的權益及淡倉)；(ii)須列入由本公司按證券及期貨條例第352條存置之登記冊內的權益或淡倉；或(iii)根據標準守則須知會本公司及香港聯交所的權益或淡倉。

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2020, according to the register kept by the Company pursuant to Section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following person/entity had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or be directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of the Company:

## (a) Interests in the Shares of the Company

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 總額概約 百分比
Mr. Wang Junyang 王君揚先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(2)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(2)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Ms. Wang Aici 王愛慈女士	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Kanghua Group 康華集團	Domestic Shares 內資股	Beneficial owner <sup>(2)</sup> 實益擁有人 <sup>(2)</sup>	197,500,000 (Long position) (好倉)	79%	59.06%
Mr. Chen Wangzhi 陳旺枝先生	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(3)</sup> ；配偶的家庭權益 <sup>(4)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%

## 主要股東的權益

於二零二零年六月三十日，按照本公司根據證券及期貨條例第336條存置的登記冊，及就董事所知或經作出合理查詢後可確定，以下人士／實體於股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司及香港聯交所披露的權益或淡倉，或直接或間接擁有於本公司股東大會上在任何情況下有權投票的任何類別股本中面值5%或以上的權益：

## (a) 於本公司股份的權益

## Other Information

### 其他資料

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 總額概約 百分比
Ms. Wang Ai qin 王愛勤女士	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company <sup>(1)</sup> ; interest in a controlled corporation <sup>(3)</sup> ; family interest of spouse <sup>(4)</sup> 有關於本公司權益的協議作為權益的一方 <sup>(1)</sup> ；於受控制法團的權益 <sup>(3)</sup> ；配偶的家族權益 <sup>(4)</sup>	250,000,000 (Long position) (好倉)	100%	74.76%
Xingda Property 興達物業	Domestic Shares 內資股	Beneficial owner <sup>(3)</sup> 實益擁有人 <sup>(3)</sup>	27,500,000 (Long position) (好倉)	11%	8.22%
Xingye Group 興業集團	Domestic Shares 內資股	Beneficial owner <sup>(5)</sup> 實益擁有人 <sup>(5)</sup>	25,000,000 (Long position) (好倉)	10%	7.48%
Mr. Wong Wai Hung 王偉雄先生	Domestic Shares 內資股	Interest in a controlled corporation <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	25,000,000 (Long Position) (好倉)	10%	7.48%
HH International Investment Limited ("HH International") 浩享國際投資有限公司 (「浩享國際」)	Domestic Shares 內資股	Interest in a controlled corporation <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	25,000,000 (Long Position) (好倉)	10%	7.48%
Dongguan Weishun Property Investment Co., Ltd. ("Weishun Property") 東莞市偉順物業投資有限公司 (「偉順物業」)	Domestic Shares 內資股	Interest in a controlled corporation <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	25,000,000 (Long Position) (好倉)	10%	7.48%
Dongguan Kangwei Industrial Investment Co., Ltd. ("Kangwei Industrial") 東莞市康偉實業投資有限公司 (「康偉實業」)	Domestic Shares 內資股	Interest in a controlled corporation <sup>(5)</sup> 於受控制法團的權益 <sup>(5)</sup>	25,000,000 (Long Position) (好倉)	10%	7.48%

## Other Information

### 其他資料

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 總額概約 百分比
New China Asset Management (Hong Kong) Limited 新華資產管理(香港)有限公司	H Shares H股	Investment manager 投資經理	8,689,000 (Long position) (好倉)	10.30%	2.60%
Lin Lijun ("Mr. Lin") 林利軍(「林先生」)	H Shares H股	Interest in a controlled corporation <sup>(6)</sup> 於受控制法團的權益 <sup>(6)</sup>	11,146,200 (Long position) (好倉)	13.21%	3.33%
LVC Assets Management Limited	H Shares H股	Interest in a controlled corporation <sup>(6)</sup> 於受控制法團的權益 <sup>(6)</sup>	11,146,200 (Long position) (好倉)	13.21%	3.33%
LVC KH Investment L.P.	H Shares H股	Beneficial owner <sup>(6)</sup> 實益擁有人 <sup>(6)</sup>	11,146,200 (Long position) (好倉)	13.21%	3.33%
Haitian (HK) Holdings Limited (formerly named as "Haitian (HK) Financial Development Limited") 海天(香港)控股有限公司 (前命名為「海天(香港)金融發展有限公司」)	H Shares H股	Beneficial owner 實益擁有人	5,052,600 (Long position) (好倉)	5.99%	1.51%
Zhan Yongxiang 詹永祥	H Shares H股	Beneficial owner 實益擁有人	5,021,966 (Long position) (好倉)	5.95%	1.50%
Mr. Wang Mingsong 王明松先生	H Shares H股	Interest in a controlled corporation <sup>(7)</sup> 於受控制法團的權益 <sup>(7)</sup>	4,880,000 (Long position) (好倉)	5.78%	1.46%
Bo An Investments Pte. Ltd. ("Bo An Investments") 博安投資私人有限公司 (「博安投資」)	H Shares H股	Interest in a controlled corporation <sup>(7)</sup> 於受控制法團的權益 <sup>(7)</sup>	4,880,000 (Long position) (好倉)	5.78%	1.46%
Huaxia International Company Limited ("Huaxia International") 華夏國際有限公司 (「華夏國際」)	H Shares H股	Beneficial owner <sup>(7)</sup> 實益擁有人 <sup>(7)</sup>	4,880,000 (Long position) (好倉)	5.78%	1.46%



## Other Information

### 其他資料

#### Notes:

- (1) Pursuant to a concert party agreement, each of Mr. Wang Junyang, Ms. Wang Aici, Mr. Chen Wangzhi and Ms. Wang Ai Qin has agreed to jointly control their respective interests in the Company and the decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Therefore, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (2) Mr. Wang Junyang holds 97.46% and 50% in Kanghua Group and Xingye Group, respectively. As Mr. Wang Junyang controls more than one third of the voting power at the general meeting of each of Kanghua Group and Xingye Group, Mr. Wang Junyang is deemed to be interested in the same number of Shares in which each of Kanghua Group and Xingye Group is interested by virtue of the SFO.
- (3) Each of Mr. Chen Wangzhi and Ms. Wang Ai Qin holds 50% in Xingda Property. As each of Mr. Chen Wangzhi and Ms. Wang Ai Qin controls more than one third of the voting power at the general meeting of Xingda Property, each of Mr. Chen Wangzhi and Ms. Wang Ai Qin is deemed to be interested in the same number of Shares in which Xingda Property is interested by virtue of the SFO.
- (4) As Mr. Chen Wangzhi and Ms. Wang Ai Qin are husband and wife, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (5) Mr. Wong Wai Hung holds 34.0% in HH International, which in turns holds 100% in Weishun Property, which in turns holds 100% interest in Kangwei Industrial, which in turns holds 37.5% in Xingye Group. Xingye Group held 25,000,000 Domestic Shares. As Mr. Wong Wai Hung controls more than one third of the voting power at the general meeting of Xingye Group, each of Kangwei Industrial, Weishun Property, HH International and Mr. Wong Wai Hung is deemed to be interested in the same number of Shares in which Xingye Group is interested by virtue of the SFO.
- (6) Mr. Lin holds 100% in LVC Assets Management Limited, which in turn controls LVC KH Investment L.P. Each of Mr. Lin and LVC Assets Management Limited is deemed to be interested in the same number of Shares in which LVC KH Investment L.P. is interested by virtue of SFO.
- (7) Mr. Wang Mingsong holds 100% in Bo An Investments, which in turns holds 100% in Huaxia International. Each of Mr. Wang Mingsong and Bo An Investments is deemed to be interested in the same number of Shares in which Huaxia International is interested by virtue of the SFO.

#### 附註：

- (1) 根據一項一致行動協議，王君揚先生、王愛慈女士、陳旺枝先生及王愛勤女士均同意共同控制其各自於本公司的權益，而就本集團業務及營運的決定應當作上述人士一致同意。因此，基於證券及期貨條例，上述各方視為於彼等合共持有的所有股份擁有權益。
- (2) 王君揚先生分別持有康華集團和興業集團97.46%及50%。由於王君揚先生於康華集團及興業集團各自的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，王君揚先生被視為於康華集團及興業集團各自擁有的相同數目股份擁有權益。
- (3) 陳旺枝先生及王愛勤女士各自持有興達物業50%的股份。由於陳旺枝先生及王愛勤女士在興達物業的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，陳旺枝先生及王愛勤女士被視為於興達物業擁有的相同數目股份擁有權益。
- (4) 由於陳旺枝先生及王愛勤女士為夫妻，故基於證券及期貨條例，其各自被視為於彼等合共持有的所有股份中擁有權益。
- (5) 王偉雄先生持有浩享國際34.0%，而浩享國際持有偉順物業100%，而偉順物業持有康偉實業100%，而康偉實業持有興業集團37.5%。興業集團持有25,000,000股內資股，由於王偉雄先生於興業集團的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，康偉實業、偉順物業、浩享國際及王偉雄先生被視為於興業集團擁有的相同數目股份擁有權益。
- (6) 林先生持有LVC Assets Management Limited 100%，而LVC Assets Management Limited控制LVC KH Investment L.P.。基於證券及期貨條例，林先生及LVC Assets Management Limited各自被視為於LVC KH Investment L.P.擁有的相同數目股份擁有權益。
- (7) 王明松先生持有博安投資100%，而博安投資持有華夏國際100%。基於證券及期貨條例，王明松先生及博安投資各自被視為於華夏國際擁有的相同數目股份擁有權益。

## Other Information 其他資料

### (b) Substantial shareholders of other members of the Group

Name of shareholder 股東姓名／名稱	Name of member of the Group 本集團成員公司名稱	Nature of interest 權益性質	Approximate percentage interest held by the substantial shareholder 主要股東 持有權益 概約百分比
Kangdi Enterprise <sup>(1)(2)</sup> 康帝實業 <sup>(1)(2)</sup>	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	15%
Ms. Zhang Dandan <sup>(1)(3)</sup> 張丹丹女士 <sup>(1)(3)</sup>	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	15%
Ms. Wang Aier <sup>(1)(4)</sup> 王愛兒女士 <sup>(1)(4)</sup>	Renkang Hospital 仁康醫院	Beneficial owner 實益擁有人	13%

Notes:

- (1) Pursuant to an entrusted management agreement, each of Kangdi Enterprise, Ms. Zhang Dandan and Ms. Wang Aier irrevocably vested their entire voting power at any general meeting of Renkang Hospital to the Company.
- (2) Kangdi Enterprise is held as to 50% by Mr. Wang Zhengren and as to 50% by Ms. Wang Keying, all of whom are members of the Wang Family and cousins of Mr. Wang Junyang.
- (3) Ms. Zhang Dandan is a member of the Wang Family and aunt-in-law of Mr. Wang Junyang.
- (4) Ms. Wang Aier is a member of the Wang Family and aunt of Mr. Wang Junyang.

Save as disclosed above, as at 30 June 2020, to the knowledge of the Directors, no other person had, or were deemed or taken to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the registry kept by the Company pursuant to Section 336 of the SFO.

### (b) 本集團其他成員公司的主要股東

附註：

- (1) 根據委託管理協議，康帝實業、張丹丹女士及王愛兒女士各自均不可撤回地將其於仁康醫院任何股東大會的全部投票權歸屬於本公司。
- (2) 王正仁先生及王可瑩女士各自於康帝實業持有50%股權，其全部為王氏家族的成員及王君揚先生的表親。
- (3) 張丹丹女士是王氏家族成員及王君揚先生的孀母。
- (4) 王愛兒女士是王氏家族成員及王君揚先生的姑母。

除上文所披露者外，於二零二零年六月三十日，據董事所知，概無其他人士於或被視作或當作於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或記錄在本公司根據證券及期貨條例第336條存置的登記冊內的權益或淡倉。

# Report on Review of Condensed Consolidated Financial Statements

## 簡明綜合財務報表之審閱報告

# Deloitte.

# 德勤

TO THE BOARD OF DIRECTORS OF  
GUANGDONG KANGHUA HEALTHCARE CO., LTD.  
*(a joint stock company incorporated in the People's Republic of China with limited liability)*

致廣東康華醫療股份有限公司董事會

*(於中華人民共和國註冊成立的股份有限公司)*

## INTRODUCTION

We have reviewed the condensed consolidated financial statements of Guangdong Kanghua Healthcare Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 60 to 91, which comprise the condensed consolidated statement of financial position as of 30 June 2020 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## 引言

本行已審閱載於第60至91頁廣東康華醫療股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之簡明綜合財務報表，其中包括於二零二零年六月三十日的簡明綜合財務狀況表及截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、權益變動表及現金流量表以及若干說明附註。香港聯合交易所有限公司證券上市規則規定，編製中期財務資料之報告必須符合以上規則之有關條文以及國際會計準則委員會頒佈的國際會計準則第34號「中期財務報告」(「國際會計準則第34號」)。貴公司董事須負責根據國際會計準則第34號編製該等簡明綜合財務報表。本行之責任是根據本行之審閱對該等簡明綜合財務報表作出結論，並按照雙方所協定之委聘條款，僅向全體董事報告本行之結論。除此以外，本行之報告不可用作其他用途。本行概不就本報告之內容對任何其他人士負責或承擔任何責任。

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## 審閱範圍

本行已根據香港會計師公會頒佈之香港審閱工作準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。該等簡明綜合財務報表審閱工作包括主要向負責財務會計事項人員詢問，並實施分析和其他審閱程序。由於審閱之範圍遠較按照香港審計準則進行審核之範圍為小，故不能保證本行會注意到在審核中可能會被發現之所有重大事項。因此本行不會發表審核意見。

# Report on Review of Condensed Consolidated Financial Statements

## 簡明綜合財務報表之審閱報告

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong  
31 August 2020

### 結論

根據本行之審閱工作，本行並未注意到任何事項，令本行相信簡明綜合財務報表在所有重大方面並無按照國際會計準則第34號而編製。

德勤•關黃陳方會計師行  
執業會計師  
香港  
二零二零年八月三十一日

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 簡明綜合損益及其他全面收益表

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
		2020 二零二零年	2019 二零一九年	
		RMB'000 人民幣千元 (unaudited) (未經審核)	RMB'000 人民幣千元 (unaudited) (未經審核)	
	NOTES 附註			
Revenue	收益	3	760,987	914,364
Cost of revenue	收益成本		(687,813)	(728,418)
Gross profit	毛利		73,174	185,946
Other income	其他收入	4	15,796	13,787
Other expenses, gains and losses	其他開支、收益及虧損	5	(2,876)	4,864
Impairment loss on goodwill	商譽減值虧損	11	(76,000)	–
Administrative expenses	行政開支		(123,246)	(113,013)
Finance costs	融資成本		(11,294)	(6,895)
(Loss) profit before taxation	除稅前(虧損)溢利	6	(124,446)	84,689
Income tax expenses	所得稅開支	7	(1,773)	(29,140)
(Loss) profit and total comprehensive (expense) income for the period	期內(虧損)溢利及全面(開支)收入總額		(126,219)	55,549
(Loss) profit and total comprehensive (expense) income for the period attributable to:	下列各項應佔期內(虧損)溢利及全面(開支)收入總額:			
– owners of the Company	– 本公司擁有人		(106,324)	67,637
– non-controlling interests	– 非控股權益		(19,895)	(12,088)
			(126,219)	55,549
(Loss) earnings per share, basic (RMB cents)	每股基本(虧損)盈利 (人民幣分)	9	(31.8)	20.2

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

At 30 June 2020  
於二零二零年六月三十日

			At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	10	924,460	917,670
Right-of-use assets	使用權資產	10	307,730	323,102
Goodwill	商譽	11	46,013	122,013
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備 已付按金		107,108	109,645
Fixed bank deposits	定期銀行存款		105,700	37,000
			1,491,011	1,509,430
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		56,242	69,768
Accounts and other receivables	應收賬款及其他應收款項	12	272,372	300,588
Financial assets at fair value through profit or loss	按公平值計入損益的金融 資產	13	474,046	477,150
Restricted bank balances	受限制銀行結餘		1,539	2,345
Bank balances and cash	銀行結餘及現金		93,247	223,880
			897,446	1,073,731
<b>Current liabilities</b>	<b>流動負債</b>			
Accounts and other payables	應付賬款及其他應付款項	14	459,727	488,534
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司的非控股 股東款項		140,854	138,854
Tax payables	應付稅項		7,671	34,401
Bank loans – due within one year	銀行貸款—一年內到期	15	7,521	7,468
Lease liabilities	租賃負債		27,988	26,294
			643,761	695,551
<b>Net current assets</b>	<b>流動資產淨值</b>		253,685	378,180
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		1,744,696	1,887,610
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank loans – due after one year	銀行貸款—一年後到期	15	205,857	208,785
Deferred tax liabilities	遞延稅項負債	16	21,630	21,383
Lease liabilities	租賃負債		185,870	199,884
			413,357	430,052
<b>Net assets</b>	<b>資產淨值</b>		1,331,339	1,457,558

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

At 30 June 2020

於二零二零年六月三十日

			At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
		NOTE 附註		
Capital and reserves	資本及儲備			
Share capital	股本	17	334,394	334,394
Reserves	儲備		915,707	1,022,031
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,250,101	1,356,425
Non-controlling interests	非控股權益		81,238	101,133
<b>Total equity</b>	<b>權益總額</b>		<b>1,331,339</b>	<b>1,457,558</b>

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔					Non-controlling interests 非控股權益		Total 總計
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Statutory reserve 法定儲備	Retained earnings 保留盈利	Sub-total 小計	Non-controlling interests 非控股權益	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2020 (audited)	於二零二零年一月一日 (經審核)	334,394	698,214	53,394	88,927	181,496	1,356,425	101,133	1,457,558
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	-	-	-	-	(106,324)	(106,324)	(19,895)	(126,219)
At 30 June 2020 (unaudited)	於二零二零年六月三十日 (未經審核)	334,394	698,214	53,394	88,927	75,172	1,250,101	81,238	1,331,339
At 1 January 2019 (audited)	於二零一九年一月一日 (經審核)	334,394	698,214	53,394	62,584	186,938	1,335,524	126,659	1,462,183
Profit (loss) and total comprehensive income (expense) for the period	期內溢利(虧損)及全面收入(開支)總額	-	-	-	-	67,637	67,637	(12,088)	55,549
Dividend (Note 8)	股息(附註8)	-	-	-	-	(53,363)	(53,363)	-	(53,363)
At 30 June 2019 (unaudited)	於二零一九年六月三十日 (未經審核)	334,394	698,214	53,394	62,584	201,212	1,349,798	114,571	1,464,369

Note: Amount of RMB1,339,000 (31 December 2019: RMB4,035,000) included in the Group's retained earnings as at 30 June 2020 represents the profit generated from the private non-enterprise entities directly or indirectly held under Anhui Hualin (defined in Note 1A). Under the PRC laws and regulations, the retained earnings of the private non-enterprise entity is not distributable.

附註：本集團於二零二零年六月三十日的保留盈利包含的人民幣1,339,000元(二零一九年十二月三十一日：人民幣4,035,000元)，是指安徽樺霖直接或間接持有的私營非企業實體所產生的利潤(定義見附註1A)。根據中國法律及法規，私營非企業實體的保留盈利是不可作分配的。



# Condensed Consolidated Statement of Cash Flows

## 簡明綜合現金流量表

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Net cash generated from operating activities	經營活動所得現金淨額	26,303	65,696
Investing activities	投資活動		
Placement of restricted bank balances	存放受限制銀行結餘	(403,162)	(847,885)
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益的金融資產	(400,000)	(839,855)
Placement of fixed bank deposits	存放定期銀行存款	(70,000)	(33,000)
Purchase of property, plant and equipment	購買物業、廠房及設備	(43,097)	(57,247)
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備已付按金	(21,949)	(39,962)
Withdrawal of restricted bank balances	提取受限制銀行結餘	403,968	864,416
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產的所得款項	400,000	829,162
Investment income received from financial assets at fair value through profit or loss	按公平值計入損益的金融資產收取的投資收入	3,141	7,245
Withdrawal of fixed bank deposit	提取定期銀行存款	1,300	16,000
Interest received	已收利息	567	1,536
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	59	128
Advance to a non-controlling shareholder of a subsidiary	向一間附屬公司的一名非控股股東提供的墊款	-	(4,300)
Net cash used in investing activities	投資活動所用現金淨額	(129,173)	(103,762)
Financing activities	融資活動		
Repayments of lease liabilities	償還租賃負債	(13,358)	(10,714)
Interest paid	已付利息	(12,357)	(6,805)
Repayment of bank loan	償還銀行貸款	(4,125)	-
Repayments to non-controlling shareholders of subsidiaries	還款予附屬公司的非控股股東	(3,000)	(46,000)
Advances from non-controlling shareholders of subsidiaries	來自附屬公司的非控股股東的墊款	5,000	106,800
Net cash (used in) generated from financing activities	融資活動(所用)所得現金淨額	(27,840)	43,281
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	(130,710)	5,215
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	223,880	203,256
Effect of foreign exchange rate changes	匯率變動影響	77	3
Cash and cash equivalents at end of the period, represented by bank balances and cash	期末現金及現金等價物，即銀行結餘及現金	93,247	208,474

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 1. GENERAL INFORMATION AND BASIS OF PREPARATION

廣東康華醫療股份有限公司(Guangdong Kanghua Healthcare Co., Ltd.) (the “Company”) was established as a limited liability company in the People’s Republic of China (the “PRC”) and its overseas listed foreign invested ordinary shares (“H Shares”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The Company’s immediate and ultimate holding company is 東莞市康華投資集團有限公司(Dongguan Kanghua Group Co., Ltd.) (“Kanghua Group”), a limited liability company established in the PRC. The addresses of the registered office and principal place of business in Hong Kong of the Company are disclosed in the corporate information section to the interim report.

The Company and its subsidiaries (collectively referred as the “Group”) are principally engaged in provision of hospital services, provision of rehabilitation and other healthcare services, sale of pharmaceutical products and provision of other services (represents elderly healthcare services) in the PRC.

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

### 1. 一般資料及編製基準

廣東康華醫療股份有限公司(「本公司」)在中華人民共和國(「中國」)成立為一間有限責任公司及其境外上市外資普通股(「H股」)，在香港聯合交易所有限公司(「香港聯交所」)主板上市。本公司的直接及最終控股公司為東莞市康華投資集團有限公司(「康華集團」)，一間於中國成立的有限責任公司。本公司註冊辦事處及香港主要營業地點地址披露於中期報告「公司資料」一節。

本公司及其附屬公司(統稱「本集團」)主要在中國從事提供醫院服務、提供康復及其他醫療服務、銷售藥品及提供其他服務(指老年醫療服務)。

簡明綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司的功能貨幣。

簡明綜合財務報表乃根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際會計準則(「國際會計準則」)第34號「中期財務報告」以及香港聯交所證券上市規則附錄十六的適用披露規定編製。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 1A. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT INTERIM PERIOD

The outbreak of a coronavirus disease and the subsequent quarantine measures as well as the travel restrictions imposed by the PRC government have had negative impacts to the economy and business environment, and is directly affect the operations of the Group. In view of mandatory government quarantine measures in an effort to contain the spread of the pandemic, the number of patients decreased and certain of non-critical surgeries and medical treatments were deferred. As such, the financial positions and performance of the Group were affected in different aspects, including a reduction in revenue and profit generated from hospital services and rehabilitation and other healthcare services segments.

During the current interim period, the goodwill allocated to the cash-generating unit ("CGU") of 安徽樺霖醫療投資有限公司 (Anhui Hualin Medical Investment Co., Ltd.) ("Anhui Hualin") (the "Anhui Hualin CGU") ("Anhui's Goodwill") and 重慶康華眾聯心血管病醫院有限公司 (Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd.) (Kangxin Hospital) (the "Kangxin Hospital CGU") ("Kangxin's Goodwill") are impaired by RMB27,500,000 and RMB48,500,000 respectively in view of the estimated future growth in revenue from the rehabilitation and other healthcare services business relating to the operations of Anhui Hualin and the hospital services business relating to the operations of Kangxin Hospital will be lower than previously expected. Details are set out in Note 11.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss ("FVTPL") which are measured at fair values at the end of each reporting period.

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2019.

### 1A. 於本中期期間的重大事件及交易

爆發冠狀病毒病及隨後的隔離措施以及中國政府實施的旅行限制對經濟及業務環境造成負面影響，並直接影響本集團的營運。鑒於政府為遏制疫情蔓延採取強制性檢疫措施，患者人數有所減少，若干非關鍵性手術及醫療護理亦被推遲。因此，本集團的財務狀況及表現受到不同方面的影響，包括醫院服務、康復及其他醫療服務分部產生的收入和利潤減少。

於本中期期間，分配至安徽樺霖醫療投資有限公司（「安徽樺霖」）現金產生單位（「安徽樺霖現金產生單位」）的商譽（「安徽商譽」）及重慶康華眾聯心血管病醫院有限公司（「康心醫院」）現金產生單位（「康心醫院現金產生單位」）的商譽（「康心商譽」）分別減值人民幣27,500,000元及人民幣48,500,000元，原因是與安徽樺霖業務有關的康復及其他醫療服務業務及與康心醫院業務有關的醫院服務業務的估計未來收入增長將低於先前預期。詳情載於附註11。

### 2. 主要會計政策

簡明綜合財務報表按歷史成本基準編製，惟按公平值計入損益（「按公平值計入損益」）的金融資產乃按各報告期末的公平值計量除外。

除因應用新訂國際財務報告準則（「國際財務報告準則」）及其修訂本而導致的會計政策變更外，截至二零二零年六月三十日止六個月的簡明綜合財務報表採用的會計政策及計算方法與本集團截至二零一九年十二月三十一日止年度的年度財務報表所呈列者一致。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

## 2. PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### Application of amendments to IFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in IFRS Standards and the following amendments to IFRSs issued by the IASB, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 1 and IAS 8 國際會計準則第1號及國際會計準則第8號(修訂本)	Definition of Material 重大的定義
Amendments to IFRS 3 國際財務報告準則第3號(修訂本)	Definition of a Business 業務的定義
Amendments to IFRS 9, IAS 39 and IFRS 7 國際財務報告準則第9號、國際會計準則第39號及 國際財務報告準則第7號(修訂本)	Interest Rate Benchmark Reform 利率基準改革

Except as described below, the application of the Amendments to References to the Conceptual Framework in IFRS Standards and the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.

### Impacts of application on Amendments to IAS 1 and IAS 8 "Definition of Material"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2020.

## 2. 主要會計政策(續)

### 應用國際財務報告準則(修訂本)

於本中期期間，本集團已首次採納於二零二零年一月一日或之後開始之年度期間強制生效的國際財務報告準則之概念框架指引之修訂本及由國際會計準則委員會頒佈的下列國際財務報告準則的修訂本，以編製本集團之簡明綜合財務報表：

除下文所述者外，於本期間應用國際財務報告準則概念框架之提述之修訂本及國際財務報告準則的修訂本，對本集團本期間及過往期間的財務狀況及表現及／或簡明綜合財務報表所載披露事項並無重大影響。

### 應用國際會計準則第1號及國際會計準則第8號「重大的定義」(修訂本)的影響

該等修訂本對重大提供新定義，當中指出「倘遺漏、錯誤陳述或掩蓋資料可合理地預期會影響財務報表的主要使用者基於該等財務報表(提供特定報告實體的財務資料)所作出的決策，則有關資料屬重大」。該等修訂本亦釐清重大與否將視乎資料之性質或程度單獨或與其他資料合計對於財務報表作為整體而言是否屬重要而定。

於本期間應用該等修訂本對簡明綜合財務報表並無影響。應用該等修訂本所致的呈列及披露變動(如有)將於截至二零二零年十二月三十一日止年度的綜合財務報表中反映。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in (i) provision of hospital services; (ii) provision of rehabilitation and other healthcare services; (iii) sale of pharmaceutical products; and (iv) provision of other services.

Revenue

An analysis of the Group's revenue for the period is as follows:

### 3. 收益及分部資料

本集團主要從事(i)提供醫院服務；(ii)提供康復及其他醫療服務；(iii)藥品銷售；及(iv)提供其他服務。

收益

本集團期內收益分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Recognised over time:	於一段時間內確認：		
Hospital services:	醫院服務：		
– Inpatient healthcare services	– 住院醫療服務	467,957	536,185
– Outpatient healthcare services	– 門診醫療服務	226,472	299,581
– Physical examination services	– 體檢服務	27,162	33,668
Rehabilitation and other healthcare services:	康復及其他醫療服務：		
– Rehabilitation hospital services	– 康復醫院服務	22,143	22,662
– Rehabilitation centre services and other healthcare services	– 康復中心服務及其他醫療服務	9,315	12,907
Others	其他	1,636	522
		754,685	905,525
Recognised at a point in time:	於某一時間點確認：		
Sale of pharmaceutical products	藥品銷售	6,302	8,839
		760,987	914,364

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION (Cont'd)

#### Segment information

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of service provided.

The Group's operating segments are classified as (i) hospital services; (ii) rehabilitation and other healthcare services; (iii) sale of pharmaceutical products; and (iv) others. The details of the Group's operating segments are as follows:

- |  |   |
|--|---|
| (i) Hospital services:                             | Provision of hospital services includes (i) inpatient healthcare services which generally refer to the treatment of patients who are hospitalised overnight or for an indeterminate period of time; (ii) outpatient healthcare services which generally refer to the treatment of patients who are hospitalised for less than 24 hours; and (iii) physical examinations services which generally refer to the clinical examination of individuals for signs of diseases and health advisory services. |
| (ii) Rehabilitation and other healthcare services: | Provision of rehabilitation services which generally refer to the provision of special care services to patients with permanent or long-term physical or mental disabilities. Other healthcare services include elderly healthcare and training services for the disabled.  |
| (iii) Sale of pharmaceutical products:             | Sale of pharmaceutical products to patients of the Group's hospitals and outside customers.   |
| (iv) Others:                                       | Provision of elderly healthcare services.   |

These operating segments also represent the Group's reportable segments. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

### 3. 收益及分部資料(續)

#### 分部資料

為進行資源分配及評估分部表現而向本公司執行董事(即主要經營決策者(「主要經營決策者」))呈報的資料側重於所提供服務的類型。

本集團的經營分部分為(i)醫院服務；(ii)康復及其他醫療服務；(iii)藥品銷售；及(iv)其他。本集團經營分部的詳情如下：

- |                 |   |
|-----------------|---|
| (i) 醫院服務：       | 提供的醫療服務包括(i)住院醫療服務一般指為過夜或不定時入院的病人提供治療；(ii)門診醫療服務一般指為入院少於24小時的病人提供治療；及(iii)體檢服務一般指為個人提供有關疾病徵兆的臨床檢驗及保健諮詢服務。 |
| (ii) 康復及其他醫療服務： | 提供康復服務一般指向永久或長期身體或精神殘疾的患者提供特殊護理服務。其他醫療服務包括老年護理及殘疾人士訓練服務。  |
| (iii) 藥品銷售：     | 向本集團醫院的患者及外部客戶銷售藥品。   |
| (iv) 其他：        | 提供老年醫療服務。   |

該等經營分部亦代表本集團的可呈報分部。於釐定本集團的可呈報分部時，概無合併主要經營決策者確定的經營分部。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating segments:

For the six months ended 30 June 2020 (unaudited)

### 3. 收益及分部資料(續)

分部收益及業績

以下為按經營分部劃分的本集團收益及業績分析：

截至二零二零年六月三十日止六個月  
(未經審核)

		Hospital services 醫院服務 RMB'000 人民幣千元	Rehabilitation and other healthcare services 康復及其他 醫療服務 RMB'000 人民幣千元	Sale of pharmaceutical products 藥品銷售 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
SEGMENT REVENUE	分部收益					
External revenue	外部收益	721,591	31,458	6,302	1,636	760,987
Segment profit (loss)	分部溢利(虧損)	20,744	(23,907)	1,372	(1,035)	(2,826)
Other income	其他收入					15,796
Other expenses, gains and losses	其他開支、收益及虧損					(2,876)
Administrative expenses	行政開支					(123,246)
Finance costs	融資成本					(11,294)
Loss before taxation	除稅前虧損					(124,446)

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment revenues and results (Cont'd)

For the six months ended 30 June 2019 (unaudited)

### 3. 收益及分部資料(續)

分部收益及業績(續)

截至二零一九年六月三十日止六個月  
(未經審核)

		Hospital services 醫院服務 RMB'000 人民幣千元	Rehabilitation and other healthcare services 康復及其他 醫療服務 RMB'000 人民幣千元	Sale of pharmaceutical products 藥品銷售 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
SEGMENT REVENUE	分部收益					
External revenue	外部收益	869,434	35,569	8,839	522	914,364
Segment profit	分部溢利	175,281	8,184	2,053	428	185,946
Other income	其他收入					13,787
Other expenses, gains and losses	其他開支、收益及虧損					4,864
Administrative expenses	行政開支					(113,013)
Finance costs	融資成本					(6,895)
Profit before taxation	除稅前溢利					84,689

There were no inter-segment sales during both periods.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned (loss incurred) by each segment without allocation of other income, other expenses, gains and losses, administrative expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Except as disclosed above, no other amounts are regularly provided to the CODM and therefore no further analysis is presented.

於兩個期間並無分部間銷售。

經營分部的會計政策與本集團會計政策相同。分部溢利(虧損)指各分部賺取的溢利(產生的虧損)，而並無分配其他收入、其他開支、收益及虧損、行政開支及融資成本。此乃就資源分配及表現評估而呈報予主要經營決策者的計量方式。

除上文所披露者外，並無其他金額定期提供予主要經營決策者，故並無呈列進一步分析。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 4. OTHER INCOME

### 4. 其他收入

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Bank and other interest income	銀行及其他利息收入	2,641	579
Investment income from financial assets at FVTPL	按公平值計入損益的金融資產的投資收入	3,141	7,245
Rental income	租金收入	2,926	3,400
Government subsidies (note)	政府補貼(附註)	2,149	112
Others	其他	4,939	2,451
		15,796	13,787

Note: The government subsidies mainly represent the subsidies on costs incurred for operation of rehabilitation centres and hospitals, research and development projects, medical related seminars and forums with no special and unfulfilled conditions attached.

附註：政府補貼主要指無附帶特殊及未履行條件的康復中心及醫院的運營、研發項目、醫療相關講座及座談會產生的成本的補貼。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 5. OTHER EXPENSES, GAINS AND LOSSES

### 5. 其他開支、收益及虧損

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核)
Net exchange gain	匯兌收益淨額	1,312	1,011
Fair value (loss) gain on financial assets at FVTPL (note)	按公平值計入損益的金融資產的公平值(虧損)收益(附註)	(2,581)	5,824
Loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	(194)	(38)
Donations	捐款	(1,413)	(1,710)
Allowance for credit loss	信貸虧損撥備	-	(223)
		(2,876)	4,864

Note: The comparative of the amount is reclassified from other income to conform with the current period's presentation.

附註：該金額的可比較數字自其他收入中重新分類，以符合本期呈列方式。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 6. (LOSS) PROFIT BEFORE TAXATION

### 6. 除稅前(虧損)溢利

		Six months ended 30 June 截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
(Loss) profit before taxation has been arrived at after charging:	除稅前(虧損)溢利經扣除下列項目後達致:		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	54,191	44,118
Depreciation of right-of-use assets	使用權資產折舊	16,410	15,572
Research and development expenditure	研發開支	186	606
Short-term lease rentals in respect of rehabilitation centres and staff quarters	與康復中心及員工宿舍有關的短期租賃租金	133	1,012
Variable lease rentals in respect of hospitals	與醫院有關的可變租賃租金	3,274	3,024
Cost of inventories recognised as expenses (representing pharmaceutical products, consumables and others used, included in cost of revenue)	確認為開支的存貨成本(指所用藥品、耗材及其他,計入收益成本內)	372,164	432,208

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 7. INCOME TAX EXPENSES

### 7. 所得稅開支

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核)
PRC Enterprise Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)		
Current tax	即期稅項	1,409	28,840
(Over) underprovision of EIT in prior years	過往年度企業所得稅(超額)撥備不足	(172)	32
		1,237	28,872
Hong Kong Profits Tax	香港利得稅		
Underprovision in prior years	過往年度撥備不足	289	–
		1,526	28,872
Deferred tax (Note 15)	遞延稅項(附註15)	247	268
		1,773	29,140

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory income tax rate of the Company and its PRC subsidiaries is 25% for both periods.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，本公司及其中國附屬公司於兩個期間內的法定所得稅稅率為25%。

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務(修訂)(第7號)條例草案》(「該條例草案」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日經簽署成為法律，並於翌日刊憲。根據利得稅兩級制，合資格集團實體首2,000,000港元溢利的稅率為8.25%，而超過2,000,000港元溢利的稅率為16.5%。不符合利得稅兩級制資格的集團實體之溢利繼續按16.5%統一稅率計算。

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000.

因此，合資格集團實體首2,000,000港元估計應課稅溢利及2,000,000港元以上的估計應課稅溢利乃分別按8.25%及16.5%稅率計算香港利得稅。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 8. DIVIDENDS

No dividend were paid, declared or proposed during the current interim period (six months ended 30 June 2019: RMB16 cents per share in respect of the year ended 31 December 2018 were declared to the owners of the Company). The directors of the Company have determined that no dividend will be paid in respect of the current interim period (six months ended 30 June 2019: nil).

### 9. (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share attributable to the owners of the Company is based on the following data:

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (unaudited) (未經審核)
(Loss) earnings:	(虧損) 盈利 :		
(Loss) profit for the period attributable to the owners of the Company for the purpose of calculating (loss) earnings per share	用於計算每股(虧損)盈利的本公司擁有人應佔期內(虧損)溢利	(106,324)	67,637

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 (unaudited) (未經審核)	2019 二零一九年 (unaudited) (未經審核)
Number of shares:	股份數目 :		
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	用於計算每股基本(虧損)盈利的普通股加權平均數	334,394,000	334,394,000

No diluted (loss) earnings per share has been presented since there were no potential ordinary shares in issue for both periods.

### 8. 股息

於本中期期間，本公司概無派付、宣派或建議派付股息（截至二零一九年六月三十日止六個月；就截至二零一八年十二月三十一日止年度向本公司擁有人宣派每股人民幣16分）。本公司董事已釐定概不會就本中期期間派付股息（截至二零一九年六月三十日止六個月；無）。

### 9. 每股(虧損)盈利

本公司擁有人應佔每股基本(虧損)盈利基於以下數據計算：

由於在兩個期間內沒有發行潛在普通股，故並無呈列每股攤薄(虧損)盈利。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
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### 10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS

During the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB253,000 (six months ended 30 June 2019: RMB166,000) for cash proceeds of RMB59,000 (six months ended 30 June 2019: RMB128,000), resulting in a loss on disposals of RMB194,000 (six months ended 30 June 2019: RMB38,000).

In addition, during the current interim period, the Group acquired property, plant and equipment and incurred expenditure on construction in progress of RMB26,124,000 and RMB35,110,000 (six months ended 30 June 2019: RMB36,654,000 and RMB32,398,000), respectively, for the purpose of upgrading and expanding the service capacity of the Group's hospital operations.

During the current interim period, the Group entered into new lease agreements for the use of properties in the PRC for 3 to 5 years (six months ended 30 June 2019: 2 to 3 years). The Group is required to make fixed monthly payments. On commencement of the lease, the Group recognised right-of-use assets and lease liabilities of RMB1,038,000 (six months ended 30 June 2019: RMB1,004,000) each relating to those new leases.

### 10. 物業、廠房及設備／使用權資產的變動

於本中期期間，本集團出售賬面總值為人民幣253,000元（截至二零一九年六月三十日止六個月：人民幣166,000元）的若干物業、廠房及設備，現金所得款項為人民幣59,000元（截至二零一九年六月三十日止六個月：人民幣128,000元），導致出售虧損人民幣194,000元（截至二零一九年六月三十日止六個月：人民幣38,000元）。

此外，於本中期期間，本集團分別收購物業、廠房及設備及在建工程產生支出人民幣26,124,000元及人民幣35,110,000元（截至二零一九年六月三十日止六個月：人民幣36,654,000元及人民幣32,398,000元），以升級及擴大其醫院營運的服務能力。

於本中期期間，本集團訂立新租賃協議，以在中國使用物業3至5年（截至二零一九年六月三十日止六個月：2至3年）。本集團須按月支付固定費用。於租賃開始時，本集團確認均與該等新租賃有關的使用權資產及租賃負債人民幣1,038,000元（截至二零一九年六月三十日止六個月：人民幣1,004,000元）。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

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### 11. GOODWILL

During the current interim period, Anhui's Goodwill and Kangxin's Goodwill are impaired by RMB27,500,000 (six months ended 30 June 2019: nil) and RMB48,500,000 (six months ended 30 June 2019: nil) respectively, in view of the recoverable amounts of the two CGUs are less than its own carrying amount. As at 30 June 2020, the carrying amounts of Anhui's Goodwill and Kangxin's Goodwill are RMB29,101,000 (31 December 2019: RMB56,601,000) and RMB16,912,000 (31 December 2019: RMB65,412,000) respectively.

The recoverable amount of the Anhui Hualin CGU has been determined based on a value in use calculation by reference to a valuation report prepared by an independent professional valuer, which was approved by the directors of the Company. The calculation uses cash flow projections based on financial budgets approved by the management for the next five (31 December 2019: five) years. Cash flows beyond the five-year (31 December 2019: five-year) are extrapolated using growth rate of 3.0% (31 December 2019: 3.0%). A pre-tax discount rate of 16.3% (31 December 2019: 14.6%) is used for the Anhui Hualin CGU derived using risk-free rate, the market return and the CGU specific factors.

### 11. 商譽

於本中期期間，鑒於兩個現金產生單位的可收回金額少於其本身的賬面值，安徽商譽及康心商譽分別減值人民幣27,500,000元（截至二零一九年六月三十日止六個月：無）及人民幣48,500,000元（截至二零一九年六月三十日止六個月：無）。於二零二零年六月三十日，安徽商譽及康心商譽的賬面值分別為人民幣29,101,000元（二零一九年十二月三十一日：人民幣56,601,000元）及人民幣16,912,000元（二零一九年十二月三十一日：人民幣65,412,000元）。

安徽樺霖現金產生單位的可收回金額已根據使用價值計算，並參考獨立專業估值師編製的估值報告釐定及已獲本公司董事批准。該計算使用基於管理層批准的未來五年（二零一九年十二月三十一日：五年）財務預算的現金流量預測。超過五年（二零一九年十二月三十一日：五年）的現金流量使用3.0%（二零一九年十二月三十一日：3.0%）的增長率推斷。使用無風險利率、市場回報及現金產生單位的特定因素得出的安徽樺霖現金產生單位使用16.3%（二零一九年十二月三十一日：14.6%）的稅前折現率。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 11. GOODWILL (Cont'd)

The recoverable amount of the Kangxin Hospital CGU has been determined based on a value in use calculation by reference to a valuation report prepared by an independent professional valuer, which was approved by the directors of the Company. The calculation uses cash flow projections based on financial budgets approved by the management for the next six (31 December 2019: seven) years. Cash flows beyond the six-year (31 December 2019: seven-year) period are extrapolated using growth rate of 3.0% (31 December 2019: 3.0%). A pre-tax discount rate of 14.9% (31 December 2019: 14.6%) is used for the Kangxin Hospital CGU and derived using risk-free rate, the market return and the cash-generating unit specific factors.

The key assumptions are growth rates and pre-tax discount rates which are estimated based on past practices and expectations of future changes in the market. After taken into consideration of the historical performance and most recent actual performance of the Anhui Hualin CGU and Kangxin Hospital CGU, the directors of the Company consider that the estimated future growth in revenue from the rehabilitation and other healthcare services business relating to the operations of Anhui Hualin and the hospital services business relating to the operations of Kangxin Hospital will be lower than previously expected. In view of the aggregate recoverable amounts of these CGUs are below their aggregate carrying amounts, impairment losses of RMB27,500,000 (six months ended 30 June 2019: nil) and RMB48,500,000 (six months ended 30 June 2019: nil) are recognised during the current interim period for goodwill allocated to Anhui Hualin CGU and Kangxin Hospital CGU respectively. As at 30 June 2020, the carrying amount of goodwill relating to the Anhui Hualin CGU is approximately RMB29,101,000 (31 December 2019: RMB56,601,000) and Kangxin Hospital CGU is approximately RMB16,912,000 (31 December 2019: RMB65,412,000).

### 11. 商譽(續)

康心醫院現金產生單位的可收回金額已根據使用價值計算，並參考獨立專業估值師編製的估值報告釐定及已獲本公司董事批准。該計算使用基於管理層批准的未來六年(二零一九年十二月三十一日：七年)財務預算的現金流量預測。超過六年(二零一九年十二月三十一日：七年)的現金流量使用3.0%(二零一九年十二月三十一日：3.0%)的增長率推斷。使用無風險利率、市場回報及現金產生單位的特定因素得出的康心醫院現金產生單位使用14.9%(二零一九年十二月三十一日：14.6%)的稅前折現率。

主要假設是增長率及稅前貼現率，該等比率是根據過往慣例及市場未來變化的預期估算。經計及安徽樺霖現金產生單位及康心醫院現金產生單位的歷史表現及最近期實際表現，本公司董事認為，與安徽樺霖運營有關的康復及其他醫療服務業務以及與康心醫院運營有關的醫院服務業務所得收益的估計未來增長將低於先前預期。鑒於該等現金產生單位的可收回總額低於彼等的賬面總值，減值虧損人民幣27,500,000元(截至二零一九年六月三十日止六個月：無)及人民幣48,500,000元(截至二零一九年六月三十日止六個月：無)乃於本中期間確認，以將商譽分別分配予安徽樺霖現金產生單位及康心醫院現金產生單位。於二零二零年六月三十日，與安徽樺霖現金產生單位及康心醫院現金產生單位有關的商譽賬面值分別為約人民幣29,101,000元(二零一九年十二月三十一日：人民幣56,601,000元)及約人民幣16,912,000元(二零一九年十二月三十一日：人民幣65,412,000元)。



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## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
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### 12. ACCOUNTS AND OTHER RECEIVABLES

### 12. 應收賬款及其他應收款項

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Accounts receivables	應收賬款	235,999	273,928
Less: Allowance for credit loss	減：信貸虧損撥備	(9,769)	(9,769)
		226,230	264,159
Prepayments to suppliers	預付供應商款項	8,215	9,935
Interest receivables	應收利息	3,069	995
Others	其他	34,858	25,499
		272,372	300,588

The individual patients of the Group would usually settle payments by cash, credit cards or governments' social insurance schemes. For credit card payments, the banks will normally settle the amounts approximately 30 days after the transaction date. Payments by governments' social insurance schemes will normally be settled by the local social insurance bureau or similar government departments which are responsible for the reimbursement of medical expenses for patients who are covered by the government medical insurance schemes ranged from 30 to 180 days from the transaction date. Corporate customers will normally settle the amounts within 90 days after the transaction date by bank transfers.

本集團的個人病人一般以現金、信用卡或政府社保計劃繳費。對於信用卡支付，銀行通常會在交易日期後約30天結算賬款。透過政府的社保計劃繳費，則通常須由當地社保局或負責向辦理政府醫療保險計劃的病人報銷醫療開支的類似政府部門，自交易日期起介乎30至180天內結清。公司客戶將一般於交易日期後90天內以銀行轉賬方式結算款項。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 12. ACCOUNTS AND OTHER RECEIVABLES (Cont'd)

The following is an aged analysis of accounts receivables, net of allowance for credit loss, presented based on the revenue recognition date at the end of the reporting period:

### 12. 應收賬款及其他應收款項(續)

基於報告期末收益確認日期呈列的應收賬款(扣除信貸虧損撥備)的賬齡分析如下:

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 30 days	30天以內	116,996	128,564
31 to 90 days	31至90天	84,891	67,041
91 to 180 days	91至180天	13,316	41,195
181 to 365 days	181至365天	8,907	25,821
Over 365 days	超過365天	2,120	1,538
		226,230	264,159

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## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
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### 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS 13. 按公平值計入損益的金融資產

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Portfolio investment fund (note (i))	投資組合基金(附註(i))	74,046	77,150
Structured bank deposits (note (ii))	結構性銀行存款(附註(ii))	400,000	400,000
		<b>474,046</b>	<b>477,150</b>

Notes:

- (i) The Group engaged a fund manager to invest into a portfolio investment fund in Hong Kong for investment returns. The portfolio maintained by the fund manager on behalf of the Group includes a mixture of cash and shares which are primarily listed in Hong Kong and is measured at fair value.
- (ii) The Group invested into structured deposits with a bank in the PRC for investment returns. Majority of these structured deposits are with maturities of less than six months and the principal is generally renewed when matured.

附註：

- (i) 本集團通過於香港聘請一名基金經理投資於投資組合資金賺取投資回報。該投資組合由基金經理代本集團持有，包括現金與主要在香港上市的股份的組合，並按公平值計量。
- (ii) 本集團投資於一家中國銀行的結構性存款以賺取投資回報。大部份結構性存款的到期日少於六個月，本金一般於到期時重續。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
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### 14. ACCOUNTS AND OTHER PAYABLES

### 14. 應付賬款及其他應付款項

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Accounts payables	應付賬款	249,209	262,040
Accrued expenses	應計開支	82,092	83,062
Receipts in advance (note)	預收款項(附註)	54,884	61,017
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備應付款項	48,534	57,397
Other tax payables	其他應付稅項	1,286	3,796
Provision for medical dispute claims	醫療糾紛索償撥備	1,231	375
Others	其他	22,491	20,847
Other payables	其他應付款項	210,518	226,494
		<b>459,727</b>	<b>488,534</b>

Note: Included in the balance are advances from the PRC social insurance which represent operating cash of RMB5,970,000 (31 December 2019: RMB20,667,000) advanced from the PRC government for the daily operations of the hospitals operated by the Group.

附註：結餘包括中國社會保險墊款，相當於中國政府為本集團營運醫院的日常營運提供經營現金人民幣5,970,000元(二零一九年十二月三十一日：人民幣20,667,000元)。

The credit period of accounts payables is from 30 to 90 days from the invoice date.

應付款項的信貸期為自發票日期起計30至90日。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

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### 14. ACCOUNTS AND OTHER PAYABLES (Cont'd)

The following is an aged analysis of accounts payables based on the date of receipt of goods:

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 30 days	30天以內	86,664	99,938
31 to 90 days	31至90天	95,811	100,364
91 to 180 days	91至180天	35,154	31,467
181 to 365 days	181至365天	9,973	10,793
Over 365 days	超過365天	21,607	19,478
		<b>249,209</b>	<b>262,040</b>

### 14. 應付賬款及其他應付款項(續)

基於收貨日期的應付賬款的賬齡分析如下：

### 15. BANK LOANS

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Variable rate secured bank loan (note (a))	有抵押銀行貸款(浮動利率)(附註(a))	156,447	155,601
Fixed rate secured loan (note (b))	有抵押貸款(固定利率)(附註(b))	56,931	60,652
		<b>213,378</b>	<b>216,253</b>

### 15. 銀行貸款

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
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### 15. BANK LOANS (Cont'd)

### 15. 銀行貸款(續)

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
The carrying amounts of the loans are repayable**:	貸款賬面值於以下時間償還**：		
Within one year	一年內	7,521	7,468
Within a period of more than one year but not exceeding two years	一至兩年的期間內	11,308	7,574
Within a period of more than two years but not exceeding five years	兩至五年的期間內	61,572	57,818
Within a period of more than five years	超過五年的期間內	132,977	143,393
		213,378	216,253
Less: Amounts due within one year shown under current liabilities	減：流動負債項下所示於一年內到期的款項	(7,521)	(7,468)
Amounts shown under non-current liabilities	非流動負債項下所示款項	205,857	208,785

\*\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

\*\* 到期款項乃根據貸款協議所載計劃還款日期計算。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

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### 15. BANK LOANS (Cont'd)

Notes:

- (a) At 30 June 2020, the bank loan carried interest at the benchmark interest rate for loan offered by the People's Bank of China and adjusted annually from the drawn down date. The effective interest rate of the secured bank loan is 5.90% (31 December 2019: 5.90%) per annum. The main purpose of the loan is to finance the payment of phase 2 medical facility development of Kangxin Hospital and to settle certain amount due to a non-controlling shareholder of a subsidiary.

At 30 June 2020, the bank loan was secured with the key terms and securities pledged as follows:

- (i) financial guarantees provided by the Company, Mr. Wang Junyang, chairman of the Group, 東莞市東成石材有限公司, a company controlled by Dongguan Xingye Group Co., Ltd. which is controlled by one of the Controlling Shareholders, and 東莞嘉德醫療投資有限公司 (collectively referred as the "Guarantors") with respective maximum amount of RMB500,000,000 (31 December 2019: RMB500,000,000); and
- (ii) share pledges over the equity shares in Kangxin Hospital held by the Company and 東莞嘉德醫療投資有限公司.
- (b) The fixed rate secured loan represents a financing arrangement with Industrial and Commercial Bank of China Leasing Co., Ltd., an independent third party. Pursuant to the arrangement, the Group has transferred legal title of certain medical equipment to Industrial and Commercial Bank of China Leasing Co., Ltd., and shall then be leased back for use by the Group. Upon expiry of the lease term, the Group has an option to repurchase these medical equipment at a cash consideration of RMB1. At 30 June 2020, the carrying amount of these medical equipment is approximately RMB52,166,000 (31 December 2019: RMB58,816,000), and is guaranteed by the Guarantors.

The transfers of these medical equipment do not satisfy the requirements of IFRS 15 to be accounted for as a sale of assets. The Group continued to recognise the transferred assets and initially recognised a secured loan equal to the transfer proceeds. As at 30 June 2020, the carrying amount of the borrowing in respect of such arrangements amounted to RMB56,931,000 (31 December 2019: RMB60,652,000). The loan carried effective interest rate of 6.74% (31 December 2019: 6.74%) per annum and would be settled with quarterly instalments until September 2027.

### 15. 銀行貸款 (續)

附註：

- (a) 於二零二零年六月三十日，銀行貸款按自提取之日起每年調整的中國人民銀行提供的貸款基準利率計息。已抵押銀行貸款的實際年利率為5.90%（二零一九年十二月三十一日：5.90%）。貸款主要用於支付康心醫院第二階段醫療設施的開發，並結清若干應付一間附屬公司的一名非控股股東的款項。

於二零二零年六月三十日，銀行貸款有擔保，主要條款及已抵押證券如下：

- (i) 由本公司、本集團主席王君揚先生、東莞市東成石材有限公司（一間由其中一名控股股東控制的東莞市興業集團有限公司控制的公司）及東莞嘉德醫療投資有限公司（統稱「擔保人」）提供的財務擔保，各自最高金額為人民幣500,000,000元（二零一九年十二月三十一日：人民幣500,000,000元）；及
- (ii) 對本公司及東莞嘉德醫療投資有限公司持有康心醫院的股權的股份質押。

- (b) 固定利率的有抵押貸款指與獨立第三方工銀金融租賃有限公司訂立的融資安排。根據該安排，本集團已將若干醫療設備的合法所有權轉讓予工銀金融租賃有限公司，其後將其租回以供本集團使用。租期屆滿後，本集團有權以現金代價人民幣1元購回該等醫療設備。於二零二零年六月三十日，該等醫療設備的賬面值約為人民幣52,166,000元（二零一九年十二月三十一日：人民幣58,816,000元），並由擔保人提供擔保。

該等醫療設備轉讓不符合國際財務報告準則第15號規定並將作為出售資產入賬。本集團繼續確認已轉讓資產及初步確認等於轉讓所得款項的已抵押貸款。於二零二零年六月三十日，有關安排相關的借款的賬面值為人民幣56,931,000元（二零一九年十二月三十一日：人民幣60,652,000元）。貸款的實際年利率為6.74%（二零一九年十二月三十一日：6.74%），直至二零二七年九月可按季度分期償還。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 16. DEFERRED TAX LIABILITIES (ASSETS)

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current interim and preceding interim periods:

### 16. 遞延稅項負債(資產)

以下是於本中期及過往中期期間確認的主要遞延稅項負債(資產)及其變動:

		Accelerated tax depreciation 加速稅項 折舊 RMB'000 人民幣千元	Pre-operating expenses written off 撇銷營業 前開支 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019 (audited)	於二零一九年十二月三十一日(經審核)	26,032	(4,649)	21,383
(Credit) charge to profit or loss (Note 7)	(計入)扣除損益(附註7)	(299)	546	247
At 30 June 2020 (unaudited)	於二零二零年六月三十日(未經審核)	25,733	(4,103)	21,630
At 1 January 2019 (audited)	於二零一九年一月一日(經審核)	26,225	(5,740)	20,485
(Credit) charge to profit or loss (Note 7)	(計入)扣除損益(附註7)	(277)	545	268
At 30 June 2019 (unaudited)	於二零一九年六月三十日(未經審核)	25,948	(5,195)	20,753

At 30 June 2020, the Group had unused tax losses of approximately RMB205,338,000 (31 December 2019: RMB159,595,000) available for offset against future profits. No deferred tax asset was recognised in respect of such tax losses due to unpredictable profit stream. The unused tax losses can be carried forward up to five years from the year in which the loss was originated, to offset future taxable profits.

於二零二零年六月三十日，本集團有未使用稅項虧損約為人民幣205,338,000元(二零一九年十二月三十一日：人民幣159,595,000元)可抵銷未來溢利。由於溢利流難以預測，因此並無就該等稅項虧損確認遞延稅項資產。未使用的稅項虧損可以自發生虧損之年度起最多五年結轉，以抵銷未來應課稅溢利。

At 30 June 2020, the Group has deductible temporary difference amounted to approximately RMB16,414,000 (31 December 2019: RMB18,596,000). A deferred tax asset has been recognised in respect of the deductible temporary difference of RMB16,414,000 (31 December 2019: RMB18,596,000) at the end of the reporting period.

於二零二零年六月三十日，本集團的可抵扣暫時性差額約為人民幣16,414,000元(二零一九年十二月三十一日：人民幣18,596,000元)。於報告期末，已就可抵扣暫時性差額為人民幣16,414,000元(二零一九年十二月三十一日：人民幣18,596,000元)確認遞延稅項資產。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 17. SHARE CAPITAL

		Number of domestic shares 內資股數目 '000 千股	Number of H shares H股數目 '000 千股	Share capital 股本 RMB'000 人民幣千元
At 1 January 2019 (audited), 31 December 2019 (audited) and 30 June 2020 (unaudited)	於二零一九年一月一日 (經審核)、二零一九年 十二月三十一日(經審核) 及二零二零年六月三十日 (未經審核)	250,000	84,394	334,394

### 17. 股本

### 18. CAPITAL COMMITMENTS

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	於簡明綜合財務報表中已訂約 但未撥備的物業、廠房及 設備的資本開支	343,596	311,631

### 18. 資本承擔

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 19. RELATED PARTY DISCLOSURES

In addition to the transactions, balances and commitments disclosed elsewhere in the condensed consolidated financial statements, the Group had entered into the following significant related party transactions:

### 19. 關聯方披露

除簡明綜合財務報表其他章節所披露的交易、結餘及承擔外，本集團已訂立以下重大關聯方交易：

Name of related companies 關聯公司名稱	Relationship 關係	Nature of transactions 交易性質	As at/ For the six months ended 30 June 2020 於二零二零年 六月三十日/ 截至該日 止六個月 RMB'000 人民幣千元	As at/ For the six months ended 30 June 2019 於二零一九年 六月三十日/ 截至該日 止六個月 RMB'000 人民幣千元
Kanghua Group 康華集團	Shareholder 股東	Right-of-use assets recognised 已確認之使用權資產	-	154,323
		Interest expenses on lease liabilities 租賃負債之利息開支	4,953	5,457
		Lease liabilities 租賃負債	165,964	184,289
		Lease payment 租賃付款	17,841	16,638
Dongguan Tongli Enterprise Co., Ltd. 東莞市同力實業有限公司	Non-controlling shareholder of Dongguan Renkang Hospital Co., Ltd. 東莞仁康醫院有限公司的非 控股股東	Right-of-use assets recognised 已確認之使用權資產	-	28,246
		Interest expenses on lease liabilities 租賃負債之利息開支	949	1,046
		Lease liabilities 租賃負債	31,802	35,314
		Lease payment 租賃付款	2,983	2,789

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2020  
截至二零二零年六月三十日止六個月

### 19. RELATED PARTY DISCLOSURES (Cont'd)

#### Compensation of key management personnel

Key management personnel includes directors and supervisors. The remuneration of the key management personnel during the current interim period is as follows:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Fees	袍金	810	1,080
Salaries and allowances	薪金及津貼	968	781
Retirement benefit schemes contributions	退休福利計劃供款	17	39
		1,795	1,900

### 20. CONTINGENT LIABILITIES

The Group is involved as defendants in certain medical disputes arising from its normal business operations. Except for those disputes with provision made as disclosed in Note 14, the management of the Group believes that the final result of other medical disputes with total claims of RMB3,767,000 (31 December 2019: RMB5,789,000) as at 30 June 2020 will not have a material impact on the financial position or operations of the Group and the amount of outflow, if any, cannot be determined with sufficient reliability prior to judicial appraisals. Accordingly, no provision is made in this regard.

### 19. 關聯方披露 (續)

#### 主要管理人員薪酬

主要管理人員包括董事及監事。於本中期期間，主要管理人員的薪酬如下：

### 20. 或然負債

本集團作為被告牽涉於其一般業務營運中產生的若干醫療糾紛。除附註14所披露就此等糾紛作出的撥備外，本集團管理層相信於二零二零年六月三十日，涉及索償總額為人民幣3,767,000元(二零一九年十二月三十一日：人民幣5,789,000元)的其他醫療糾紛的最終結果將不會對本集團的財務狀況或營運造成重大影響，而流出金額(如有)無法於司法鑒定前充分可靠地釐定。因此，本集團並無就此作出撥備。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

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截至二零二零年六月三十日止六個月

### 21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Other than the financial assets carried at fair value as detailed in the following table, the directors of the Company consider that the carrying amounts of other financial instruments that are recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

	Fair value as at 30 June 2020 於二零二零年 六月三十日的 公平值 RMB'000 人民幣千元	Fair value as at 31 December 2019 於二零一九年 十二月三十一日 的公平值 RMB'000 人民幣千元	Fair value hierarchy	Valuation techniques and key inputs 估值技巧及 主要輸入數據
Financial assets 金融資產				
Portfolio investment fund 投資組合基金	74,046	77,150	Level 2 第二級	Quoted price from a financial institution mainly with reference to quoted prices of listed securities. 報價來自金融機構，主要參照上市證券之報價
Structured bank deposits 結構性銀行存款	400,000	400,000	Level 2 第二級	Quoted price from a financial institution with reference to expected return, and discounted at a rate that reflects the risk of underlying investments. 報價來自金融機構(參照預期回報)，並按反映相關投資風險的貼現率貼現。

There was no transfer between Level 2 and other Levels in both periods.

於兩個期間內，第二級及其他級別之間並無轉撥。

### 22. EVENT AFTER THE REPORTING PERIOD

On 23 July 2020, the Company entered into an auction result confirmation with the 東莞市公共資源交易中心 (Dongguan Public Resources Exchange Centre) for acquisition of land use right of a land parcel situated at Jiaoling Villagers Committee, Liheng Village, Qingxi Town, Dongguan City, the PRC with a cash consideration of RMB82,590,000. The land use right is acquired for development of comprehensive elderly healthcare medical facilities. Details of the transaction are disclosed in the Company's announcement dated 23 July 2020. The acquisition was completed on 25 August 2020.

### 22. 報告期後的事項

於二零二零年七月二十三日，本公司與東莞市公共資源交易中心訂立成交結果確認書，以獲取位於中國東莞市清溪鎮荔橫村角嶺村民小組的地塊的土地使用權，現金代價為人民幣82,590,000元。該土地使用權用於開發綜合性老年醫療保健設施。交易詳情於本公司日期為二零二零年七月二十三日的公告中披露。收購事項於二零二零年八月二十五日完成。

# Definitions

## 釋義

Adjusted EBITDA 「經調整 EBITDA」	the earnings before accounting for bank and other interest income, interest expenses, taxes, depreciation and amortisation, fair value gain/loss and investment income from financial assets at FVTPL and exchange gain/loss 除銀行及其他利息收入、利息開支、稅項、折舊及攤銷、按公平值計入損益的金融資產投資收入及公平值收益／虧損及匯兌收益／虧損前的盈利
Anhui Hualin 「安徽樺霖」	Anhui Hualin Medical Investment Co., Ltd. (安徽樺霖醫療投資有限公司), a limited liability company established in the PRC on 19 December 2016 with 57% of its equity interest being held by Dongguan Kanghua Medical Rehabilitation Investment Company Limited (東莞康華康復醫療投資有限公司), our wholly-owned subsidiary and 43% held by Hefei Haihua Enterprises Management Consulting Partnership (Limited Partnership) (合肥海樺企業管理諮詢合夥企業(有限合夥)), an Independent Third Party 安徽樺霖醫療投資有限公司，於二零一六年十二月十九日在中國成立的有限公司，其 57% 的股權由我們的全資附屬公司東莞康華康復醫療投資有限公司持有，及 43% 由獨立第三方合肥海樺企業管理諮詢合夥企業(有限合夥)持有
Audit Committee 「審核委員會」	the audit committee of the Board 董事會審核委員會
Board of Directors or Board 「董事會」	the board of Directors of the Company 本公司董事會
CG Code 「企業管治守則」	the Corporate Governance Code contained in Appendix 14 to the Hong Kong Listing Rules 香港上市規則附錄十四所載的《企業管治守則》
Company 「本公司」	Guangdong Kanghua Healthcare Co., Ltd. (廣東康華醫療股份有限公司), a joint stock limited liability company established under the laws of the PRC, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 3689) 廣東康華醫療股份有限公司，一家根據中國法律成立的股份有限公司，其 H 股於香港聯交所主板上市(股份代號：3689)
Controlling Shareholders 「控股股東」	has the meaning ascribed under the Hong Kong Listing Rules and unless the context otherwise requires, refers to Mr. Wang Junyang, Ms. Wang Aici, Kanghua Group, Xingye Group, Mr. Chen Wangzhi, Ms. Wang Aiqin and Xingda Property as a group of Controlling Shareholders of the Company, and each of them, a “Controlling Shareholder” 具有香港上市規則所賦予的涵義，除非文義另有所指，指王君揚先生、王愛慈女士、康華集團、興業集團、陳旺枝先生、王愛勤女士及興達物業作為一組本公司控股股東，而彼等各自為一名「控股股東」
Director(s) 「董事」	the director(s) of the Company 本公司董事
Domestic Share(s) 「內資股」	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange 本公司股本中每股面值為人民幣 1.00 元並以人民幣認購或入賬列為繳足股本的普通股，並且是目前未在任何證券交易所上市或交易的非上市股份

Group or we or our 「本集團」或「我們」	the Company and its subsidiaries 本公司及其附屬公司
H Share(s) 「H股」	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange 本公司普通股股本中每股面值人民幣1.00元的境外上市外資普通股，於香港聯交所主板上市
HK\$ or Hong Kong dollars 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣
Hong Kong 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
Hong Kong Listing Rules 「香港上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time 《香港聯合交易所有限公司證券上市規則》，經不時修訂、補充或以其他方式修改
Hong Kong Stock Exchange 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Huaxin Building 「華心樓」	refers to the complex (華心樓) at Kanghai Hospital which was commissioned to provide VIP healthcare services 康華醫院華心樓，獲分派提供貴賓醫療服務
Independent Third Party(ies) 「獨立第三方」	Any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Hong Kong Listing Rules 根據香港上市規則，歸因於香港上市規則賦予的涵義，並非本公司關連人士的任何實體或人士
Kangdi Enterprise 「康帝實業」	Dongguan Kangdi Enterprise Co., Ltd. (東莞市康帝實業有限公司), a limited liability company established in the PRC on 25 July 2014 with 50% of its equity interest held by Mr. Wang Zhengren (王政仁) and 50% by Ms. Wang Keying (王可瑩), all of whom are members of the Wang Family, being cousins of Mr. Wang Junyang. Kangdi Enterprise holds a 15% equity interest in Renkang Hospital 東莞市康帝實業有限公司，一家於二零一四年七月二十五日在中國成立的有限公司，其股權由王政仁先生及王可瑩女士各持有50%，彼等均為王氏家族的成員及王君揚先生的堂兄弟姐妹。康帝實業於仁康醫院持有15%的股權
Kanghai Group 「康華集團」	Dongguan Kanghai Investment Group Co., Ltd. (東莞市康華投資集團有限公司), a limited liability company established in the PRC on 29 March 2002 and one of the Controlling Shareholders holding approximately 59.06% interest in the Company. It is owned as to 97.46% by Mr. Wang Junyang and as to 2.54% by Ms. Wang Aici. Kanghai Group, Mr. Wang Junyang, Ms. Wang Aici, Xingye Group, Mr. Chen Wangzhi, Ms. Wang Aiqin and Xingda Property are acting together as a group of Controlling Shareholders 東莞市康華投資集團有限公司，一家於二零零二年三月二十九日在中國成立的有限公司及我們其中一名控股股東，持有本公司約59.06%權益，其分別由王君揚先生及王愛慈女士擁有97.46%及2.54%。康華集團、王君揚先生、王愛慈女士、興業集團、陳旺枝先生、王愛勤女士及興達物業作為一組控股股東一致行動

# Definitions

## 釋義

Kanghua Hospital 「康華醫院」	Dongguan Kanghua Hospital Co., Ltd. (東莞康華醫院有限公司), a limited liability company established in the PRC on 15 September 2005 and a wholly-owned subsidiary of the Company 東莞康華醫院有限公司，一家於二零零五年九月十五日在中國成立的有限公司，且為本公司的全資附屬公司
Model Code 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Hong Kong Listing Rules 香港上市規則附錄十所載《上市發行人董事進行證券交易標準守則》
Nomination Committee 「提名委員會」	the nomination committee of the Board 董事會提名委員會
O&G 「婦產科」	obstetrics and gynaecology 婦產科
PRC or China 「中國」	the People's Republic of China 中華人民共和國
PRC Company Law 「中國公司法」	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Twelfth National People's Congress on 28 December 2013 and effective on 1 March 2014, as amended, supplemented and otherwise modified from time to time 《中華人民共和國公司法》，由第十二屆全國人民代表大會常務委員會於二零一三年十二月二十八日修訂並通過，自二零一四年三月一日起生效，經不時修訂、補充及以其他方式修改
Prospectus 「招股章程」	the prospectus of the Company dated 27 October 2016 本公司日期為二零一六年十月二十七日的招股章程
Reporting Period 「報告期」或「報告期間」	the six months ended 30 June 2020 截至二零二零年六月三十日止六個月
Remuneration Committee 「薪酬委員會」	the remuneration committee of the Board 董事會薪酬委員會
Renkang Hospital 「仁康醫院」	Dongguan Renkang Hospital Co., Ltd. (東莞仁康醫院有限公司), a limited liability company established in the PRC on 23 August 2005 with 57% of its equity interest being held by the Company, 15% by Kangdi Enterprise, 15% by Ms. Zhang Dandan and 13% by Ms. Wang Aier, respectively 東莞仁康醫院有限公司，一家於二零零五年八月二十三日在中國成立的有限公司，其股權分別由本公司、康帝實業、張丹丹女士及王愛兒女士持有 57%、15%、15% 及 13%
RMB 「人民幣」	the lawful currency of the PRC 中國法定貨幣

SFO 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time 香港法例第 571 章《證券及期貨條例》(經不時修訂、補充或以其他方式修改)
Share(s) 「股份」	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including the Domestic Share(s) and the H Share(s) 本公司股本中每股面值人民幣 1.00 元的股份，包括內資股及 H 股
Shareholder(s) 「股東」	holder(s) of the Share(s) 股份持有人
subsidiary or subsidiaries 「附屬公司」	has the meaning ascribed thereto in the Companies Ordinance (Chapter 622 of the laws of Hong Kong) 具有香港法例第 622 章《公司條例》賦予該詞的涵義
substantial shareholder(s) 「主要股東」	has the meaning ascribed thereto in the Hong Kong Listing Rules 具有香港上市規則賦予該詞的涵義
Supervisor(s) 「監事」	the members of the Supervisory Committee 監事會成員
Supervisory Committee 「監事會」	the Company's supervisory committee established pursuant to the PRC Company Law 本公司根據中國公司法設立的監事會
Tongli Enterprise 「同力實業」	Dongguan Tongli Enterprise Co., Ltd. (東莞市同力實業有限公司), a limited liability company established in the PRC on 23 June 2003 with 43% of its equity interest being held by Ms. Wang Aiqin, 29% by Ms. Wang Aici, 15% by Ms. Zhang Dandan (張丹丹) and 13% by Ms. Wang Aier (王愛兒), respectively, all of whom are members of the Wang Family, being aunts of Mr. Wang Junyang. Pursuant to a nominee arrangement among the Wang Family, (i) Ms. Wang Aici (an aunt of Mr. Wang Junyang) agreed to hold 16% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Junyang; (ii) Ms. Wang Aiqin (an aunt of Mr. Wang Junyang and the spouse of Mr. Chen Wangzhi) agreed to hold 15% and 6.5% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Junyang and Mr. Chen Wangzhi, respectively; and (iii) Ms. Wang Aiqin agreed to hold 15% of her equity interest in Tongli Enterprise on behalf of Mr. Wang Wencheng (王文成) 東莞市同力實業有限公司，一家於二零零三年六月二十三日在中國成立的有限公司，其股權分別由王愛勤女士、王愛慈女士、張丹丹女士及王愛兒女士持有 43%、29%、15% 及 13%，彼等均為王氏家族的成員及王君揚先生的姑母或姨母。根據王氏家族中的代名人安排，(i) 王愛慈女士(王君揚先生的姑母)同意代表王君揚先生持有其於同力實業 16% 權益；(ii) 王愛勤女士(王君揚先生的姑母及陳旺枝先生的配偶)同意代表王君揚先生及陳旺枝先生分別持有其於同力實業 15% 權益及 6.5% 權益；及 (iii) 王愛勤女士同意代表王文成先生持有其於同力實業 15% 權益



# Definitions

## 釋義

Wang Family	The family members of the founder of the Group, the late Mr. Wang Jincheng (王金城), including (i) his children; (ii) his siblings; (iii) the spouses of his siblings; and (iv) the children of his siblings
「王氏家族」	本集團創辦人已故王金城先生的家庭成員，包括(i) 其子女；(ii) 其兄弟姊妹；(iii) 其兄弟姊妹的配偶；及(iv) 其兄弟姊妹的子女
Xingda Property	Dongguan Xingda Property Investment Co., Ltd. (東莞市興達物業投資有限公司), a limited liability company established in the PRC on 14 December 2001 and one of the Controlling Shareholders holding approximately 8.22% interest in the Company. It is owned as to 50% each by Mr. Chen Wangzhi and Ms. Wang Aiqin. Xingda Property, Mr. Chen Wangzhi, Ms. Wang Aiqin, Mr. Wang Junyang, Ms. Wang Aici, Kanghua Group and Xingye Group are acting together as a group of Controlling Shareholders
「興達物業」	東莞市興達物業投資有限公司，一家於二零零一年十二月十四日在中國成立的有限公司及我們其中一名控股股東，持有本公司約8.22%權益，其由陳旺枝先生及王愛勤女士各擁有50%。興達物業、陳旺枝先生、王愛勤女士、王君揚先生、王愛慈女士、康華集團及興業集團作為一組控股股東一致行動
Xingye Group	Dongguan Xingye Group Co., Ltd. (東莞市興業集團有限公司), a limited liability company established in the PRC on 15 April 1997 and one of the Controlling Shareholders holding approximately 7.48% interest in the Company. It is owned as to 50% by Mr. Wang Junyang, as to 37.5% by Dongguan Kangwei Industrial Investment Co., Ltd. (東莞市康偉實業投資有限公司) and as to 12.5% by Ms. Wang Aici, respectively. Xingye Group, Mr. Wang Junyang, Ms. Wang Aici, Kanghua Group, Mr. Chen Wangzhi, Ms. Wang Aiqin and Xingda Property are acting together as a group of Controlling Shareholders
「興業集團」	東莞市興業集團有限公司，一家於一九九七年四月十五日在中國成立的有限公司及我們其中一名控股股東，持有本公司約7.48%權益，其由王君揚先生、東莞市康偉實業投資有限公司及王愛慈女士分別擁有50%、37.5%及12.5%。興業集團、王君揚先生、王愛慈女士、康華集團、陳旺枝先生、王愛勤女士及興達物業作為一組控股股東一致行動
Zhonglian Cardiovascular Hospital	Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd. (重慶康華眾聯心血管病醫院有限公司), a limited liability company established in the PRC on 10 June 2014 and a non-wholly owned subsidiary of the company
「眾聯心血管病醫院」	重慶康華眾聯心血管病醫院有限公司，一家於二零一四年六月十日在中國成立的有限責任公司及非全資附屬公司
%	percentage ratio
%	百分比比率



廣東康華醫療股份有限公司\*

Guangdong Kanghua Healthcare Co., Ltd.