

溫州康寧書院股份有限公司

Wenzhou Kan Ning Academy Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)

2 FINANCIAL HIGHLIGHTS

2.1 Principal Financial Data and Indicators

	For the six months ended June 30,	
	2020 (RMB'000) (Unaudited)	2019 (RMB'000) (Unaudited)
Revenue	465,150	378,910
Operating expenses	39,404	52,661
Operating income	(10,503)	(7,120)
Net income	28,901	45,541
Net income attributable to equity holders of the Company	36,410	52,064
Net income attributable to equity holders of the Company, excluding the impact of equity-settled share-based payment arrangements	(7,509)	(6,523)
	As at June 30, 2020 (RMB'000) (Unaudited)	As at June 30, 2019 (RMB'000) (Unaudited)
Assets	2,274,908	2,117,352
Liabilities	960,485	855,843
Equity	1,314,423	1,261,509
Attributable to equity holders of the Company	1,186,459	1,164,484
Attributable to equity holders of the Company, excluding the impact of equity-settled share-based payment arrangements	127,964	97,025

... k... 2019. A... +... -... 26.3% (... 30, 2019: 22.3%). A... 39.4%... 2019. 36.4 2019, 30.1% 26.2 2019, 13.3 4.8 k 2019 109.9%.

4 MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Financial Review

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

4.1.1 Revenue and Cost of Revenue

... : (-) ... ; (-) ... ; (-) ... k... :

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

Key Management Personnel Compensation Report for the period ended June 30, 2020, is as follows:

	For the six months ended June 30,	
	2020 (Unaudited)	2019 (Unaudited)
In Patients		
Number of inpatient admissions	6,853	5,593
Revenue from inpatient services (RMB'000)	1,240,393	1,012,333
Occupancy rate (%)	83.1	84.9
Number of inpatient bed-days	1,030,392	859,061
Revenue from inpatient services per bed-day (RMB'000)	324,990	251,945
Average inpatient length of stay (days)	315	293
Revenue from inpatient services per admission (RMB'000)	53,841	50,926
Average inpatient revenue per admission (RMB'000)	52	59
Total inpatient revenue (RMB'000)	378,831	302,871
Total average inpatient spending per bed-day (RMB)	368	353
Out Patients		
Number of outpatient visits	125,852	105,986
Revenue from outpatient services (RMB'000)	12,761	11,635
Average outpatient length of stay (days)	101	110
Revenue from outpatient services per visit (RMB'000)	47,294	45,704
Average outpatient revenue per visit (RMB'000)	376	431
Total outpatient revenue (RMB'000)	60,055	57,339
Total average outpatient spending per visit (RMB)	477	541
Total treatment and general healthcare services revenue (RMB'000)	337,751	263,580
Total pharmaceutical sales revenue (RMB'000)	101,135	96,630

378.8
25.1% 2019,
19.9%
4.2%.
86.3% (30, 2019: 84.1%).

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

28.1% 2019,
77.0% (30,
2019: 73.2%);
4.7%
2019, 23.0%
(30, 2019: 26.8%),
14.2% (30, 2019: 16.8%),
78.8% (30, 2019:
79.7%).

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

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

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

4.1.2 Gross Profit and Gross Profit Margin

2020	128.3	▼
2019	115.4	▼

39.4% (2019: 43.8%)
 k (2019: k)

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

27.6% (2019: 24.3%), 4.6% (2019: 2.7%)
 2019, 2019: 2.7%)

4.1.3 Tax and Surcharge

2020	2.0	▼
2019	0.8	▼

(2019: 0.8)

4.1.4 Selling Expenses

2020	3.7	▼
2019	4.5	▼

0.8% (2019: 1.2%)

4.1.5 Administrative Expenses

4.1.7 Finance Expenses – Net

Net finance expenses represent the difference between the interest expense and the interest income. The interest expense is calculated as the sum of the interest expense on the loans and the interest expense on the borrowings. The interest income is calculated as the sum of the interest income on the loans and the interest income on the deposits.

16.1 (2019: 10.7), an increase of 5.4% (2019: 10.7%), and
 1.0 (2019: 0.9), an increase of 11.1% (2019: 0.9%).

4.1.9 Credit Impairment Losses

Credit impairment losses were \$16.1 million (2019: \$10.7 million), or 3.5% of net income (2019: 2.8%). As at December 31, 2020 compared to December 31, 2019, credit impairment losses were \$30.3 million (2019: \$21.4 million), or 8.6% (2019: 7.1%) of net income.

4.1.10 Non-Operating Income (Expenses) and Other Gains

Non-operating income (expenses) and other gains were \$1.0 million (2019: \$0.9 million), or 0.3% (2019: 0.3%) of net income.

4.1.11 Income Tax Expense

At December 31, 2019, the Company's effective tax rate was 10.5% (December 31, 2019: 7.1%), which is primarily due to the Company's 47.5% ownership in the Company's subsidiary, which is a tax-exempt entity. The Company's effective tax rate for the year ended December 31, 2019, was 26.7% (2018: 13.5%), which is primarily due to the Company's 47.5% ownership in the Company's subsidiary, which is a tax-exempt entity.

4.2 Financial Position

4.2.1 Inventory

At December 31, 2020, the Company's inventory was 33.9 million (December 31, 2019: 23.6 million), which is primarily due to the Company's 47.5% ownership in the Company's subsidiary, which is a tax-exempt entity. The Company's inventory for the year ended December 31, 2019, was 21.0 million (2018: 21.0 million); the Company's inventory for the year ended December 31, 2019, was 2.6 million (2018: 2.6 million), which is primarily due to the Company's 47.5% ownership in the Company's subsidiary, which is a tax-exempt entity.

At December 31, 2020, the Company's inventory was 2701, 2806, 2807, 2808 million (December 31, 2019: 21.0 million); the Company's inventory for the year ended December 31, 2019, was 2.6 million (2018: 2.6 million), which is primarily due to the Company's 47.5% ownership in the Company's subsidiary, which is a tax-exempt entity.

At December 31, 2020, the Company's inventory was 33.9 million (December 31, 2019: 23.6 million), which is primarily due to the Company's 47.5% ownership in the Company's subsidiary, which is a tax-exempt entity.

At December 31, 2020, the Company's inventory was 75%

At December 31, 2020, the Company's inventory was (A) (B) 19.3

At December 31, 2020, the Company's inventory was (A) (B) 325.73

At December 31, 2020, the Company's inventory was 30, 2017

29, 2043,

462.9()24 (2/ 11/) (15) ☒

4.2.8 Contract Liability

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

4.2.9 Other Payables

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

4.3 Liquidity and Capital Resources

The following table summarizes the cash flows from operating, investing and financing activities for the six months ended June 30, 2020 and 2019:

	For the six months ended June 30,	
	2020 (RMB'000) (Unaudited)	2019 (RMB'000) (Unaudited)
Cash generated from operating activities	17,799	4,157
Cash used in investing activities	(76,436)	(75,880)
Cash generated from financing activities	94,945	(25,941)
Net change in cash and cash equivalents	36,424	(98,423)

4.3.1 Net Cash Generated from Operating Activities

Net cash generated from operating activities for the six months ended June 30, 2020 was RMB17.8 million, compared with RMB4.2 million for the six months ended June 30, 2019. The increase was primarily due to the increase in net profit for the six months ended June 30, 2020 of RMB28.9 million, partially offset by the increase in cash used in investing activities of RMB60.0 million. The increase in net profit was primarily due to the increase in net sales of RMB90.9 million, partially offset by the increase in depreciation and amortization of RMB14.5 million.

4.3.2 Net Cash Used in Investing Activities

Net cash used in investing activities for the six months ended June 30, 2020 was RMB76.4 million, compared with RMB76.1 million for the six months ended June 30, 2019. The increase was primarily due to the increase in cash used in investing activities of RMB67.1 million, partially offset by the increase in cash generated from financing activities of RMB60.0 million. The increase in cash used in investing activities was primarily due to the increase in cash used in investing activities of RMB67.1 million, partially offset by the increase in cash generated from financing activities of RMB60.0 million.

4.3.3 Net Cash Generated from Financing Activities

As at 30, 2020, net cash generated from financing activities was $\$94.9$ million, compared to $\$163.5$ million as at 31, 2019. The increase was primarily due to the issuance of $\$39.1$ million of new debt, partially offset by the repayment of $\$10.0$ million of debt.

4.3.4 Significant Investment, Acquisition and Disposal

As at 30, 2020, there were no significant investments, acquisitions or disposals.

4.4 Indebtedness

4.4.1 Bank Borrowings

As at 30, 2020, bank borrowings were $\$473.5$ million (31, 2019: $\$310.0$ million), consisting of $\$201.0$ million of secured bank borrowings and $\$272.5$ million of unsecured bank borrowings.

4.4.2 Contingent Liability

As at 30, 2020, there were no contingent liabilities.

4.4.3 Asset Pledge

As at 30, 2020, there were no assets pledged in connection with bank borrowings.

4.4.4 Lease Liabilities

As at 30, 2020, lease liabilities were $\$186.0$ million, compared to $\$24.2$ million as at 31, 2019. The increase was primarily due to the recognition of lease liabilities in connection with the adoption of the new lease accounting standard.

4.4.5 Financial Instruments

As at 30, 2020, there were no financial instruments measured at fair value.

4.4.6 Exposure to Fluctuation in Exchange Rates

As at 30 June 2020, the Group's net exposure to exchange rate fluctuations is \$1,818,529 (2019: \$1,818,529). The Group's net exposure to exchange rate fluctuations is primarily due to the Group's operations in New Zealand and the United Kingdom. The Group's net exposure to exchange rate fluctuations is primarily due to the Group's operations in New Zealand and the United Kingdom. The Group's net exposure to exchange rate fluctuations is primarily due to the Group's operations in New Zealand and the United Kingdom.

4.4.7 Gearing Ratio

As at 30 June 2020, the Group's gearing ratio (total debt divided by total debt plus equity) is 42.2% (2019: 40.4%).

4.4.8 Employees and Remuneration Policy

As at 30 June 2020, the Group has 3,136 employees (2019: 2,845). The Group's remuneration policy is designed to attract, motivate and retain the highest quality people to deliver the Group's strategy. The Group's remuneration policy is designed to attract, motivate and retain the highest quality people to deliver the Group's strategy. The Group's remuneration policy is designed to attract, motivate and retain the highest quality people to deliver the Group's strategy.

As at 30 June 2018, the Group has 2,845 employees (2017: 2,845). The Group's remuneration policy is designed to attract, motivate and retain the highest quality people to deliver the Group's strategy. The Group's remuneration policy is designed to attract, motivate and retain the highest quality people to deliver the Group's strategy. The Group's remuneration policy is designed to attract, motivate and retain the highest quality people to deliver the Group's strategy.

As at 30 June 2018, the Group has 2,845 employees (2017: 2,845). The Group's remuneration policy is designed to attract, motivate and retain the highest quality people to deliver the Group's strategy. The Group's remuneration policy is designed to attract, motivate and retain the highest quality people to deliver the Group's strategy. The Group's remuneration policy is designed to attract, motivate and retain the highest quality people to deliver the Group's strategy.

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 26, 2019, 37
 273,161 A 14
 23
 180,516 0.2391%
 (10.47).

Category of Personnel	Number of Persons granted (Person)	Number of Shares granted (Share)	Number of grant representing total issued share capital of the Company
	17	142,311	0.1885%
	6	38,204	0.0506%
	<u>23</u>	<u>180,516</u>	<u>0.2391%</u>

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5 PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

As of the reporting date, the Company has 899,700 shares of Class A ordinary shares and 1,000 shares of Class B ordinary shares outstanding. The Company has not repurchased any shares of Class A or Class B ordinary shares during the reporting period. The Company has repurchased 140,100 shares of Class A ordinary shares for a total consideration of \$15,888,990.

Repurchase Period	Total number of H Shares repurchased	Price paid per share		Total consideration (RMB \$)
		Highest (RMB \$)	Lowest (RMB \$)	
Jan 1, 2020	35,000	17.90	17.80	624,200
Apr 1, 2020	715,200	18.56	17.70	12,993,510
May 1, 2020	9,400	16.00	15.80	148,540
Jun 30, 2020	140,100	15.30	14.70	2,122,740
	899,700			15,888,990

The Company has not repurchased any shares of Class A or Class B ordinary shares during the reporting period.

The Company has not repurchased any shares of Class A or Class B ordinary shares during the reporting period.

6 EVENTS AFTER THE REPORTING PERIOD

As of the reporting date, the Company has 899,700 shares of Class A ordinary shares and 1,000 shares of Class B ordinary shares outstanding. The Company has not repurchased any shares of Class A or Class B ordinary shares during the reporting period.

7 REVIEW OF INTERIM RESULTS

As a result of the above, the Company's interim results for the period ended 30, 2020, compared to the corresponding period ended 30, 2019, are as follows:

As a result of the above, the Company's interim results for the period ended 30, 2020, compared to the corresponding period ended 30, 2019, are as follows:

8 INTERIM DIVIDEND

The Company has not declared any interim dividend for the period ended 30, 2020 (corresponding period ended 30, 2019: Nil).

9 COMPLIANCE WITH CG CODE

The Company has complied with the provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014.

10 ACCOUNTING STANDARDS

The Company has adopted the Accounting Standards notified by the Ministry of Finance, Government of India, vide Order No. 622 dated 29.12.2017, (Companies (Accounting Standards) Amendment Ordinance-2017).

11 FINANCIAL REPORT

11.1 Accounting Policies

The Company has adopted the Accounting Standards notified by the Ministry of Finance, Government of India, vide Order No. 622 dated 29.12.2017, (Companies (Accounting Standards) Amendment Ordinance-2017) (the "Ministry of Finance") dated 15, 2006.

The Company has adopted the Accounting Standards notified by the Ministry of Finance, Government of India, vide Order No. 622 dated 29.12.2017, (Companies (Accounting Standards) Amendment Ordinance-2017) (the "Ministry of Finance") dated 15, 2006.

The Company has adopted the Accounting Standards notified by the Ministry of Finance, Government of India, vide Order No. 622 dated 29.12.2017, (Companies (Accounting Standards) Amendment Ordinance-2017) (the "Ministry of Finance") dated 15, 2006.

The Company has adopted the Accounting Standards notified by the Ministry of Finance, Government of India, vide Order No. 622 dated 29.12.2017, (Companies (Accounting Standards) Amendment Ordinance-2017) (the "Ministry of Finance") dated 15, 2006.

11.2 Interim Financial Statement

As at June 30, 2020, the consolidated financial statements are unaudited.

11.2.1 Interim Consolidated Income Statement

(Amounts in thousands of Canadian dollars)

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

11.2.2 Interim Consolidated Statement of Financial Position

(Amounts in thousands of US dollars)

ASSETS	June 30, 2020 <i>(Unaudited)</i>	June 30, 2019 <i>(Audited)</i>
Current assets		
Accounts receivable	216,156,858	176,030,550
Prepaid expenses and other receivables	–	30,000,000
Accounts payable	352,645,140	310,520,612
Accrued liabilities	76,843,282	63,317,366
Accrued interest	11,516,259	5,366,020
Other assets	33,858,107	23,568,236
Other non-current assets	–	12,688,704
Total current assets	<u>691,019,646</u>	<u>621,491,488</u>
Non-current assets		
Property, plant and equipment	51,281,869	51,281,869
Intangible assets	94,068,266	89,943,193

LIABILITIES AND SHAREHOLDERS' EQUITY	June 30, 2020 (Unaudited)	31, 2019 (Audited)
Current liabilities		
Accounts payable	332,500,000	250,000,000
Accounts receivable	576,686	-
Accounts receivable - related parties	63,565,539	75,554,960
Accounts receivable - other	10,772,528	8,562,126
Accounts receivable - other related parties	23,923,352	36,063,277
Accounts receivable - other related parties	44,736,621	33,430,060
Accounts receivable - other related parties	93,516,092	133,348,712
Accounts receivable - other related parties	66,053,557	79,741,922
Total current liabilities	635,644,375	616,701,057
Non-current liabilities		
Accounts payable	100,500,000	20,000,000
Accounts receivable	186,013,332	183,808,151
Accounts receivable	580,000	2,260,000
Accounts receivable	2,000,000	2,000,000
Accounts receivable	9,797,371	9,949,267
Accounts receivable	25,949,596	21,124,118
Total non-current liabilities	324,840,299	239,141,536
Total liabilities	960,484,674	855,842,593
Shareholders' equity		
Accounts payable	75,500,000	75,500,000
Accounts receivable	826,376,743	824,715,445
Accounts receivable	(37,817,508)	(21,721,144)
Accounts receivable	33,189,321	33,189,321
Accounts receivable	289,210,662	252,800,715
Total equity attributable to shareholders of the Parent company	1,186,459,218	1,164,484,337
Accounts receivable	127,964,021	97,024,925
Total shareholders' equity	1,314,423,239	1,261,509,262
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,274,907,913	2,117,351,855

11.2.3 Interim Consolidated Statements of Cash Flow

(A. Consolidated Statement of Cash Flows for the six months ended June 30, 2020)

	For the six months ended	
	June 30, 2020 (Unaudited)	2019 (Unaudited)
1. Cash flows from operating activities		
Change in cash and cash equivalents	411,405,749	337,771,543
Change in cash equivalents	8,311,056	7,188,089
Sub-total of cash inflows	419,716,805	344,959,632
Change in cash and cash equivalents	(174,912,876)	(153,687,796)
Change in cash equivalents	(162,022,960)	(137,201,128)
Change in cash and cash equivalents	(14,474,391)	(20,832,826)
Change in cash equivalents	(50,507,831)	(29,080,692)
Sub-total of cash outflows	(401,918,058)	(340,802,442)
Net cash flows from operating activities	17,798,747	4,157,190
2. Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	30,010,000	447,095
Proceeds from disposal of investments	96,370	—
Proceeds from disposal of investments, net of disposal costs	3,870,905	—
Proceeds from disposal of investments, net of disposal costs	—	1,833,758
Proceeds from disposal of investments, net of disposal costs	—	2,555,426
Sub-total of cash inflows	33,977,275	4,836,279
Change in cash and cash equivalents	(67,075,009)	(63,099,075)
Change in cash equivalents	(15,145,000)	(13,020,000)
Change in cash and cash equivalents	(25,593,510)	(1,246,349)
Change in cash equivalents	(2,600,000)	(3,351,048)
Sub-total of cash outflows	(110,413,519)	(80,716,472)
Net cash flows used in investing activities	(76,436,244)	(75,880,193)

	For the six months ended	
	June 30,	
	2020	2019
	(Unaudited)	(Unaudited)
3. Cash flows from financing activities		
Proceeds from the issuance of long-term debt	23,361,500	4,245,000
Proceeds from the issuance of short-term debt	21,771,500	4,245,000
Proceeds from the issuance of equity	367,285,789	170,000,000
Proceeds from the sale of assets	—	—
Sub-total of cash inflows	390,647,289	174,245,000
Payments for the acquisition of property, plant and equipment	(201,900,000)	(146,000,000)
Payments for the acquisition of intangible assets	(8,241,036)	(6,647,896)
Payments for the acquisition of investments	(85,561,157)	(47,538,263)
Sub-total of cash outflows	(295,702,193)	(200,186,159)
Net cash flows generated from/(used in) financing activities	94,945,096	(25,941,159)
4. Effect of foreign exchange rate changes on cash and cash equivalents	116,743	(758,597)
5. Net increase/(decrease) in cash and cash equivalents	36,424,342	(98,422,759)
6. Cash and cash equivalents at the end of the period	201,376,292	88,643,935

11.2.4 Interim Consolidated Statement of Changes in Shareholders' Equity

(All amounts in US\$ thousands unless otherwise indicated)

	Equity attributable to shareholders of the Parent company					Non-controlling interests	Total shareholders' equity
	Share capital	Capital surplus	Less: Treasury stock	Surplus reserve	Retained earnings		
Balance at January 1, 2020	<u>75,500,000</u>	<u>824,715,445</u>	<u>(21,721,144)</u>	<u>33,189,321</u>	<u>252,800,715</u>	<u>97,024,925</u>	<u>1,261,509,262</u>
Net income	-	-	-	-	36,409,947	(7,508,712)	28,901,235
Share-based compensation	-	-	-	-	-	21,771,500	21,771,500
Dividend payments	-	3,914,851	(1,590,000)	-	-	-	2,324,851
Share repurchases	-	(2,253,553)	-	-	-	(1,709,223)	(3,962,776)
Share-based payments	-	-	(14,506,364)	-	-	-	(14,506,364)

11.3 Notes to the Interim Financial Statement Prepared in accordance with the China Accounting Standard for Business Enterprises

11.3.1 Accounts Receivable

(Amount in thousands of RMB)

	June 30, 2020 (Unaudited)	31, 2019 (Audited)
Accounts receivable	6,750,000	8,250,000
Accounts receivable - related parties	<u>384,779,056</u>	<u>330,174,215</u>
Accounts receivable - non-related parties	391,529,056	338,424,215
Less: Allowance for doubtful accounts	<u>(38,883,916)</u>	<u>(27,903,603)</u>
	<u><u>352,645,140</u></u>	<u><u>310,520,612</u></u>

The carrying amount of accounts receivable as of June 30, 2020 and June 30, 2019 is disclosed as follows:

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

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

11.3.2 Accounts Payable

(Amounts in thousands of U.S. dollars)

	June 30, 2020 (Unaudited)	June 30, 2019 (Audited)
Accounts payable	54,973,453	65,881,555
Accounts receivable	5,224,098	7,479,995
Prepaid expenses	2,277,029	1,381,101
Other receivables	578,371	506,880
Other assets	276,874	94,816
Other liabilities	235,714	210,613
	<u>63,565,539</u>	<u>75,554,960</u>

11.3.3 Revenue and Cost of Sales

(Amounts in thousands of U.S. dollars)

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

Revenue and cost of sales from main operations

(All amounts in US\$ million)

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

11.3.4 Earnings Per Share

(A) \downarrow ()

()

	For the six months ended June 30,	
	2020 (Unaudited)	2019 ()
() ^()	36,409,947	52,064,124
() ^()	<u>72,769,749</u>	<u>73,040,000</u>
()	<u>0.50</u>	<u>0.71</u>

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

30, 2020,
899,700 k,
k

()

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

11.3.5 Income Tax Expense

(A. ~~11.3.5~~ ~~Income Tax Expense~~)

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

The income tax expense for the six months ended June 30, 2020, is primarily due to the recognition of the current period's tax liability on the company's taxable income. The income tax expense for the six months ended June 30, 2019, is primarily due to the recognition of the current period's tax liability on the company's taxable income.

	For the six months ended	
	June 30,	
	2020	2019
	(Unaudited)	(Unaudited)
Income tax expense	39,403,983	52,661,149
Income tax expense	9,850,996	13,165,287
Income tax expense	579,650	1,158,271
Income tax expense	121,674	119,184
Income tax expense	(490,212)	(431,227)
Income tax expense	-	(318,561)
Income tax expense	440,640	51,944
Income tax expense	-	(6,624,980)
	<u>10,502,748</u>	<u>7,119,918</u>

11.3.6 Dividends

~~11.3.6~~ ~~Dividends~~ 30, 2020, ~~0 1~~ .7

2017年12月22日，本公司与淮南康宁医院有限公司（淮南康宁医院有限公司），
 签订了《股权转让协议》，约定本公司将其持有的淮南康宁医院有限公司100%的股权
 转让给淮南康宁医院有限公司，转让价格为人民币1,000.00万元。该股权转让已于
 2017年12月22日完成工商变更登记手续。

2015年2月2日，本公司与廊坊怡宁医院有限公司（廊坊怡宁医院有限公司），
 签订了《股权转让协议》，约定本公司将其持有的廊坊怡宁医院有限公司100%的股权
 转让给廊坊怡宁医院有限公司，转让价格为人民币1,000.00万元。该股权转让已于
 2015年2月2日完成工商变更登记手续。

2016年12月12日，本公司与台州市路桥慈宁医院有限公司（台州市路桥怡宁医院有限公司），
 签订了《股权转让协议》，约定本公司将其持有的台州市路桥慈宁医院有限公司100%的
 股权转让给台州市路桥怡宁医院有限公司，转让价格为人民币1,000.00万元。该股
 权转让已于2016年12月12日完成工商变更登记手续。

2011年1月1日，本公司与青田康宁医院有限公司（青田康宁医院有限公司），
 签订了《股权转让协议》，约定本公司将其持有的青田康宁医院有限公司100%的股
 权转让给青田康宁医院有限公司，转让价格为人民币1,000.00万元。该股权转让已
 于2011年1月1日完成工商变更登记手续。

2015年10月20日，本公司与衢州怡宁医院有限公司（衢州怡宁医院有限公司），
 签订了《股权转让协议》，约定本公司将其持有的衢州怡宁医院有限公司100%的股
 权转让给衢州怡宁医院有限公司，转让价格为人民币1,000.00万元。该股权转让已
 于2015年10月20日完成工商变更登记手续。

