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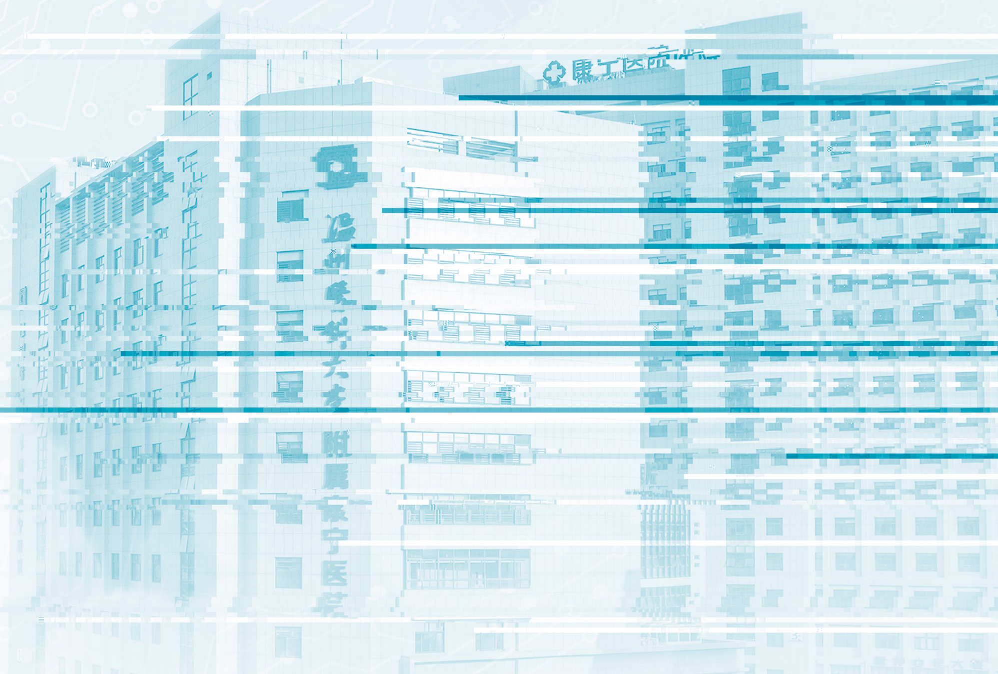

Corporate Information

Board of Directors [illegible]

Executive Directors

- [illegible]
- [illegible]
- [illegible]

Non-executive Directors

- [illegible]
- [illegible]

Independent Non-executive Directors

- [illegible] 18, [illegible]
- [illegible] 18, [illegible]
- [illegible] 18, [illegible]
- [illegible] 18, [illegible]
- [illegible] 18, [illegible]
- [illegible] 18, [illegible]

Audit Committee

- [illegible]
- [illegible]
- [illegible]

Nomination Committee

- [illegible]
- [illegible]
- [illegible]

Remuneration Committee

- [illegible]
- [illegible]
- [illegible]

Strategy and Risk Management Committee

- [illegible]
- [illegible]
- [illegible]

Supervisory Committee

- [illegible]
- [illegible]
- [illegible]
- [illegible]
- [illegible]

Joint Company Secretaries

- [illegible]
- [illegible]

Authorized Representatives

- [illegible]
- [illegible]

Auditor

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Note:

[illegible]

Corporate Information

Principal Place of Business in Hong Kong

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai
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

2120

Company's Website

www.knhosp.cn

Investor Relations

Telephone: (86) 577 8877 168[illegible]
Fax: (86) 577 8878[illegible] 117
Email: ir@knhosp.cn

Financial Highlights

Principal Financial Data and Indicators

	For the year ended December 31,				
	2020	2019	2018	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,031,284	[illegible]	[illegible]	666,436	[illegible]
Profit before income tax	87,904	55,523	[illegible]	[illegible]	[illegible]
Income tax expense	(28,949)	[illegible]	[illegible]	[illegible]	(26,588)
Net profit	58,955	38,228	[illegible]	47,836	65,551
Net profit attributable to					
Shareholders of the Company	70,000	[illegible]	[illegible]	[illegible]	68,832
Non-controlling interests	(11,045)	[illegible]	(5,627)	(1,235)	(3,281)

	As of December 31,				
	2020	2019	2018	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	2,248,947	2,117,352	[illegible]	[illegible]	[illegible]
Total liabilities	934,523	855,843	635,451	[illegible]	[illegible]
Total equity	1,314,424	[illegible]	[illegible]	[illegible]	[illegible]
Equity attributable to					
Shareholders of the Company	1,211,846	1,164,484	[illegible]	[illegible]	[illegible]
Non-controlling interests	102,578	[illegible]	84,278	58,662	[illegible]

Chairman's Statement

[illegible],

[illegible] (the COVID-19 epidemic), [illegible]

Management Discussion and Analysis

[illegible]

Psychiatric Specialized Medical Service Industry in China

[illegible]

[illegible]

[illegible] 17, [illegible] (《關於完善「互聯網+」醫療服務價格和醫保支付政策的指導意見》), [illegible] Feb [illegible] 17, [illegible] (《關於加強新冠肺炎疫情期間嚴重精神障礙患者治療管理工作的通知》) (Fe[illegible] [illegible]). [illegible]

Management Discussion and Analysis

[illegible]

Business Review

[illegible]

[illegible]

Management Discussion and Analysis

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Management Discussion and Analysis

(iii) [illegible]

Management Discussion and Analysis

[illegible]

[illegible]

	For the year ended December 31,	
	2020	[illegible]
	(RMB'000)	[illegible]
Treatment and general healthcare services		
[illegible]	755,879	587,874
[illegible]	506,496	441,786
[illegible]	249,383	[illegible]
Pharmaceutical sales		
[illegible]	222,587	[illegible]
[illegible]	194,544	[illegible]
[illegible]	28,043	[illegible]
Owned hospitals		
[illegible]	978,466	[illegible]
[illegible]	701,040	616,184
[illegible]	277,426	[illegible]

[illegible]

Management Discussion and Analysis

[illegible]

[illegible]

[illegible]

	For the year ended December 31,	
	2020	[illegible]
	(RMB'000)	[illegible]
[illegible]	247,235	222,516
[illegible]	240,185	[illegible]
[illegible]	31,203	[illegible]
[illegible]	75,906	[illegible]
[illegible]	42,653	[illegible]
[illegible]	24,081	17,325
[illegible]	39,777	41,216
Cost of revenue of owned hospitals	701,040	616,184

[illegible]

Management Discussion and Analysis

F[illegible] 35.3% ([illegible]: 36.1%). [illegible] 34.3% ([illegible]: 33.5%). [illegible] 15.3% ([illegible]: 15[illegible]%). [illegible].

[illegible]

[illegible] B38.1 [illegible] B16.8 [illegible] ([illegible]: B[illegible]1.7 [illegible]); [illegible] B1[illegible] [illegible].

[illegible]

[illegible] B14.7 [illegible] ([illegible]: B3[illegible].7 [illegible]), [illegible] B3[illegible] [illegible] ([illegible]: B3[illegible].6 [illegible]).

Gross Profit and Gross Profit Margin

[illegible] B[illegible].6 [illegible] 48[illegible]% [illegible] B[illegible]77.4 [illegible] 56.5% [illegible]:

	For the year ended December 31,	
	2020	[illegible]
[illegible]	33.0%	[illegible]%
[illegible]	12.6%	15.[illegible]%
Owned hospitals businesses	28.4%	[illegible].3%
[illegible]	47.6%	[illegible].5%
Consolidated gross profit margin	29.3%	[illegible]3.8%

[illegible] .3% ([illegible]: [illegible]3.8%), [illegible] 8.1 [illegible] [illegible].6 [illegible].

Management Discussion and Analysis

Tax and Surcharge

[illegible] B5.4[illegible] ([illegible]: B5.2[illegible]).

Management Discussion and Analysis

Finance Expenses – Net

[illegible]

Management Discussion and Analysis

Gains from Change in Fair Value

[illegible]

Credit Impairment Losses

[illegible]

Asset Impairment Losses

[illegible]

Non-Operating Income (Expenses)

[illegible]

	For the year ended December 31,	
	2020	[illegible]
	(RMB'000)	[illegible]
[illegible]	–	[illegible]
[illegible]	59	[illegible]
[illegible]	850	[illegible]
Non-operating income	909	[illegible]
[illegible]	436	[illegible]
[illegible]	8,537	[illegible]
[illegible]	1,928	3,486
Non-operating expenses	10,902	[illegible]

[illegible]

Management Discussion and Analysis

Income Tax Expense

During the reporting period, income tax expense increased to RMB28.[illegible] million ([illegible]: RMB17.3 million), representing an increase of 67.4% as compared with [illegible]. As for the years of [illegible] and [illegible], our effective tax rate were 3[illegible]% and 31.1%, respectively.

Financial Position

Inventory

As of December 31, [illegible], the inventory balance amounted to RMB37.5 million (as of December 31, [illegible]: RMB[illegible]3.6 million),

Management Discussion and Analysis

Investment Properties

[illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	75%
[illegible]	[illegible].41
[illegible]	

Management Discussion and Analysis

Accounts Payables

As of December 31, [illegible], accounts payables decreased to RMB6[illegible].6 million (as of December 31, [illegible]: RMB75.6 million).

Contract Liability

As of December 31, [illegible], contract liability increased to RMB13[illegible] million (as of December 31, [illegible]: RMB8.6 million).

Other Payables

As of December 31, [illegible], other payables decreased to RMB76.6 million (as of December 31, [illegible]: RMB133.3 million).

[illegible]

[illegible]

	For the year ended December 31,	
	2020	[illegible]
	(RMB'000)	([illegible]'000)
[illegible]	199,656	111,[illegible]0
[illegible]	(186,320)	(1[illegible],531)
[illegible]	22,052	7,76[illegible]
[illegible]	35,141	([illegible],115)

Net Cash Generated from Operating Activities

[illegible] RMB[illegible].7 million, [illegible] RMB[illegible]0 million, [illegible] RMB31.1 million [illegible] RMB1[illegible]3.8 million [illegible] RMB44.5 million. [illegible] RMB[illegible]1.3 million [illegible].

Net Cash Used in Investing Activities

[illegible] RMB186.3 million, [illegible] RMB188[illegible] million [illegible] 0 [illegible]0 0[illegible] 1 0 -1.556 [illegible]

Management Discussion and Analysis

Net Cash Generated from Financing Activities

[illegible]

Significant Investment, Acquisition and Disposal

[illegible]

[illegible]

Bank Borrowings

[illegible]

Contingent Liability

[illegible]

Asset Pledge

[illegible]

Lease Liabilities

[illegible]

Financial Instruments

[illegible]

Exposure to Fluctuation in Exchange Rates

[illegible]

Management Discussion and Analysis

A[illegible] of [illegible] be 31, [illegible] [illegible]

Gearing Ratio

A[illegible] of [illegible] be 31, [illegible] 41.6% [illegible] of [illegible] be 31, [illegible] .4%) [illegible]

Employees and Remuneration Policy

A[illegible] of [illegible] be 31, [illegible] 3,338 [illegible] (a[illegible] of [illegible] be 31, [illegible] 2,845 [illegible] B33[illegible] .0 [illegible] B288.7 [illegible] B[illegible] 5.6 [illegible]

[illegible] 18 [illegible] Equity Incentive Scheme [illegible] 17 [illegible] 13, [illegible] 18 [illegible] 2017 AGM [illegible] 18 [illegible] 18.

Af[illegible] 17 A[illegible] 8 [illegible] Boa[illegible] 18, [illegible] 165 [illegible] 1,818,5[illegible] S[illegible]

Af[illegible] 15 [illegible] Boa[illegible] A[illegible] 26, [illegible] 37 [illegible] 273,161 S[illegible] 14 [illegible] 23 [illegible] 10[illegible] ,516 S[illegible] 0 .2[illegible] 1% [illegible] B[illegible] .47 [illegible] S[illegible]).

e Boa i pe a e o p e e i a epo e a i e co oi a e a d a a e of e o p fo e ea e ecc be 31, .

Pdpa Aci i ie

e p dpa aci i ie of e o p a e o pe a e o of ea ca e fadi i e a p ai foc o p o i p c i a ic ped a ca e ac o aio e io a e a of e p dpa aci i ie of e p dpa bi ia ie of e o pa a e e o o e o e F a d a S a e e e e o e ii e e e bi ia ie S c e of e o p of i a epo .

e ci p io of e e aio i p be e e o p a i p o ee , cie pp ie a e e o a a e i c io A a i E p o ee e e aio oic epo of e Boa ajo e S ppie of i a epo , e peci e .

B e e ie

e b e e ie e o pi e o e a a e i c io A a i of i a epo . e f e e e o of e o p e ajo i ce ie a e o p a be e p o e o a e e o e a a e i c io A a i B e oo of i a epo .

F a d a (i i e

e o pe a e a of a e i a i ii e of e o p fo e ea e ecc be 31, a e e o e F a d a (i i of i a epo . e o p' a d a e fo e ea e ecc be 31, a e e o e co oi a e a e of co p e e i e co e of i a epo .

e o e aio

! ea e efe o e ecio ea e o po a e o e ce epo icaio i S a e o e e o e aio of i a epo .

E i o e a ! oide

e o pi co do of i e i o e a p o ecio obi aio aci e ee o p e eco-f ie ec o o ie o io e e fea ib e. i e pec o e ica a e a a e , e o p a a e aii e i pa ie o a e p o pe i po a fo a of i ea ca e fadi ie acco ce i applica b e a e aio . o e applica b e a e aio a e o a e i a pac o e b e o pe aio of e o p. e a of e e i o e a poide of e o pa a e e o e E i o e a , Soci a o e ce epo e pe e p bi e b e o pa e co e, ic ca be acce e o o a e a e ebi e of e o pa e (o o S oc E c a e.

Report of the Board

[illegible]

[illegible]

[illegible] (《中華人民共和國精神衛生法》), [illegible] (《中華人民共和國基本醫療衛生與健康促進法》) [illegible] 1, [illegible]), [illegible] (《醫療機構管理條例》) [illegible] (《醫療機構管理條例實施細則》).

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] 31, [illegible]

[illegible]

[illegible] 15. [illegible] 3.[illegible] B58.7 [illegible] 17 [illegible] 23, [illegible] 18, [illegible] 15 [illegible]

Report of the Board

(《中華人民共和國企業所得稅法》)

Report of the Board

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Report of the Board

[illegible]

[illegible] 31, [illegible]

[illegible]

[illegible] 31, [illegible]

[illegible]

[illegible] 31, [illegible] B8.5 [illegible]

[illegible]

[illegible] 31, [illegible]

[illegible]

[illegible]

Executive Directors

- [illegible]
- [illegible]
- [illegible]

Report of the Board

Fo b ... December 31, ...

... December 31, ...

Report of the Board

Report of the Board

Name of Directors	Class of Shares	Nature of Interest	Number of Shares	Total Number of Shares	Approximate Percentage in Shares of the Same Class[1]	Approximate Percentage of the Company's Total Issued Share Capital[1]
. A di	e ic S a e	Be e icia o e	18,30 ,20 (L)	22,144,70 (L)	0 7%	.68%
		e e o o e	3,7 4,00 (L)[2]			
. A i a e	e ic S a e	Be e icia o e	3,7 4,00 (L)	22,144,70 (L)	0 7%	.68%
		e e o o e	18,30 ,20 (L)[2]			
. A o e	e ic S a e	Be e icia o e	3, 84,30 (L)	5,527,30 (L)	00 %	7.41%
		e e a co o e co o a io	1,543,000 (L)[3]			
	S a e	Be e icia o e	0, 000 (L)	0, 000 (L)	1.0 %	0 .41%

o e :

(L): o io

(1) e a e o e ce a e a e ca c a e o e ba i of 55,20 ,000 e ic S a e a 1 ,30 ,000 S a e (a e a e of 74,60 ,00 S a e) i e b e o a a ece be 31, 20 .

(2) . A di i e o e of . A i a e a e e o e, . A di i ee e o be i e e e e ic S a e e b . A i a e, a . A i a ei ee e o be i e e e e e ic S a e e b . A di i b i e of a of e SF .

(3) . A o ei e e e a a e of bo i a e a a a . (Xinshi Kangning), ic i a i e a e i , a o a o a e 34.57% i i a . e efo e, b i e of a of e SF , . A o ei ee e o be i e e e a e ic S a e e b i a e a .

Sa e a i co e abo e, a a ece be 31, 2020, o e o e e of e Boa , o e of e i ec o , e S e i o o c ief e ec i e of e o a a a e o o o io i e S a e , e i S a e a ebe e of e o a o a of i a od a e co o a io (i e ea i of a of e SF) ic e e e i e o be: (i) o ifie o e o a a e o o S oc E c a e a o i i io 7 a 8 of a of e SF (c i e e a o o io ic e i ec o , e S e i o a c ief e ec i e of e o a e e a e o ee e o a e e c o i io of e SF); (ii) o eco e e e i e e b e o a a o Sec io 352 of e SF ; o (iii) o ifie o e o a a e o o S oc E c a e o e o e o e.

Report of the Board

Interests of Substantial Shareholders

As at December 31, 2022, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons/entities (other than the Directors, the Supervisors or chief executive of the Company) had an interest or short position which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or to be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name	Class of Shares	Nature of Interest	Number of Shares	Approximate Percentage in Shares of the Same Class(1)	Approximate Percentage of the Company's Total Issued Share Capital(1)
Guangzhou Defu Equity Investment Fund L.P. (Defu Fund) (廣州德福股權投資基金合夥企業(有限合夥)(「德福基金」))	Domestic Shares	Beneficial owner	15,384,541(L)	27.84%	2[illegible].62%

Report of the Board

Name	Class of Shares	Nature of Interest	Number of Shares	Approximate Percentage in Shares of the Same Class(1)	Approximate Percentage of the Company's Total Issued Share Capital(1)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	1,454,000 [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	11.1[illegible]%	[illegible].88%
[illegible]	[illegible]	Beneficial owner	[illegible]	6.6[illegible]%	1.7[illegible]%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible].84%
[illegible]	[illegible]	Beneficial owner	[illegible]	5.44%	1.41%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible].86%	5.41%

[illegible]:

(L): [illegible]

(1) [illegible] 55,[illegible] [illegible] 74,[illegible] [illegible] 31, [illegible].

([illegible]) [illegible]

(3) [illegible] 5[illegible].45% [illegible]

(4) [illegible]

(5) [illegible]

[illegible]

Report of the Board

(7) [illegible] (上海盛歌投資管理有限公司) [illegible] (上海乾剛投資管理合夥企業(有限合夥)) [illegible] (上海檀英投資合夥企業(有限合夥)). [illegible] (上海盛歌投資管理有限公司) [illegible] (上海乾剛投資管理合夥企業(有限合夥)) [illegible] (上海檀英投資合夥企業(有限合夥)) [illegible].

(8) [illegible] 青島金石灝汭投資有限公司) [illegible] (金石投資有限公司). [illegible] (金石投資有限公司) [illegible] (青島金石灝汭投資有限公司) [illegible] of [illegible] SF [illegible].

[illegible] 31, [illegible] Section 336 of [illegible] SF [illegible].

[illegible]

[illegible] 18 [illegible]

[illegible]

[illegible] 14A of [illegible]

Report of the Board

[illegible] Sec[illegible]

[illegible] $15,888[illegible] [illegible]

Repurchase period	Total number of H Shares repurchased (S[illegible]e)	Price paid per share Highest ([illegible]$)	Price paid per share Lowest ([illegible]$)	Total consideration ([illegible]$)
[illegible]	35[illegible]00	17[illegible]0	17.[illegible]	6[illegible]4,[illegible]0
Ap[illegible]	715,[illegible]0	18.56	17.[illegible]	1[illegible] 3,5[illegible]
[illegible]	[illegible],[illegible]0	16[illegible]0	15.[illegible]	148,5[illegible]
[illegible]	1[illegible],[illegible]0	15.[illegible]	14.[illegible]	[illegible],1[illegible],7[illegible]
	[illegible],[illegible]0			15,888[illegible]0

[illegible] 13,[illegible].

[illegible]

[illegible]

[illegible]

B[illegible] Bo[illegible]

[illegible] 31,[illegible] [illegible] 4 [illegible] ([illegible]26) [illegible]

[illegible] A[illegible]

[illegible] 31,[illegible] [illegible] 4 [illegible] ([illegible]26) [illegible]

Report of the Board

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

For determining the entitlement to attend and vote at the AGM

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Report of the Board

A[illegible]o

[illegible] 31, [illegible] be[illegible] b[illegible]ce [illegible] oo[illegible]e [illegible]

[illegible]

Fo[illegible] be[illegible] of [illegible] e Bo[illegible]
GUAN Weili
[illegible]

[illegible]
A[illegible] 16, [illegible]1

Report of the Supervisory Committee

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

SUN Fangjun

[illegible]

[illegible]

Corporate Governance Report

[illegible]

[illegible] Board

Board Composition

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Corporate Governance Report

Corporate Governance Report

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Corporate Governance Report

[illegible]

[illegible]

Corporate Governance Report

Acco[illegible] S[illegible]

[illegible] Acco[illegible] S[illegible] [illegible] 17, [illegible] 6[illegible] [illegible].

A [illegible] ES

Accounting Policies

[illegible] Acco[illegible] S[illegible] B[illegible] S[illegible], [illegible] Feb[illegible] 15, [illegible] 6 [illegible] the Accounting Standards for Business Enterprises [illegible] CAS [illegible]).

[illegible] co[illegible] ce[illegible] b[illegible].

[illegible] 3, [illegible] 14. [illegible].

Changes of Significant Accounting Policies

[illegible]

A[illegible] Bo[illegible] ee[illegible]

[illegible] Bo[illegible] ee[illegible] A.1.1 [illegible] A.1.3 [illegible].

Corporate Governance Report

[illegible] the Board meetings [illegible] Directors [illegible] Board meetings [illegible]

Name of Directors	Number of Board meetings convened/attended
Executive Directors	
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
Non-executive Directors	
[illegible]	[illegible]
[illegible]	[illegible]
Independent Non-executive Directors	
[illegible] (…e 18, [illegible])	5/5
[illegible] (…e 18, [illegible])	5/5
[illegible] (…e 18, [illegible])	5/5
[illegible] (…e 18, [illegible])	5/4
[illegible] (…e 18, [illegible])	5/5
[illegible] (…e 18, [illegible])	5/5

A [illegible] information [illegible] before [illegible] [illegible]

[illegible] Board [illegible] reference [illegible] Board meetings [illegible] Board [illegible] Board meetings [illegible] Board meetings [illegible]

Corporate Governance Report

[illegible]

Name of Directors	Number of general meetings convened/attended
Executive Directors	
[illegible]	2/2
[illegible]	2/2
[illegible]	2/2
Non-executive Directors	
[illegible]	2/2
[illegible]	2/2
Independent Non-executive Directors	
[illegible] 18, [illegible])	2/2
[illegible] 18, [illegible])	2/2
[illegible] 18, [illegible])	2/2
[illegible] 18, [illegible])	0/0
[illegible] 18, [illegible])	0/0
[illegible] 18, [illegible])	0/0

[illegible]

[illegible]

[illegible]

[illegible]

Corporate Governance Report

[illegible]

[illegible]

Directors	Number of meetings convened/ attended
[illegible] (appointed on [illegible] 18, [illegible])	3/3
[illegible] (appointed on [illegible] 18, [illegible])	3/3
[illegible] (appointed on [illegible] 18, [illegible])	3/3
[illegible] (resigned on [illegible] 18, [illegible])	3/3
[illegible] (resigned on [illegible] 18, [illegible])	3/3
[illegible] (resigned on [illegible] 18, [illegible])	3/3

[illegible]

[illegible]

[illegible]

[illegible]

Corporate Governance Report

[illegible]

Directors	Number of meetings convened/attended
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	1/1
[illegible]	1/1
[illegible]	1/1

[illegible]

Corporate Governance Report

[illegible]

Directors	Number of meetings convened/attended
[illegible]	1/1
[illegible] 18, [illegible]	0/0
[illegible] 18, [illegible]	0/0
[illegible] 18, [illegible]	1/1
[illegible] 18, [illegible]	1/1

[illegible]

[illegible]

The Current Composition of the Board

Age	Gender	Years of service as Director
31 [illegible] (3 [illegible])	Fe[illegible]e (37.5%)	1 [illegible] 5 [illegible] (4 [illegible])
51 [illegible] (4 [illegible])		
61 [illegible] (1 [illegible])	[illegible]e (62.5%)	6 [illegible] (4 [illegible])

[illegible]

[illegible]

(a) [illegible]

(b) [illegible]

(c) [illegible]

(d) [illegible]

(e) [illegible]

Corporate Governance Report

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Corporate Governance Report

[illegible]

[illegible]

[illegible]

[illegible]

Remuneration band (RMB)	Number of individuals
0-500,000	4
500,001-1,000,000	2

[illegible]

[illegible]

[illegible]	[illegible]
[illegible]	[illegible]

Corporate Governance Report

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Procedures for Shareholder(s) to Convene an Extraordinary General Meeting (“EGM”)

[illegible]

[illegible]

Corporate Governance Report

[illegible]

[illegible]

[illegible]

[illegible]

Corporate Governance Report

Procedures for Directing Shareholders' Enquiries to the Board

S a e o e a a e e i ie co ce o e Boa i o e ec e a o e Boa .
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ei i a i ic
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e
Fa : (86) 577 8878 117
E ai :i @ o p.c

S a e o e a a o a ee ii e i e Boa a e e e a ee of e p .

e o i io a oc e

e epo i e io , e A ice a e e ice.

e p opo a a co i e e appo e a e i e ao a e e a ee b a of a ped a e o io a c , . Acco o e ee e i of ep f o e S a e o d a e e a o App icabe e i A j of oice e io of e a ee co e e b e e a i e p ie (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》) i e b e S a e o d c obe 17, (o o. 7), a o acco e ac a co io of e p , e Boa co i e e appo e , o e , e p opo a e aio o o e A ice . e e i e A ice bec e effeci e f a c , , a bee p bi e e ebi e of e o Soc E c a e e p . Fo e ai , p e a e efe o e p ' o ce e a e a , a c , .

e p opo a a co i e e appo e a e eco ee of e i e io of e Boa of e p , . e p opo e e e a a e o e Boa o a i a ep c a e S a e a co i e e appo e a e i e ao a e e a ee fo e ea , e i e ic S a e o e ' a ee fo e ea e i S a e o e ' a ee fo e ea of e p b a of a ped a e o io a c , . e Boa co p e e e pa i a ep c a e a ce aio of S a e i e cope of a o i , a e e e A ice acco . e e i e A ice bec e effeci e f , , a bee p bi e o e ebi e of e o Soc E c a e e p . Fo e ai , p e a e efe o e p ' o ce e a e a , a c , .

Corporate Governance Report

(1)

(2)

(3)

Directors

Executive Directors

(管偉立 [illegible]

[illegible] Feb [illegible] 6 [illegible]

[illegible] 溫州市精神病院 [illegible] 87 [illegible] 3, [illegible] (溫州醫科大學) [illegible] (溫州醫學院 [illegible]

] È 9 [+ …

[illegible]

Ms. WANG Lianyue (王蓮月), [illegible] 5[illegible] [illegible]

[illegible] 11 [illegible] 13. [illegible]

[illegible] 溫州市精神病院), [illegible]

] È < Å } ª] È < ª ë))

[illegible] 4 [illegible] (中共溫州市委黨校) [illegible] (西安交通大學網絡教育學院), [illegible] 7. [illegible] 中歐國際工商學院 [illegible] (二級心理諮詢師) [illegible] (人力資源和社會保障部) [illegible] 4. [illegible]

Directors, Supervisors and Senior Management

Ms. WANG Hongyue (王紅月), aged 48, [illegible] office. [illegible] 6 [illegible] 1996 [illegible] 2000. [illegible] April 2013 [illegible] September 2014. [illegible] September 2011 [illegible] April 2013. [illegible] 4 [illegible] 5, [illegible] (溫州市龍灣區康寧醫藥批發公司), [illegible] (西安交通大學網絡教育學院), [illegible] 2007. [illegible] Economic [illegible] EMBA [illegible] 2017. [illegible]

Non-executive Directors

Mr. YANG Yang (楊揚), aged 65, [illegible] April 2015 [illegible] (德福資本投資香港有限公司), [illegible] 1988 [illegible] December 200[illegible], [illegible] (長立實業有限公司), [illegible] (中國人民解放軍海軍學院) [illegible] 1982, [illegible].

Directors, Supervisors and Senior Management

Mr. LIN Lijun (林利軍), a[illegible] 48, [illegible] 17 [illegible] 16, [illegible] (銀科投資控股有限公司), [illegible] 16, [illegible] (國際天食集團有限公司), [illegible] 3666. [illegible]

Directors, Supervisors and Senior Management

[illegible] Since April 2014, [illegible] Since [illegible] Since September 2014, [illegible] Since [illegible] 1983 [illegible] 1988 [illegible]

Ms. ZHONG Wentang (鐘文堂), aged 32, [illegible] (上海信公企業管理諮詢有限公司) since February [illegible] From February 2016 to February [illegible] From October 2012 to February 2016, [illegible] in 2012.

Mr. LIU Ning (劉寧), aged [illegible] (stock code: 300253.SZ) [illegible] since April 2004 [illegible] Since February 2018, [illegible] (快享醫療科技(上海)有限公司) [illegible] Since 2018, [illegible] Beijing [illegible] (北京衛寧健康科技有限公司) [illegible] Since October [illegible] (上海衛心科技有限公司) [illegible] From April 1991 to April 2004, [illegible] (上海金仕達衛寧醫療信息技術有限公司) [illegible] 1985 [illegible] 1988 [illegible] (上海市工程系列高新技術成果轉化類高級專業技術職務任職資格評審委員會) in 2000.

Directors, Supervisors and Senior Management

S[illegible]

Mr. SUN Fangjun (孫方俊), [illegible] of the Supervisory Committee. [illegible] joined the Company in [illegible] 2011 [illegible] September 2014. [illegible] September 2014 [illegible] (溫州市鹿城區衛生局) [illegible] (溫州市紅旗醫院) [illegible] 1988 [illegible] (溫州市第八人民醫院) [illegible] (黑龍江省雞西衛校) [illegible] 1974 [illegible] (溫州市人事局) [illegible]

Ms. HUANG Jingou (黃靖歐), [illegible] 2013 [illegible] September 2014 [illegible] 2011 [illegible] (德福資本) [illegible] 2011 [illegible] (美國中華醫學基金會) [illegible] (胡關李羅律師行) [illegible] (中山大學) [illegible]

Directors, Supervisors and Senior Management

Mr. CHEN Jian (陳建), [illegible] 35, [illegible] (浙江省華福慈善基金) [illegible] Feb [illegible] 16, [illegible] (九果投資管理（上海）有限公司) [illegible] (尚妍堂科技（上海）股份有限公司) [illegible] 15. [illegible] (果創企業管理（上海）有限公司) [illegible] 15. [illegible] (溫州大學甌江學院) [illegible]

Mr. QIAN Chengliang (錢成良), [illegible] 68, [illegible] 17 [illegible] 12, [illegible] (溫州市人大常委會). [illegible] Feb [illegible] 3 [illegible] 7, [illegible] 3, [illegible] (麗水市委常委). [illegible] 5 [illegible] 6, [illegible]

Mr. XIE Tiefan (謝鐵凡), [illegible] 41, [illegible] 14, [illegible] 14 [illegible] (中央廣播電視大學) [illegible] 4. [illegible] (江西省井岡山大學) [illegible] 16. [illegible] (溫州市人事局) [illegible] 7.

Directors, Supervisors and Senior Management

SE[illegible] A[illegible] A[illegible] E[illegible] E[illegible]

Mr. ZHOU Chaoyi (周朝毅), [illegible] 5[illegible] [illegible] Feb[illegible] 2005 [illegible] Sep[illegible] 2014 [illegible] 15 [illegible] 2004 [illegible] (溫州心血管醫院) [illegible] 1990 [illegible] 1995 [illegible] (科長) [illegible] (溫州市中醫院) [illegible] 1986 [illegible] 1990 [illegible] (溫州市氣功療養院) [illegible] (高級研修班) [illegible] 2014. [illegible] (溫州市衛生局) [illegible] 1998 [illegible] (浙江省衛生廳) [illegible] 2000 [illegible] 2015.

Mr. YE Minjie (葉敏捷), [illegible] 47, [illegible] 2013 [illegible] Sep[illegible] 2014 [illegible] 1994 [illegible] 2013, [illegible] (科長) [illegible] (溫州市精神病院), [illegible] (新鄉醫學院) [illegible] 2007. [illegible] (浙江省人力資源和社會保障廳) [illegible] 2014.

Mr. XU Yi (徐誼), [illegible] 46, [illegible] 2012 [illegible] (科長) [illegible] 2012 [illegible] 2009, [illegible] April 2009 [illegible] Sep[illegible] 2014, [illegible] Sep[illegible] 2014 [illegible] April 1999 [illegible] Sep[illegible] 2012, [illegible] (中共溫州市委黨校), [illegible] Beijing [illegible] Economic [illegible] (北京經濟管理職業學院) [illegible] 2005. [illegible]

Directors, Supervisors and Senior Management

Ms. ZHANG Feixue (章飛雪), [illegible] 51, [illegible] ice [illegible] e. S [illegible] e [illegible] ibe fo e ope [illegible] of e [illegible] Feb [illegible] 4 [illegible] e of e [illegible] Feb [illegible] 4 o c obe [illegible] o Se [illegible] be [illegible] c obe [illegible] o [illegible] c [illegible] 15, [illegible] e ice [illegible] of e [illegible] ibe fo [illegible] 15. [illegible] (樂清市第五人民醫院) [illegible] c obe [illegible] 5 o [illegible] 4, [illegible] 3 o Se [illegible] be [illegible] 5, [illegible] Bei [illegible] (北京中醫藥大學) [illegible] 5. [illegible] (浙江大學現代衛生管理高級研修班) [illegible] be [illegible] 14. [illegible] (浙江師範大學) [illegible] 17. S e [illegible] Soci [illegible] Sec [illegible] B e [illegible] (浙江省人力資源和社會保障廳) [illegible] be [illegible] 13.

Mr. WANG Jian (王健), [illegible] 36, [illegible] ice [illegible] e ec e [illegible] Bo [illegible] 14 [illegible] Se [illegible] be [illegible] 14 [illegible] 17. [illegible] 14, [illegible] be (科員) [illegible] be (副主任科員) [illegible] S [illegible] B e [illegible] (中國證監會廈門監管局) [illegible] Feb [illegible] 8 o [illegible] E [illegible] (安永華明會計師事務所(特殊普通合夥)), [illegible] A [illegible] 5 o Feb [illegible] 8, [illegible] A [illegible] Sc oo of [illegible] (北京大學光華管理學院) [illegible] Bei [illegible] 5, [illegible] (註冊會計師非執業會員) [illegible] Acco [illegible] A [illegible] 14.

Directors, Supervisors and Senior Management

Mr. JIN Weiguang (金偉光), aged 54, is our vice general manager. He is primarily responsible for the Company's [illegible] management. Mr. JIN joined the Company in March 2015 and served as the vice general manager of [illegible] Hospital from March 2015 to March 2017, where he was primarily responsible for operation and [illegible]. Mr. JIN has been the executive director of the Company since March 2017 and was appointed as the vice general manager of the Company in November 2018. Prior to joining the Company, from August 1987 to April 2015, he served in the Wenzhou Municipal Health Bureau (溫州市衛生局), where he was responsible for planning, finance, [illegible], price, statistics, equipment, [illegible], consumables, [illegible] management work, [illegible], and served as the director of the planning and finance department of Wenzhou Municipal Health Bureau from April 200[illegible] to April 2015. From March 2002 to March 200[illegible], he served as the deputy head of office and deputy director of the planning and finance department of Wenzhou Municipal Health Bureau. Mr. JIN graduated from the correspondence course of the [illegible] School of the [illegible] Committee of [illegible] (中央黨校函授學院) in December 1997, majoring in economic management. He graduated from the regional economics postgraduate course of Zhejiang Normal University (浙江師範大學區域經濟研究生課程進修班) in August 2002. He graduated from the Australian Health Administration (Medical Quality Management) training (澳大利亞衛生行政管理（醫療質量管理）培訓班) in November 2003. He also graduated from the Public Administration Seminar of Zhejiang University (浙江大學公共管理研修班) in November 2004.

Save as [illegible] the following table, [illegible] the reporting period, none of the Directors, Supervisors or senior management of the Company [illegible] positions in members of the Group:

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
[illegible]	[illegible] Hospital	Executive director	From April 2011 to present
	[illegible] Hospital	Executive director	From June 2012 to present
	[illegible] Hospital	Executive director	From December 2012 to present
	[illegible] Hospital	Executive director	From September 2013 to present
	[illegible] Hospital	Executive director	From September 2014 to present
	Beijing [illegible] Hospital	Chairman	From August 2015 to present
	[illegible] Hospital	Executive director	From November 2015 to present
	[illegible] Hospital	Executive director	From November 2015 to present
	[illegible] Medical [illegible] Co., Ltd.	Executive director, general manager	From September 2015 to present
	[illegible] Hospital	Chairman	From November 2015 to present
	[illegible] Hospital Co., Ltd.	Chairman, general manager	From April 20[illegible] to present

Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
A e	i o. ,	E ec i e ec o , e	F 17 o e
	i o	e	F ec be 18 o e
	Bej o	i ec o	F o e
	ej ce ic o., .		F e o Se be
	o e Se ice o., .	E ec i e ec o , e e	F ec be o e
A e	o	S e i o	F e 12 o e
	o o	i ec o	F o be 15 o e
	o	S e i o	F o be 15 o e
	ej o e o., .	i ec o	Fo A 16 o e
	o o	i ec o	F 16 o e
	o o	S e i o	F o be 17 o e
	ej ea ec o o o., .	i ec o	F o be 18 o Ap i
	ej ea ec o o o., .	E ec i e ec o	F Ap i o e
	ej ea ec o o o., .	e e	F Ap i o c
	ej ce ic o., .	i ec o	F e o e
	o	S e i o	F e o e
	c c o o ic o		F ec be o e
	o c o o., .	S e i o	F Ap i o e
	Bej o	i ec o , e	F o e
	o o		F e o ec be

Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]

[illegible]

Directors, Supervisors and Senior Management

Directors/Senior Management	Members of the Group	Positions Held at Members of the Group	Term of Office
[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]

[illegible]

Auditor's Report

[redacted]

Auditor's Report

[illegible] (2021) [illegible] 1500 8
([illegible] 2 of 8)

[illegible]

[illegible]

[illegible]

- Assessment for goodwill impairment of healthcare service
- Assessment for the impairment of contractual rights to provide management service

Auditor’s Report

[illegible]
[illegible] 3 [illegible] 8)

[illegible]

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment for goodwill impairment of healthcare service [illegible]	

Auditor's Report

Key Audit Matter	How our audit addressed the Key Audit Matter
[illegible]	[illegible]

Assessment for the impairment of contractual rights to provide management service

[illegible]	[illegible]

Auditor’s Report

Key Audit Matter	How our audit addressed the Key Audit Matter

Auditor’s Report

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Auditor's Report

[illegible] (2021) [illegible]
([illegible] 7 of 8)

[illegible]

[illegible]

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design [illegible]

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are [illegible]

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related [illegible]

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the [illegible]

- Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and [illegible]

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities [illegible]

[illegible]

Auditor's Report

[illegible] Shen Zi (2021) No. 10[illegible]8
(Page 8 of 8)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Zhong Tian LLP | Signing CPA | Chen Zhiming (Engagement Partner)

Shanghai, the People's Republic of China | Signing CPA | Chen Yi

26 March 2021

Consolidated Balance Sheet

As at 31 December [illegible]
(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Note	31 December 2020	31 December [illegible]
Current assets			
Cash at bank and on hand	4(1)	206,499,564	[illegible]
[illegible]		–	[illegible]
Accounts receivable	4(2)	321,407,965	[illegible]
Other receivables	4(3)	63,435,813	63,317,366
Advances to suppliers	4(4)	11,927,882	[illegible]
Inventories	4(5)	37,508,471	[illegible]
Current portion of non-current assets	4(6)	–	[illegible]
Total current assets		640,779,695	[illegible]
Non-current assets			
Long-term equity investments	4(7)	93,726,511	[illegible]
Other non-current financial assets	4(8)	57,404,918	[illegible]
Investment properties	4(9)	107,804,936	[illegible]
Fixed assets	4(10)	533,743,384	[illegible]
Construction in progress	4(11)	134,941,286	[illegible]
Right-of-use assets	4(12)	227,568,279	[illegible]
Intangible assets	4(13)	162,536,728	[illegible]
Goodwill	4(14)	71,605,598	54,346,633
Long-term prepaid expenses	4(15)	153,550,840	[illegible]
Deferred tax assets	4(16)	46,576,821	[illegible]
Other non-current assets	4(17)	18,708,451	[illegible]
Total non-current assets		1,608,167,752	[illegible]
TOTAL ASSETS		2,248,947,447	[illegible]

Consolidated Balance Sheet

As at 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31 December 2020	31 December 2019
Current liabilities			
Short-term borrowings	4(19)	312,500,000	250,000,000
Notes payable		36,080	
Accounts payable	4(20)	69,573,927	75,554,9[illegible]6
Contract liabilities	4(21)	12,965,170	8,562,126
Employee benefits payable	4(22)	42,785,133	36[illegible],63,277
Taxes payable	4(23)	49,046,555	33,4[illegible]0,[illegible]6
Other payables	4(24)	76,603,400	133,348,712
Current portion of non-current liabilities	4(25)	35,540,617	7[illegible],741,922
Total current liabilities			

Tn of non-current liabilities8,680,000

Company Balance Sheet

As at 31 December [illegible]
(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Note	31 December 2020	31 December [illegible]
Current assets			
Cash and bank balances		118,136,805	[illegible]
[illegible]		–	[illegible]
Accounts receivable	16(1)	78,544,241	[illegible]
Advances to suppliers		1,931,488	[illegible]
Other receivables	16([illegible])	521,673,904	[illegible]
Inventories		10,374,364	[illegible]
[illegible]		–	[illegible]
Total current assets		730,660,802	[illegible]
Non-current assets			
[illegible]	4(8)	57,404,918	[illegible]
Long-term equity investments	16(3)	453,843,360	[illegible]
[illegible]	16(4)	299,191,394	[illegible]
[illegible]		3,144,167	[illegible]
Right-of-use assets		–	[illegible]
Intangible assets	16(5)	22,383,643	[illegible]
Long-term prepaid expenses		17,188,510	[illegible]
[illegible]		556,900	[illegible]
Deferred tax assets		7,655,891	8,347,166
Total non-current assets		861,368,783	[illegible]
TOTAL ASSETS		1,592,029,585	[illegible]

Company Balance Sheet

As at 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31 December 2020	31 December 2019
Current liabilities			
Short-term borrowings		310,000,000	[illegible]
Accounts payable		32,572,146	[illegible]
Contract liabilities		3,480,240	[illegible]
Employee benefits payable		15,629,766	15,571,352
Taxes payable		8,267,931	[illegible]
Other payables		25,329,546	[illegible]
Current portion of non-current liabilities		–	[illegible]
Total current liabilities		395,279,629	[illegible]
Non-current liabilities			
Long-term borrowings		38,000,000	
Lease liabilities		–	[illegible]
Provisions		–	2,000,000
Deferred income		9,645,475	[illegible]
Deferred tax liabilities		1,607,649	76,887
Total non-current liabilities		49,253,124	[illegible]
Total liabilities		444,532,753	[illegible]
Shareholders' equity			
Share capital	[illegible]	74,600,300	[illegible]
Capital surplus	16(7)	828,516,606	[illegible]
Less: Treasury stock	[illegible]	(23,311,144)	(21,721,144)
Surplus reserve	4(32)	36,593,229	[illegible]
Retained earnings	16(8)	231,097,841	[illegible]
Total shareholders' equity		1,147,496,832	[illegible]
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,592,029,585	[illegible]

The accompanying notes form an integral part of these financial statements.

Legal representative: [illegible]
Principal in charge of accounting: [illegible]
Head of accounting department: [illegible]

Consolidated Income Statement

For the year ended 31 December 2020
(All amounts in RMB unless otherwise stated)

Item	Note	2020	2019
1. Revenue	4(34)	1,031,283,760	[illegible]
Less: Cost of sales	4(34), 4(36)	(728,701,852)	(656,184,564)
Taxes and surcharges	4(35)	(5,413,866)	[illegible]
Selling and distribution expenses	4(36)	(8,072,345)	[illegible]
General and administrative expenses	4(36)	(125,062,445)	[illegible]
Research and development expenses	4(36)	(20,972,502)	[illegible]
Financial expenses - net	4(37)	(22,821,708)	[illegible]
Including: Interest expenses		(26,557,119)	[illegible]
Interest income		4,677,222	4,477,337
Add: Other income	4(38)	9,264,825	[illegible]
Investment (losses)/income	[illegible]	(7,665,311)	[illegible]
Including: Share of losses of associates		(7,727,019)	[illegible]
Gain from changes in fair value	[illegible]	6,599,223	[illegible]
Credit impairment losses	4(41)	(23,125,756)	[illegible]
Asset impairment losses	[illegible]	(8,011,603)	
Gain from disposal of assets		596,700	
2. Operating profit		97,897,120	45,847,348
Add: Non-operating income	4(43)	909,040	[illegible]
Less: Non-operating expenses	4(44)	(10,901,945)	[illegible]
3. Total profit		87,904,215	[illegible]
Less: Income tax expenses	4(45)	(28,948,671)	[illegible]

Consolidated Income Statement

Fo[illegible] 31 [illegible]
(A[illegible])

Item	[illegible]	2020	[illegible]
4. Net profit		58,955,544	38,[illegible]7,618
[illegible]			
[illegible]		58,955,544	38,[illegible]7,618
[illegible]		–	
[illegible]			
[illegible]			
[illegible]		70,000,134	57,[illegible] 4
[illegible]		(11,044,590)	([illegible] 61,776)

Company Income Statement

Fo[illegible] 31 [illegible]
(A[illegible] B[illegible])

Item	[illegible]	2020	[illegible]
1. Revenue	16[illegible]	417,163,187	384,[illegible]
[illegible]	16[illegible], 16(11)	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]	16(11)	[illegible]	(2,488,613)
[illegible]	16(11)	(54,661,4[illegible])	(6[illegible],554,461)
[illegible]	16(11)	(15,876,537)	[illegible]
[illegible]	16[illegible]	[illegible]	(7,745[illegible])
[illegible]		(16,578,[illegible])	[illegible]
[illegible]		[illegible]	[illegible],4[illegible]7,741
A[illegible]: [illegible]		4,[illegible]53,758	7,463[illegible]
[illegible]	16(1[illegible])	[illegible]	755,47[illegible]
[illegible]		(8,158,636)	(63[illegible])
[illegible]		6,1[illegible]	[illegible] 7,546
[illegible]	16(13)	(7,4[illegible])	(14,531[illegible])
[illegible]	16(3)	([illegible],847,[illegible])	
2. Operating profit		47[illegible]	[illegible]
A[illegible]: [illegible]		[illegible]	[illegible]
[illegible]		(4[illegible],518)	(11,[illegible])
3. Total profit		44,733,411	4[illegible]
[illegible]	16(14)	[illegible]	[illegible]
4. Net profit		34[illegible] 77	3[illegible],866
[illegible]			
[illegible]		34[illegible] 77	3[illegible],866
[illegible]			
5. Total comprehensive income		34[illegible] 77	3[illegible],866

[illegible]

[illegible]: A[illegible] | [illegible]: A[illegible] | [illegible]

Consolidated Cash Flow Statement

Fo[illegible] 31 [illegible]ece[illegible]be[illegible]
(A[illegible])

Item	[illegible]	2020	[illegible]

Consolidated Cash Flow Statement

For [illegible] 31 [illegible]
(A[illegible] B[illegible])

Item	Note	2020	[illegible]
3. Cash flows from financing activities			
[illegible]		23,361,500	[illegible]
[illegible]		21,771,500	[illegible]
[illegible]		406,492,970	[illegible]
[illegible]		–	[illegible]
Sub-total of cash inflows		429,854,470	[illegible]
[illegible]		(290,000,000)	[illegible]
[illegible]		(17,109,612)	[illegible]
[illegible]		(100,692,478)	[illegible]
Sub-total of cash outflows		(407,802,090)	[illegible]
Net cash flows from financing activities		22,052,380	[illegible]
4. Effect of foreign exchange rate changes on cash and cash equivalents		(248,021)	[illegible]
5. Net increase/(decrease) in cash and cash equivalents		35,140,715	[illegible]
A[illegible]	4(47)[illegible]	164,951,950	[illegible]
6. Cash and cash equivalents at the end of the year	4(47)[illegible]	200,092,665	[illegible]

[illegible]

[illegible]

Company Cash Flow Statement

[illegible] 31 [illegible]
(A[illegible] B[illegible])

Item	[illegible]	2020	[illegible]
1. Cash flows from operating activities			
[illegible]		430,696,545	[illegible]
[illegible]		64,986,508	[illegible]
Sub-total of cash inflows		495,683,053	[illegible]
[illegible]		(161,484,999)	[illegible]
[illegible]		(135,403,738)	[illegible]
[illegible]		(9,282,581)	[illegible]
[illegible]		(30,870,989)	[illegible]
Sub-total of cash outflows		(337,042,307)	[illegible]
Net cash flows used in operating activities		158,640,746	[illegible]
2. Cash flows from investing activities			
[illegible]		49,000,000	[illegible]
[illegible]		96,370	[illegible]
[illegible]		3,750,000	
Sub-total of cash inflows		52,846,370	[illegible]
[illegible]		(38,292,840)	[illegible]
[illegible]		(158,247,608)	[illegible]
[illegible]		(5,370,000)	
Sub-total of cash outflows		(201,910,448)	[illegible]
Net cash flows used in investing activities		(149,064,078)	[illegible]

Company Cash Flow Statement

[illegible] 31 [illegible]
([illegible])

Item	Note	2020	[illegible]
3. Cash flows from financing activities			
[illegible]		1,590,000	
[illegible]		348,000,000	[illegible]
[illegible]		–	[illegible]
Sub-total of cash inflows		349,590,000	[illegible]
[illegible]		(300,000,000)	[illegible]
[illegible]		(16,486,881)	[illegible]
[illegible]		(14,507,167)	[illegible]
Sub-total of cash outflows		(330,994,048)	[illegible]
Net cash flows from financing activities		18,595,952	[illegible]
4. Effect of foreign exchange rate changes on cash		(248,021)	[illegible]
5. Net increase/(decrease) in cash and cash equivalents		27,924,599	[illegible]
[illegible]		90,212,206	[illegible]
6. Cash and cash equivalents at the end of the year		118,136,805	[illegible]

[illegible]

[illegible]

Consolidated Statement of Changes in Shareholders' Equity

[illegible] 31 [illegible]
([illegible])

	Note	Share capital	Capital surplus	Less: Treasury stock	Surplus reserve	Retained earnings	Non-controlling interests	Total shareholders' equity
		Equity attributable to shareholders of the parent company						
Balance at 1 January 2020		75,500,000	824,715,445	(21,721,144)	33,189,321	252,800,715	97,024,925	1,261,509,262
Movements for the year ended 31 December 2020								
[illegible]		–	–	–	–	70,000,134	(11,044,590)	58,955,544
[illegible]		–	1,590,000	(1,590,000)	–	–	21,771,500	21,771,500
[illegible]	[illegible]	–	5,887,603	–	–	–	–	5,887,603
[illegible]	4(31)	–	(13,813,742)	–	–	–	(19,879,038)	(33,692,780)
[illegible]	4(31)	(899,700)	(13,624,556)	–	–	–	–	(14,524,256)
[illegible]	4(31)	–	(188,221)	–	–	–	–	(188,221)
[illegible]	5(1)	–	–	–	–	–	15,905,745	15,905,745
[illegible]								
[illegible]		–	–	–	3,403,908	(3,403,908)	–	–
[illegible]	4(33)	–	–	–	–	–	(1,200,000)	(1,200,000)
Balance at 31 December 2020		74,600,300	804,566,529	(23,311,144)	36,593,229	319,396,941	102,578,542	1,314,424,397

[illegible]

	Note	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance at 1 January 2019		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	84,277,828	[illegible]
Movements for the year ended 31 December 2019								
[illegible]						[illegible]	[illegible]	[illegible]
[illegible]							12,345,000	12,345,000
[illegible]	[illegible]		[illegible]					[illegible]
[illegible]			[illegible]				[illegible]	[illegible]
[illegible]			(188,856)	188,856				
[illegible]			[illegible]				[illegible]	[illegible]
[illegible]							26,585,57[illegible]	26,585,57[illegible]
[illegible]								
[illegible]					[illegible]	[illegible]		
[illegible]	4(33)					[illegible]		[illegible]
Balance at 31 December 2019		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

Company Statement of Changes in Shareholders' Equity

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

	Note	Share capital	Capital surplus	Less: Treasury stock	Surplus reserve	Retained earnings	Total shareholders' equity
Balance at 1 January 2020		75,500,000	834,663,559	(21,721,144)			

Company Statement of Changes in Shareholders' Equity

For [illegible] 31 [illegible]
(A[illegible] B[illegible])

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance at 1 January 2019		75,000,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Movements for the year ended 31 December 2019							
[illegible]						[illegible]	[illegible]
[illegible]							
[illegible]			(188,856)	188,856			
[illegible]	[illegible]		[illegible]				[illegible]
[illegible]							
[illegible]					[illegible]	[illegible]	
[illegible]						[illegible]	[illegible]
Balance at 31 December 2019		75,000,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

Notes to the Financial Statements

For the year ended 31 December [illegible]
(A[illegible] [illegible])

1 [illegible]

[illegible] (溫州市康寧精神康復醫院) [illegible] 7 Feb[illegible] 6. [illegible]

[illegible] 15 [illegible] 14, [illegible] (溫州康寧醫院股弁톋荐톮楁). [illegible]

[illegible]

[illegible] 15.

[illegible] (Note 5) [illegible] (Note 4(7)) [illegible] (Note 4(13)) [illegible]

[illegible] Note 5. [illegible] Note 6. [illegible]

[illegible] 26 [illegible] 21.

2 [illegible]

[illegible] (28).

(1) Basis of preparation

[illegible] Basic S[illegible] 15 Feb[illegible] 2006 [illegible] AS [illegible].

[illegible]

[illegible] 3 [illegible] 14. [illegible]

Notes to the Financial Statements

For [illegible] 31 [illegible]
([illegible])

[illegible] (continued)

(2) Statement of compliance with the Accounting Standards for Business Enterprises

[illegible]

(3) Accounting year

[illegible]

(4) Recording currency

[illegible]

(5) Business combinations

[illegible]

[illegible]

Notes to the Financial Statements

For the year ended 31 December [illegible]
(All amounts in RMB unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(6) Preparation of consolidated financial statements

Notes to the Financial Statements

[illegible] 31 [illegible]
([illegible])

2 [illegible] (continued)

(7) Cash and cash equivalents

[illegible]

(8) Foreign currency translation

[illegible]

[illegible]

[illegible]

(9) Financial instruments

[illegible]

(a) [illegible]

(i) [illegible]

[illegible]

[illegible]

Notes to the Financial Statements

For the year ended 31 December [illegible]
([illegible])

2 [illegible] (continued)

(9) Financial instruments (continued)

(a) [illegible] (continued)

(ii) [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Notes to the Financial Statements

For … 31 December …

2 S… of … accounting policies and accounting estimates (continued)

(9) Financial instruments (continued)

(a) … (continued)

(ii) … (continued)

… Accounts receivable …

Accounts receivable …	… receivable from …
… receivable …	…
… receivable …	A…
… receivable …	… receivable from …
… receivable …	…
… receivable …	…

… (-)… receivable …

Based on … 12 … receivable …

Notes to the Financial Statements

For the year ended 31 December [illegible]
(All amounts in RMB unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(9) Financial instruments (continued)

(a) Financial assets (continued)

(iii) Derecognition

A financial asset is derecognised when: (i) the contractual rights to the cash flows from the financial

Notes to the Financial Statements

For the year ended 31 December [illegible]
(All amounts in RMB [illegible])

2 [illegible]

(11) Long-term equity investments

[illegible]

[illegible]

[illegible]

(a) [illegible]

[illegible]

[illegible]

(b) [illegible]

[illegible]

[illegible]

Notes to the Financial Statements

[illegible]
[illegible]

[illegible]

(12) Investment properties

[illegible]

Notes to the Financial Statements

For the year ended 31 December [illegible]
(A[illegible])

2 S[illegible] of significant accounting policies and accounting estimates (continued)

(13) Fixed assets

(a) [illegible]

[illegible]

[illegible]

Notes to the Financial Statements

Notes to the Financial Statements

For the year ended 31 December [illegible]
(All amounts in [illegible])

[illegible] S[illegible] of significant accounting policies and accounting estimates (continued)

(15) Borrowing costs (continued)

[illegible]

[illegible]

(16) Intangible assets

[illegible]

(i) [illegible]

[illegible]

(ii) Software

Software [illegible] of 5 [illegible].

Notes to the Financial Statements

For [illegible] 31 [illegible]
(A [illegible])

2 S[illegible] (co[illegible])

(16) Intangible assets (co[illegible])

(iii) [illegible]

[illegible]

[illegible]

	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

(i[illegible]) [illegible]

[illegible]

Notes to the Financial Statements

For the year ended 31 December 2022
(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(16) Intangible assets (continued)

(ii) Research and development

[illegible]

[illegible]

Notes to the Financial Statements

For [illegible] 31 [illegible]
(A[illegible])

2 [illegible]

(17) Long-term prepaid expenses

[illegible]

(18) Impairment of long-term assets

[illegible]

[illegible]

[illegible]

(19) Employee benefits

[illegible]

(a) [illegible]

[illegible]

Notes to the Financial Statements

For the year ended 31 December [illegible]
(A [illegible])

2 S[illegible] of [illegible] accounting policies and accounting [illegible] (continued)

(19) Employee benefits (continued)

(b) [illegible]

[illegible]

(c) [illegible]

[illegible]

(20) Dividend distribution

[illegible]

(21) Provisions

[illegible]

[illegible]

[illegible]

[illegible]

Notes to the Financial Statements

Fo[illegible] 31 [illegible]
(A[illegible])

2 [illegible] (co[illegible])

(22) Share-based payments

(a) [illegible]

A [illegible] 31 [illegible]

[illegible]

(b) [illegible]

[illegible]

(c) [illegible]

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(23) Revenue recognition

Notes to the Financial Statements

For [illegible] 31 [illegible]
([illegible])

2 S[illegible] (continued)

(24) Government grants

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Notes to the Financial Statements

[illegible] 31 [illegible]
[illegible]

2 [illegible]

(25) Deferred tax assets and deferred tax liabilities [illegible]

[illegible]

[illegible]:

- the deferred taxes are related to the same tax payer within the Group and the same taxation authority; [illegible]
- that tax payer within the Group has a legally enforceable right to offset current tax assets against current [illegible].

(26) Leases

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Notes to the Financial Statements

For [illegible] 31 [illegible]
(A[illegible])

2 S[illegible] (co[illegible])

(26) Leases (co[illegible])

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

(a) [illegible]

[illegible]

(b) [illegible]

[illegible]

Notes to the Financial Statements

[illegible]

2 [illegible] (continued)

(27) Segment information

[illegible]

[illegible]

(28) Critical accounting estimates and judgements

[illegible]

(a) [illegible]

[illegible]

(i) [illegible]

[illegible]

[illegible]

Notes to the Financial Statements

Fo[illegible] 31 [illegible]
([illegible])

[illegible] S[illegible] of [illegible] acco[illegible] poi[illegible] [illegible] acco[illegible] e[illegible] (co[illegible])

(28) Critical accounting estimates and judgements (co[illegible])

(a) [illegible] (co[illegible])

(i) A[illegible] (co[illegible])

[illegible]

	Yiwu Health Centre	Pujiang Hospital
A[illegible] *	36[illegible]	[illegible]74
A[illegible] *	[illegible]66	[illegible]47
[illegible] *	6%	16[illegible]%
[illegible]	[illegible].11%	[illegible] %
[illegible]	[illegible].5%	[illegible].5%

[illegible]

	Yiwu Health Centre	Pujiang Hospital and Chun'an Hospital
A[illegible] *	373	[illegible]33
A[illegible] *	[illegible]83	[illegible] 4
[illegible] *	6%	33%
[illegible]	[illegible].37%	[illegible]4%
[illegible]	3%	3%

* [illegible]

[illegible] 31 [illegible]

Notes to the Financial Statements

For the year ended 31 December [illegible]
([illegible])

[illegible] Summary of significant accounting policies and accounting estimates (continued)

(28) Critical accounting estimates and judgements (continued)

(a) Critical accounting estimates and key assumptions (continued)

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

2 Summary of significant accounting policies and accounting estimates (continued)

(28) Critical accounting estimates and judgements (continued)

(a) Critical accounting estimates and key assumptions (continued)

(iii) Determination of the fair value of investment properties

Investment properties (Note 4[illegible])) are measured at fair value using the income approach. The inputs mainly include term yield, ultimate return rate/capitalisation rate, vacancy rate, etc.

The detailed information of fair value measurement is as follows:

	Fair value as at 31 December 2020	Valuation technique	Significant unobservable inputs: Name	Weighted average	Relationship with fair value	Observable/ Unobservable
[illegible] of B[illegible] [illegible] Education Park	4[illegible],6[illegible]8[illegible] 66	Income approach	Ultimate return rate/ capitalisation rate	5.[illegible] %		
			Monthly rental (RMB/month)	38[illegible] 48.51	(a)	Unobservable
			Vacancy rate	[illegible].74%		
[illegible] of B[illegible] [illegible] Education Park	65,176,8[illegible]	Income approach	Ultimate return rate/ capitalisation rate	5[illegible]0 %	(a)	Unobservable
			Monthly rental (RMB/month) vacancy rate i)	[illegible].5 33		
	[illegible] 7,[illegible] 4[illegible] 36					

i) According to the independent valuation, the vacancy rate of the property is 0 during the forecast period.

(a) Relationship between the unobservable inputs and the fair value:

- the higher the ultimate return rate/capitalisation rate is, the lower the fair value is;
- the higher the estimated vacancy rate is, the lower the fair value is;
- the higher the monthly rental is, the higher the fair value is.

Notes to the Financial Statements

[illegible] 31 [illegible]
[illegible]

2 [illegible]

(28) Critical accounting estimates and judgements [illegible]

(a) [illegible]

(i) [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Notes to the Financial Statements

Fo[illegible] 31 [illegible]

(A[illegible])

2 S[illegible] (co[illegible])

(28) Critical accounting estimates and judgements (co[illegible])

(a) [illegible]

( ) [illegible]

[illegible]

[illegible]

(b) [illegible]

(i) [illegible]

[illegible]

[illegible]

Notes to the Financial Statements

Fo[illegible] 31 [illegible]

(A[illegible])

2 S[illegible] (co[illegible])

(28) Critical accounting estimates and judgements (co[illegible])

(b) [illegible] (co[illegible])

(ii) [illegible]

[illegible]

[illegible]

Notes to the Financial Statements

[illegible] 31 [illegible]
([illegible])

3 [illegible]

[illegible]

Category	Tax rate	Tax base
[illegible] (a)	15%, [illegible] % [illegible] 25%	[illegible]
[illegible] (b)	1%, 3%, 5%, 6% [illegible] 13%	[illegible]
[illegible]	7%	[illegible]
[illegible]	3%	[illegible]
[illegible]	2%	[illegible]
[illegible] (c)	1.2% [illegible] 12%	[illegible] % [illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible] %-[illegible] %	[illegible]

(a) [illegible] 1 [illegible] 300 278 [illegible] 3 [illegible] 28 [illegible] 15%.

[illegible] 13), [illegible] %.

Notes to the Financial Statements

For the year ended 31 December [illegible]

[illegible]

3 [illegible]

(b) [illegible] (... 16 ... o. 36) [illegible] of Finance [illegible] State Taxation Administration [illegible]

[illegible] of 3%.

[illegible] 1 [illegible] 16, [illegible] before [illegible] 16 [illegible] 3%–5% [illegible]

Notes to the Financial Statements

Fo[illegible] 31 [illegible]

(A[illegible])

3 [illegible] (co[illegible])

(b) (co[illegible])

[illegible] (A[illegible] o. 13) [illegible] (A[illegible] o. 24) [illegible] 3% [illegible] 1%. [illegible] 1% [illegible] 1 [illegible] 31 [illegible].

[illegible] o. 3 [illegible] 13% [illegible] 1 [illegible] 16% [illegible].

(c) [illegible] 17 [illegible] 31) [illegible] 13 [illegible] 17, [illegible] 3 [illegible] 16.

[illegible] 86 [illegible] o. 8), [illegible] 3 [illegible] 1 [illegible] 17.

(d) [illegible] 16 [illegible] o. 173 [illegible] 17 [illegible] o. 40 [illegible] 68) [illegible] 16 [illegible] 13 [illegible] 17, [illegible] 00 % [illegible] 17, [illegible] 18 [illegible].

[illegible] 7 [illegible] o. 483 [illegible] 00 [illegible] o. 42), [illegible] 00 % [illegible].

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the company financial statements

(1) Cash at bank and on hand

	31 December 2020	31 December 2019
Cash on hand	374,287	[illegible]
Cash at bank	206,125,277	[illegible]
Other cash balances	–	[illegible]
	206,499,564	[illegible]

As at 31 December 2020, the restricted cash in cash at bank of RMB[illegible] represented the deposits for [illegible].

As at 31 December 2019, [illegible] RMB[illegible] [illegible].

(2) Accounts receivable

	31 December 2020	31 December 2019
Receivables from related parties (Note 8(5)(a))	7,250,000	[illegible]
Receivables from third parties	348,065,571	[illegible]
Sub-total	355,315,571	[illegible]
Less: Provision for bad debts	(33,907,606)	[illegible]
	321,407,965	[illegible]

Accounts [illegible].

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(2) Accounts receivable (continued)

(a) The ageing analysis of accounts receivable based on their billing dates is as follows:

	31 December 2020	31 December 2019
Within 1 year	276,029,265	266,[illegible]32,[illegible]53
1 to 2 years	59,715,117	57,[illegible]88,[illegible]7
2 to 3 years	19,442,357	13[illegible],[illegible]8[illegible],[illegible]0[illegible]1
Over 3 years	128,832	413,854
	355,315,571	338,424,215

In 2020, the Company had no accounts receivable derecognised due to the transfer of financial assets.

(b) Provision for bad debts

The Company measures the loss allowance of accounts receivable at an amount equal to lifetime ECL, regardless of whether they contain a significant financing component.

As at 31 December 2020, there were no accounts receivable for which the related provision for bad debts was provided on an individual basis (31 December 2019: RMB1,88[illegible],254).

Notes to the Financial Statements

For the year ended 31 December [illegible]
([illegible])

4 [illegible] (continued)

(2) Accounts receivable (continued)

(b) Provision for bad debts (continued)

(i) [illegible] provision for bad debts [illegible]:

	31 December 2020			31 December [illegible]		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
		Lifetime			Lifetime	
	Amount	ECL rate	Amount	Amount	ECL rate	Amount
[illegible]	29,027,823	1%	290,278	[illegible]	1%	[illegible],148
Within 3 months	169,414,663	4%	6,776,587	151,536,144	5%	[illegible]
Within 1 year	77,586,779	4%	3,103,471	[illegible],664	6%	[illegible]
1 to 2 years	59,715,117	20%	11,943,024	57,614,783	11%	[illegible]
2 to 3 years	19,442,357	60%	11,665,414	[illegible]	[illegible]%	[illegible],354
Over 3 years	128,832	100%	128,832	413,854	[illegible]%	413,854
Total	355,315,571		33,907,606	[illegible]		[illegible]

(ii) [illegible] provision for bad debts [illegible] RMB[illegible] ([illegible]: RMB[illegible]), [illegible] RMB[illegible] ([illegible]: RMB[illegible]).

[illegible] book value of accounts receivable [illegible] RMB17,337,485, [illegible] provision for bad debts [illegible] RMB17,337,485, [illegible].

Notes to the Financial Statements

[illegible] 31 [illegible]
(A[illegible] B[illegible])

4 [illegible] (co[illegible])

(3) Other receivables

	31 December 2020	31 [illegible]
[illegible] (i)	11,623,500	[illegible]

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(3) Other receivables (continued)

(a) The ageing of other receivables is analysed as follows:

	31 December 2020	31 December 2019
Within 1 year	20,302,805	21,336,124
1 to 2 years	18,699,660	19,781,947
2 to 3 years	4,964,193	9,359,196
Over 3 years	24,282,668	24,988,514
	68,249,326	75,465,781

(b) Provision for other receivables and their book balances

	Stage 1 12-month ECL (on the grouping basis) Book value	Stage 1 12-month ECL (on the grouping basis) Provision for bad debts	Stage 3 Lifetime ECL (credit-impaired) Book value	Stage 3 Lifetime ECL (credit-impaired) Provision for bad debts	Total Provision for bad debts
31 December 2019	65,4[illegible]0,[illegible]4[illegible]6	3,119,215	9,975,285	9,029,200	12,148,415
Increase in the current year	15,334,712	941,077		488,428	1,429,505
Written off in the current year					

Notes to the Financial Statements

For [illegible] 31 [illegible]
(A[illegible])

4 [illegible] (co[illegible])

(3) Other receivables (co[illegible])

(b) [illegible] (co[illegible])

(i) A[illegible] 31 [illegible] be[illegible], [illegible] Stage 1, [illegible] bad debts [illegible]:

	Book value	12-month ECL rate	Provision for bad debts
[illegible]:			
[illegible]	[illegible]	7%	813,645
A[illegible]ce	[illegible]	7%	[illegible]
[illegible]	[illegible]	5%	[illegible]
[illegible]	[illegible]	3%	[illegible]
[illegible]	[illegible]	1%	[illegible]
	[illegible]		[illegible]

(ii) A[illegible] 31 [illegible] be[illegible], [illegible] Stage [illegible].

(iii) A[illegible] 31 [illegible] be[illegible], [illegible] Stage 3, [illegible] bad debts [illegible]:

	Book value	Lifetime ECL rate	Provision for bad debts
[illegible]:			
[illegible]	[illegible]	[illegible]%	[illegible]

[illegible] A[illegible] 31 [illegible] [illegible]% [illegible].

(c) [illegible] B[illegible] [illegible] B7,11[illegible] [illegible].

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(4) Advances to suppliers

(a) The ageing of prepayments is analysed below:

	31 December 2020		31 December 2019	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	11,747,540	98%	5,258,821	98%
1 to 2 years	93,133	1%	20,553	
2 to 3 years	20,209	–	54,646	1%
Over 3 years	67,000	1%	32,000	1%
	11,927,882	100%	5,366,020	100%

(5) Inventories

(a) Inventories are classified by category as follows:

	31 December 2020	31 December 2019
Pharmaceutical stock	28,767,481	17,389,132
Consumables	6,165,704	3,603,818
Properties held for sale (i)	2,575,286	2,575,286
	37,508,471	23,568,236

As at 31 December 2020 and 31 December 2019, management of the Company believed that no impairment provision needs to be recognised for inventories.

In 2020, there was no capitalised interest included in the inventories (2019: nil).

(i) Properties held for sale

Project name	Commencement date	Completion date	Total investment	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Phase [illegible] of B[illegible] [illegible]	November 2012	June 2017	173,0[illegible]7,5[illegible]4	2,575,286			2,575,286

As at 31 December 2020, the Company had no properties held for sale pledged.

Notes to the Financial Statements

[illegible] 31 [illegible]
(A[illegible] B[illegible])

4 [illegible] (co[illegible])

(5) Inventories (co[illegible])

(b) [illegible]

	31 [illegible]	B[illegible]e co[illegible]b[illegible] [illegible] ([illegible] o e 5(1)(c))	[illegible]	[illegible]	31 December 2020
[illegible]	17,38[illegible],13[illegible]	81[illegible],[illegible]3	[illegible]14,63[illegible]	([illegible] 73,5[illegible]4)	28,767,481
[illegible]	3,[illegible] 3,818	[illegible]3[illegible] 76	58[illegible] 57	(56,658,147)	6,165,704
[illegible]	[illegible],575,[illegible]86				2,575,286
	[illegible]3,568,[illegible]36	1[illegible] 43,57[illegible]	[illegible]73,6[illegible]8,3[illegible]7	([illegible],731,671)	37,508,471

(6) Current portion of non-current assets

	31 December 2020	31 [illegible]
[illegible] (i)	–	1[illegible],688,[illegible] 4

(i) [illegible]

(7) Long-term equity investments

	31 December 2020	31 [illegible]
A[illegible] (a)	93,726,511	8[illegible] 43,[illegible] 3
[illegible]	–	
	93,726,511	8[illegible] 43,[illegible] 3

[illegible]

Notes to the Financial Statements

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(10) Fixed assets

	Buildings	Medical equipment	Motor vehicles	Electronic equipment and other equipment	Total
Cost					
31 December 2019	523,768,640	96,225,602	6,728,970	50,379,867	677,103,079
Increase in the current year					
Business combinations involving enterprises not under common control (Note 5(1)(c))		2,304,411	128,233	948,247	3,380,891
Purchase	17,906,946	15,923,876	1,078,280	4,335,688	39,244,790
Decrease in the current year					
Disposal and scraps		(1,429,720)	(2,644,935)	(2,673,603)	(6,748,258)
Other (i)	(19,899,787)				(19,899,787)
31 December 2020	521,775,799	113,024,169	5,290,548	52,990,199	693,080,715
Accumulated depreciation					
31 December 2019	44,009,439	47,772,003	3,064,572	29,766,263	124,612,277
Increase in the current year					
Provision	15,265,120	16,790,989	854,659	8,126,307	41,037,075
Decrease in the current year					
Disposal and scraps		(1,356,808)	(2,515,529)	(2,439,684)	(6,312,021)
31 December 2020	59,274,559	63,206,184	1,403,702	35,452,886	159,337,331
Carrying amount					
31 December 2020	462,501,240	49,817,985	3,886,846	17,537,313	533,743,384
31 December 2019	479,759,201	48,453,599	3,664,398	20,613,604	552,490,802

(i) For the Company's [illegible] expansion project that has been put into use after the completion of the [illegible] in September 2017, the cost of the fixed assets was recognised and depreciated according to the estimated value of RMB260,937,175 in the [illegible] report of [illegible] Expansion Project [illegible] Ba[illegible] Co., Ltd. [illegible]. The [illegible] contractor of the construction [illegible] the Company [illegible] the settlement of construction, [illegible] the Company in September 2018. According to the judgment of the People's Court of [illegible] in [illegible] 2020 on the settlement of construction between the Company and the [illegible] contractor, as the settlement of the construction of the expansion project, the final settlement price was RMB241,037,388, with a difference of RMB19,899,787, which [illegible] the cost of fixed assets.

Notes to the Financial Statements

For the year ended 31 December 2020
(Amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(10) Fixed assets (continued)

(a) The amounts charged to cost of sales, general and administrative expenses, research and development expenses and selling and distribution expenses are as follows:

	2020	2019
Cost of sales	34,129,808	26,587,185
General and administrative expenses	6,525,635	7,767,122
Research and development expenses		

Notes to the Financial Statements

Fo [illegible] 31 [illegible]

(A [illegible] B [illegible])

Notes to the Financial Statements

For the year ended 31 December [illegible]
(All amounts in RMB Yuan unless otherwise stated)

4 [illegible] (continued)

(13) Intangible assets

	Land use rights	Software	Contractual right to provide management services	Licences	Trademark rights	Total
Cost						
31 December [illegible]	[illegible]	[illegible]	[illegible]	[illegible]		153,457,414
Increase in current year						
Purchase	[illegible]	[illegible]			[illegible]	[illegible]
Business combination involving enterprises not under common control (Note 5(1)(c))		[illegible]		[illegible]		[illegible]
Decrease in current year (i)			[illegible]			[illegible]
31 December [illegible]	64,166,940	10,828,626	36,973,869	82,837,000	2,829,386	197,635,821
Accumulated amortisation						
31 December [illegible]	[illegible]	[illegible]	6,744,678	[illegible]		[illegible]
Increase in current year						
Increase in current year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Decrease in current year (i)			[illegible]			[illegible]
31 December [illegible]	6,173,771	6,828,639	6,650,848	15,396,628	49,207	35,099,093
Carrying amount						
31 December [illegible]	57,993,169	3,999,987	30,323,021	67,440,372	2,780,179	162,536,728
31 December [illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]

[illegible]

(i) [illegible]

Notes to the Financial Statements

For the year ended 31 December 2021
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(14) Goodwill

	31 December 2021	Increase [illegible] (Note 5)	31 December 2020
Goodwill			
[illegible]	8,533,389		8,533,389
[illegible] Company Limited	7,784,850		7,784,850
[illegible] Company Limited	9,271,800		9,271,800
Beijing [illegible] Company Limited	22,987,331		22,987,331
[illegible] Company Limited	5,068,960		5,068,960
[illegible] Company Limited	6,843,289		6,843,289
[illegible] Company Limited		11,822,030	11,822,030
[illegible] Company Limited		13,448,538	13,448,538
Others	2,390,403		2,390,403
Sub-total	62,880,022	25,270,568	88,150,590
Less: Provision for impairment			
[illegible]	(8,533,389)		(8,533,389)
Beijing [illegible] Company Limited		(8,011,603)	(8,011,603)
Sub-total	(8,533,389)	(8,011,603)	(16,544,992)
	54,346,633	17,258,965	71,605,598

Notes to the Financial Statements

[illegible] 31 [illegible]
([illegible])

4 [illegible] ([illegible])

(14) Goodwill ([illegible])

(a) [illegible]

	31 December 2020	31 [illegible]
[illegible]		
[illegible]	9,271,800	[illegible]
[illegible]	7,784,850	[illegible]
[illegible]	22,987,331	[illegible]
[illegible]	[illegible]	[illegible]

Notes to the Financial Statements

[illegible]

[illegible]

4 [illegible]

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4[illegible] Notes to the consolidated financial statements (continued)

(16) Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets

	31 December 2020 Deductible temporary differences and deductible losses	Deferred tax assets
Deductible losses	122,695,044	30,673,761
Provision for asset impairment	38,721,119	9,680,280
Share-based payment expense	16,899,060	4,224,765
Advance receipt from property sale	126,654	31,664
Depreciation of right-of-use assets and amortisation of interest expense on lease liabilities	7,865,404	1,966,351
	186,307,281	46,576,821
Including:		
Expected to be recovered within one year (inclusive)		9,680,280
Expected to be recovered after one year		36,896,541
		46,576,821

	31 December 2019 Deductible temporary differences and deductible losses	Deferred tax assets
Deductible losses	126,45[illegible],168	31,614,7[illegible]2
Provision for asset impairment	[illegible]	[illegible]
Share-based payment expense	11,11[illegible],52[illegible]	2,77[illegible],8[illegible]
Advance receipt from property sale	126,654	31,664
Depreciation of right-of-use assets and amortisation of interest expense on lease liabilities	5,346,351	1,336,588
Provision	2,000,000	500,000
	185,[illegible]3,711	46,275,[illegible]
Including:		
Expected to be recovered within one year (inclusive)		[illegible],52[illegible],467
Expected to be recovered after one year		35,755,463
		46,275,[illegible]

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 [illegible] (continued)

(16) Deferred tax assets and deferred tax liabilities (continued)

(b) Deferred tax liabilities

	31 December 2020	
	Taxable temporary differences	Deferred tax liabilities
Appreciation of [illegible]	91,613,072	22,903,268
Gain from change in fair value	8,516,685	2,129,171
	100,129,757	25,032,439
Including:		
Expected to be recovered within one year (inclusive)		2,572,269
Expected to be recovered after one year		22,460,170
		25,032,439

	31 December 2019	
	Taxable temporary differences	Deferred tax liabilities
Appreciation of [illegible]	82,579,012	20,644,753
Gain from change in fair value	1,917,462	479,365
	84,496,474	21,124,118
Including:		
Expected to be recovered within one year (inclusive)		2,495,167
Expected to be recovered after one year		18,628,951
		21,124,118

(c) Deductible temporary differences and deductible losses that are not recognised as deferred tax assets are analysed as follows:

	31 December 2020	31 December 2019
Deductible losses	51,245,123	33,454,884

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(16) Deferred tax assets and deferred tax liabilities (continued)

([illegible]) Deductible losses for which no deferred tax assets are recognised will expire as follows:

	31 December 2020	31 December 2019
2020	–	[illegible]
2021	8,766,673	[illegible]
2022	11,852,360	[illegible]
2023	651,018	[illegible]
2024	9,667,426	[illegible],338,718
2025	20,307,646	
	51,245,123	33,454,884

(17) Other non-current assets

	31 December 2020	31 December 2019
Prepayments for [illegible] projects	4,708,451	[illegible]
Time deposit (i)	14,000,000	
	18,708,451	[illegible]

(i) As at 31 December 2020, the balance of time deposit amounted to RMB14,000,000 with a term from 15 April 2020 to 15 April 2022. The balance [illegible] Co., Ltd. ([illegible]).

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(18) Provision for asset impairment and losses

	31 December [illegible]	Increase in the current year	Decrease in the current year: Reversal	Decrease in the current year: Write-off	31 December 2020
Provision for bad debts of accounts receivable	[illegible]	[illegible]	[illegible]	(17,337,485)	33,907,606
Provision for bad debts of other receivables	[illegible]	[illegible]	(1,645,[illegible]37)	[illegible]	4,813,513
Provision for impairment of inventories	8,533,38[illegible]	[illegible]			16,544,992
	48,585,[illegible]	3[illegible],855,383	[illegible]	([illegible]4,456,655)	55,266,111

(19) Short-term borrowings

	31 December 2020	31 December [illegible]
[illegible] borrowings (Note 8(4)([illegible])) ([illegible])	312,500,000	[illegible]

([illegible]) As at 31 December [illegible], [illegible] borrowings [illegible] B[illegible] [illegible] [illegible]; [illegible] borrowings [illegible] B[illegible] [illegible]; [illegible] borrowings [illegible] B[illegible] [illegible].

As at 31 December [illegible] and 31 December [illegible], the interest rates of short-term borrowings [illegible] 5%-5.[illegible]% and 4.35%-5.[illegible]% [illegible].

(20) Accounts payable

The ageing of accounts payable based on their recording dates is as follows:

	31 December 2020	31 December [illegible]
Within 3 months	54,689,668	65,881,555
3 to 6 months	9,659,122	7,47[illegible] 5
6 to 12 months	4,105,307	1,381,[illegible] 1
1 to 2 years	571,326	[illegible] 6,8[illegible]
2 to 3 years	252,094	[illegible] 4,816
Over 3 years	296,410	[illegible] ,613
	69,573,927	75,554[illegible]

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(21) Contract liabilities

	31 December 2020	31 December 2019
[illegible]	12,965,170	8,56[illegible],1[illegible]6

In 2020, the contract liability of RMB8,56[illegible],1[illegible]6 included in the carrying amount at the beginning of the period has been transferred to operating income, and included in technical service income.

(22) Employee benefits payable

	31 December 2020	31 December 2019
Short-term employee benefits payable (a)	41,593,360	34,4[illegible],[illegible]0
Defined contribution plans payable (b)	1,191,773	1,[illegible],[illegible]587
	42,785,133	3[illegible]63,[illegible]77

(a) Short-term employee benefits

	31 December 2019	Business combinations not under common control (Note 5(1)(c))	Increase in current year	Decrease in current year	31 December 2020
Wages and salaries, bonus, allowances and subsidies	33,[illegible]6,48[illegible]	[illegible]	[illegible]	([illegible]1,577,6[illegible])	40,453,010
Staff welfare	445,[illegible]		[illegible]	(6,64[illegible],[illegible]5)	17,470
Social insurance contributions	813,536	[illegible],[illegible]71	[illegible],838,145	([illegible],555,516)	1,115,436
Including: Medical insurance	716,3[illegible]4	[illegible]	[illegible],6[illegible]4,[illegible]1	([illegible],[illegible]55,863)	1,103,684
Work injury insurance	[illegible]	[illegible]	[illegible]1,[illegible]8	([illegible])	10,420
Maternity insurance	76,[illegible]87		[illegible],616	([illegible]7,571)	1,332
Housing funds	5,615		14,35[illegible],645	(14,3[illegible],816)	7,444
Labour union funds and employee education funds			653,[illegible]5	(653,[illegible]5)	–
Other short-term employee benefits			143,716	(143,716)	–
	34,4[illegible],[illegible]0	817,[illegible]	[illegible]	(3[illegible])	41,593,360

Notes to the Financial Statements

For the year ended 31 December [illegible]
(All amounts in RMB [illegible] unless otherwise stated)

4 [illegible] (continued)

(22) Employee benefits payable (continued)

(b) Defined contribution plans

	31 December [illegible]	Business combinations not under common control (Note 5(1)(c))	Increase in the current year	Decrease in the current year	31 December 2020
Basic pensions	[illegible]	[illegible]	[illegible]	[illegible]	1,166,779
Unemployment insurance	[illegible]	[illegible]	[illegible]	[illegible]	24,994
	[illegible]	17,744	[illegible]	[illegible]	1,191,773

(c) Termination benefits payable

[illegible]

(23) Taxes payable

	31 December 2020	31 December [illegible]
Enterprise income tax payable	22,692,620	[illegible]
Property tax payable	4,826,592	[illegible]
Unpaid VAT	1,990,173	[illegible]
Land VAT payable	18,110,608	[illegible]
Others	1,426,562	[illegible]
	49,046,555	[illegible]

Notes to the Financial Statements

Fo[illegible] e ea[illegible] e[illegible] 31 [illegible] ece[illegible] be[illegible]
(A[illegible] o[illegible] B[illegible] e o e i e a[illegible] e[illegible])

4 [illegible] (co[illegible] e[illegible])

(24) Other payables

	31 December 2020	31 [illegible] ece[illegible] be[illegible]
[illegible] a[illegible] b e fo [illegible] ojec [illegible]	27,016,438	55,[illegible] 1,768
[illegible] a[illegible] b e o e a[illegible] e[illegible] [illegible] i e (o e 8(5)(b))	12,870,241	[illegible]28,4[illegible] 1,713

0 1 [illegible] .44[illegible] 0 [illegible](28,4[illegible] 1,713) j-4[illegible].87 - o[illegible] ea e e [illegible] e
[illegible]64[illegible] [illegible] j--4.44[illegible] 6,713) j-4[illegible]. [illegible]ea e [illegible]e[illegible]o i [illegible] [illegible]27[illegible] [illegible]

Notes to the Financial Statements

For the year ended 31 December [illegible]

(All amounts in RMB [illegible])

4 [illegible] (continued)

(26) Long-term borrowings

	31 December 2020	31 December [illegible]
Bank [illegible] borrowing (a)	95,992,970	[illegible]
Bank [illegible] (b)	18,000,000	
Less: [illegible] (Note 4(25))		
[illegible] borrowing	(3,000,000)	[illegible]
	110,992,970	[illegible]

(a) As at 31 December [illegible] [illegible] 16 April [illegible] 16 April [illegible]3. [illegible] 8(4)(i)). [illegible] 31 December [illegible] 31 December [illegible]4, [illegible] 11 [illegible] 11 [illegible].

(b) As at 31 December [illegible], [illegible] RMB18,000,000 [illegible] 53.33% [illegible] 8(4)(i)). [illegible]7.

(c) As at 31 December [illegible], [illegible] 4.35% [illegible] 7.[illegible] % [illegible] (31 December [illegible]: 4.75% [illegible] 5.15%).

(27) Lease liabilities

	31 December 2020	31 December [illegible]
Lease liabilities	222,341,901	[illegible],861,36[illegible]
Less: [illegible] lease liabilities (Note 4(25))	(32,540,617)	([illegible] 53,[illegible]18)
	189,801,284	183,[illegible] 8,151

As at 31 December [illegible], [illegible].

As at 31 December [illegible], [illegible].

Notes to the Financial Statements

For the year ended 31 December 2021
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(28) Provisions

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2020
Pending litigation (i)	2,000,000		(2,000,000)	–

(i) As at 31 December 2021, the litigation of the Company against [illegible] Hospital (Note 4(13)) [illegible]. The Company [illegible] RMB2,000,000 to [illegible] Hospital [illegible]. As at 31 December 2020, [illegible] of this litigation [illegible] the Company [illegible] RMB[illegible]3,87[illegible] to [illegible] Hospital.

(29) Deferred income

	31 December 2020	31 December 2021
Government grants	9,645,475	[illegible]4[illegible],[illegible]267

Government grant project	31 December 2021	Amount recognised in other income in the current year	31 December 2020	Asset-related/Income-related
Expansion project of the inpatient building (i)	[illegible]4[illegible],[illegible]267	([illegible]3,7[illegible])	9,645,475	Asset-related

(i) The deferred income related to the government grant of RMB1[illegible],632,800 for the construction of the expansion project of the inpatient building received from the Finance Bureau in 2013. The Company recognised deferred income when received the grant and has allocated it over the useful life of the related assets on a straight-line basis and recognised in profit or loss for the current period after its completion in 2017.

(30) Share capital

	31 December 2021	Movements for the current year: Repurchase of share	31 December 2020
Share capital (i)	75,[illegible]00,000	([illegible],700)	74,600,300

(i) In 2021, the Company repurchased [illegible],700 shares of the Company's stock. An amount of RMB14,5[illegible]4,[illegible]56 was paid for the repurchased shares, including RMB[illegible],700 decreased share capital and RMB13,6[illegible]4,556 decreased capital reserve (share premium).

Notes to the Financial Statements

[illegible] 31 [illegible]
[illegible]

4 [illegible] (continued)

(31) Capital surplus

	31 [illegible]	[illegible]	[illegible]	31 December 2020
[illegible]	775,6[illegible],317	1,[illegible] 63	([illegible]7,438,[illegible]8)	749,889,082
[illegible]				
[illegible]	[illegible],663	5,887,[illegible]3	([illegible] 63)	16,710,203
[illegible]	38,155,465		(188,[illegible]1)	37,967,244
	8[illegible]4,715,445	7,585,666	([illegible]7,734,58[illegible])	804,566,529

(i) [illegible] 16,433 [illegible] 14 [illegible] 63 [illegible] 1,[illegible]0,000 [illegible]

[illegible] 3[illegible],6[illegible],775. [illegible]

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(32) Surplus reserve

	31 December 2019	Appropriation in current year	Decrease in current year	31 December 2020
Statutory surplus reserve	33,18[illegible],3[illegible]21	3,4[illegible]0 3,[illegible]0[illegible]8		36,593,229

In accordance with the Company Law of PRC and the Articles of Association of the Company, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or to increase the paid-in capital upon approval.

(33) Retained earnings

	2020	2019

Notes to the Financial Statements

For the year ended 31 December 2021
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(34) Revenue and cost of sales

	2020	
	Revenue	Cost
Main business	978,466,160	701,039,798
Other business	52,817,600	27,662,054
	1,031,283,760	728,701,852

	2021	
	Revenue	Cost
Main business	[illegible]	616,183,633
Other business	[illegible]	[illegible]
	[illegible]	656,184,564

(a) Revenue and cost of sales from main business

	2020	
	Revenue	Cost
Pharmaceutical sales	222,586,930	194,543,819
Research and development and healthcare services	755,879,230	506,495,979
	978,466,160	701,039,798

	2021	
	Revenue	Cost
Pharmaceutical sales	[illegible]	[illegible]
Research and development and healthcare services	[illegible]	441,785,818
	[illegible]	616,183,633

(i) The Group's revenue from pharmaceutical sales and research and development and healthcare services is recognised at a point in time.

Notes to the Financial Statements

Fo[illegible] 31 [illegible] be [illegible]

(A[illegible] B [illegible])

Notes to the Financial Statements

For the year ended 31 December [illegible]
(All amounts in [illegible] unless otherwise stated)

4[illegible] Notes to the consolidated financial statements (continued)

(36) Expenses by nature

[illegible] cost of sales, [illegible] distribution expenses, [illegible] administrative expenses and [illegible] research and development expenses [illegible] are [illegible] as follows:

	2020	[illegible]
Employee benefits	339,081,062	288,688,273
[illegible]	260,283,959	[illegible]
[illegible]	3,339,117	[illegible]
Depreciation of [illegible]	41,037,075	[illegible]
Depreciation of right-of-use assets	33,116,519	[illegible]
Amortisation of intangible assets	14,101,748	[illegible]
Amortisation of long-term prepaid expenses	35,549,405	[illegible]
[illegible] lease expenses	4,382,432	[illegible]
[illegible] expenses	44,513,962	[illegible]
Utilities	19,138,805	[illegible]
[illegible] expenses	14,146,526	[illegible]
[illegible] fees	24,081,462	[illegible]
[illegible] expenses	6,622,267	[illegible]
Auditor's remuneration		
Audit services	800,000	[illegible]
Non-audit services	24,500	[illegible]
Promotion expenses	2,914,695	[illegible]
Travel expenses	4,170,744	[illegible]
Office expenses	5,256,718	[illegible]
Share-based payments ([illegible])	5,887,603	[illegible]
Others	24,360,545	[illegible]
	882,809,144	[illegible]

Notes to the Financial Statements

Fo[illegible] 31 [illegible]
(A[illegible])

4[illegible] (co[illegible])

(37) Financial expenses – net

	2020	[illegible]
Bo[illegible]	20,173,820	17,[illegible]31,667

[illegible]

Notes to the Financial Statements

For [illegible] 31 [illegible]
(A[illegible] B[illegible])

4 [illegible] (co[illegible])

(38) Other income (co[illegible])

(i) Acco[illegible] B1,[illegible]0 000 [illegible] B88 000 [illegible] B80 000 [illegible] Ap[illegible] Sep[illegible] be [illegible]

(ii) [illegible] Fa[illegible] 16 [illegible] o. [illegible] 6) [illegible] B1,00 000 [illegible]

(iii) Acco[illegible] Eco[illegible] F[illegible] B[illegible] o. 45), [illegible] B[illegible] 51,734 [illegible]

(39) Investment losses/(income)

	2020	[illegible]
S[illegible] (o e 4(7))	7,727,019	3,[illegible]3,144
[illegible] (i)	34,663	([illegible])
[illegible]	(96,371)	([illegible],13[illegible])
[illegible]	–	(8[illegible]4,373)
	7,665,311	([illegible]4,336,[illegible]66)

(i) [illegible] Acco[illegible] [illegible] % [illegible] B34,663.

Notes to the Financial Statements

[illegible] 31 [illegible]

[illegible]

4[illegible]

(40) Gains from changes in fair value

	2020	[illegible]
[illegible]	476,174	[illegible]
[illegible]	6,123,049	[illegible]
	6,599,223	[illegible]

(41) Credit impairment losses

	2020	[illegible]
[illegible]	23,341,488	[illegible]
[illegible]	(215,732)	[illegible]
[illegible]	23,125,756	[illegible]

(42) Assets impairment losses

	2020	[illegible]
[illegible]	8,011,603	

(43) Non-operating income

	2020	[illegible]
[illegible]	59,275	[illegible]
[illegible]	–	[illegible]
[illegible]	849,765	[illegible]
	909,040	[illegible]

Notes to the Financial Statements

For [illegible] 31 [illegible]
(A[illegible])

4 [illegible] (co[illegible])

(44) Non-operating expenses

	2020	[illegible]
[illegible]	8,537,428	[illegible]
[illegible]	1,518,692	[illegible]
[illegible]	–	8,418,374
[illegible]	–	[illegible]
[illegible]	–	[illegible]
[illegible]	845,825	[illegible]
	10,901,945	[illegible]

(45) Income tax expenses

	2020	[illegible]
[illegible]		
[illegible]	31,485,064	[illegible]
[illegible]	(2,536,393)	(6,113,877)
	28,948,671	[illegible]

[illegible]

	2020	[illegible]
[illegible]	87,904,215	[illegible]
[illegible] 25%	21,976,054	[illegible]
[illegible]	(391,588)	
[illegible]	4,889,834	[illegible]
[illegible]	(1,722,889)	
[illegible]	(2,071,323)	[illegible]
[illegible]	10,127,644	[illegible]
[illegible]	(3,859,061)	
[illegible]	–	[illegible]
[illegible]	28,948,671	[illegible]

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(46) Earnings per share

(a) Basic earnings per share

	2020	2019
Consolidated net profit attributable to ordinary shareholders of the parent company (RMB)	70,000,134	57,2[illegible]8,[illegible]3[illegible]4
Weighted average number of outstanding ordinary shares of the company (number of shares) (i)	72,452,438	73,[illegible]4[illegible],000
Basic earnings per share (RMB)	0.97	0.78

(i) As at the reporting date, following the approval by the shareholders' general meeting on 13 June 2018, the company issued 2,460,000 ordinary shares for a share incentive plan. As these stocks are restricted stocks, according to the provisions of *Accounting Standards for Business Enterprises No. 7* issued by the Ministry of Finance, the company treated 2,460,000 restricted shares from the outstanding shares when calculating the basic earnings per share in 2020 and 2019, the company repurchased a total of 8[illegible],[illegible]00 shares from the restricted stocks, and the outstanding ordinary shares have not been subject to the impact of the repurchase mentioned above.

(b) Diluted earnings per share

Diluted earnings per share is calculated as the consolidated net profit attributable to ordinary shareholders of the parent company adjusted by the dilutive potential ordinary shares divided by the adjusted weighted average number of outstanding ordinary shares. For the year ended 31 December 2020, the consolidated net profit attributable to ordinary shareholders of the parent company adjusted by the dilutive potential ordinary shares was RMB70,000,134. The adjusted weighted average number of outstanding ordinary shares was 72,824,553. The diluted earnings per share was RMB0.96. For the year ended 31 December 2019, the consolidated net profit attributable to ordinary shareholders of the parent company adjusted by the dilutive potential ordinary shares was RMB57,2[illegible]8,[illegible]3[illegible]4. The adjusted weighted average number of outstanding ordinary shares was 73,[illegible]27[illegible],[illegible]66. The diluted earnings per share was RMB0.77.

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(47) Supplementary information to the cash flow statement

(a) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities

	2020	2019
Net profit	58,955,544	38,227,618
Add: Asset impairment losses	8,011,603	
Credit impairment losses	23,125,756	1[illegible],256,324
Depreciation of fixed assets	41,037,075	34,8[illegible]7[illegible]48
Depreciation of right-of-use assets	33,116,519	1[illegible],85[illegible],521
Amortisation of intangible assets	14,101,748	[illegible],874,756
Amortisation of long-term prepaid expenses	35,549,405	34,[illegible]8,665
(Gains)/Losses on disposal of fixed assets, intangible assets and other long-term assets	(692,250)	(3,585,518)
Gains from changes in fair value	(6,599,223)	(1[illegible]17,462)
Gain from the recognition of contract assets of management service provision for [illegible] Hospital	–	(25,666,158)
Losses on disposal of long-term prepaid expenses and construction in progress	–	13,2[illegible],4[illegible]3
Financial expenses	26,805,140	27,1[illegible]8,834
Investment losses/(income)	7,665,311	(24,336,266)
Share-based payment expenses	5,887,603	5[illegible],526
Decrease in deferred income	(303,792)	([illegible]3,7[illegible]2)
Decrease/(Increase) in deferred tax assets	305,286	(5,[illegible]2,876)
Decrease in deferred tax liabilities	(2,841,679)	(611,[illegible]1)
Increase in inventories	(12,896,656)	(1,6[illegible]3[illegible]53)
Increase in operating receivables	(19,356,716)	(24,65[illegible])
Decrease in operating payables	(12,214,682)	(24,124,[illegible]74)
Net cash flows from operating activities	199,655,992	111,2[illegible],775

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

4 Notes to the consolidated financial statements (continued)

(47) Supplementary information to the cash flow statement (continued)

(a) Supplemental information to the cash flow statement (continued)

Significant non-cash transactions in relation to the investing and financing activities.

For the year ended 31 December 2020, significant non-cash transactions in relation to the investing and financing activities were set out as follows:

	2020	2019
Right-of-use assets increased in the current period (Note 4(12))	33,603,772	234,63[illegible]17

Net movement in cash

	2020	2019
Cash at end of the year	200,092,665	164,[illegible]51[illegible]
Less: Cash at beginning of the year	(164,951,950)	(187,[illegible]66,6[illegible]4)
Net increase/(decrease) in cash	35,140,715	[illegible]

Notes to the Financial Statements

[illegible] 31 [illegible]
([illegible])

4[illegible] [illegible] (co[illegible])

(47) Supplementary information to the cash flow statement (co[illegible])

(c) [illegible]

	2020
[illegible]	[illegible]
[illegible]	45,5[illegible] 15
[illegible]	([illegible]5,888[illegible]6)
[illegible]	(6,7[illegible]000)

([illegible]) [illegible]

	31 December 2020	31 [illegible]
[illegible]		
[illegible]	374,287	45[illegible],334
[illegible]	199,718,378	164,[illegible],[illegible]4
[illegible]	–	[illegible] 3,[illegible]
[illegible]	200,092,665	164[illegible]51[illegible]

Notes to the Financial Statements

5

Notes to the Financial Statements

[illegible] 31 [illegible]
[illegible]

5 [illegible] (continued)

(1) Business combination involving enterprises not under common control

(a) [illegible]

Acquiree	Date of acquisition	Purchase consideration	% of equity interest	Date of purchase	Basis for determination of date of acquisition	Revenue of the acquiree from the date of purchase to the end of the year	Net profit of the acquiree from the date of purchase to the end of the year	Cash flows from operating activities of the acquiree from the date of purchase to the end of the year	Net cash flows of the acquiree from the date of purchase to the end of the year
[illegible]	31 [illegible]	[illegible]	53.33%	31 [illegible]	[illegible]	[illegible],736	[illegible]57,371	([illegible],786,[illegible])	[illegible] 47
[illegible]	31 A[illegible]	[illegible] 51,[illegible] 3	[illegible] %	31 A[illegible]	[illegible]	7,8[illegible]7,3[illegible]	[illegible],474,[illegible] 3	([illegible])	1,3[illegible] 53

(b) [illegible]:

	[illegible]	[illegible]
[illegible]		
[illegible]	[illegible] 000 000	
[illegible] 4(13))([illegible])		[illegible] 51,[illegible] 3
[illegible]	[illegible] 000 000	[illegible] 51,[illegible] 3
[illegible]	(18,177,[illegible])	[illegible] 35
[illegible]	11,8[illegible]	13,448,538

Notes to the Financial Statements

Fo[illegible] 31 [illegible]
(A[illegible])

5 [illegible] (co[illegible])

(1) Business combination involving enterprises not under common control (co[illegible])

(c) [illegible]

(i) [illegible]

	[illegible]	[illegible] 31 [illegible]	[illegible]
[illegible]	4,0[illegible]6,4[illegible]0	4,0[illegible]6,4[illegible]0	7,8[illegible][illegible]5
[illegible]	6[illegible]31[illegible]47	6[illegible]31[illegible]47	4[illegible]8[illegible],244
[illegible]	842,5[illegible]6	842,5[illegible]6	1,[illegible]0[illegible]38
[illegible]			31,483
[illegible]	2,25[illegible]67	2,25[illegible]67	2,356,833
[illegible]	27,514[illegible]1[illegible]	514[illegible]1[illegible]	576,46[illegible]
[illegible]	3,[illegible]6,867	3,[illegible]6,867	3,[illegible]3,757
[illegible]	325,[illegible]6	325,[illegible]6	1[illegible],354
[illegible]	[illegible]6,177	[illegible]6,177	
[illegible]	([illegible]36,8[illegible])	([illegible]36,8[illegible])	(3,[illegible]1,277)
Acco[illegible]	(2.557[illegible]7))	(2.557[illegible]7))	(3,614,442)
[illegible]	(442,4[illegible]8)	(442,4[illegible]8)	(477[illegible]5)
[illegible]	([illegible]2,3[illegible])	([illegible]2,3[illegible])	(581,572)
[illegible]	(2.873)	(2.873)	(31[illegible]82)
[illegible]	(6,7[illegible]00)		
[illegible]	34[illegible]83,715	13,833,715	11,[illegible]3,[illegible]5
[illegible]	(15,[illegible]5,745)	(6,456,[illegible]5)	(5,228,76[illegible])
[illegible]	18,177,[illegible]	7,377,5[illegible]	5[illegible]74[illegible]36

[illegible]

[illegible]

Notes to the Financial Statements

Fo e ea e e 31 ece be
(A o B e o e i e ae)

5 e e co oi ai co e (co e)

(1) Business combination involving enterprises not under common control (co e)

Notes to the Financial Statements

Fo[illegible] 31 [illegible]

(A[illegible] B [illegible])

6 [illegible]

(1) Interest in subsidiaries

(a) [illegible]

Name of the subsidiaries/units	Type of entity	Major business location

Notes to the Financial Statements

For the year ended 31 December 2020
([illegible])

6 [illegible] (continued)

(1) Interest in subsidiaries (continued)

(a) [illegible] (continued)

Name of the subsidiaries/units	Type of entity	Major business location	Place of registration	Nature of business	Shareholding (%) as at 31 December 2020 Direct	Shareholding (%) as at 31 December 2020 Indirect	Method of acquisition
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		75.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		51.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		100.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		100.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		100.00%	[illegible]
Beijing [illegible]	[illegible]	Beijing	Beijing	[illegible]		51.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		100.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		100.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		66.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		51.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		65.38%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		51.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		64.55%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		65.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	53.33%		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		100.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		100.00%	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		100.00%	[illegible]

Notes to the Financial Statements

Fo[illegible] 31 [illegible]
(A[illegible] B[illegible])

6 [illegible] (co[illegible])

(1) Interest in subsidiaries (co[illegible])

(b) [illegible]-co[illegible]

	31 December 2020	31 [illegible]
[illegible]	19,893,809	
[illegible]	7,703,174	8,465,[illegible]6
S[illegible]	6,994,726	11,64[illegible]6
[illegible]	15,159,737	14,[illegible]4,[illegible]63
[illegible] o., [illegible]	11,764,309	[illegible],338
Bei[illegible]	9,845,907	16[illegible]55,477
[illegible]	11,262,400	1[illegible],66[illegible]64
[illegible]e	19,954,480	[illegible]84,371
[illegible]	102,578,542	[illegible]

(c) S[illegible]-co[illegible]

Name of subsidiaries	Shareholding of non-controlling shareholders (%)	Profit or loss attributed to non-controlling shareholders as at 31 December 2020	Dividends distributed to non-controlling shareholder as at 31 December 2020	Non-controlling interests as at 31 December 2020
[illegible]	40%	(106,191)	–	19,893,809
[illegible]	25%	935,474	–	15,159,737
[illegible] o., [illegible]	34%	783,971	–	11,764,309
[illegible]	49%	(1,403,664)	–	11,262,400
		209,590	–	58,080,255

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB [illegible] unless otherwise stated)

6 [illegible] (continued)

(1) Interest in subsidiaries (continued)

(c) Subsidiaries with significant non-controlling interests (continued)

The major financial information of the significant non-wholly-owned subsidiaries of the [illegible] below:

	31 December 2020					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
[illegible]	11,379,262	41,840,261	53,219,523	3,485,000	–	3,485,000
[illegible]	11,872,301	133,946,018	145,818,319	77,661,341	7,518,031	85,179,372
[illegible] Co., Ltd.	33,174,567	18,979,615	52,154,182	17,553,274	–	17,553,274
[illegible]	15,275,548	36,143,566	51,419,114	18,756,949	9,677,675	28,434,624
	71,701,678	230,909,460	302,611,138	117,456,564	17,195,706	134,652,270

	2020			
	Revenue	Net (loss)/profit	Total comprehensive (losses)/income	Cash flows from operating activities
[illegible]	–	(265,477)	(265,477)	5,014,560
[illegible]	11,033,761	3,741,896	3,741,896	5,826,841
[illegible] Co., Ltd.	4,214,044	2,305,796	2,305,796	7,499,276
[illegible]	13,882,909	(2,864,620)	(2,864,620)	(1,705,998)
	29,130,714	2,917,595	2,917,595	16,634,679

Notes to the Financial Statements

For the year ended 31 December [illegible]
(All amounts in RMB [illegible] unless otherwise stated)

6 [illegible] (continued)

(1) Interest in subsidiaries (continued)

(c) Subsidiaries with significant non-controlling interests (continued)

The major financial information of the significant non-wholly-owned subsidiaries of the [illegible] is as below (continued):

	31 December [illegible]					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Hospital	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	44,511,875
[illegible] Co., Ltd.	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
[illegible] Hospital	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Beij[illegible] Hospital	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Hospital	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	[illegible]			
	Revenue	Net (loss)/profit	Total comprehensive (loss)/income	Cash flows from operating activities
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Hospital	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Co., Ltd.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Hospital	14,644,46[illegible]	[illegible]	[illegible]	4,311,374
Beij[illegible] Hospital	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Hospital	[illegible]			

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

6 Interests in other entities (continued)

(2) Interests in associates

(a) Summarised information of significant associates

	Major business location	Place of registration	Nature of business	Whether strategic to the Group's activities	Shareholding (%) Direct	Shareholding (%) Indirect
Hangzhou Anken Information Technology	Hangzhou	Hangzhou	Hospital management	No		[illegible]%
Chengdu Yining Hospital	Chengdu	Chengdu	Medical service	No		[illegible]4%
Shanxi Shanda	Xi'an	Xi'an	Hospital management	No		[illegible]%

The Group adopts the equity method to account for the above investments.

(b) Major financial information of significant associates

	31 December 2020 Hangzhou Anken Information Technology	31 December 2020 Chengdu Yining Hospital	31 December 2020 Shanxi Shanda
Current assets	21,843,683	14,877,237	27,742,224
Non-current assets	19,898,732	53,502,689	63,554,292
Total assets	41,742,415	68,379,926	91,296,516
Total liabilities	12,872,701	34,928,640	21,027,505
Equity attributable to shareholders of the parent company	27,809,556	33,451,286	70,269,011
Share of net assets calculated based on shareholding (i)	8,055,177	8,028,309	21,080,703
Adjustments			
Goodwill	–	5,024,000	4,494,286
Others	4,500,000	99,975	–

Notes to the Financial Statements

For the year ended 31 December [illegible]
(A[illegible] B[illegible])

6 [illegible] (continued)

(2) Interests in associates (continued)

(b) [illegible] (continued)

	2020 Hangzhou Anken Information Technology	2020 Chengdu Yining Hospital	2020 Shanxi Shanda
Revenue	37,414,435	10,078,842	19,503,386
Total comprehensive income	(14,409,474)	(3,877,172)	1,491,929

(i) [illegible]

(c) [illegible]

[illegible] 4(7).

	2020	[illegible]
A[illegible]	42,444,061	[illegible],73[illegible]
A[illegible]		
[illegible] (i)	(2,841,799)	([illegible] 17)
Total comprehensive income	(2,841,799)	([illegible] 17)

(i) [illegible]

7 Segment information

[illegible]

[illegible]

Notes to the Financial Statements

For the year ended 31 December [illegible]
([illegible])

8 Related parties and related party transactions (continued)

(4) Related party transactions

(a) [illegible]

[illegible]

(b) [illegible]

	2020	2019
[illegible]	3,000,000	3,000,000
[illegible]	629,767	572,743
	3,629,767	3,572,743

(c) Lease

[illegible]

[illegible]	[illegible]	2020	2019
[illegible]	[illegible]	–	[illegible]

[illegible]

	2020	2019
[illegible]	299,117	[illegible]

(d) [illegible]

	2020	2019
[illegible]	3,360	
[illegible]	514,369	[illegible]
[illegible]	–	[illegible]
	517,729	[illegible]

Notes to the Financial Statements

Fo[illegible] 31 [illegible]

(A[illegible])

8 [illegible] (co[illegible])

(4) Related party transactions (co[illegible])

(e) [illegible]

	2020	[illegible]
[illegible]	2,726,131	

(f) [illegible]

	2020	[illegible]
[illegible]	–	15,274,000
[illegible]	–	2,800,000
	–	18,074,000

( ) [illegible]

	2020	[illegible]
[illegible]	4,000,000	

( ) [illegible]

	2020	[illegible]
Sa[illegible]	5,041,695	4,5[illegible],[illegible]1
S[illegible]e-ba[illegible]	490,634	453,432
	5,532,329	4,[illegible]83,733

Notes to the Financial Statements

For the year ended 31 December [illegible]
([illegible])

8 [illegible] (continued)

(4) Related party transactions (continued)

(i) [illegible]

	2020	[illegible]
[illegible]	18,000,000	
[illegible]	280,000,000	[illegible]
[illegible]	50,000,000	
[illegible]	2,500,000	
[illegible]	75,000,000	[illegible]
[illegible]	992,970	
	426,492,970	[illegible]

(j) [illegible]

	2020	[illegible]
[illegible]	–	[illegible]

[illegible]

(k) [illegible]

	2020	[illegible]
[illegible]	–	[illegible]

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

8 Related parties and related party transactions (continued)

(5) Receivables from and payables to related parties (continued)

(b) Payables to related parties

		31 December 2020	31 December 2019
Long-term payables	[illegible] Fund	–	[illegible]
	[illegible]	–	800,000
		–	2,260,000
Other payables	[illegible]		
	[illegible]	–	[illegible]
	[illegible]	4,074,900	4,232,754
	[illegible]	–	[illegible]
	[illegible] Fund	5,844,383	[illegible]
	[illegible]	–	400,000
	[illegible]	2,917,717	
	[illegible]	–	2,800,000
	[illegible]	23,252	241,185
	[illegible]	9,989	2,866
		12,870,241	[illegible]
Lease liabilities	[illegible]	5,665,172	6,754,366

Notes to the Financial Statements

[illegible] 31 [illegible]
([illegible])

8 [illegible] (continued)

(6) Equity and interest of directors

(a) [illegible]

[illegible]:

Name	Emoluments	Salaries and subsidies	Contributions to pension plans	Bonus	Other welfare	Total
Executive directors (i)						
[illegible]	–	398,454	18,205	89,291	34,180	540,130
[illegible]	–	326,454	–	128,611	28,212	483,277
[illegible]	–	184,330	8,335	105,865	41,798	340,328
Non-executive directors (i)						
[illegible]	–	–	–	–	–	–
[illegible]	–	–	–	–	–	–
Independent directors						
[illegible]	35,000	–	–	–	–	35,000
[illegible]	35,000	–	–	–	–	35,000
[illegible]	35,000	–	–	–	–	35,000
[illegible]	35,000	–	–	–	–	35,000
[illegible]	35,000	–	–	–	–	35,000
[illegible]	35,000	–	–	–	–	35,000
Supervisors						
[illegible]	–	–	–	–	–	–
[illegible]	–	71,074	8,722	68,526	17,723	166,045
[illegible]	–	–	–	–	–	–
[illegible]	–	–	–	–	–	–
[illegible]	–	–	–	–	–	–
[illegible]	210,000	980,312	35,262	392,293	121,913	1,739,780

Notes to the Financial Statements

For the year ended 31 December
(Amounts in RMB unless otherwise stated)

8 Related parties and related party transactions (continued)

(6) Equity and interest of directors (continued)

(a) Emoluments of directors and chief executive (continued)

The emoluments of each director and chief executive are as follows:

Name	Emolument	Salaries and benefits	Contribution to pension plan	Bonus		Total

Notes to the Financial Statements

For the year ended 31 December 2020
[illegible]

8 Related parties and related party transactions (continued)

(6) Equity and interest of directors (continued)

(a) Emoluments of directors and chief executive (continued)

	2020 Provision of director service to the Company or the subsidiaries	2020 Provision of other services to the Company or the subsidiaries	Total
Emoluments of directors	–	1,363,735	1,363,735

	[illegible] Provision of director service to the Company or the subsidiaries	[illegible] Provision of other services to the Company or the subsidiaries	Total
Emoluments of directors		1,[illegible]7,80[illegible]	1,[illegible]7,80[illegible]

(i) [illegible]

[illegible]

(7) The five individuals whose emoluments were the highest

[illegible] 31 December [illegible]

	2020	[illegible]
Basic salaries, bonus, [illegible]	4,449,720	3,[illegible] 4,[illegible]
[illegible]	305,924	15[illegible],553
	4,755,644	3,[illegible] 46,77[illegible]

	Headcount 2020	Headcount [illegible]
[illegible]:		
[illegible]500,000 [illegible] 1,000,000	3	5
[illegible]1,000,000 [illegible] 1,500,000	2	
	5	5

Notes to the Financial Statements

For the year ended 31 December [illegible]

(A[illegible] B[illegible])

[illegible] Share-based payment[illegible]

(a) The restricted share incentive plan I

(1) [illegible]

[illegible]

[illegible]

(i) [illegible]

(ii) [illegible]

[illegible]

[illegible]

Notes to the Financial Statements

[illegible]

[illegible]

(b) The restricted share incentive plan II

(1) [illegible]

[illegible]

[illegible]

[illegible]

Notes to the Financial Statements

[illegible] 31 [illegible]
([illegible])

13 [illegible]

[illegible]

(1) Market risk

(a) [illegible]

[illegible]

[illegible] 31 [illegible] 31 [illegible]

	31 December 2020		
	HKD	USD	Total
[illegible]	69,340	2,109,936	2,179,276

	31 [illegible]		
	[illegible]	[illegible]	[illegible]
[illegible]	3,333,874	8,143,[illegible]81	11,476,[illegible]55

[illegible] 31 [illegible] 3% [illegible] 34 (31 [illegible] 258,[illegible]31) [illegible]

Notes to the Financial Statements

For the year ended 31 December [illegible]
(A[illegible] B[illegible])

13 Financial risk (continued)

(1) Market risk (continued)

(b) [illegible]

[illegible] As at 31 December [illegible] B68[illegible] (31 December [illegible]):

Notes to the Financial Statements

[illegible] 31 [illegible]

[illegible]

13 [illegible]

(2) Credit risk [illegible]

[illegible]

[illegible]

(3) Liquidity risk

Notes to the Financial Statements

Fo[illegible] 31 [illegible]
(A[illegible])

13 F[illegible] (co[illegible])

(3) Liquidity risk (continued)

B[illegible]:

	31 December 2020		31 [illegible]	
	Bank borrowings	Other borrowings	B[illegible]	[illegible]
[illegible] 1 [illegible]	315,500,000	–	[illegible]0,000,000	17,4[illegible]0,000
1 [illegible]	15,992,970	–	3,000,000	[illegible]
[illegible] 5 [illegible]	64,000,000	–	17[illegible]000,000	
[illegible] 5 [illegible]	31,000,000	–		
	426,492,970	–	31[illegible],000,000	[illegible]

14 Fai[illegible]

[illegible]

Le[illegible] 1: [illegible]

Le[illegible]: [illegible]

Le[illegible] 3: [illegible]

Notes to the Financial Statements

[illegible] 31 [illegible]
[illegible]

14 [illegible]

(1) Assets measured at fair value on a recurring basis

[illegible]

	31 December 2020		
	Level 1	Level 2	Level 3
[illegible]	–	–	57,404,918
[illegible]	–	–	107,804,936
[illegible]	–	–	165,209,854

	31 [illegible]		
	[illegible]	[illegible]	[illegible]
[illegible]			
[illegible]		[illegible]	
[illegible]			[illegible]
[illegible]			[illegible]
[illegible]		[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

Notes to the Financial Statements

[illegible] 31 [illegible]
([illegible])

14 [illegible]

(2) Assets and liabilities not measured at fair value but disclosed

[illegible]

[illegible]

15 [illegible]

[illegible]

[illegible]

[illegible]

[illegible] 31 [illegible] 31 [illegible]

	31 December 2020	31 [illegible]
[illegible]	41.55%	[illegible].42%

Notes to the Financial Statements

[illegible]

[illegible]

16 [illegible]

(1) Accounts receivable

	31 December 2020	[illegible]
[illegible]	89,073,254	[illegible]
[illegible]	(10,529,013)	[illegible]
	78,544,241	[illegible]

[illegible]

(a) [illegible]

	31 December 2020	[illegible]
[illegible]	65,324,295	[illegible]
1 to 2 years	15,285,769	[illegible]
[illegible]	8,461,922	[illegible]
[illegible]	1,268	[illegible]
	89,073,254	[illegible]

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

16 Notes to the Company's Financial Statements (continued)

(1) Accounts receivable (continued)

(b) Provision for bad debts

The Company measures the loss allowance of accounts receivable at an amount equal to lifetime expected credit losses, whether or not they contain a significant financing component.

As at 31 December 2020, there were no accounts receivable for which the related provision for bad debts was provided on individual basis (31 December 2019: RMB1,88[illegible],[illegible]54).

(i) Accounts receivable for which the related provision for bad debts was provided on the group basis are analysed as follows:

	31 December 2020			31 December 2019		
	Book value	Provision for bad debts		Book value	Provision for bad debts	
		Lifetime			Lifetime	
	Amount	ECL rate	Amount	Amount	ECL rate	Amount
Not overdue	7,317,813	1%	73,178	[illegible]	1%	[illegible]
Overdue within 3 months	38,694,940	4%	1,547,798	[illegible]	5%	[illegible]
Within 1 year	19,311,542	4%	772,462	[illegible]	6%	[illegible]
1 to 2 years	15,285,769	20%	3,057,154	[illegible]	11%	[illegible]
2 to 3 years	8,461,922	60%	5,077,153	[illegible]	[illegible]	[illegible]
Over 3 years	1,268	100%	1,268	[illegible]	[illegible]	[illegible]
Total	89,073,254		10,529,013	[illegible]		[illegible]

(ii) The amount of provision for bad debts in the current year was RMB7,31[illegible],656, with no provision for bad debts recovered/reversed.

(iii) The balance of accounts receivable that were written off in the current year was RMB6[illegible]56,871, and the provision for bad debts was RMB6[illegible]56,871, which mainly [illegible] of over 3 years.

In this year, no accounts receivable in amount that are individually significant were written off.

Notes to the Financial Statements

Fo[illegible] 31 [illegible]
(A[illegible] B[illegible])

16 [illegible] (co[illegible])

(2) Other receivables (co[illegible])

(b) [illegible] boo[illegible] (co[illegible])

(i) A[illegible] 31 [illegible], [illegible] S[illegible] 1, [illegible]:

	Book value	12-month ECL rate	Provision for bad debts
[illegible]:			

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

16 Notes to the company's financial statements (continued)

(3) Long-term equity investment

	31 December 2020	31 December 2019
Subsidiaries (a)	420,377,432	305,477,432
Associates (b)	33,465,928	32,15[illegible],2[illegible]7
	453,843,360	337,636,65[illegible]

There is no significant restriction on sale of long-term investment held by the Company.

(a) Subsidiaries

	31 December 2019	Additional investment for the current year	31 December 2020	Provision for impairment	31 December 2020
[illegible]	32,000,000		32,000,000		32,000,000
[illegible]	20,000,000		20,000,000		20,000,000
[illegible]	27,450,000	[illegible],700,000	37,150,000		37,150,000
[illegible]	1,000,000		1,000,000		1,000,000
[illegible]	500,000		500,000		500,000
[illegible]	10,000,000		10,000,000		10,000,000
[illegible]	1,600,000		1,600,000		1,600,000
[illegible]	10,000,000	847,6[illegible]8	–	(10,847,6[illegible]8)	–
[illegible] Co., Ltd.	34,627,432		34,627,432		34,627,432
[illegible]	168,300,000	31,700,000	200,000,000		200,000,000
[illegible]		30,000,000	30,000,000		30,000,000
[illegible]		53,500,000	53,500,000		53,500,000
	305,477,432	125,747,6[illegible]8	420,377,432	(10,847,6[illegible]8)	420,377,432

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB unless otherwise stated)

16 Notes to the company's financial statements (continued)

(3) Long-term equity investment (continued)

(b) Associate

	31 December 2019	Additional investment	Decrease in investment	Share of the profit/(loss) under the equity method	31 December 2020	Provision for impairment at end of the year
[illegible]						
[illegible]	5,368,206	10,000,000		(4,402,278)	10,965,928	
[illegible]	26,791,021		(23,034,663)	(3,756,358)	–	
[illegible]		22,500,000			22,500,000	
	32,159,227	32,500,000	(23,034,663)	(8,158,636)	33,465,928	

(4) Fixed assets

	Buildings	Medical equipment	Motor vehicles	Electronic and other equipment	Total
Cost					
31 December 2019	326,110,267	37,367,314	3,150,636	18,431,529	385,059,746
Additions	17,906,946	7,102,642	173,942	1,309,311	26,492,841
Disposals and retirement		(588,078)	(340,959)	(1,938,861)	(2,867,898)
Transfer (Note 4(10))	(19,899,787)				(19,899,787)
31 December 2020	324,117,426	43,881,878	2,983,619	17,801,979	388,784,902
Accumulated depreciation					
31 December 2019	37,053,353	23,366,900	2,382,508	11,996,727	74,799,488
Provision	9,114,133	5,505,432	198,066	2,721,543	17,539,174
Disposals and retirement		(576,389)	(323,911)	(1,844,854)	(2,745,154)
31 December 2020	46,167,486	28,295,943	2,256,663	12,873,416	89,593,508
Carrying amount					
31 December 2020	277,949,940	15,585,935	726,956	4,928,563	299,191,394
31 December 2019	289,056,914	14,000,414	768,128	6,434,802	310,260,258

Notes to the Financial Statements

For the year ended 31 December 2022

(All amounts in RMB [illegible])

16 [illegible] (continued)

(4) Fixed assets (continued)

[illegible] RMB17,5[illegible],174 (2021: RMB17,115,[illegible]), [illegible] RMB14,[illegible]7,361, RMB3[illegible], RMB4,887 [illegible] RMB[illegible]74, [illegible] (2021: RMB13,74[illegible],443, RMB3,37[illegible]64, RB[illegible]83 [illegible]).

As at 31 December 2022 and 31 December 2021, [illegible].

For the year ended 31 December 2022, [illegible] (for the year ended 31 December 2021: [illegible]).

(5) Intangible assets

	Land use rights	Software	Contractual right to provide management service	Total
[illegible]				
31 December 2021	[illegible]	[illegible]		[illegible]
[illegible]		[illegible]	[illegible]	[illegible]
31 December 2022	23,602,729	5,039,090	2,829,386	31,471,205
Accumulated amortisation				
31 December 2021	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31 December 2022	5,224,492	3,813,863	49,207	9,087,562
Carrying amount				
31 December 2022	18,378,237	1,225,227	2,780,179	22,383,643
31 December 2021	[illegible]	[illegible]		[illegible]

[illegible] RMB1,1[illegible]1,477 (2021: RB[illegible]677,18[illegible]). [illegible] RB[illegible]53,6[illegible]7 [illegible] RB867,8[illegible] [illegible] (2021: RB1,[illegible]3,[illegible]31 [illegible] RB883,[illegible]58 [illegible]).

As at 31 December 2022 and 31 December 2021, [illegible].

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB Yuan unless otherwise stated)

16 Notes to the Company's financial statements (continued)

(6) Provision for asset impairment

	31 December 2019	Increase in the current year	Decrease in the current year: Reversal	Decrease in the current year: Write-off	31 December 2020
Provision for bad debts of accounts receivable	[illegible],173,[illegible]8	7,31[illegible],656		(6[illegible]56,871)	10,529,013
Provision for bad debts of other receivable	[illegible]44,48[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Notes to the Financial Statements

For the year ended 31 December 2022
(All amounts in RMB Yuan unless otherwise stated)

16 Notes to the company's financial statements (continued)

(8) Retained earnings

Retained earnings at the beginning of the year	200,462,672	182,913,093
Add: Net profit	34,039,077	32,082,866
Less: Appropriation to statutory surplus reserve	(3,403,908)	(3,208,287)
Final cash dividends payable	–	(11,325,000)
Retained earnings at the end of the year	231,097,841	200,462,672

In accordance with the resolution of the Board of Directors'

Notes to the Financial Statements

For [illegible] 31 [illegible]
([illegible])

16 [illegible] (co[illegible])

(9) Revenue and cost of sales (co[illegible])

(a) [illegible]

	2020	
	Revenue	Cost
[illegible]	107,453,075	98,319,580
[illegible]	295,840,028	171,088,768
	403,293,103	269,408,348

	[illegible]	
	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]

(i) [illegible]

(b) [illegible]

	2020	
	Revenue	Cost
[illegible]	9,576,790	4,170,935
[illegible]		
[illegible]	1,481,575	1,450,832
[illegible]	160,190	–
[illegible]	2,651,529	–
	13,870,084	5,621,767

	[illegible]	
	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	
[illegible]	[illegible]	
	13,576,361	[illegible]

Notes to the Financial Statements

For the year ended 31 December 2020
(All amounts in RMB unless otherwise stated)

16 Notes to the company's financial statements (continued)

(10) Financial expenses – net

	2020	2019
Borrowing interest expenses	16,578,305	[illegible]
Amortisation of unrecognised financing charges	–	[illegible]
Interest expenses	16,578,305	[illegible]
Less: Interest income	(15,041,897)	[illegible]
Exchange losses	258,603	[illegible]
Others	318,690	473,158
	2,113,701	[illegible]

(11) Expenses by nature

The cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in the income statement are listed as follows by nature:

	2020	2019
Employee benefits	135,462,152	[illegible]
[illegible]	131,582,583	[illegible]
Depreciation of fixed assets	17,539,174	[illegible]
Depreciation of right-of-use assets	1,346,017	[illegible]
Amortisation of intangible assets	1,121,477	[illegible]
Amortisation of long-term prepaid expenses	7,448,865	[illegible]
[illegible]	1,278,086	[illegible]
[illegible]	13,522,767	[illegible]
Utilities	6,707,463	[illegible]
[illegible]	2,491,617	[illegible]

Notes to the Financial Statements

For [illegible] 31 [illegible]
(A[illegible] B[illegible])

16 [illegible]

(12) Investment losses/(income)

	2020	[illegible]
[illegible]	8,158,636	[illegible]
[illegible]	34,663	[illegible]
[illegible]	(96,371)	[illegible]
[illegible]	–	[illegible]
	8,096,928	[illegible]

[illegible]

(13) Credit impairment losses

	2020	[illegible]
[illegible]	7,312,656	[illegible]
[illegible]	180,454	[illegible]
[illegible]	7,493,110	[illegible]

(14) Income tax expenses

	2020	[illegible]
[illegible]		
[illegible]	8,472,297	[illegible]
[illegible]	2,222,037	[illegible]
	10,694,334	[illegible]

[illegible]

	2020	[illegible]
[illegible]	44,733,411	[illegible]
[illegible] 25%	11,183,353	[illegible]
[illegible]	865,025	[illegible]
[illegible]	(1,354,044)	[illegible]
[illegible]	10,694,334	[illegible]

Definitions

A[illegible]	[illegible] 18, [illegible]1
A[illegible]	[illegible]
A[illegible]	[illegible] e Bo[illegible]
Beijin[illegible]	Beijin[illegible] o., L[illegible]. (北京怡寧醫院有限公司), [illegible] 17, [illegible] 15, [illegible]

Definitions

Latest Practicable Date	April 21, 2021, being the latest practicable date for the purpose of ascertaining certain information in this report prior to its publication
[illegible] Hospital Company	[illegible] Hospital Company Co., Ltd. (臨海康寧醫院有限公司), a company established under the laws of the PRC on February 2, 2015, one of our Company's non-wholly owned subsidiaries
[illegible] Hospital Company	[illegible] Hospital Company Co., Ltd. (台州市路橋慈寧醫院有限公司, previously known as [illegible] Hospital Company Co., Ltd. (台州市路橋怡寧醫院有限公司)), a company established under the laws of the PRC on December 12, 2016, one of our Company's indirect non-wholly owned subsidiaries
Macau	the Macau Special Administrative Region of the PRC
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
Nanjing [illegible] Hospital Company	Nanjing [illegible] Hospital Company Co., Ltd. (南京怡寧醫院有限公司), a company established under the laws of the PRC [illegible]

Definitions

[illegible]	[illegible] Co., Ltd. (青田康寧醫院有限公司), [illegible] April 1, 2011, [illegible]
[illegible]	[illegible] Co., Ltd. (衢州怡寧醫院有限公司), [illegible] 15, [illegible]
[illegible]	[illegible] 31, 20[illegible]
[illegible]	[illegible] of the Board
B[illegible]	[illegible]
SF[illegible]	the Securities and F[illegible] (Chapter 571 of the Laws of [illegible]), [illegible]
Share(s)	Share(s) [illegible] B100 [illegible] Share(s) [illegible] Share(s)
Shareholder(s)	[illegible] holder(s) of the Share(s)
S[illegible]	S[illegible] (深圳怡寧醫院, [illegible] Co., Ltd. (深圳市怡寧醫院有限公司)), [illegible] September [illegible], 2014, [illegible]
S[illegible] committee	[illegible] committee of the Board
[illegible]	[illegible] (Chapter 622 of the [illegible])
[illegible] Shareholder(s)	[illegible]
S[illegible]	[illegible] of the S[illegible] committee
S[illegible] committee	[illegible] committee established [illegible] law

Definitions

"Taizhou Kangning Hospital"	Taizhou Kangning Hospital Co., Ltd. (台州康寧醫院有限公司), a company established in the PRC with limited liability on June [illegible], 2016, one of the Company's indirect non-wholly owned subsidiaries
"Wenling Nanfang Hospital"	Wenling Nanfang Psychiatric Specialty Hospital Co., Ltd. (溫嶺南方精神疾病專科醫院有限公司), a company established in the PRC with limited liability on June [illegible], 2018, one of the Company's indirect non-wholly owned subsidiaries
"Wenzhou Cining Hospital"	Wenzhou Cining Hospital Co., Ltd. (溫州慈寧醫院有限公司), a company established in the PRC with limited liability on [illegible] 25, 2016, one of the Company's wholly-owned subsidiaries
"Wenzhou Guoda"	Wenzhou Guoda Investment Co., Ltd. (溫州國大投資有限公司), a company established in the PRC with limited liability on February [illegible], 20[illegible], one of the Company's indirect non-wholly owned subsidiaries
"Yanjiao Furen Hospital"	Yanjiao Furen Hospital of Traditional Chinese and Western Medicine (燕郊輔仁中西醫結合醫院) where the Company's operation and management rights were acquired in accordance with an agreement dated March 26, 2015 entered into between Langfang Sanhe Yanjiao Furen Hospital (廊坊三河燕郊輔仁醫院, previously known as Yanjiao Furen Hospital of Traditional Chinese and Western Medicine (燕郊輔仁中西醫結合醫院)) and the Company, the management and control of [illegible] which has been [illegible] of the end of the reporting period [illegible]
"Yelimi Company"	Hangzhou Yelimi Information Technology Co., Ltd (杭州耶利米信息科技有限公司), a company established in the PRC with limited liability on December 27, 2018, one of the Company's indirect wholly-owned subsidiaries
"Yining Psychology Internet Hospital Company"	Yining Psychology Internet Hospital (Wenzhou) Co., Ltd. (怡寧心理互聯網醫院(溫州)有限公司), a company established in the PRC with limited liability on March [illegible], 20[illegible], one of the Company's indirect wholly-owned subsidiaries
"Yongjia Kangning Hospital"	Yongjia Kangning Hospital Co., Ltd. (永嘉康寧醫院有限公司), a company established in the PRC with limited liability on December 12, 2012, one of the Company's wholly owned subsidiaries
"Yueqing Kangning Hospital"	Yueqing Kangning Hospital Co., Ltd. (樂清康寧醫院有限公司), a company established in the PRC with limited liability on September 3, 2013, one of the Company's wholly owned subsidiaries
"%"	percentage ratio

溫州康寧醫院股份有限公司

W[illegible]ing Hospital Co.,