



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

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

股份代號 Stock Code : 3689

*僅供識別 For identification purposes only

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2020
ANNUAL
REPORT
年報



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Director

Mr. Lv Yubo

Independent Non-executive Directors

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

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

SUPERVISORY COMMITTEE

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

JOINT COMPANY SECRETARIES

Mr. Wong Wai Hang Ricky
Ms. Chau Hing Ling

SECRETARY TO THE BOARD

Ms. Wang Yingda

董事會

執行董事

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

非執行董事

呂玉波先生

獨立非執行董事

楊銘澧先生
陳可冀醫生
陳星能先生

審核委員會

陳星能先生 (*主席*)
陳可冀醫生
楊銘澧先生

薪酬委員會

陳星能先生 (*主席*)
王愛勤女士
楊銘澧先生

提名委員會

王君揚先生 (*主席*)
陳可冀醫生
楊銘澧先生

監事會

陳少明先生 (*主席*)
王少鋒先生
岳春陽先生

聯席公司秘書

黃偉恒先生
周慶齡女士

董事會秘書

王櫻達女士

AUTHORISED REPRESENTATIVES

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

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

LEGAL ADVISERS AS TO HONG KONG LAWS

Allen & Overy

REGISTERED OFFICE

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Dongguan Kanghua Hospital
Nancheng Street Road
Dongguan
Guangdong Province
PRC

HEAD OFFICE IN THE PRC

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Dongguan
Guangdong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Kwai Fong, New Territories
Hong Kong

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

STOCK CODE

3689

COMPANY'S WEBSITE

<http://www.kanghuagp.com>

授權代表

王偉雄先生
黃偉恒先生

核數師

德勤 • 關黃陳方會計師行
註冊公眾利益實體核數師

香港法律顧問

安理國際律師事務所

註冊辦事處

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東莞康華醫院
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香港
灣仔
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合和中心
17樓1712-1716號舖

股份代號

3689

公司網站

<http://www.kanghuagp.com>

Financial Highlights

財務概覽

KEY FINANCIAL PERFORMANCE 主要財務表現

		For the year ended 31 December 截至十二月三十一日止年度		
		YoY Change 按年變動	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收益	-10.8%	1,745,023	1,955,525
Gross profit	毛利	-32.4%	263,155	389,419
Gross profit margin	毛利率	-4.83b.p.	15.1%	19.9%
(Loss) profit before taxation	除稅前(虧損)溢利	-122.2%	(26,089)	117,485
Adjusted EBITDA [#]	經調整 EBITDA [#]	-32.1%	196,493	289,180
(Loss) profit for the year attributable to owners of the Company	本公司擁有人應佔年內(虧損)溢利	-134.2%	(25,372)	74,264
Earnings per share – basic	每股盈利 – 基本	-134.2%	(7.6)	22.2
Total assets	總資產	-5.0%	2,453,901	2,583,161
Total liabilities	總負債	-7.0%	1,046,399	1,125,603
Equity attributable to owners of the Company	本公司擁有人應佔權益	-1.8%	1,332,530	1,356,425
Net gearing ratio	淨資產負債率	+3.48b.p.	18.3%	14.8%

[#] Adjusted EBITDA is earnings before accounting for bank and other interest income, interest expense, taxes, depreciation and amortisation, fair value gain and investment income from financial assets at fair value through profit or loss ("FVTPL"), net exchange gain/loss and impairment loss on goodwill.

[#] 經調整 EBITDA 為除銀行及其他利息收入、利息開支、稅項、折舊及攤銷、公平值收益及按公平值計入損益(「按公平值計入損益」)的金融資產投資收入、匯兌收益/虧損淨額及商譽減值虧損前的盈利。



PATIENT VISITS

病人人次

Thousand Visits 千人次

No. of inpatient

住院人次



No. of outpatient

門診人次



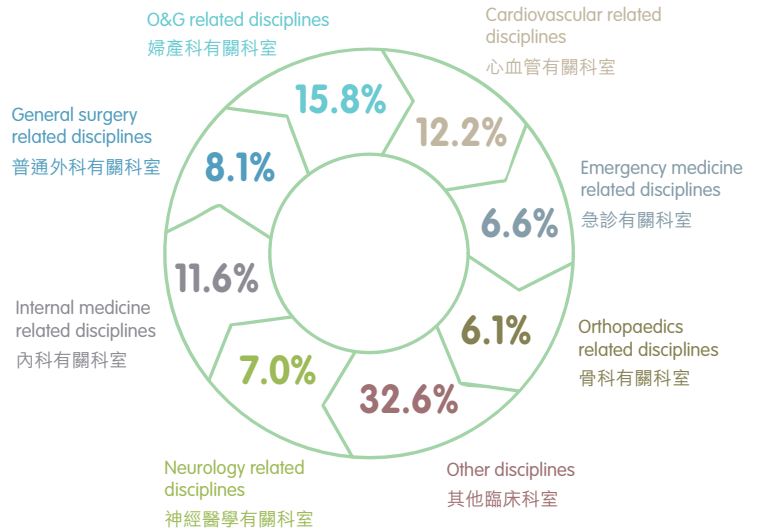
No. of surgeries

手術量



REVENUE PROPORTION BY MAJOR HEALTHCARE DISCIPLINES*

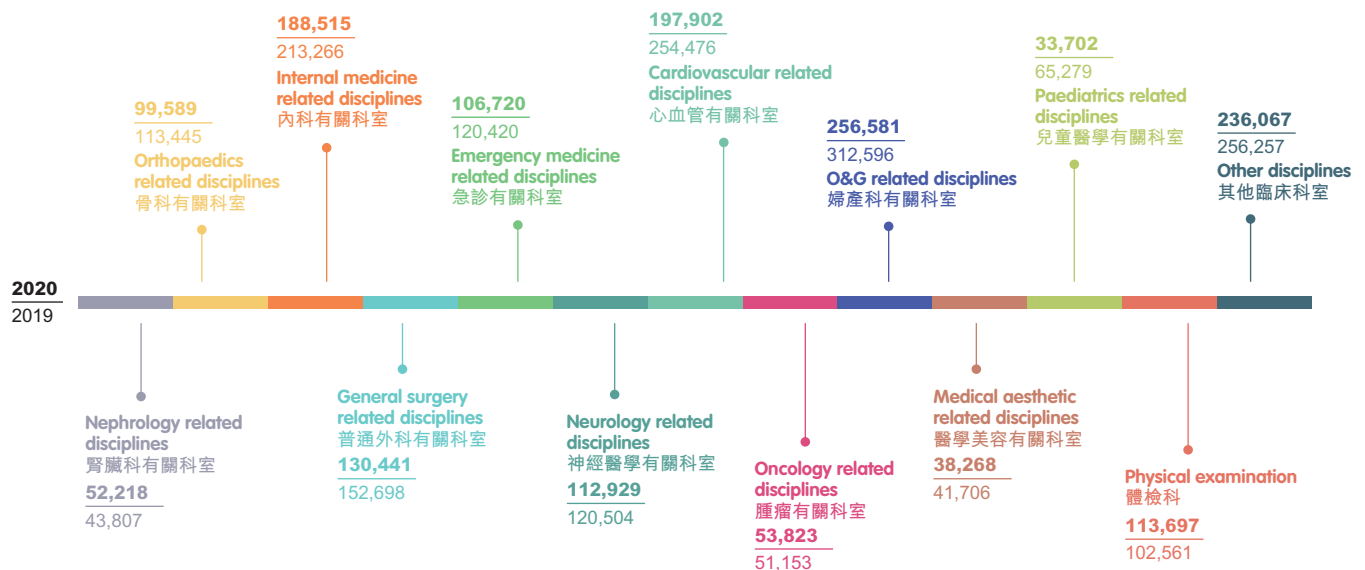
主要科室收益佔比*



REVENUE YoY OF MAJOR HEALTHCARE DISCIPLINES*

主要科室年內收益同比*

RMB'000 人民幣千元



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

* 該金額不包括提供康復及其他醫療服務、銷售藥品及其他的收益。

The Chief Executive Officer's Statement

行政總裁報告

Chen Wangzhi
陳旺枝

Chief Executive Officer 行政總裁



Looking forward, the Group will continue to enhance our healthcare service core competencies with a view to restructuring our healthcare management capabilities, strengthening departmental management concepts and enhancing working efficiency. At the same time, we will focus on the development opportunity of the Greater Bay Area to expand our businesses and healthcare network. With the year 2021 kicking off with Kanghua Hospital's fourth five-year plan, our Group enters a period of stable operations, and has proven to possess strong innovative capabilities and risk resilience. The Group is positioned grasp the opportunities arising in the post COVID-19 pandemic era and we must formulate a sound operational plan to address the rapidly changing policies and market environment, as well as improve technology application to upgrade and transform our medical institutions.

展望未來，本集團將繼續提升我們的醫療服務核心競爭力，以重組我們的醫療管理能力，強化部門管理理念，提高工作效率。同時，我們將關注大灣區的發展機遇，拓展我們的業務和醫療網路。2021年是康華醫院第四個五年規劃啟動之年，本集團進入穩定運營期，具有較強的創新能力和抗風險能力。本集團將立足於抓住後COVID-19疫情時代的機遇，製定完善的經營計劃，應對瞬息萬變的政策和市場環境，提高我們的醫療機構升級改造及技術應用水準。

The Chief Executive Officer's Statement

行政總裁報告

Dear Shareholders,

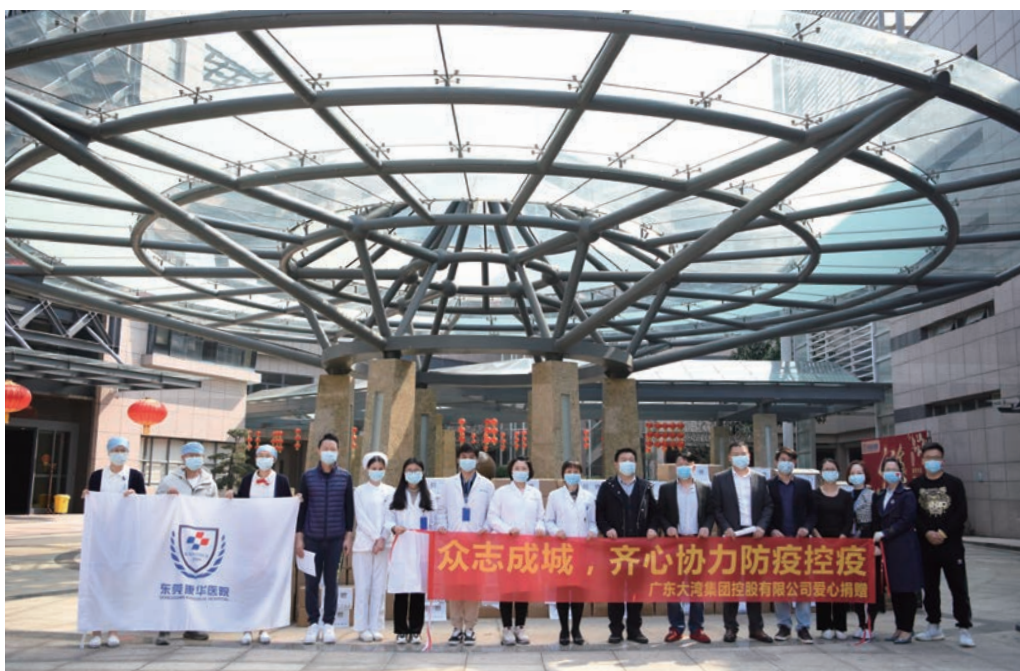
On behalf of the Company, I sincerely express my gratitude to all Shareholders and other stakeholders from different parts of the community for your continuous support to the Group.

In the beginning of year 2020, the unexpected and unprecedented pandemic caused by the novel coronavirus disease 2019 ("COVID-19") exerted downward pressure on national economic development, and accordingly, the operations of a wide range of industries and sectors in the PRC have been severely affected. During the pandemic, the Group's operations were affected, including temporary restrictions and closures of rehabilitation centres, and the rescheduling of some of our non-emergency services and surgeries at our hospitals to suppress the spread of the virus. The restriction and control measures caused a decline in the volume of outpatient visits, inpatient visits and surgical operations during the first half of 2020. The implementation of various pandemic prevention policies and preventive measures to control the COVID-19 pandemic have temporarily suppressed the demand for our medical services. However, under the leadership of the Chinese Central Government, the PRC has gained great success in battling the virus. Starting from the second half of 2020, our operations quickly bounced back with volume of patient visits gradually returning to normal levels before the pandemic. In particular, the volume of our rehabilitation services increased significantly during the second half of the year.

致股東：

本人謹代表本公司衷心感謝全體股東及社會各界其他利益相關人士對本集團的持續支持。

於二零二零年年初，由新型冠狀病毒疾病（「COVID-19」）所引起的出乎意料且前所未有的疫情已對國民經濟發展造成了下行壓力，中國各行各業的經營因此而受到嚴重影響。疫情期間，本集團的營運受到影響，包括臨時限制及關閉康復中心，並且我們的醫院部分非緊急服務及手術重新排期。限制及控制措施已導致二零二零年上半年門診人次、住院人次以及外科手術量均有下降。實施多種疫情預防政策及預防措施以控制COVID-19疫情暫時抑制了對我們醫療服務的需求。然而，於中國中央政府的領導下，中國於抗擊病毒方面取得巨大成功。自二零二零年下半年開始，我們的業務迅速反彈，患者就診量逐漸恢復至疫情前的正常水平。尤其是我們的康復服務量於下半年大幅增加。



The Chief Executive Officer's Statement

行政總裁報告

In view of the impact of the COVID-19 pandemic in the PRC, the authorities at the national level have commensurately realigned the policy of the entire healthcare industry. The pandemic and 5G technology have catalysed the rise of internet medical treatments. The Chinese Government departments introduced a series of policies to encourage the development of Internet healthcare. In November 2020, the National Healthcare Security Administration (NHSA) promulgated the "Guidelines on Promoting Social Health Insurance Payment for "Internet +" Healthcare Services", to facilitate innovation in the "Internet +" healthcare services model, and to further clarify the standards and guidelines for including Internet healthcare in the Social Health Insurance (SHI) payment. The National Medical Products Administration also released the "Measures for Oversight and Management of Online Distribution of Drugs (draft for comments)" in the same month, permitting online distribution and display of prescription drugs. As such, the COVID-19 pandemic created further opportunities for the development of Internet healthcare in the PRC. The Group will continue to promote the integration of online and offline healthcare services, the development of different channels and the expansion of healthcare professionals, as well as building up our online capabilities, to further strengthen our position and accelerate business development in the Guangdong region.

During the COVID-19 pandemic, given the environmental constraints, as well as the improving application of medicine over the internet, the number of people seeking online medical consultation significantly increased. Furthermore, medical informatisation greatly improved the efficiency and workflow of medical services. The emergence of medical kiosks in our hospitals accelerated the transformation and upgrade in our medical institutions. The National Health Commission, the State Food and Drug Administration and the NHSA successively issued the "Notice for Further Improving Medical Consultation and Treatment Reservation System and Enhancing the Construction of Smart Hospitals" and other related documents, providing a route to upgrade and transform medical institutions. These initiatives also lay down key guidelines for construction of internet hospitals. In response, our hospitals expedited the construction work of internet hospitals.

隨著 COVID-19 疫情對我國的影響，國家層面對整個醫療行業的政策也做出了相應的調整。疫情與 5G 技術催生互聯網就醫興起。中國政府部門推出一系列鼓勵互聯網醫療發展的政策。於二零二零年十一月，國家醫保局頒佈《關於積極推進「互聯網+」醫療服務醫保支付工作的指導意見》，促進「互聯網+」醫療服務模式的創新，並進一步明確互聯網醫療納入醫保支付的標準和指引。國家藥監局亦於同月發佈《藥品網絡銷售監督管理辦法（徵求意見稿）》，允許線上分銷及展示處方藥。因此，COVID-19 疫情為中國互聯網醫療發展創造更多機會。本集團將繼續推進線上及線下醫療服務的整合，發展不同渠道及拓展醫療專業人才，以及搭建線上功能，進一步鞏固我們的地位及加快廣東地區的業務發展。

在 COVID-19 疫情期間，受環境條件限制，同時在互聯網上藥物應用逐步完善的情況下，廣大群眾選擇網上就診率大大提高，同時醫療信息化大大改善了醫療服務效率和流程，我們醫院自助機的出現，加快我們醫療機構的轉型升級。衛健委、藥監總局、國家醫保總局先後出台政策推進《關於進一步完善預約診療制度加強智慧醫院建設的通知》等相關文件，為醫療機構指明了升級轉型的路徑。該等措施亦對互聯網醫院建設作出關鍵性指導，我院亦順應時勢，全面加快互聯網醫院建設相關工作。

The Chief Executive Officer's Statement

行政總裁報告

Despite the impact of the COVID-19 pandemic, the Group continued to restructure the healthcare management departments, strengthen horizontal communication and enhance working efficiency across all our medical facilities including Kanghua Hospital (our approved Grade A Class III general hospital), Renkang Hospital (our Grade A Class II standard general hospital) and Kangxin Hospital (our private hospital specializing in cardiovascular discipline), as well as our rehabilitation healthcare services centres and hospitals. In particular, Kanghua Hospital continued to pursue new management concepts, including the tools that apply “data and performance management and multi-quality control”, in order to enhance the monitoring and analysis of key medical quality process and outcome indicators. In 2019, Kanghua Hospital established the “Internet + Medical Healthcare Services” organisational structure. With the “Household Kanghua Angel” project formally implemented, Kanghua Hospital also became the first hospital in Dongguan City to develop and operate an online nurse appointment platform. In 2020, Kanghua Hospital continued to optimise its online services and further pushed forward with the trial operations as an internet hospital. Our management is of the view that the new internet service is expected to reduce the impacts of the COVID-19 pandemic on the operations in the future.

During the year, with respect to the Group's hospital services segment, our hospitals have achieved a number of developments, recognitions and accreditations. At Kanghua Hospital, the Department of Respiratory and Critical Medicine obtained the certification as a PCCM-certified class III hospital. Kanghua Hospital received a 5-star expertise rating and a 3A creditworthiness rating from the Chinese Non-governmental Medical Institute Association. Kanghua Hospital was also honoured as one of the “brands that contributed to combatting against COVID-19” at the second Private Medical Care Ceremony of the Guangdong Province, and as an enterprise with outstanding charitable contribution at the 10th anniversary of the Guangdong Poverty Alleviation Day and Dongguan Charity Day. In addition, Kanghua Hospital became a CDQI “National Standardised Atrial Fibrillation Centre (Model Centre)”, a member of Chinese Heart Failure Centre, and a designated collection hospital for the Chinese Hematopoietic Stem Cell Donor Database. At Renkang Hospital, the Department of Emergency and Critical Medicine was established, introducing high-calibre talents to provide strong

儘管受到 COVID-19 疫情的影響，本集團繼續調整醫療管理部門組織架構，加強我們所有醫療機構的橫向溝通及提高工作效率，該等機構包括康華醫院（我們的經認可三級甲等綜合醫院）、仁康醫院（我們的二級甲等標準綜合醫院）及康心醫院（專攻心血管科的私立醫院），以及我們的康復醫療服務中心及醫院。特別是，康華醫院持續實行「資料績效管理、多品質管制」工具的應用等新的管理理念，加強對重點醫療品質過程指標、結果指標進行監測及分析。二零一九年，康華醫院部署建立了「互聯網+護理服務」組織架構，「康華天使到家」項目正式上線，康華醫院也成為了東莞市首家自主研發、第一家開通網約護士資訊平台的醫院。於二零二零年，康華醫院持續優化網上服務及進一步推進互聯網醫院的試運行。管理層認為新互聯網服務部署有望減低未來 COVID-19 疫情對業務的影響。

於本年度，就本集團的醫院服務分部而言，我們的醫院已取得多項進展、認可及認證。康華醫院呼吸與危重症醫學科正式取得三級醫院 PCCM 達標證書。康華醫院獲評中國非公立醫療機構協會能力評價五星及信用評價 3A 醫院、廣東社會辦醫第二屆品牌盛典抗擊新冠貢獻品牌、廣東扶貧濟困日暨東莞慈善日十周年突出貢獻愛心企業、CDQI「國家標準化房顫中心（示範中心）」、中國心衰中心及中國造血幹細胞捐獻者資料庫定點採集醫院等。仁康醫院成立急危重症醫學部，引進高級人才，為臨床科室提供強有力的生命支援保障，從而提升全院的急診急救水準。仁康醫院亦成立「呼吸與危重症醫學科」，按照專科評審標準積極建設，成為東莞首家



The Chief Executive Officer's Statement

行政總裁報告

life support and protection to clinical departments. These efforts have raised the emergency and first aid standards of the hospital. Renkang Hospital also established the "Department of Respiratory and Critical Medicine", which was actively constructed in accordance with the specialty evaluation standards and became the first Class 2 hospital in Dongguan that was awarded the "Class 2 Hospital with excellent performance in the national PCCM standardisation construction project" title. In addition, Renkang Hospital established its new Department of Oncology, which offered standardised chemotherapy, immunotherapy, targeted therapy and endocrine therapy for cancer patients. At Kangxin Hospital, the hospital was designated by National Health Commission's Capacity Building and Continuous Education Centre as the "Primary Hospital Electrophysiology Specialty Training Project Base", indicating that its capability in electrophysiology interventional surgery is recognised by the government and other peers in the industry. In October 2020, Kangxin Hospital successfully developed its Department of Cardiology, which excelled in passing the inspection and acceptance as one of the municipal-level key clinical discipline projects of Chongqing. In the future, our Group will continue to recruit and promote talents according to its strategic development plan, and exploit its talent pool to continue the development momentum of our hospital services.

With respect to our rehabilitation services segment, the Anhui Hualin Group placed tremendous effort in expanding its business and operational presence in the Anhui Province. In 2020, Anhui Hualin actively submitted tenders for new projects, including the management of Hefei Compulsory Drug Rehabilitation Centre and the operation of Hefei Daoxiang Village Home for the Disabled. At the same time, Anhui Hualin actively expanded non-medical projects, including Hefei Kangaiyun Pharmacy, and Hefei Xianguang Primary School and Children's Disability Rehabilitation and Nursery Project. In 2020, Hefei Kanghua Rehabilitation Hospital continued to step up its efforts to implement new projects and new technologies such as Ilizarov surgery, early rehabilitation treatment for critically ill patients, respiratory rehabilitation, neurogenic bladder function rehabilitation, botulinum toxin injection technology and transcranial magnetic stimulation treatment. Hefei Jingu Hospital established stable core clinical referral business with the Burns Department of the first affiliated hospital of Anhui Medical University, Hi-Tech Zone Campus. Kanghua Paediatric Rehabilitation was further recognised by the disabled persons federations after the verification and audits conducted by the Disabled Persons Federations in 2020. Hefei Jingu Hospital became an influential brand in the field of rehabilitation of disabled children in Anhui Province, and further improved its contributions to the overall society.

榮獲「全國PCCM科室規範化建設二級醫院優秀單位」的二級醫院。此外，仁康醫院新建腫瘤科，規範腫瘤患者的化療、免疫治療、靶向治療及內分泌治療。康心醫院被國家衛生健康委能力建設和繼續教育中心確定為「基層醫院電生理專項能力培訓專案基地」，使其電生理介入手術能力得到政府和同行認可。二零二零年十月，康心醫院高標準完成心內科建設，心內科以高分通過重慶市市級臨床重點專科建設專案驗收。未來，本集團將依據其戰略發展計劃聘任和選拔人才，利用人才儲備持續為我們的醫院服務發展蓄能。

就我們的康復服務分部而言，安徽樺霖為擴大其於安徽省的業務及運營作出巨大努力。於二零二零年，安徽樺霖積極投標新項目，包括合肥市強制戒毒所醫院管理及合肥稻香村殘疾人之家運營。同時，安徽樺霖積極拓展非醫療類項目，包括合肥康愛雲大藥房及合肥霞光小學兒童殘障康復托養項目。於二零二零年，合肥康華康復醫院繼續加強開展伊利紮夫手術，重症患者超早期康復治療，呼吸功能康復，神經源性膀胱的功能康復，肉毒素注射技術以及經顱磁刺激治療技術等新專案、新技術。合肥金谷醫院與安醫一附院、高新院區燒傷科建立了較為穩定的核心臨床轉診業務。康華兒童康復，經歷二零二零年殘聯系統的各項核對總和審計後，在殘聯系統得到進一步認同。合肥金谷醫院已經在安徽省殘疾兒童康復中形成了較有影響力品牌和特色，對社會的貢獻得到進一步提升。

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行政總裁報告

Beginning in 2018, the Group strategically established a comprehensive elderly healthcare centre located in Renkang Hospital, namely Renkang Elderly Care Centre, initially with 60 registered beds to explore the potential of providing quality high-end elderly care services to local residents in Houjie Town, Dongguan City. In view of the accelerating aging population problem in the PRC that leads to the high development potential of the healthcare and elderly care industry, the establishment of the Renkang Elderly Care Centre was the Group's first presence and extension of our big health concept business development. In June 2020, the second phase of the nursing home project passed the inspection of the Municipal Health Supervision Bureau and the Civil Affairs Bureau. In August 2020, the second phase of the elderly care centre commenced operation with the addition of 48 registered beds and became a designated medical institution covered by the social insurance system. Furthermore, during the year, the Group has seized the opportunity to expand our business in elderly healthcare services by successfully bidding for the land use rights of a land parcel to develop comprehensive elderly healthcare medical facilities with a particular focus on geriatric patients and rehabilitation. The Board expects that such development will further enhance the Group's capability in providing high-end integrated medical care to meet the increasing demand for such services in Guangdong Province (and in particular Dongguan City).

With respect to our financial performance in 2020, the Group recorded consolidated revenue for the year of RMB1,745.0 million, representing a year-on-year decrease of 10.8%. Revenue from our hospital services segment amounted to RMB1,620.5 million, representing an overall year-on-year decrease of 12.3%, mainly attributable to the decline in overall patient visits of our owned-hospitals during the pandemic. The total number of inpatient visits declined to 56,589 (2019: 75,568), representing a year-on-year decrease of 25.1% and the total number of outpatient visits declined to 1,358,516 (2019: 1,753,320), representing a year-on-year decrease of 22.5%. However, our rehabilitation and other related healthcare services segment recorded a revenue for the year of RMB100.4 million, representing a year-on-year increase of 15.3%. Even though our rehabilitation centres were unable to resume normal operation until the later half of the second quarter of 2020 due to measures implemented to suppress COVID-19, the volume of patient visits rebounded strong in the second half year of 2020. The increase in revenue was driven by the positive business sentiment in the region, stimulating the revenue growth of our rehabilitation and other related healthcare services segment.

自二零一八年開始，本集團按照策略於仁康醫院內部建立一個綜合性的老人保健中心，即仁康護理院，初步擁有60張註冊床位，以開拓向東莞市厚街鎮的當地居民提供優質高端養老服務的潛力。鑒於中國人口加速老齡化問題導致醫療保健及老年護理行業的巨大發展潛力，成立仁康護理院為本集團首次亮相及擴展我們的大型保健概念業務發展。於二零二零年六月，護理院二期專案已通過市衛生監督局和民政局的檢查驗收。於二零二零年八月，老人護理中心二期已投入運營，並增設48張註冊床位，成為社會保險定點醫療機構。此外，於本年度，本集團已抓住機遇，透過成功競得地塊的土地使用權以開發綜合老年醫療設施擴大老年醫療服務業務，尤其專注於老年患者及康復。董事會預期，有關發展項目將進一步提升本集團提供高端綜合醫療服務的能力，以滿足廣東省（尤其是東莞市）對相關服務不斷增長的需求。

就我們的財務表現而言，於二零二零年，本集團於本年度的綜合收益達人民幣1,745.0百萬元，按年計同比下降10.8%。我們的醫院服務分部的收益達人民幣1,620.5百萬元，整體按年計同比下降12.3%，主要是由於疫情期間我們所擁有醫院的患者整體就診次數下降。住院人次總數下降至56,589名（二零一九年：75,568名），按年計同比下降25.1%，而門診人次總數下降至1,358,516名（二零一九年：1,753,320名），按年計同比减少22.5%。然而，我們的康復及其他相關醫療服務分部錄得收益人民幣100.4百萬元，按年同比增加15.3%。儘管我們的康復中心由於實施抑制COVID-19的措施而未能於二零二零年第二季度後半期之前恢復正常營運，但於二零二零年下半年的患者就診量反彈強勁。收益增加受到該地區濃厚的商業氣氛帶動，刺激康復及其他相關醫療服務分部的收入增長。

The Chief Executive Officer's Statement

行政總裁報告

In 2020, the Group recorded consolidated loss for the year of RMB50.1 million (2019: profit for the year of RMB48.7 million) and loss attributable to owners of the Company for the year of RMB25.4 million (2019: profit attributable to owners of the Company of RMB74.3 million). The loss incurred for the year is mainly attributable to: (i) the significant decline in revenue and profit at Kanghua Hospital and Renkang Hospital mainly as a result of the decline in the number of patient visits across all their major service offerings during the COVID-19 pandemic; (ii) the continuing loss incurred at Kangxin Hospital for the current year; and (iii) the Group recognised an impairment loss on goodwill in respect of the cash generating units of Kangxin Hospital and Anhui Hualin in aggregate of RMB77.4 million. The Group's Adjusted EBITDA recorded a year-on-year decrease of 32.1% to RMB196.5 million (2019: RMB289.2 million), which indicates that the Group's core operation as a whole remained profitable, after eliminating the effects of financing, investment-related income, effects of exchange rates changes, capital expenditures and extraordinary non-cash related losses.

The year 2021 is a year of global economic uncertainties in the post COVID-19 era, kicking off Kanghua Hospital's fourth five-year plan. After 15 years of operation, Kanghua Hospital, under the leadership of its board of directors, has built up our own teams, strong disciplines, an extensive network of connections, and a reputable brand, based on our five core disciplines. Kanghua Hospital entered a period of stable operations, and has proved to have strong innovative capability and risk resilience. On the other hand, we also saw the rapid development of local public hospitals in 2020, which was supported by government policies, especially from the emergence of public hospitals as the primary source of healthcare under the background of prevention of control of COVID-19. The reform of payment methods under the medical insurance system forced us to change our business philosophy from extensive growth of income to optimising our income structure. In terms of the overall market, the competition among hospitals became more intense due to the impact of COVID-19 and the structure of the industry on local population and demographics, the division of market as a result of the development of integrated health care systems, and the improvement of service capability of primary healthcare hospitals. We also need to promptly address the historical issues accumulated within our hospitals during our rapid development in the past decades. In particular, with the introduction of the new standards for the assessment of classified hospitals, we must be well prepared for the upcoming assessment in 2024. As such, we must formulate a sound operational plan this year to address the rapidly changing policies and market environment, considering the actual situation at our hospitals.

於二零二零年，本集團錄得本年度綜合虧損人民幣50.1百萬元（二零一九年：年度溢利人民幣48.7百萬元）及錄得本年度本公司擁有人應佔虧損人民幣25.4百萬元（二零一九年：本公司擁有人應佔溢利人民幣74.3百萬元）。本年度產生的虧損乃主要由於：(i)康華醫院及仁康醫院的收入及溢利大幅下降，主要乃由於COVID-19疫情期間其所有主要服務項目中的患者就診次數減少所致；(ii)康心醫院於本年度招致的持續虧損；及(iii)本集團就康心醫院及安徽樺霖的現金產生單位確認商譽減值虧損合共人民幣77.4百萬元。本集團的經調整EBITDA錄得按年計同比下降32.1%至人民幣196.5百萬元（二零一九年：人民幣289.2百萬元），表明本集團的整體核心業務於撇除融資、投資相關收入、匯率變動影響、資本支出及重大非現金相關虧損後，仍保持盈利。

二零二一年是康華醫院第四個五年計劃的開局之年，也是一個後疫情時代全球經濟運行充滿變數的一年。醫院經過十五年的經營，在董事會領導下，以五大中心為基礎，逐步形成了自己的團隊和優勢學科群，積累了深厚的人脈，創建了良好的品牌。康華醫院進入良性運作期，具備較強的創新能力和抗風險能力。同時，我們也清楚地認識到，於二零二零年，本地區公立醫院在政府政策的扶持下得到快速發展，尤其是疫情的防控強化了公立醫院的主體地位。在醫保方面，付費方式的改革，迫使我們的經營理念由粗獷式的收入增長轉為收入結構的優化。在市場方面，疫情及產業結構對本地區人口基數和人口統計數據的影響，醫聯體建設對市場的重新切割，基層醫院服務能力的提升，加劇了醫院之間的競爭。在醫院內部，經過十多年的高速發展，沉積的問題需要我們盡快理順。尤其是等級醫院評審的新標準出台，面對二零二四年等級醫院複審，我們必須未雨綢繆。因此，醫院必須在變幻的政策及市場背景下結合我院實際，認真做好本年度的工作計劃。

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Looking ahead, the Group will position ourselves in the new era of accelerated development of the Internet healthcare and smart hospitals. Beginning from 2021, the first year of the "14th Five-Year Plan" of development of the PRC, the Group will focus on our core businesses, whilst continue to strengthen our healthcare services network in the Greater Bay Area. The Group will seize the significant opportunities brought by the reform of the "Healthy China 2030" vision through strategical changes and development. With the Group's solid and constructive reputation background and network of patients, the Group will capitalize on synergies from the patient channels, healthcare services, government partnerships and technologies to enhance our core competitiveness, strengthening our offline service capabilities as well as developing our online service abilities. Our strategy will continue to improve specialties based on the existing advantageous ones, further enhance the operation systems of our hospitals and improve operation efficiency. The Group will further consolidate its leading position in the private healthcare industry in China and strive to achieve excellent results, maximise return and sustainable value for our shareholders. Our Kanghua brand will continue to uphold the enterprise mission of "Empathic • Virtuous Medical Practice" (蒼生為念 • 厚德載醫), and becoming a renowned and diverse healthcare services operator in China.

展望未來，本集團將處於互聯網醫療及智能醫院加速發展的新時代。自二零二一年（即中國「十四五規劃」首年）開始，本集團將專注於核心業務，同時繼續強化我們於大灣區的醫療服務網絡。本集團將把握「健康中國2030」願景改革帶來的重大機遇。憑藉本集團良好且可靠的聲譽背景及患者網絡，本集團將利用患者渠道、醫療服務、政府合作夥伴關係及技術的協同效應，提升我們的核心競爭力，加強我們的線下服務能力及發展我們的線上服務能力。我們的策略將繼續基於現有優勢提升專科能力，從而進一步完善我院的營運系統及提高營運效率。本集團將進一步鞏固其於中國私營醫療行業的領導地位，勇創佳績，實現股東回報及可持續價值的最大化。我們的康華品牌將繼續秉持「蒼生為念 • 厚德載醫」的企業使命，成為中國多元化的知名醫療服務營運商。

Chen Wangzhi
Chief Executive Officer

29 March 2021

陳旺枝
行政總裁

二零二一年三月二十九日



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

Business Overview for 2020

In the beginning of year 2020, the unexpected and unprecedented pandemic caused by the novel coronavirus disease 2019 ("COVID-19") exerted downward pressure on national economic development, and accordingly, the operations of a wide range of industries and sectors in the PRC have been severely affected. During the pandemic, the Group's operations were affected, including temporary restrictions and closures of rehabilitation centres, and rescheduling of some of our non-emergency services and surgencies at our hospitals to suppress the spread of the virus. The restriction and control measures caused a decline in the volume of outpatient visits, inpatient visits and surgical operations during the first half of 2020. The implementation of various pandemic prevention policies and preventive measures to control the COVID-19 pandemic have temporarily suppressed in the demand for our medical services. However, as the condition of the pandemic improved towards the third quarter of the year, our operations quickly bounced back with volume of patient visits gradually returning to normal levels before the pandemic. In particular, the volume of our rehabilitation services increased significantly during the second half of the year.

In 2020, the Group's consolidated revenue for the year amounted to RMB1,745.0 million (2019: RMB1,955.5 million), representing a year-on-year decrease of 10.8%, mainly attributable to the decline in overall patient visits of our owned-hospitals during the pandemic. The Group's owned-hospitals (making up our hospital services segment), namely Kanghua Hospital, Renkang Hospital and Kangxin Hospital, all recorded a decline in revenue of 12.7%, 5.8% and 29.6%, respectively. Revenue from our hospital services segment for the Reporting Period amounted to RMB1,620.5 million (2019: RMB1,848.2 million), representing an overall year-on-year decrease of 12.3%

業務回顧和展望

二零二零年業務概覽

於二零二零年年初，由新型冠狀病毒疾病（「COVID-19」）所引起的出乎意料且前所未有的疫情已對國民經濟發展造成了下行壓力，中國各行各業的經營因此而受到嚴重影響。疫情期間，本集團的營運受到影響包括臨時限制及關閉康復中心，並且我們的醫院部分非緊急服務及手術重新排期。限制及控制措施已導致二零二零年上半年門診人次、住院人次以及外科手術量均有下降。實施多種疫情預防政策及預防措施以控制COVID-19疫情暫時抑制了對我們醫療服務的需求。然而，由於疫情狀況於接近年度第三季度時有所改善，我們的業務迅速反彈，患者就診量逐漸恢復至疫情前的正常水平。尤其是，我們的康復服務量於下半年大幅增加。

於二零二零年，本集團於本年度的綜合收益達人民幣1,745.0百萬元（二零一九年：人民幣1,955.5百萬元），按年計同比下降10.8%，主要是由於疫情期間我們所擁有醫院的患者整體就診次數下降。本集團擁有的醫院（構成我們的醫院服務部門），康華醫院、仁康醫院及康心醫院的收益分別下降12.7%、5.8%及29.6%。報告期間我們的醫院服務部門的收益達人民幣1,620.5百萬元（二零一九年：人民幣1,848.2百萬元），整體按年計同比下降12.3%。

Management Discussion and Analysis

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However, our rehabilitation and other related healthcare services segment, through our ownership of 57% equity interest in Anhui Hualin, recorded a revenue for the year of RMB100.4 million (2019: RMB87.1 million), representing a year-on-year increase of 15.3%. Even though our rehabilitation centres were unable to resume normal operation until the later half of the second quarter of 2020 due to measures implemented to suppress COVID-19, the volume of patient visits rebounded strong in the second half year of 2020. The increase in revenue is driven by the positive business sentiment in the region, and in particular, the maturity in the operation of our Hefei Kanghua Rehabilitation Hospital, which commenced operations in November 2018 (a rehabilitation specialty hospital aiming to become a class III rehabilitation hospital in the long term), stimulating the revenue growth of our rehabilitation and other related healthcare services segment.

然而，我們的康復及其他相關醫療服務分部（透過其擁有安徽樺霖57%的股本權益錄得年度收益人民幣100.4百萬元（二零一九年：人民幣87.1百萬元），按年計同比增長15.3%。儘管我們的康復中心由於實施抑制COVID-19的措施而未能於二零二零年第二季度後半期之前恢復正常營運，但於二零二零年下半年的患者就診量反彈強勁。收益增加受到該地區濃厚的商業氣氛帶動，尤其是合肥康華康復醫院於二零一八年十一月開始營運（其是一家以長期成為三級康復醫院為發展目標的康復專科醫院），刺激康復及其他相關醫療服務分部的收入增長。



Management Discussion and Analysis

管理層討論及分析

The Group's consolidated loss for the year ended 31 December 2020 amounted to RMB50.1 million (2019: profit for the year of RMB48.7 million). The loss incurred for the Reporting Period is mainly attributable to: (i) the significant decline in revenue and profit at Kanghua Hospital and Renkang Hospital mainly as a result of the decline in the number of patient visits across all their major service offerings during the COVID-19 pandemic; (ii) the continuing loss incurred at Kangxin Hospital for the current year; and (iii) the Group recognised an impairment loss on goodwill in respect of the cash generating units of Kangxin Hospital ("Kangxin Hospital CGU") and Anhui Hualin ("Anhui Hualin CGU") in aggregate of RMB77.4 million (2019: an impairment loss on goodwill in the Kangxin Hospital CGU of RMB60.0 million). During the current year, Kangxin Hospital faced a number of ongoing challenges, including the burden of retaining professional headcounts, overhead expenditure and fixed costs, as well as the loss of certain key professional healthcare talent during the year. This is due to the fierce and intense competition for healthcare professionals and experts in the local Chongqing market. The Board considers that the estimated short to medium-term future growth of Kangxin Hospital and Anhui Hualin were lower than previously anticipated. Accordingly, the aggregate recoverable amount of Kangxin Hospital CGU and Anhui Hualin CGU are below its aggregated own carrying amount, which resulted in the recognition of an impairment loss in goodwill in a total of RMB77.4 million during the Reporting Period.

The Group's Adjusted EBITDA recorded a year-on-year decrease of 32.1% to RMB196.5 million (2019: RMB289.2 million), which indicates that the Group's core operation as a whole remained stable and profitable, after eliminating the effects of financing, investment-related income, effects of exchange rates changes, capital expenditures and extraordinary non-cash related losses.

During the Reporting Period, the Group actively responded to the impact brought by the COVID-19 pandemic, and strived to ensure stable and effective recovery of our operations across all our operating segments. Meanwhile, the Group seized the opportunity to expand our business in elderly healthcare services. In July 2020, the Group succeeded in bidding for the land use rights of a land parcel to undertake an integrated healthcare project for developing comprehensive elderly healthcare medical facilities, with a particular focus on geriatric patients and rehabilitation in Dongguan City. The Board expects that such development will further enhance the Group's capability in providing high-end integrated medical care to meet the increasing demand for such services in Guangdong Province (and in particular Dongguan City). The consideration for the acquisition of the land parcel amounted to RMB82.6 million. Details of the transaction are disclosed in the Company's announcement dated 23 July 2020.

本集團於截至二零二零年十二月三十一日止年度綜合虧損達人民幣50.1百萬元(二零一九年:年度溢利人民幣48.7百萬元)。報告期間產生的虧損乃主要由於:(i)康華醫院及仁康醫院的收入及溢利大幅下降,主要乃由於COVID-19疫情期間其所有主要服務項目中的患者就診次數減少所致;(ii)康心醫院於本年度招致的持續虧損;及(iii)本集團就康心醫院的現金產生單位(「康心醫院現金產生單位」)及安徽樺霖的現金產生單位(「安徽樺霖現金產生單位」)確認商譽減值虧損合共人民幣77.4百萬元(二零一九年:康心醫院現金產生單位的商譽減值虧損人民幣60.0百萬元)。於本年度,康心醫院面臨著一系列持續的挑戰,包括專業人員人數、間接費用及固定成本的巨大負擔,以及於本年度由於重慶本地市場對醫療專業人員及專家的競爭激烈而導致部分主要專業醫療人才流失。董事會認為,康心醫院及安徽樺霖的短期至中期未來增長估計低於先前預期。因此,康心醫院現金產生單位及安徽樺霖現金產生單位的可收回總金額低於其自身賬面總值,導致於報告期間確認商譽減值虧損合計人民幣77.4百萬元。

本集團的經調整EBITDA按年計同比下降32.1%至人民幣196.5百萬元(二零一九年:人民幣289.2百萬元),表明本集團的核心業務於撇除融資、投資相關收入、匯率變動影響、資本支出及重大非現金相關虧損後,仍保持穩定及盈利。

於報告期間,本集團積極地應對COVID-19疫情帶來的影響,並努力確保我們所有經營分部的穩定及有效運營。同時,本集團抓住機遇,擴大老年醫療服務業務。於二零二零年七月,本集團成功競得地塊的土地使用權以進行一項綜合醫療保健項目,並開發綜合老年醫療設施,尤其專注於東莞市老年患者及康復服務。董事會預期,有關發展項目將進一步提升本集團提供高端綜合醫療服務的能力,以滿足廣東省(尤其是東莞市)對該等服務不斷增長的需求。收購地塊的代價為人民幣82.6百萬元。交易詳情披露於本公司日期為二零二零年七月二十三日之公告。

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Hospital Services

The Group's owned hospitals, namely, Kanghua Hospital (our approved Grade A Class III general hospital), Renkang Hospital (our general hospital operated based on Grade A Class II standard general hospital) and Kangxin Hospital (our private hospital specializing in cardiovascular discipline), represent the Group's hospital services segment. During the Reporting Period, COVID-19 caused a number of temporary adverse impacts on our key operating performance indicators, in particular (i) the total number of inpatient visits declined to 56,589 (2019: 75,568), representing a year-on-year decrease of 25.1%; (ii) the overall average spending per inpatient visit amounted to RMB17,281.3 (2019: RMB15,031.1), representing a year-on-year increase of 15.0%; (iii) the overall bed utilisation rate dropped to 65.2% (2019: 85.6%), primarily caused by the decrease in bed utilisation during the most intense period of the COVID-19 pandemic; (iv) the average length of stay slightly increased to 7.6 days (2019: 7.3 days); (v) the total number of outpatient visits declined to 1,358,516 (2019: 1,753,320), representing a year-on-year decrease of 22.5%; (vi) the overall average spending per outpatient visit amounted to RMB389.3 (2019: RMB347.8), representing a year-on-year increase of 11.9%; and (vii) the total number of surgical operations declined to 39,082 (2019: 46,056), representing a year-on-year decrease of 15.1%.

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

醫院服務

本集團擁有的醫院，即康華醫院（我們的經認可三級甲等綜合醫院）、仁康醫院（我們的綜合醫院均根據二級甲等標準運營）及康心醫院（專攻心血管科的私立醫院）代表本集團的醫院服務部門。於報告期間，COVID-19已對我們的主要運營績效指標產生許多不利影響，特別是(i)住院人次總數下降至56,589名（二零一九年：75,568名），按年計同比下降25.1%；(ii)每名住院病人的整體平均支出為人民幣17,281.3元（二零一九年：人民幣15,031.1元），按年計同比增長15.0%；(iii)主要因COVID-19疫情最嚴重期間病床利用率下降導致病床的整體利用率下降至65.2%（二零一九年：85.6%）；(iv)平均住院時間略增至7.6天（二零一九年：7.3天）；(v)門診人次總數下降至1,358,516名（二零一九年：1,753,320名），按年計同比減少22.5%；(vi)每個門診病人的整體平均支出為人民幣389.3元（二零一九年：人民幣347.8元），按年計同比增長11.9%；及(vii)外科手術總數減少至39,082宗（二零一九年：46,056宗），按年計同比減少15.1%。

下表載列本集團擁有的醫院服務分部的醫院於所示年度的若干主要營運數據：

		For the year ended 31 December		
		截至十二月三十一日止年度		
		Change	2020	2019
		變動	二零二零年	二零一九年
Inpatient healthcare services	住院醫療服務			
Inpatient visits	住院人次	-25.1%	56,589	75,568
Average length of stay (days)	平均住院日數(天)	+0.3	7.6	7.3
Average spending per visit (RMB)	每人平均開支(人民幣元)	+15.0%	17,281.3	15,031.1
Outpatient healthcare services	門診醫療服務			
Outpatient visits	門診人次	-22.5%	1,358,516	1,753,320
Average spending per visit (RMB)	每人平均開支(人民幣元)	+11.9%	389.3	347.8
Physical examination services	體檢服務			
Physical examination visits	體檢人次	-9.8%	167,388	185,634
Average spending per visit (RMB)	每人平均開支(人民幣元)	+22.9%	679.2	552.5

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Kanghua Hospital

In 2020, Kanghua Hospital continued to restructure the healthcare management departments, strengthen horizontal communication and enhance working efficiency. Kanghua Hospital continued to pursue new management concepts, including the tools that apply “data and performance management and multi-quality control”, in order to enhance the monitoring and analysis of key medical quality process and outcome indicators. As one of the six designated hospitals for treatment of infectious diseases in Dongguan City under the pandemic, Kanghua Hospital was instructed by the Board to “fight against the pandemic” and safeguard the health of the public and our employees. The medical staff of Kanghua Hospital rose to the challenge, with more than 400 medical staff members volunteering to fight against the pandemic on the front line. The pandemic affected the operations of Kanghua Hospital, resulting in a decrease in the total number of patients during the current year.

During the Reporting Period, Kanghua Hospital recorded a revenue of RMB1,357.3 million (2019: RMB1,554.9 million), representing a year-on-year decrease of 12.7%. In 2020, Kanghua Hospital had outpatient visits of 1,039,428 (2019: 1,335,875), representing a year-on-year decrease of 22.2% and inpatient visits of 44,013 (2019: 59,578), representing a year-on-year decrease of 26.1%.

In 2019, Kanghua Hospital established the “Internet + Medical Healthcare Services” organisational structure. With the “Household Kanghua Angel” project formally implemented, Kanghua Hospital also became the first hospital in Dongguan City to develop and operate an online nurse appointment platform. In 2020, Kanghua Hospital continued to optimise its online services and further pushed forward with the trial operations as an internet hospital. Our management is of the view that the new internet service is expected to reduce the impacts of pandemic on the operations in the future.

In January 2020, the Department of Respiratory and Critical Medicine of Kanghua Hospital formally obtained the certification as a PCCM-certified class III hospital. The “PCCM Standardisation Construction Project”, which was initiated by various medical associations and institutions, aims to promote standardised development and improve the overall national standard of the Department of Respiratory and Critical Medicine, and to comprehensively build a national team of respiratory and critical medical physicians. The project will meet the increasingly strict clinical requirements to address respiratory diseases.

康華醫院

二零二零年，康華醫院繼續調整醫療管理部門組織架構，加強橫向溝通、提高工作效率。康華醫院持續實行「資料績效管理、多品質管制」工具的應用等新的管理理念，加強對重點醫療品質過程指標、結果指標進行監測及分析。面對疫情，康華醫院作為東莞市六家定點救治醫院之一，董事會指示一定要全力「抗疫」，守衛大眾和每一個員工的健康，康華醫院的醫務人員挺身而出，迎難而上，400多名人員請纓奔赴抗疫一線。疫情對康華醫院的經管情況造成影響，導致本年度整體病人量有所下降。

於報告期間，康華醫院錄得收益人民幣1,357.3百萬元（二零一九年：人民幣1,554.9百萬元），按年計同比減少12.7%。於二零二零年，康華醫院門診人次為1,039,428次（二零一九年：1,335,875次），按年計同比下降22.2%及住院人次為44,013次（二零一九年：59,578次），按年計同比下降26.1%。

二零一九年，康華醫院部署建立了「互聯網+護理服務」組織架構，「康華天使到家」項目正式上線，康華醫院也成為了東莞市首家自主研發、第一家開通網約護士資訊平台的醫院。於二零二零年，康華醫院持續優化網上服務及進一步推進互聯網醫院的試運行。管理層認為新互聯網服務部署有望可減低未來疫情對業務的影響。

二零二零年一月，康華醫院呼吸與危重症醫學科正式取得三級醫院PCCM達標證書。「PCCM規範化建設項目」由多個醫療協會及機構發起，旨在推動呼吸與危重症醫學科規範化發展，提高國家呼吸與危重症醫學科整體水準，全面建設國家呼吸與危重症醫學科醫師人才梯隊，滿足日益嚴格的呼吸系統疾病的臨床要求。

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In 2020, Kanghua Hospital received a 5-star expertise rating and a 3A creditworthiness rating from the Chinese Non-governmental Medical Institute Association. Kanghua Hospital was also honoured as one of the “brands that contributed to combatting against COVID-19” at the second Private Medical Care Ceremony of the Guangdong Province, and as an enterprise with outstanding charitable contribution at the 10th anniversary of the Guangdong Poverty Alleviation Day and Dongguan Charity Day. In addition, Kanghua Hospital became a CDQI “National Standardised Atrial Fibrillation Centre (Model Centre)” (CDQI), a member of Chinese Heart Failure Centre, and a designated collection hospital for the Chinese Hematopoietic Stem Cell Donor Database. Kanghua Hospital quickly adapted its brand marketing to the prevailing circumstances by firmly securing necessary resources and enhancing its efforts to discover and write stories about combatting COVID-19 on cases specific to Kanghua Hospital, which attracted external media to actively quote and report these stories to increase Kanghua Hospital’s positive social influence.

In 2020, Kanghua Hospital improved the scope, coverage and quality of its nursing service, including:

- (1) stepping up its effort to build its nursing team by improving its management structure and the competency of the team members and improving the benefits for nurses to reduce staff turnover in the team;
- (2) improving the quality of nursing service through the development of specialist departments. Kanghua Hospital actively participated in the work of specialist alliances and provincial and municipal nursing associations, with an aim to expand the influence of its specialist work. Kanghua Hospital also actively built and promoted professional nurse training centres and actively carried out projects on the research and development of nursing services and new nursing technologies, and managed the access authorisation process for high-risk and highly sophisticated nursing technologies;
- (3) using the “two evaluations” system as an opportunity to comprehensively improve the quality of nursing services;
- (4) further improving its healthcare services by implementing a target management system to promote good quality nursing service across the hospital and promoting the goal of “the administration and logistics departments serve the clinical departments, and the clinical departments serve patients”; and

二零二零年，康華醫院獲評中國非公立醫療機構協會能力評價五星及信用評價3A醫院，廣東社會辦醫第二屆品牌盛典抗擊新冠貢獻品牌，廣東扶貧濟困日暨東莞慈善日十周年突出貢獻愛心企業，CDQI「國家標準化房顫中心(示範中心)」，中國心衰中心，中國造血幹細胞捐獻者資料庫定點採集醫院等。康華醫院品牌宣傳工作重點結合戰時狀態，迅速調整，一方面堅決做好宣傳物資後盾；另一方面進一步加大抗疫故事的挖掘、撰寫等，通過自身深度挖掘康華醫院特色案例，吸引外部媒體主動引用宣傳，擴大康華醫院的社會正面影響力。

於二零二零年，康華醫院的護理服務與品質雙提升，內涵與領域共拓寬，包括：

- (1) 加強護士隊伍建設，完善護理崗位管理，以崗位勝任力為核心，優化護理隊伍結構，提高護士待遇，穩定護理隊伍；
- (2) 以專科發展為引領，推動護理服務品質提升，積極參加專科聯盟、省市護理學會工作，擴大專科影響力。積極創建與推進護理專科護士培訓基地建設工作，積極開展護理科研、護理新技術新專案，對高風險、高難度護理技術實行准入授權管理；
- (3) 以「雙評」為契機，全面提升護理服務品質；
- (4) 進一步落實改善醫療服務行動計劃。實行目標管理，全院一盤棋，推行優質護理服務，宣導「行政後勤服務臨床，臨床服務患者」的格局；及

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(5) expanding the coverage of nursing service to maximise the value of the nursing profession, supporting the development of the “good health” concept and stepping up its efforts to enrich its talent pool by continuously optimising and adjusting its team structure to ensure the dynamic development of its talent base.

In 2020, Kanghua Hospital successfully recruited multiple talents with doctorate or master degrees to further strengthen its professional team, and attended many campus job fairs to enlarge its pool of junior talents. Kanghua Hospital also encouraged its employees to improve their academic qualifications and actively assisted its employees in securing professional titles. In future, Kanghua Hospital will continue to recruit and promote talents according to its strategic development plan, and tap into its talent pool to continue its development momentum.

Renkang Hospital

In the social security system evaluation in 2019, Renkang Hospital achieved a better result. In 2020, Renkang Hospital continued its good work in medical insurance management by adjusting charging standards and social security reimbursement to increase the income per capita. Renkang Hospital also established the Department of Emergency and Critical Medicine, and introduced high-calibre talents to provide strong life support and protection to clinical departments. These efforts have raised the emergency and first aid standards of the hospital. In terms of equipment investments, according to the equipment procurement plan at the beginning of the year, the radiology department introduced and installed high-end CT and DR equipment, which was put into use in December 2020.

During the Reporting Period, Renkang Hospital recorded a revenue of RMB224.6 million (2019: RMB238.4 million), representing a year-on-year decrease of 5.8%. In 2020, Renkang Hospital had outpatient visits of 304,127 (2019: 401,030), representing a year-on-year decrease of 24.2% and inpatient visits of 11,243 (2019: 14,135), representing a year-on-year decrease of 20.5%.

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

(5) 拓展護理服務領域，護理職業價值最大化，助力「大健康」發展。加強人才梯隊建設，不斷優化調整人員結構，保證人才庫動態發展。

於二零二零年，康華醫院成功引進多名博士學歷或碩士學歷人才進一步加強專業團隊，亦參加多場校園招聘會重點儲備初級人才。康華醫院並鼓勵廣大員工提升學歷，積極協助員工進行職稱報考。未來，康華醫院將依據醫院戰略發展聘任和選拔人才，人才儲備持續為發展蓄能。

仁康醫院

在二零一九年社保系統考評中，仁康醫院取得較好的成績；二零二零年仁康醫院繼續做好醫保管理工作，針對收費標準與社保報銷的項目進行調整，增加了人均收入。仁康醫院亦成立急危重症醫學部，引進高級人才，為臨床科室提供強有力的生命支援保障，從而提升全院的急診急救水準。設備引進方面，根據年初的設備採購計劃，放射科引進及安裝CT和DR高端設備，有關設備於二零二零年十二月投入使用。

於報告期間，仁康醫院錄得收益人民幣224.6百萬元（二零一九年：人民幣238.4百萬元），按年計同比減少5.8%。於二零二零年，仁康醫院門診人次為304,127次（二零一九年：401,030次），按年計同比減少24.2%，住院人次為11,243次（二零一九年：14,135次），按年計同比減少20.5%。

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

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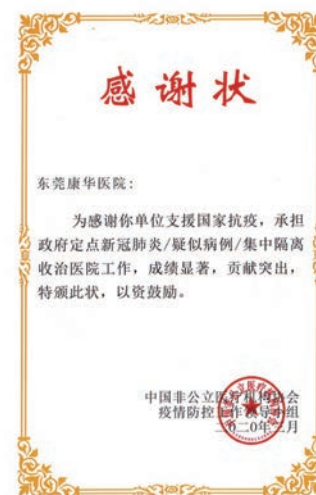
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In strengthening the construction of key specialties of the hospital, Renkang Hospital established the "Department of Respiratory and Critical Medicine", which was actively constructed in accordance with the specialty evaluation standards and was awarded the "Class 2 Hospital with excellent performance in the national PCCM standardisation construction project" title. We strive to improve in the annual evaluation and inspection, and promoted the rescue treatment for respiratory medicine and critical medicine cases. At the same time, Renkang Hospital established the Department of Emergency and Critical Medicine by introducing academic leaders and forming an ICU team to improve emergency and first aid standards. The Department of Obstetrics and Gynecology, Department of Stomatology, Department of Chinese Medicine, and Department of Anesthesiology actively developed new businesses and technologies, which brought upon good economic and social benefits.

In the second half of 2020, Renkang Hospital established its new Department of Oncology, which offered standardised chemotherapy, immunotherapy, targeted therapy and endocrine therapy for cancer patients and completed PICC for 8 cases. Renkang Hospital reduced the per capita expenses of cancer inpatients for their benefit. In addition, Renkang Hospital rebuilt the Department of Nephrology. By building on the existing operations of the haemodialysis room, Renkang Hospital fully utilised the operational capacity of the Department of Nephrology's outpatient division, inpatient wards, haemodialysis room and peritoneal dialysis room, bringing the total revenue and profitability of the department to a new level. Shortly after its development, the department is already showing a positive development momentum. At the same time, Renkang Hospital made early preparations for its laboratory testing capability through the development of its testing room and the addition of new testing equipment, and was designated as one of the first PCR testing institutions in Dongguan. Renkang Hospital conducted almost 40,000 COVID-19 PCR tests in 2020, significantly contributing to the prevention and control of COVID-19.

在加強醫院的主要專科建設方面，仁康醫院成立「呼吸與危重症醫學科」，按照專科評審標準積極建設，榮獲「全國PCCM科室規範化建設二級醫院優秀單位」稱號，爭取年度提高評審檢查，推動醫院呼吸內科急危重症搶救治療。同時，仁康醫院成立急診和重症醫學科，引進學科帶頭人，組建ICU人才梯隊，提升全院的急診急救水準。婦產科、口腔科、中醫科、麻醉科積極開展新業務、新技術，取得良好的經濟效益和社會效益。

二零二零年下半年，仁康醫院新建腫瘤科，規範腫瘤患者的化療、免疫治療、靶向治療及內分泌治療，已完成PICC技術8例，降低了腫瘤住院患者的人均費用，為腫瘤患者帶來福音。另外，仁康醫院重建腎內科，將腎內科門診、病房、血液透析室、腹膜透析室四部分充分運轉，在血透室原有業務量基礎上，將腎內科總體業務量、經濟效益提上新台階。短短時間內，已呈現出良好的發展態勢。同時，仁康醫院的檢驗科提早做好準備工作，成為全市首批核酸檢測單位，擴建PCR室，增加檢測設備，二零二零年新冠核酸檢測近40,000例，為仁康醫院COVID-19防控做出了突出貢獻。



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Kangxin Hospital

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

During the Reporting Period, Kangxin Hospital has recorded a revenue of RMB38.6 million (2019: RMB54.8 million), representing a year-on-year decrease of 29.6%. In 2020, Kangxin Hospital had outpatient visits of 14,961 (2019: 16,415), representing a year-on-year decrease of 8.9%; inpatient visits of 1,333 (2019: 1,855), representing a year-on-year decrease of 28.1%; and performed 486 (2019: 725) cardiovascular surgeries, representing a year-on-year decrease of 33.0%.

Although the admission of patients was affected, Kangxin Hospital strived to seek breakthroughs in technology and continued to strengthen its business development. In the first half of 2020, Kangxin Hospital completed a number of extremely rare, complicated and challenging surgeries. The Department of Ultrasound performed its first "stress myocardial contrast echocardiography" case for a patient before surgery; the Department of Cardiology successfully performed an interventional surgery for a child with the rare "Noonan Syndrome"; and the Department of Cardiovascular Surgery successfully performed the first TAVR (Transcatheter Aortic Valve Replacement) surgery as the first case in a private hospital in the Southwestern Region. On 12 December 2020, the Department of Cardiology successfully carried out a transcatheter aortic valve implantation (TAVI). In the same month, the Department of Cardiology carried out its first case using the CRTD pacing technology.

康心醫院

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

於報告期間，康心醫院錄得收益人民幣38.6百萬元（二零一九年：人民幣54.8百萬元），按年計同比減少29.6%。於二零二零年，康心醫院門診人次為14,961次（二零一九年：16,415次），按年計同比減少8.9%；住院人次為1,333次（二零一九年：1,855次），按年計同比減少28.1%；及進行486宗（二零一九年：725宗）心血管手術，按年計同比減少33.0%。

雖然病人收治受到一定影響，但康心醫院力求在技術上尋求突破，持續加強業務發展。於二零二零年上半年，康心醫院完成多個極其罕見且複雜、手術難度極高的外科手術，包括超聲科為一名術前患者實施了醫院首例「負荷超聲心肌增強顯像」；心內科為一名非常罕見的「努南綜合症」患兒成功進行了介入手術；及心外科成功實施了醫院首例TAVR手術（經心尖主動脈瓣置換術），為西南地區民營醫院首例。於二零二零年十二月十二日，心內科成功實施經導管主動脈瓣置入術。同月，心內科使用CRTD起搏技術實施了首例手術。

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Meanwhile, Kangxin Hospital was designated by National Health Commission's Capacity Building and Continuous Education Centre as the "Primary Hospital Electrophysiology Specialty Training Project Base", indicating that its capability in electrophysiology interventional surgery is recognised by the government and other peers in the industry. In October 2020, Kangxin Hospital successfully developed its Department of Cardiology, which excelled in passing the inspection and acceptance as one of the municipal-level key clinical discipline projects of Chongqing. During the two-year development period, the hospital attached great importance to and mobilised all resources for the development of the department. The Department of Cardiology made great efforts to standardise its management, strengthen the training and cultivation of key talents, and develop new technologies and new business operations, resulting in significant improvements in the number of patient visits, the number of operations, the difficulty of the operations and level of management of the department.

Despite its operational potential, Kangxin Hospital also faced many ongoing challenges. The temporary loss of certain key medical experts has, to a certain extent, caused further decline in patient visits at Kangxin Hospital during the year, and is expected to have an adverse impact on our short-term management forecast in revenue growth. As a result, the Group has further recognised an impairment loss on goodwill of RMB49.9 million in respect of the Kangxin Hospital CGU during the current year, compared to an impairment loss on goodwill of RMB60.0 million during the year ended 31 December 2019. However, the Group will continue to step up in recruiting experienced medical experts and improving of our medical capabilities to regain and attract local patients.

2021 will be a crucial year for Kangxin Hospital. Facing the challenges as a result of COVID-19, the implementation of the new health care reform and new medical insurance policies, and its own incomplete organisation structure, Kangxin Hospital characterises 2021 as the "year of full operations". By setting the full occupation of beds as its overall objective, the hospital will closely adhere to the motto of "striving to increase the admission of patients, consolidating its leading technical expertise, adapting to the current changes, and making up for its shortcomings". Kangxin Hospital aims to overcome the various difficulties and to admit and treat more patients, further improve the level of medical technology, perfect its organisation structure, strictly control potential risks, and strive to promote the healthy and rapid development of the hospital.

同時，康心醫院被國家衛生健康委能力建設和繼續教育中心確定為「基層醫院電生理專項能力培訓專案基地」，使其電生理介入手術能力得到政府和同行認可。二零二零年十月，康心醫院高標準完成心內科建設，心內科以高分通過重慶市市級臨床重點專科建設專案驗收。在兩年的建設期裡，醫院高度重視，集全院之力推進心內科重點專科建設，心內科以重點專科建設為契機，下大力推進科室規範化管理，加強人才骨幹培養和培育，開展新技術、新業務，診療人次、手術例、手術難度、科室管理水準大幅提升。

儘管具有營運潛力，康心醫院亦面臨著一系列持續的挑戰。若干主要專業醫療專家的暫時流失在一定程度上導致了本年度康心醫院的就診人次進一步下降，預計將對我們對收入增長的短期管理預測產生不利影響。因此，於本年度本集團進一步就康心醫院現金產生單位確認商譽減值虧損人民幣49.9百萬元，而截至二零一九年十二月三十一日止年度商譽減值虧損則為人民幣60.0百萬元。然而，本集團將繼續加大聘請經驗豐富的醫療專家及改善醫療能力的力度以重新獲得並吸引本地病患。

展望二零二一年對於康心醫院來說，將是非常關鍵的一年。面臨COVID-19的嚴重影響、新醫改和醫保政策落地、自身組織結構不完整等困難，康心醫院把二零二一年定位為「經營年」，把已展開病床收滿作為總目標，緊緊圍繞「努力增收病人，鞏固技術高點，順應時代變化，完善短板結構」這一工作思路，克服困難，想方設法多收治病病人，進一步提升醫療技術水準，完善醫院組織架構，嚴控各類風險隱患，努力推動醫院健康、快速發展。

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管理層討論及分析

Kangxin Hospital will continue to consolidate its leading technical expertise. In view of the substantial price cuts of coronary stents under the centralised procurement system, the Department of Cardiology will continue to explore its advantages as a municipal-level key clinical discipline. It will tap into its technical expertise in atrial fibrillation to improve the department's expertise in cardiac electrophysiology therapy, and further improve its capability of diagnosing and treating hypertension, heart failure, coronary artery and other diseases. Kangxin Hospital will highlight its specialty in treating complex coronary artery diseases, and step up its efforts to build a hypertension centre that aims to establish the standardised treatment procedure for hypertension with "Kangxin" characteristics. Kangxin Hospital will also enhance the penetration into other related disciplines such as diabetes and lipid metabolic dysfunction. Kangxin Hospital will attempt to seek a breakthrough in cardiac surgical operations in relation to paediatric congenital heart defect, coronary artery bypass and valve replacement. In respect of the outpatient and emergency disciplines, Kangxin Hospital will build a comprehensive internal medicine discipline to admit and treat more patients, optimise its structure and process, develop emergency systems and district-level chest pain centres, with an aim to improve its emergency and critical care capabilities.

康心醫院將繼續鞏固技術高點，鑒於在集中採購制度下冠狀動脈支架的價格大幅下降，康心醫院心內科要持續深化市級臨床重點專科建設成果，發揮醫院在房顫方面的技術優勢，把心臟電生理診療做得更強、更硬，進一步提高血壓、心衰、冠脈等診療能力，突出醫療特色，把複雜冠脈做好、做強，抓好高血壓中心建設，重點是建立具有「康心」特色的高血壓病規範化治療流程，加大對糖尿病、脂代謝異常等相關專業的滲透。對於心外科，力爭抓住心臟外科發展的時機與視窗，在小兒先心、冠脈搭橋、瓣膜置換等心臟手術上形成突破。門急診方面，抓好綜合內科門診建設，多收治病人，同時圍繞加入急救系統和區級胸痛中心建設，完善結構，流程優化，提升急重症救治能力。



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

下表載列於所示年度按醫院服務分部的醫學專科劃分的收益貢獻：

Healthcare disciplines	醫學專科	Change 變動	For the year ended 31 December 截至十二月三十一日止年度			
			2020 二零二零年 RMB'000 人民幣千元	% of revenue of the Group's owned hospitals 分佔本集團 擁有醫院的 收益百分比	2019 二零一九年 RMB'000 人民幣千元	% of revenue of the Group's owned hospitals 分佔本集團 擁有醫院的 收益百分比
O&G related disciplines	婦產科有關科室	-17.9%	256,581	15.8	312,596	16.9
Cardiovascular related disciplines	心血管有關科室	-22.2%	197,902	12.2	254,476	13.8
Internal medicine related disciplines	內科有關科室	-11.6%	188,515	11.6	213,266	11.5
General surgery related disciplines	普通外科有關科室	-14.6%	130,441	8.1	152,698	8.3
Neurology related disciplines	神經醫學有關科室	-6.3%	112,929	7.0	120,504	6.5
Emergency medicine related disciplines	急診有關科室	-11.4%	106,720	6.6	120,420	6.5
Orthopaedics related disciplines	骨科有關科室	-12.2%	99,589	6.1	113,445	6.1
Oncology related disciplines	腫瘤科有關科室	+5.2%	53,823	3.3	51,153	2.8
Nephrology related disciplines	腎臟科有關科室	+19.2%	52,218	3.2	43,807	2.4
Medical aesthetic related disciplines	醫學美容有關科室	-8.2%	38,268	2.4	41,706	2.3
Paediatrics related disciplines	兒童醫學有關科室	-48.4%	33,702	2.1	65,279	3.5
Physical examination	體檢科	+10.9%	113,697	7.0	102,561	5.5
Other disciplines	其他臨床科室	-7.9%	236,067	14.6	256,257	13.9
Total	總計		1,620,452	100.0	1,848,168	100.0

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

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

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In 2020, the Group performed a total of 39,170 surgeries (2019: 46,094), including 15,346 surgeries (2019: 17,457) with level 3 or level 4 complexities, representing a year-on-year decrease of 15.0% and 12.1%, respectively. The decline is primarily attributable to the COVID-19 pandemic which caused the rescheduling of some of our non-emergency services and surgeries. However, the impact of the pandemic on our hospital operations was temporary. The number of patient visits of our hospitals rebounded since June 2020 and the business operations and medical service revenue resumed normal during the second half of 2020.

Obstetrics and gynaecology ("O&G") disciplines, cardiovascular disciplines, internal medicine disciplines, general surgery disciplines and neurology disciplines (2019: O&G disciplines, cardiovascular disciplines, internal medicine disciplines, general surgery disciplines and neurology disciplines) were the top five revenue generating disciplines of the Group for the current year, accounting for approximately 54.7% of the Group's total revenue in hospital services segment in the same period (2019: 57.0%).

During the Reporting Period, revenue from all our major disciplines of our owned hospitals recorded a substantial decline, which are mainly caused by the decrease in patient visits due to the COVID-19 pandemic. In particular, O&G-related disciplines remained to be our largest medical discipline and recorded a significant decrease in revenue with a year-on-year decline of 17.9%. Our O&G related disciplines have been a stable revenue driver for the Group, and the significant decrease in revenue is primarily attributable to a decline in patient visits as pregnant patients are generally reluctant to attend regular check-ups and hospital visits during the pandemic. However, since March 2020, with the implementation of the pandemic prevention and control measures, the COVID-19 pandemic has been under control. The Dongguan Municipal Government issued the latest notice to speed up the resumption of work and production in Dongguan City. In order to "fully support the resumption of work and production, and strictly prevent and control the pandemic within the department", the Department of Gynecology of Kanghua Hospital, began to fully admit outpatients and inpatients, under the pre-condition of further improving the relevant measures for pandemic prevention and control. Also, revenue from cardiovascular related disciplines recorded a year-on-year decrease of 22.2%, primarily attributable to the decline in revenue from Kangxin Hospital and the rescheduling of non-emergency surgeries. Revenue from paediatrics-related disciplines also recorded a considerable year-on-year decrease of 48.4%, primarily attributable to the stay-at-home policy implemented nation-wide and children were advised not to attend hospitals during the time of the pandemic. Despite the drop in revenue across all our medical disciplines, our oncology-related disciplines and nephrology related disciplines recorded a year-on-year increase of 5.2% and 19.2%, respectively, primarily because these disciplines are generally less interrupted by the pandemic and their patients normally require regular and on-going medical attention.

於二零二零年，本集團已施行合共39,170例（二零一九年：46,094例）手術，包括15,346例（二零一九年：17,457例）三、四級複雜手術，同比分別減少15.0%及12.1%。減少主要乃由於COVID-19疫情導致我們重新安排若干非緊急服務或手術。然而，疫情對我們醫院運營的影響是暫時的。自二零二零年六月以來，我們醫院的患者人數有所回升，於二零二零年下半年業務運營及醫療服務收入已恢復正常。

婦產科（「婦產科」）、心血管科、內科、普通外科及神經科（二零一九年：婦產科、心血管科、內科、普通外科及神經科）為本年度本集團產生五大收益的專科，佔本集團同期醫院服務分部總收益約54.7%（二零一九年：57.0%）。

於報告期間，我們擁有醫院的所有主要專科的收益均錄得嚴重下跌，主要乃由於COVID-19疫情導致就診人數減少。尤其是，婦產科有關科室仍然為我們最大的醫學專科，錄得收益嚴重下滑，同比下降17.9%。婦產科有關科室為本集團穩定的收益驅動力，其收益嚴重下滑主要乃由於疫情期間孕婦不願定期檢查及醫院就診人數減少。然而，自二零二零年三月以來，憑藉實施疫情防控措施，COVID-19疫情已得到控制。東莞市政府發佈有關加快東莞市企業復工復產的最新通知。為了「全力支持復工復產，嚴格科內疫情防控」，康華醫院的婦科在進一步完善有關疫情防控措施的前提下，開始全面接納門診和住院患者。此外，心血管有關科室的收益同比下降22.2%，主要是由於康心醫院的收益減少及重新安排非緊急手術所致。兒童醫學有關科室的收益亦錄得大幅減少，同比下降48.4%，主要歸因於疫情期間在全國範圍內實施的居家政策並建議兒童不要去醫院。儘管我們所有醫學專科的收益均減少，但腫瘤有關科室及腎臟科有關科室的收益分別同比增長5.2%及19.2%，主要乃由於該等科室通常較少受到疫情的干擾，其患者通常需要定期及持續的醫療護理。

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VIP Special Services

The Group's special services are high-end healthcare services that extend beyond basic medical services and are specifically catered for more affluent patients who are willing to pay a premium for higher quality and customised services that are not generally available in public hospitals. The Group's special services consist of VIP healthcare services, reproductive medicine, plastic and aesthetic surgery and laser treatment. In 2020, the total revenue derived from special services amounted to RMB157.2 million (2019: RMB181.5 million), representing a year-on-year decrease of 13.4%. Although, during the year 2020, the number of both VIP inpatient and outpatient visits have decreased significantly, the average spending per inpatient visit of our VIP healthcare services amounted to RMB24,270.9 (2019: RMB19,895.0), representing a year-on-year increase of 22.0%, primarily because the demand of our service offerings from Huaxin Building (a complex in Kanghua Hospital dedicated to VIP healthcare services), in particular, our O&G services to VIP patients maintained strong. Our revenue from VIP inpatient services recorded RMB65.2 million (2019: RMB72.4 million), representing a year-on-year decrease of 9.9%, primarily caused by a decline in the number of inpatient visits. Furthermore, our revenue from VIP outpatient service amounted to RMB26.9 million (2019: RMB37.6 million), representing a year-on-year decrease of 28.5%.

Our revenue from reproductive medicine has dropped to RMB43.6 million (2019: RMB52.7 million) with a year-on-year decrease of 17.3%. The drop in revenue of reproductive medicine is mainly caused by the reduction in the demand for the services of our reproductive medicine centre during the time of the pandemic.



貴賓特殊服務

本集團的特殊服務是超出基本醫療服務的高端化醫療服務，主要針對高收入患者，彼等願意為普通公立醫院難以提供的高品質及定制化服務支付額外費用。本集團的特殊服務包括特殊貴賓醫療服務、生殖醫學、整形及美容手術及激光治療。於二零二零年，來自特殊服務的總收益為人民幣157.2百萬元（二零一九年：人民幣181.5百萬元），同比減少13.4%。儘管於二零二零年，貴賓住院及貴賓門診人次均大幅下降，我們的貴賓醫療服務的每名住院病人的平均支出為人民幣24,270.9元（二零一九年：人民幣19,895.0元），按年計同比增長22.0%，主要是由於華心樓（康華醫院專門用於貴賓醫療服務的綜合大樓）提供的服務，特別是貴賓婦產科服務需求保持強勁。我們的貴賓住院服務收益錄得人民幣65.2百萬元（二零一九年：人民幣72.4百萬元），按年計同比减少9.9%，主要原因是住院人次下降。此外，我們的貴賓門診服務收入為人民幣26.9百萬元（二零一九年：人民幣37.6百萬元），按年計同比减少28.5%。

我們的生殖醫學收益已下降至人民幣43.6百萬元（二零一九年：人民幣52.7百萬元），按年計同比下降17.3%。生殖醫學的收益下降主要由於疫情期間對我們的生殖醫學中心服務的需求減少所致。



Management Discussion and Analysis

管理層討論及分析

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

下表列出本集團特殊服務的若干關鍵營運數據及收益：

Special Services	特殊服務	Change 變動	For the year ended 31 December 截至十二月三十一日止年度	
			2020 二零二零年	2019 二零一九年
VIP healthcare services	貴賓醫療服務			
Inpatient visits	住院人次	-26.2%	2,687	3,639
Outpatient visits	門診人次	-35.4%	37,562	58,182
Revenue (RMB'000)	收益(人民幣千元)	-15.3%	93,392	110,247
Reproductive medicine	生殖醫學			
Number of outpatient visits	門診人次	-18.6%	39,476	48,486
Revenue (RMB'000)	收益(人民幣千元)	-17.2%	43,627	52,701
Plastic and aesthetic surgery	整形美容外科			
Revenue (RMB'000)	收益(人民幣千元)	-12.7%	4,515	5,174
Laser treatment	激光治療			
Revenue (RMB'000)	收益(人民幣千元)	+16.8%	15,654	13,397
Total revenue from special services (RMB'000)	特殊服務的總收益 (人民幣千元)	-13.4%	157,188	181,519

Rehabilitation and other Healthcare Services

During the Reporting Period, the Group's rehabilitation and other related healthcare services segment, through its ownership of 57% equity interest in Anhui Hualin, recorded a revenue of RMB100.4 million (2019: RMB87.1 million), representing a year-on-year increase of 15.3%. Anhui Hualin directly and indirectly (through its wholly-owned subsidiary) holds sponsor interests in certain private non-enterprise entities in Anhui Province, the PRC. It mainly operates two rehabilitation hospitals, a general hospital, an outpatient centre, eleven rehabilitation centres and one vocational training school (collectively referred to as "Anhui Hualin Group"). The Anhui Hualin Group has generated significant synergies to the Group and expanded our presence in the rehabilitation healthcare sector in the PRC. Since its acquisition, Anhui Hualin Group has developed steadily, with its network of medical institutions and rehabilitation centres constantly expanding.

康復及其他醫療服務

於報告期間，本集團的康復及其他相關醫療服務分部（透過其擁有安徽樺霖57%的股本權益）錄得收益人民幣100.4百萬元（二零一九年：人民幣87.1百萬元），按年同比增加15.3%。安徽樺霖透過其全資附屬公司直接及間接在中國安徽省若干民辦非企業單位持有舉辦者權益。其主要運營兩間康復醫院、一間綜合醫院、一個門診中心、十一間康復中心及一間職業培訓學校（統稱「安徽樺霖集團」）。安徽樺霖集團已為本集團帶來巨大的協同效應，並拓展我們於中國康復醫療行業之版圖。自收購以來，安徽樺霖集團穩步發展，其醫療機構及康復中心網絡不斷擴大。

Management Discussion and Analysis

管理層討論及分析

Anhui Hualin Group currently employs more than 800 staff and has a stable cooperation with the Anhui Disabled Persons Federation and local governments in the provision of training services for the disabled. The Anhui Hualin Group is also a major organisation offering children rehabilitation services in Anhui Province, the PRC. As at 31 December 2020, the three hospitals operated by Anhui Hualin Group have a total of 360 registered beds. During the Reporting Period, Anhui Hualin Group has 32,046 (2019: 45,646) outpatient visits, 2,941 (2019: 4,561) inpatient visits and served 2,436 (2019: 1,973) rehabilitation patient visits.

At the beginning of 2020, due to the pandemic, substantially all offline business activities were prohibited according to the requirements of the authorities including Hefei Municipal Health Commission, Anhui Disabled Persons' Federation and Hefei Human Resources and Social Security Bureau. This caused a sharp decrease in Anhui Hualin's business revenue during the first half of the year. The operation of the hospitals faced tremendous pressure. In the face of unprecedented difficulties and pressures, Anhui Hualin has adopted a series of effective measures to "increase revenue and cut expenditure", while ensuring the stability of key business backbone personnel. These efforts have laid the foundation for facilitating the resumption of work and production in the "post-pandemic period". Gradually until mid- 2020, the three major business operations resumed work and service, which has successfully safeguarded the sustainable development of the Anhui Hualin Group.

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

安徽樺霖集團目前擁有800多名員工，且與安徽省殘疾人聯合會及當地政府在殘疾人培訓服務方面有著穩定的合作關係。安徽樺霖集團亦為中國安徽省提供兒童康復服務的主要機構。於二零二零年十二月三十一日，安徽樺霖集團經營的三間醫院共有360張註冊床位。於報告期間，安徽樺霖集團的門診人次、住院人次及康復服務接待人數分別達32,046名（二零一九年：45,646名）、2,941名（二零一九年：4,561名）及2,436名（二零一九年：1,973名）。

於二零二零年年初，由於受疫情影響，根據合肥市衛健委、安徽省殘聯及合肥市人社局等主管部門要求，實質上不允許開展絕大部分線下業務活動。此舉導致安徽樺霖於上半年的業務收益急劇下跌。醫院運行面臨巨大的壓力。面對從所未有的困難和壓力，安徽樺霖採取了一系列「開源節流」的有效措施，同時確保主業務骨幹人員的穩定，為「後疫情時期」能快速復工複崗奠定了基礎。時至二零二零年中期，在確保防疫安全的情況下，三大業務陸續復工複產，確保安徽樺霖集團的可持續性發展。

學術進展方面，安徽樺霖聘請了多名專家顧問為未來發展定下了基礎。上半年前期，在疫情影響下，機構封閉，肥西和北城康復新機構主動出擊，超額完成康復患兒收治任務。在疫情期間，我們的康復中心繼續開展線上康復服務。復工後，安徽樺霖說服安徽省殘聯下發紅頭文件，將線上康復服務納入財政資金支付，直接為康復中心在疫期增加收入，在一定程度上減輕所帶來的不利影響。於二零二零年，安徽樺霖積極投標新項目，設立合肥市強制戒毒所醫院管理、合肥稻香村殘疾人之家運營。同時，安徽樺霖積極拓展非醫療類項目，包括合肥康愛雲大藥房、合肥霞光小學兒童殘障康復托養項目等。

Management Discussion and Analysis

管理層討論及分析

Anhui Hualin placed tremendous effort in expanding its business and operational presence in the Anhui Province. However, ever since the opening of Hefei Kanghua Rehabilitation Hospital in November 2018 (a rehabilitation specialty hospital aiming to become a class III rehabilitation hospital in the long term), Anhui Hualin Group's revenue growth was lower than previously anticipated. With the rapid expansion in its business operations, Anhui Hualin Group also incurred significantly fixed costs and capital expenditure. As a result, the management anticipates that the rise in operating cost and expenditure will suppress its revenue growth potential in the short to medium-term, which is expected to have an adverse impact on the short-term management forecast in its profitability. Therefore, in this regard, the Group recognised an impairment loss on goodwill of RMB27.5 million in respect of the Anhui Hualin CGU during the current year.

In 2020, Hefei Kanghua Rehabilitation Hospital continued to step up the effort to implement new projects and new technologies such as Ilizarov surgery, early rehabilitation treatment for critically ill patients, respiratory rehabilitation, neurogenic bladder function rehabilitation, botulinum toxin injection technology and transcranial magnetic stimulation treatment. As its specialised care generates more impressive construction and treatment results, the hospital has gradually built the specialty disciplines of Kanghua Hospital (i.e. the Department of Paediatric Rehabilitation and the Department of Neurological Rehabilitation).

Hefei Jingu Hospital has established a team of in-house and external experts with years of experience in burns rehabilitation, and built its own distinctive brand in Anhui Province. Hefei Jingu Hospital established stable core clinical referral business with the Burns Department of the first affiliated hospital of Anhui Medical University, Hi-Tech Zone Campus. Kanghua Paediatric Rehabilitation was further recognised by the disabled persons federations after the verification and audits conducted by the Disabled Persons Federations in 2020. Hefei Jingu Hospital became an influential brand in the field of rehabilitation of disabled children in Anhui Province, and further increased its benefits to the overall society.

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

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

於二零二零年，合肥康華康復醫院繼續加強開展伊利黎夫手術，重症患者超早期康復治療，呼吸功能康復，神經源性膀胱的功能康復，肉毒素注射技術以及經顱磁刺激治療技術等新專案、新技術。隨著醫院特色的塑造、治療效果明顯，逐漸打造出康華醫院特色一兒童康復科、神經康復症。

合肥金谷醫院通過多年燒傷康復經驗的積累，已建立起院內外專家團隊，在安徽省內已經形成了自己的特色品牌，並與安醫一附院、高新院區燒傷科建立了較為穩定的核心臨床轉診業務。康華兒童康復，經歷二零二零年殘聯系統的各項核對總和審計後，在殘聯系統得到進一步認同。已經在安徽省殘疾兒童康復中形成了較有影響力品牌和特色，社會效益得到進一步提升。

未來，安徽樺霖集團將繼續透過多途徑招募及培養人才，不斷務實醫療軟件及硬件配置，全面提升醫療服務水平，進一步提升業務收益，嚴格控制成本。

Management Discussion and Analysis

管理層討論及分析

Hospital Management Services

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

Sale of Pharmaceutical Products

The Group's sale of pharmaceutical products segment includes a pharmaceuticals and medical consumables trading company, established for the purpose of streamlining pharmaceuticals and medical consumables sales directly to the patients at the Group's hospitals and walk-in customers who may not be the patients of the Group's hospitals. In general, the operation of this pharmaceutical company has lowered our overall cost of revenue through centralising the purchase function and thereby increasing the overall margin of the Group. Revenue from sales of pharmaceutical products for the Reporting Period amounted to RMB17.54 million (2019: RMB18.58 million), representing a year-on-year decrease of 5.6%, primarily due to the downsizing of the Group's overall operations during the pandemic earlier in the year.

Elderly Healthcare Services

The Group's other segment represents the provision of elderly healthcare services, which commenced in 2018, with the strategy to establish a comprehensive elderly healthcare centre located in Renkang Hospital, namely, Renkang Elderly Care Centre initially with 60 registered beds to explore the potential of providing quality high-end elderly care services to local residents in Houjie Town, Dongguan City. In view of the accelerating aging population problem in the PRC that leads to the high development potential of the healthcare and elderly care industry, the establishment of the Renkang Elderly Care Centre was the Group's first presence and extension of our big health concept business development. In April 2020, the first phase of Renkang Elderly Care Centre formally started the medical insurance settlement work and was awarded by the Provincial Department of Civil Affairs as a four-star elderly care centre in the same month. In June 2020, the second phase of the nursing home project passed the inspection of the Municipal Health Supervision Bureau and the Civil Affairs Bureau. In August 2020, the second phase of the elderly care centre commenced operation with the addition of 48 registered beds and became a designated medical institution covered by the social insurance system.

醫院管理服務

於二零一八年八月，本集團完成收購康心醫院60%的股權，而成為本公司的非全資附屬公司。董事會認為，將康心醫院全面整合及合併至本集團的運營中，可使本集團從康心醫院的經營前景中獲得顯著的長期收益。自收購康心醫院以來，於二零一九年和二零二零年及直至本年報日期，本集團並無與第三方醫院的其他管理安排，且本公司將繼續尋找適當機會承接符合本集團在商業上合適的醫院管理業務。

銷售藥品

本集團銷售藥品分部包括為將藥品及醫療耗材直接銷售予本集團醫院的患者，以及非本集團醫院患者的步入式客戶而設立的藥品及醫療耗材貿易公司。該製藥公司的運作一般透過集中採購功能整體降低我們的收益成本，從而提高本集團的整體利潤率。報告期間銷售藥品的收益為人民幣17.54百萬元（二零一九年：人民幣18.58百萬元），按年計同比下降5.6%，主要是由於本集團在今年年初疫情期間縮減其整體營運規模。

老年醫療服務

本集團其他分部即提供老年醫療服務，始於二零一八年，其戰略是在仁康醫院內部建立一個綜合性的老人保健中心，即仁康護理院，初步擁有60張註冊床位，以開拓向東莞市厚街鎮的當地居民提供優質高端養老服務的潛力。鑑於中國人口加速老齡化問題導致醫療保健及老年護理行業的巨大發展潛力，成立仁康護理院為本集團首次亮相及擴展我們的大型保健概念業務發展。於二零二零年四月，仁康護理院一期工程正式開通醫療保險結算工作，並於同月獲省民政廳授予四星級養老機構。於二零二零年六月，護理院二期專案已通過市衛生監督局和民政局的檢查驗收。於二零二零年八月，老人護理中心二期已投入運營，並增設48張註冊床位，成為社會保險定點醫療機構。

Management Discussion and Analysis

管理層討論及分析

Revenue from provision of elderly healthcare services for the Reporting Period amounted to RMB6.62 million (2019: RMB1.67 million), representing a year-on-year increase of 296.4% as a result of the increase in intake of patients during the current year. Since Renkang Elderly Care Centre is still in its early stages of operation, this segment is currently operating under loss. However, the management expects that as the number of intakes increases with Renkang Elderly Care Centre gradually gaining reputation in the local area, the operating performance will improve in the future.

In 2020, the Group has seized the opportunity to expand our business in elderly healthcare services by successfully bidding for the land use rights of a land parcel to develop comprehensive elderly healthcare medical facilities with a particular focus on geriatric patients and rehabilitation. The Board expects that such development will further enhance the Group's capability in providing high-end integrated medical care to meet the increasing demand for such services in Guangdong Province (and in particular Dongguan City). The consideration for the acquisition of the land parcel amounted to RMB82.6 million. Details of the transaction are disclosed in the Company's announcement dated 23 July 2020.

Industry Outlook and Strategy

In view of the impact of the COVID-19 pandemic in the PRC during year 2020, the authorities at the national level have commensurately realigned the policy of the entire healthcare industry. The pandemic and 5G technology have catalysed the rise of internet medical treatments. During the COVID-19 pandemic, given the environmental constraints, as well as the improving internet applications, the number of people seeking online medical consultation has significantly increased. Furthermore, medical informatisation has greatly improved the efficiency and workflow of medical services. The emergence of medical kiosks in our hospitals provides the conditions required for the transformation and upgrade in medical institutions. The National Health Commission, the State Food and Drug Administration and the National Health Security Administration have successively issued the "Notice for Further Improving Medical Consultation and Treatment Reservation System and Enhancing the Construction of Smart Hospitals" and other related documents, providing a route to upgrade and transform medical institutions. These initiatives also lay down key guidelines for construction of internet hospitals. In response, our hospitals expedited the construction work of internet hospitals.

於報告期間，提供老年醫療服務的收益為人民幣6.62百萬元（二零一九年：人民幣1.67百萬元），由於本年度的患者接收量增加，而按年計同比增長296.4%。因為仁康護理院仍處於起步階段，此分部目前處於虧損營運狀態，然而，管理層預期隨著接收量的增加，仁康護理院在當地逐漸贏得聲譽，營運表現將來會得到改善。

於二零二零年，本集團已抓住機遇，透過成功競得地塊的土地使用權以開發綜合老年醫療設施擴大老年醫療服務業務，尤其專注於老年患者及康復。董事預期，有關發展項目將進一步提升本集團提供高端綜合醫療服務的能力，以滿足廣東省（尤其是東莞市）對相關服務不斷增長的需求。收購地塊的代價為人民幣82.6百萬元。交易詳情披露於本公司日期為二零二零年七月二十三日之公告。

行業前景及策略

於二零二零年，隨著COVID-19疫情對我國的影響，國家層面對整個醫療行業的政策也做出了相應的調整。疫情與5G技術催生互聯網就醫興起。在COVID-19疫情期間，受環境條件限制，同時在互聯網技術應用逐步完善的情況下，廣大群眾選擇網上就診率大大提高，同時醫療信息化大大改善了醫療服務效率和流程，我們醫院自助機的出現，為醫療機構轉型升級提供了必要條件。衛健委、藥監總局、國家醫保總局先後出台政策推進《關於進一步完善預約診療制度加強智慧醫院建設的通知》等相關文件，為醫療機構指明了升級轉型的路徑。對互聯網醫院建設做了關鍵性指導，我院亦順應時勢，全面加快互聯網醫院建設相關工作。

Management Discussion and Analysis

管理層討論及分析

The government promotes centralised procurement and use of pharmaceutical products, and constantly introduces relevant policies aimed at lowering purchase prices of pharmaceutical products and regulating the procurement process. In April 2020, five government departments, including the National Health Security Administration, issued the “Notice on Launching National Work on Centralised Procurement and Use of the Second Batch of Pharmaceutical Products”, pursuant to which it is stated that the standardised and normalised method for centralised procurement of pharmaceutical products is established to carry out the comprehensive reform of strengthening centralised procurement and use of pharmaceutical products. Although such policy is only applicable to public hospitals, the Group makes reference to and assesses the centralized procurement model and its effectiveness, as such model may play a meaningful role in further reducing procurement costs and regulating procurement processes.

The use of medical insurance funds has improved. The Dongguan Municipal Health Security Administration Bureau, the Dongguan Municipal Health Bureau and the Dongguan Municipal Finance Bureau simultaneously issued the “Notice on Printing and Distributing the Dongguan Municipal Efficiency Improvement Programme of the Use of Medical Insurance Funds” in accordance with the State Council’s recommended guidance. The notice emphasises that medical insurance funds must be utilised under the principle of “determining expenditure based on income, while maintaining a balance between income and expenditure with a surplus”. In this regard, the income and expenditure budget for medical insurance funds shall be prepared scientifically and implemented strictly. For the purposes of graded medical consultation and treatment based on the city healthcare scheme driven by the medical insurance funds, such funds will strategically purchase basic medical services, which will encourage designated hospitals to actively regulate the medical consultation and treatment practices, as well as to improve the momentum to pursue medical quality. This notice strives for the transformation of designated hospitals from scale expansion to internal development, for the purposes of controlling the unreasonable growth in medical expenses and alleviating the financial burden on the insured. Furthermore, this notice aims to improve the efficient use of medical insurance funds and to advance the stable and sustainable development of the social medical security system. By implementing the abovementioned policies, we can further regulate medical consultation and treatment practices, and improve the quality of medical services. In the meantime, we can make use of this opportunity to develop the clinical trial advantages for various diseases, enhancing our competitiveness.

政府推進藥品集中採購和使用。為了降低藥品採購價格，規範採購秩序，不斷出台相關政策。二零二零年四月，國家醫保局等5部門政府部門發佈《關於開展第二批國家組織藥品集中採購和使用工作的通知》，文件中對全面深化藥品集中採購和使用改革，建立了規範化、常態化的藥品集中帶量採購模式，儘管該項政策僅針對公立醫院開展，但其集中採購的模式及成效值得本集團參考和觀察，為進一步降低採購成本和規範採購流程有借鑒意義。

醫療保險基金使用效率提升。依據國務院的相關指導意見精神，東莞市醫療保障局聯同東莞市衛生健康局、東莞市財政局同時下发了《關於印發〈東莞市醫療保險基金使用效率提升方案〉的通知》。文件精神堅持醫保基金「以收定支、收支平衡、略有結餘」的使用原則，科學編製並嚴格執行醫保基金收支預算，以全市衛生規劃為基礎，以醫保基金為嚮導，以分級診療為目的，醫保基金通過戰略性購買基本醫療服務，激發定點醫院主動規範診療行為、提高醫療質量的內生動力，努力實現定點醫院從規模擴張向內涵式發展轉變，達到控制醫療費用不合理增長的目的，減輕參保人經濟負擔，進而提升醫保基金使用效率，促進社會醫療保障制度能夠穩健、可持續發展。通過落實上述政策，我們能進一步規範診療行為，提高醫療質量，同時可以藉此機會更好地發展多種疾病的臨床試驗優勢，提升競爭力。

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2021 is a year of global economic uncertainties in the post COVID-19 era, kicking off Kanghua Hospital's fourth five-year plan. After 15 years of operation, Kanghua Hospital, under the leadership of its board of directors, has built up our own teams, strong disciplines, an extensive network of connections, and a reputable brand, based on our five core disciplines. Kanghua Hospital entered a period of stable operations, and has proven to have strong innovative capability and risk resilience. On the other hand, we also saw the rapid development of local public hospitals in 2020, which was supported by government policies, especially from the emergence of public hospitals as the primary source of healthcare under the background of prevention of control of COVID-19. The reform of payment methods under the medical insurance system forced us to change our business philosophy from extensive growth of income to optimising our income structure. In terms of the overall market, the competition among hospitals became more intense due to the impact of COVID-19 and the structure of the industry on local population and demographics, the division of market as a result of the development of integrated health care systems, and the improvement of service capability of primary healthcare hospitals. We also need to promptly address the historical issues accumulated within our hospitals during our rapid development in the past decades. In particular, with the introduction of the new standards for the assessment of hospital classification, we must be well prepared for the upcoming assessment in 2024. As such, we must formulate a sound operational plan this year to address the rapidly changing policies and market environment, based on the actual situation at our hospitals.

The impact of COVID-19

In the beginning of 2020, an unexpected and unprecedented pandemic caused by the COVID-19 has affected a wide range of industries and sectors in the PRC. In response to the threats of COVID-19, the Group, as a hospital operator, has put in place numerous precautionary measures to ensure the health and safety of our employees and the stable operations of our hospitals to provide responsive service to our patients.

At present, the pandemic in the PRC is considered well under control, however, the Group will continuously monitor the latest developments and coordinates actively with local healthcare authorities and organisations, as well as our stakeholders, to continuously refine our policies, measures and best practices in minimizing cross and secondary infections. As far as the Group's businesses are concerned, the Group's hospitals remain operational as usual.

二零二一年是康華醫院第四個五年計劃的開局之年，也是一個後疫情時代全球經濟運行充滿變數的一年。醫院經過十五年的經營，在董事會領導下，以五大中心為基礎，逐步形成了自己的團隊和優勢學科群，積累了深厚的人脈，創建了良好的品牌，醫院進入良性運作期，具備較強的創新能力和抗風險能力。同時，我們也清楚地認識到，本年度在政策方面，本地區公立醫院的快速發展，尤其是疫情的防控強化了公立醫院的主體地位。在醫保方面，付費方式的改革，迫使我們的經營理念由粗獷式的收入增長轉為收入結構的優化。在市場方面，疫情、產業結構對本地區人口基數和構成的影響，醫聯體建設對市場的重新切割，基層醫院服務能力的提升，加劇了醫院之間的競爭。在醫院內部，經過十多年的高速發展，沉積的問題需要我們盡快理順。尤其是醫院等級評審的新標準出台，面對二零二四年等級醫院複審，我們必須未雨綢繆。因此，醫院必須在變幻的政策、市場背景下結合我院實際，認真做好本年度的工作計劃。

COVID-19 的影響

於二零二零年年初，由 COVID-19 所引起的出乎意料且前所未有的疫情已對中國眾多行業及部門造成影響。為應對 COVID-19 的嚴峻形勢，本集團（作為醫院經營者）已採取大量預防措施，以確保僱員的健康及安全以及醫院的穩定運營，從而為患者提供及時服務。

目前，中國的疫情被視為已得到良好控制，然而，本集團將持續監控最新動態，並與當地醫療機構及組織以及利益相關者進行積極協調，以不斷完善我們在最大程度減少交叉感染及繼發感染方面的政策、措施及最佳常規。就本集團的業務而言，本集團的醫院仍照常營業。

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With the continuous support of the PRC government to the healthcare system and industry in recent years, favourable policies may inspire progressive changes in the healthcare system and industry in respect to the COVID-19 situation, such as accelerated development and application of internet medical services, integration of the Chinese and Western Medicine, and promotion in vaccinations and medical insurance. The Group intends to position itself to capture such opportunities, while maintaining fast-paced expansion and delivery of high-quality services.

Future Plans for Material Investments and Capital Assets

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

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

隨著近年中國政府對醫療體系及行業的持續支持，為應對COVID-19的影響，有利的政策可能激發醫療體系及行業的漸進變動，例如互聯網醫療服務、中西醫結合以及推廣疫苗接種及醫保等的加速發展及應用。本集團有意立足於從高速擴張到向提供優質服務發展的轉變過程中，抓住行業機遇。

重大投資及資本資產之未來計劃

於二零二零年七月，本集團已成功競得一幅地塊的土地使用權，以進行一項綜合醫療保健項目，並開發綜合醫療設施，尤其專注於老年患者及康復，以提供東莞市一流的老年人及康復服務。董事會預期，有關發展項目將進一步提升本集團提供高端綜合醫療服務的能力，以滿足廣東省（尤其是東莞市）對優質老年人及康復服務不斷增長的需求。收購地塊的代價為人民幣82.6百萬元。交易詳情披露於本公司日期為二零二零年七月二十三日之公告。

除本年報披露者外，本集團於本年報日期並無其他重大投資計劃或資本資產計劃。



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管理層討論及分析

FINANCIAL REVIEW

Segment Revenue

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

The following tables below set forth the revenue, cost of revenue, gross profit (loss) and gross profit (loss) margin of the Group by segment for the years indicated:

For the year ended 31 December 2020

		Hospital services	Rehabilitation and other healthcare services	Sale of pharmaceutical products	Others	Total
		醫院服務	康復及其他醫療服務	銷售藥品	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益	1,620,452	100,411	17,538	6,622	1,745,023
Cost of revenue	收益成本	(1,391,229)	(69,770)	(14,015)	(6,854)	(1,481,868)
Gross profit (loss)	毛利(毛損)	229,223	30,641	3,523	(232)	263,155
Gross profit (loss) margin	毛利(毛損)率	14.1%	30.5%	20.1%	-3.5%	15.1%

For the year ended 31 December 2019

		Hospital services	Rehabilitation and other healthcare services	Sale of pharmaceutical products	Others	Total
		醫院服務	康復及其他醫療服務	銷售藥品	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益	1,848,168	87,115	18,577	1,665	1,955,525
Cost of revenue	收益成本	(1,483,481)	(67,566)	(14,413)	(646)	(1,566,106)
Gross profit	毛利	364,687	19,549	4,164	1,019	389,419
Gross profit margin	毛利率	19.7%	22.4%	22.4%	61.1%	19.9%

財務回顧

分部收益

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

下表載列於所示年度本集團按分部劃分的收益、收益成本、毛利(毛損)及毛利(毛損)率：

截至二零二零年十二月三十一日止年度

截至二零一九年十二月三十一日止年度

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Revenue from the Group's hospital services amounted to RMB1,620.5 million (2019: RMB1,848.2 million), representing a year-on-year decrease of 12.3% and accounting for 92.9% (2019: 94.5%) of the total revenue of the Group.

Revenue from hospital services comprised (i) revenue from inpatient healthcare services amounted to RMB977.9 million (2019: RMB1,135.9 million), representing a year-on-year decrease of 13.9%, accounting for 56.0% (2019: 58.1%) of the total revenue of the Group; (ii) revenue from outpatient healthcare services amounted to RMB528.8 million (2019: RMB609.7 million), representing a year-on-year decrease of 13.3%, accounting for 30.3% (2019: 31.2%) of the total revenue of the Group; and (iii) revenue from physical examination services amounted to RMB113.7 million (2019: RMB102.6 million), representing a year-on-year increase of 10.8%, accounting for 6.5% (2019: 5.2%) of the total revenue of the Group. The decrease in revenue from hospital services is mainly due to (i) decrease in the number of inpatient, outpatient and physical examination visits due to the COVID-19 pandemic in the first half of year 2020, and to certain extent, offset by an increase in overall average spending; (ii) the decline in revenue across all of our major medical disciplines and our VIP special services. During the Reporting Period, the revenue from our VIP special services accounted for approximately 9.0% (2019: 9.3%) of the Group's total revenue and 9.7% (2019: 9.8%) of the Group's revenue from our hospital services segment. The decline in revenue from our hospital services is primarily caused by the decrease in the total number of patient visits which led to the decrease in healthcare services income during the period of the pandemic in the first half of year 2020. Although the number of physical examination visits has declined, revenue from physical examination services has increased as compared to year 2019. During the year, the Kanghua Hospital has entered a number of new physical examination service contracts with local corporates in Dongguan, and these service contracts are largely relates to the provision of higher valued services. The management is of the view that local corporates had raised health awareness for staff and employees after the pandemic, and increased willingness in spending on regular check ups and COVID-19 testing for employees. The Board is of the view that the decrease in total number of patient visits in year 2020 is largely temporary and the number of patient visits of our hospital has rebounded soon after the ease of the pandemic. Business operations and medical services revenue have substantially returned to normal level as compared with the corresponding period last year. The Board is of the view that the fundamental demand for our services remained strong and stable.

本集團醫院服務的收益為人民幣1,620.5百萬元(二零一九年:人民幣1,848.2百萬元),按年計同比下降12.3%,佔本集團總收益92.9%(二零一九年:94.5%)。

醫院服務的收益包括(i)住院醫療服務的收益人民幣977.9百萬元(二零一九年:人民幣1,135.9百萬元),按年計同比減少13.9%,佔本集團總收益56.0%(二零一九年:58.1%);(ii)門診醫療服務的收益人民幣528.8百萬元(二零一九年:人民幣609.7百萬元),按年計同比減少13.3%,佔本集團總收益30.3%(二零一九年:31.2%);及(iii)體檢服務的收益人民幣113.7百萬元(二零一九年:人民幣102.6百萬元),按年計同比增加10.8%,佔本集團總收益6.5%(二零一九年:5.2%)。醫院服務的收益減少主要由於:(i)二零二零年上半年COVID-19疫情令期內住院、門診及體檢人次減少,在一定程度上為期內平均開支全面增加所抵銷;及(ii)所有主要科室及貴賓特殊服務的收益下滑。於報告期間,貴賓特殊服務的收益佔本集團總收益約9.0%(二零一九:9.3%)及佔本集團醫院服務分部收益的9.7%(二零一九年:9.8%)。我們醫院服務收益的減少主要是由於患者就診總數的減少導致二零二零年上半年疫情期間醫療服務收入減少。儘管體檢人次減少,但體檢服務的收益較二零一九年有所增加。本年度,康華醫院已與東莞當地企業訂立若干新體檢服務合約,而該等服務合約大部分與提供較高價值的服務有關。管理層認為,當地企業已於疫情後提升員工及僱員的健康意識,並增加對僱員進行定期檢查及COVID-19測試的開支的意願。董事會認為,二零二零年患者就診總數減少很大程度上是暫時的,而於疫情緩解後不久,我們醫院的患者就診次數有所回升。業務運營及醫療服務收益與去年同期相比已基本恢復到正常水平。董事會認為,對我們服務的基本需求仍然強勁且穩定。

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Revenue from rehabilitation and other healthcare services amounted to RMB100.4 million (2019: RMB87.1 million), representing a year-on-year increase of 15.3%, accounting for 5.8% (2019: 4.5%) of the total revenue of the Group. Despite the operational disturbance, including temporary closures of our rehabilitation centres during the period of the COVID-19 pandemic, patient visits had substantially rebounded since mid-2020. In addition, the increase in revenue is largely contributed from Hefei Kanghua Rehabilitation Hospital (a rehabilitation specialty hospital aiming to be rated as a class III rehabilitation hospital) as its business operations began to mature and gain acceptance as well as reputation from the local community and the government.

Revenue from the sale of pharmaceutical products and medical consumables amounted to RMB17.54 million (2019: RMB18.58 million), representing a year-on-year decrease of 5.6%, accounting for 1.0% (2019: 0.9%) of the total revenue of the Group. The pharmaceuticals and medical consumables trading operation was set up for the purpose of streamlining pharmaceuticals and medical consumables sales directly to the patients at the Group's hospitals and walk-in customers who may not be patients of the Group's hospitals. The decrease in revenue from the sale of pharmaceutical products and medical consumables is primarily due to the decrease in the number of outpatient visits in both Kanghua Hospital and Renkang Hospital during the period of the pandemic in year 2020.

Revenue from the others segment represents income from provision of elderly healthcare services at Renkang Elderly Care Centre, which amounted to RMB6.62 million (2019: RMB1.67 million), representing a year-on-year increase of 296.4%, accounting for 0.4% (2019: 0.1%) of the total revenue of the Group. In June 2020, the second phase of the nursing home project passed the inspection of the Municipal Health Supervision Bureau and the Civil Affairs Bureau. In August 2020, the second phase of the elderly care centre commenced operation with the addition of 48 registered beds and became a designated medical institution covered by the social insurance system. The increase in revenue is mainly attributable to the increase in our operating capacity and intake of patients during the year.

康復及其他醫療服務的收益為人民幣100.4百萬元(二零一九年：人民幣87.1百萬元)，按年計同比增加15.3%，佔本集團總收益5.8%(二零一九年：4.5%)。儘管營運中斷，包括於COVID-19疫情期間暫時關閉我們的康復中心，但於二零二零年年中，患者就診量已大幅回升。此外，收益增加主要歸因於合肥康華康復醫院(一家以評級為三級康復醫院為發展目標的康復專科醫院)，乃由其業務營運開始走向成熟並獲得當地社區及政府的認可並聲望。

銷售藥品及醫療消耗品的收益為人民幣17.54百萬元(二零一九年：人民幣18.58百萬元)，按年計同比下降5.6%，佔本集團的總收益1.0%(二零一九年：0.9%)。已開展藥品及醫療耗材交易業務以將藥品及醫療耗材直接銷售予本集團醫院的患者，以及非本集團醫院患者的步入式客戶。銷售藥品及醫療耗材所得收益減少主要由於二零二零年疫情期間康華醫院及仁康醫院的門診人次減少所致。

來自其他分部的收益指在仁康護理院提供老年醫療服務的收益人民幣6.62百萬元(二零一九年：人民幣1.67百萬元)，按年計同比增長296.4%，佔本集團總收益的0.4%(二零一九年：0.1%)。於二零二零年六月，護理院二期專案通過市衛生監督局和民政局的檢查驗收。於二零二零年八月，護理院二期開始營運，添置48張註冊床位並成為社會保險定點醫療。收益增加主要歸因於本年度經營能力及患者接收量增加。

Management Discussion and Analysis

管理層討論及分析

Cost of Revenue

Cost of revenue of the Group's hospital services (consisting of inpatient healthcare services, outpatient healthcare services and physical examination services) primarily consisted of pharmaceuticals, medical consumables, staff cost, depreciation, service expenses, utilities expenses, rental expenses and other costs. Cost of revenue of the Group's hospital services segment decreased to RMB1,391.2 million (2019: RMB1,483.5 million), representing a year-on-year decrease of 6.2%. The decrease in cost of revenue for hospital services segment is mainly attributable to the decline in hospital service operations during the year due to the outbreak of COVID-19 pandemic, which caused the reduction in certain variable costs including cost of pharmaceuticals and medical consumables as well as certain utilities expenses and staff related costs.

Cost of revenue of the Group's rehabilitation and other healthcare services segment amounted to RMB69.8 million (2019: RMB67.6 million) representing a year-on-year increase of 3.3%, and primarily consisted of staff costs, medical consumables, depreciation, utilities and rental expenses. The increase in cost of revenue is in line with the increase in revenue for the year, mainly as a result of increase in direct staff headcounts and departmental costs including direct consumables and office expenses.

Cost of revenue of the Group's sale of pharmaceutical products segment amounted to RMB14.0 million (2019: RMB14.4 million), representing a year-on-year decrease of 2.8%, mainly represent cost of purchase of pharmaceutical products, which was in line with the decrease of revenue.

Cost of revenue of the Group's others segment (provision of elderly healthcare services at Renkang Elderly Care Centre) amounted to RMB6.9 million (2019: RMB0.6 million), representing a year-on-year increase of 960.8%, which mainly represent the cost of services including direct staff cost and consumables incurred at the elderly care centre. The significant increase is due to the official commencement in operation of the centre in late-2019 with substantial increase in staff headcounts and full deployment of its services in 2020.

For the year ended 31 December 2020, pharmaceuticals, medical consumables and staff cost accounted for approximately 27.6% (2019: 30.8%), 26.7% (2019: 27.9%) and 31.8% (2019: 30.1%), respectively, of the total cost of revenue of the Group. Our total staff related costs including salary, bonus and other benefits had increased slightly by 0.2% as compared with the prior year. Although the pandemic during the first half of 2020 had caused temporary closures in certain operations or substantial drop in our business, however, our frontline headcount remains relatively stable, as we believe the pandemic was temporary and it is more important to maintain high level of staff morale through a stable workforce.

收益成本

本集團醫院服務(包括住院醫療服務、門診醫療服務及體檢服務)的收益成本主要包括藥品、醫療消耗品、員工成本、折舊、服務開支、水電費、租金開支和其他成本。本集團醫院服務分部的收益成本減少至人民幣1,391.2百萬元(二零一九年:人民幣1,483.5百萬元),按年計同比減少6.2%。我們醫院服務分部的收益成本下降,主要由於COVID-19疫情爆發導致本年度醫院服務業務減少,從而令若干可變成本(包括藥品及醫療消耗品成本以及若干水電開支及員工相關成本)下降。

本集團的康復及其他醫療服務分部的收益成本為人民幣69.8百萬元(二零一九年:人民幣67.6百萬元),按年計同比增長3.3%,主要包括員工成本、醫療消耗品、折舊、水電費及租金開支。收益成本增長與本年度收益增長一致,主要由於直接員工人數及部門成本(包括直接消耗品及辦公開支)增加。

本集團銷售藥品分部的收益成本達人民幣14.0百萬元(二零一九年:人民幣14.4百萬元),按年計同比減少2.8%,主要指藥品採購成本,與收益減少相符。

本集團其他分部的收益成本(仁康護理院提供老年醫療服務)人民幣6.9百萬元(二零一九年:人民幣0.6百萬元),按年計同比增加960.8%,主要指服務成本,包括直接員工成本及長者護理中心的消耗品。該大幅增加乃由於該中心於二零一九年底正式投入運營,其員工人數大幅增加及於二零二零年全面開展服務。

截至二零二零年十二月三十一日止年度,藥品、醫療消耗品及員工成本分別佔本集團總收益成本約27.6%(二零一九年:30.8%)、26.7%(二零一九年:27.9%)及31.8%(二零一九年:30.1%)。我們的員工相關成本總額(包括工資、花紅及其他福利)較過往年度略增0.2%。儘管二零二零年上半年爆發的疫情導致若干營運暫時關閉或業務大幅下降,然而,我們的一線員工維持相對穩定,因為我們認為疫情是暫時的,更重要的是透過穩定的員工人數維持高水平的員工士氣。

Management Discussion and Analysis

管理層討論及分析

Gross Profit and Gross Profit Margin

Total gross profit of the Group amounted to RMB263.2 million (2019: RMB389.4 million), representing a year-on-year decrease of 32.4%. The overall gross profit margin decreased to 15.1% (2019: 19.9%), primarily due to:

1. the decrease in overall patient visits and revenue of our major medical healthcare disciplines from our hospital service operations due to the COVID-19 pandemic during the first half of 2020, while our major cost of revenue, such as direct staff costs, depreciation and amortisation, rental and utilities expenses remains relatively fixed;
2. the unexpected and unprecedented pandemic causing a sudden pause and slowdown in the Group's business operations across all segments. However, the total number of our staff headcounts have not been reduced during the time of the pandemic with a view that the effects of the outbreak was temporary and short. Although, the local government has granted a concession in staff social security contribution during the year, our overall staff costs remain relatively the same compared with prior year;
3. although there is an overall increase in the average spending of patients from our inpatient and outpatient business for the current year, such increase was caused by the fall in patient visits with lower average spending that required non-emergency medical services during the time of the pandemic. Such effect did not fully compensate the loss in revenue; and
4. Kangxin Hospital and Renkang Elderly Healthcare Centre both continued running at negative gross margin as there are still in their early stage of ramping up their operations and reputation, while they incurred a large amount of fixed medical staff headcounts and staff costs, overhead expenditure and other direct fixed costs.

毛利及毛利率

本集團總毛利為人民幣263.2百萬元(二零一九年：人民幣389.4百萬元)，按年計同比減少32.4%。整體毛利率下降至15.1%(二零一九年：19.9%)，主要原因是：

1. 二零二零年上半年爆發COVID-19疫情導致我們醫院服務運營的主要醫療保健門診的整體患者就診人次及收益減少，而我們的較大部分收益成本(包括直接員工成本、折舊及攤銷、租金及水電費)保持相對固定；
2. 突發且前所未有的疫情導致本集團所有分部的業務運營驟停及放緩。然而，鑒於疫情的影響屬暫時及短期，故於疫情期間並無裁減員工總數。儘管地方政府於本年度已授予員工社會保障供款優惠，我們的整體員工成本與過往年度維持相同水平；
3. 儘管本年度住院及門診業務的患者的平均支出整體有所增加，惟該增加被認為是由於疫情期間需要非緊急醫療服務的就診人次減少及平均支出較低引起。該影響並不能完全抵銷收益虧損；及
4. 康心醫院及仁康老人保健中心繼續以負毛利率持續營運，原因是其處於提升其營運及聲譽的起步階段，同時，其產生大量的固定醫務人員成本及員工成本、間接開支及其他直接固定成本。

Management Discussion and Analysis

管理層討論及分析

Key Operational Information of our Owned Hospitals

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

我們擁有的醫院的主要營運資料

下表列出於所示年度本集團擁有的每間醫院的若干主要營運資料：

		For the year ended 31 December 截至十二月三十一日止年度		
		Change 變動	2020 二零二零年	2019 二零一九年
Inpatient healthcare services	住院醫療服務			
Inpatient visits:	住院人次：			
Kanghua Hospital	康華醫院	-26.1%	44,013	59,578
Renkang Hospital	仁康醫院	-20.5%	11,243	14,135
Kangxin Hospital	康心醫院	-28.1%	1,333	1,855
Total inpatient visits	住院總人次	-25.1%	56,589	75,568
Average spending per visit (RMB)	每人次平均開支(人民幣元)			
Kanghua Hospital	康華醫院	+15.6%	18,570.5	16,061.0
Renkang Hospital	仁康醫院	+22.7%	11,382.2	9,277.5
Kangxin Hospital	康心醫院	-5.2%	24,456.9	25,794.6
Outpatient healthcare services	門診醫療服務			
Outpatient visits:	門診人次：			
Kanghua Hospital	康華醫院	-22.2%	1,039,428	1,335,875
Renkang Hospital	仁康醫院	-24.2%	304,127	401,030
Kangxin Hospital	康心醫院	-8.9%	14,961	16,415
Total outpatient visits	門診總人次	-22.5%	1,358,516	1,753,320
Average spending per visit (RMB)	每人次平均開支(人民幣元)			
Kanghua Hospital	康華醫院	+11.2%	418.7	376.6
Renkang Hospital	仁康醫院	+15.8%	288.1	248.7
Kangxin Hospital	康心醫院	-5.9%	400.2	425.3
Physical examination services	體檢服務			
Physical examination visits:	體檢人次：			
Kanghua Hospital	康華醫院	-24.5%	87,005	115,170
Renkang Hospital	仁康醫院	+14.0%	80,324	70,464
Total physical examination visits	體檢總人次	-9.9%	167,329	185,634
Average spending per visit (RMB)	每人次平均開支(人民幣元)			
Kanghua Hospital	康華醫院	+45.9%	1,203.7	825.1
Renkang Hospital	仁康醫院	+4.5%	111.7	106.9

Management Discussion and Analysis

管理層討論及分析

Other Income

The other income of the Group primarily consisted of bank and other interest income, investment income from financial assets at FVTPL, government subsidies, fixed operating lease income (rental income), clinical trial and related income and others. In 2020, other income amounted to RMB41.2 million (2019: RMB29.6 million), representing a year-on-year increase of approximately 39.2%, primarily due to (i) an increase in investment income from financial assets at FVTPL of 13.3% to RMB16.4 million (2019: RMB14.5 million), which represents realised investment returns from our portfolio investment account and interest income from our principal-protected structured deposits with banks in the PRC; (ii) a decrease in rental income to RMB5.4 million (2019: RMB6.2 million), mainly represents rental income from our staff quarter (temporary rental concession was granted to our staff during the pandemic); (iii) an increase in government subsidies to RMB6.3 million (2019: RMB0.7 million), primarily due to subsidies received from government bodies during the pandemic and other subsidies from operation of our rehabilitation centres and hospitals as well as research and development projects; (iv) an increase in clinical trial and related income to RMB3.1 million (2019: RMB0.8 million); and (v) an increase in bank and other interest income to RMB4.0 million (2019: RMB2.8 million) mainly due to more idle bank balances being placed as fixed bank deposits during the year.

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

其他收入

本集團的其他收入主要包括銀行及其他利息收入、按公平值計入損益的金融資產的投資收入、政府補貼、固定經營租賃收入(租金收入)、臨床試驗及相關收入及其他。於二零二零年，其他收入為人民幣41.2百萬元(二零一九年：人民幣29.6百萬元)，按年計同比增加約39.2%，主要是由於(i)按公平值計入損益的金融資產的投資收入增加13.3%至人民幣16.4百萬元(二零一九年：人民幣14.5百萬元)，此乃指我們的投資組合賬戶的已變現投資回報及來自中國多家銀行的保本結構性存款的利息收入；(ii)租金收入減少至人民幣5.4百萬元(二零一九年：人民幣6.2百萬元)，主要指員工宿舍所得之租金收入(疫情期間授予員工臨時租金優惠)；(iii)政府補貼增加至人民幣6.3百萬元(二零一九年：0.7百萬元)，主要由於疫情期間自政府機關收取的補貼以及康復中心及醫院營運及研發項目的其他補貼所致；(iv)臨床試驗及相關收入增加至人民幣3.1百萬元(二零一九年：人民幣0.8百萬元)；及(v)主要由於本年度更多閒置銀行結餘存為定息銀行存款而令銀行及其他利息收入增至人民幣4.0百萬元(二零一九年：人民幣2.8百萬元)。

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

Management Discussion and Analysis

管理層討論及分析

Other Expenses, Gains and Losses

The other expenses, gains and losses of the Group primarily consisted of fair value gain on financial assets at FVTPL, loss on disposal of property, plant and equipment, donations and net exchange gain/loss. In 2020, other expenses, gains and losses amounted to a net loss of RMB5.1 million (2019: net gain of RMB8.6 million), primarily due to (i) a decrease in fair value gain on financial assets at FVTPL to RMB4.1 million (2019: RMB8.7 million); (ii) an increase in loss on disposal of property, plant and equipment to RMB1.5 million (2019: RMB0.2 million); (iii) donations made during the year of RMB2.8 million (2019: RMB2.0 million); and (iv) a recorded net exchange loss for the year of RMB4.9 million (2019: net exchange gain of RMB2.2 million) mainly arising from our Hong Kong dollar denominated financial assets.

Net Reversal (Net Provision) of Impairment Losses under Expected Credit Loss Model (ECL)

During the Reporting Period, impairment losses under expected credit loss model recorded a net reversal of provision of RMB1.8 million (2019: net provision of RMB0.6 million). Over the past few years, the Group has increased efforts to recover overdue debts including recovering receivables from patients through legal actions, as well as tightening credit reviews given to corporate customers. The net reversal of provision is mainly attributable to (i) the decrease on overall balance of accounts receivables at the end of the reporting period; (ii) an improved aging of the Group's accounts receivables; and (iii) certain long outstanding debts has been recovered by the Group during the year.

The Group collectively assesses ECL for the accounts receivables, except for accounts receivables from the PRC government's social insurance scheme and certain credit-impaired debtors which are assessed for ECL individually. The provision rates are based on internal credit ratings as groupings of various receivables that have similar loss patterns. The collective assessment is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

其他開支、收益及虧損

本集團的其他開支、收益及虧損主要包括按公平值計入損益的金融資產的公平值收益、出售物業、廠房及設備的虧損、捐款及匯兌收益／虧損淨額。於二零二零年，其他開支、收益及虧損為淨虧損人民幣5.1百萬元（二零一九年：淨收益人民幣8.6百萬元），主要由於：(i)按公平值計入損益的金融資產公平值收益減少至人民幣4.1百萬元（二零一九年：人民幣8.7百萬元）；(ii)出售物業、廠房及設備的虧損增加至人民幣1.5百萬元（二零一九年：人民幣0.2百萬元）；(iii)年內捐款為人民幣2.8百萬元（二零一九年：人民幣2.0百萬元）；及(iv)錄得主要由我們的港元計值金融資產產生匯兌虧損淨額人民幣4.9百萬元（二零一九年：匯兌收益淨額人民幣2.2百萬元）。

預期信貸虧損模式項下之減值虧損，撥回淨額（撥備淨額）

於報告期間，預期信貸虧損模式項下之減值虧損錄得撥備撥回淨額人民幣1.8百萬元（二零一九年：撥備淨額人民幣0.6百萬元）。於過往數年，本集團加大力度收回逾期債務，包括透過法律行動收回患者的應收款項，以及收緊對企業客戶的信貸審查。撥備撥回淨額主要由於(i)報告期末應收賬款結餘整體減少；(ii)本集團應收賬款的賬齡獲得改善；及(iii)本集團於年內已收回若干長期未償還債務所致。

本集團就應收賬款共同評估預期信貸虧損，惟中國政府社會保險計劃及若干獨立評估預期信貸虧損的信貸減值債務人的應收賬款除外。撥備率以內部信貸評級為基礎，作為具有類似虧損模式的各類應收款項的分組。共同評估以本集團的歷史違約率為基礎，並考慮合理有據且無需不必要的成本或努力即可獲得之前瞻性資料而作出。在各報告日期，重新評估歷史可觀察的違約率，並考慮前瞻性資料的變動。

Management Discussion and Analysis

管理層討論及分析

The management of the Group closely monitors the credit quality of accounts receivables and considers the debts that are neither past due nor impaired to be of a good credit quality. Receivables that were neither past due nor impaired related to the customers for whom there was no history of default. As part of the Group's credit risk management, the Group uses accounts receivables' aging to assess the impairment for its accounts receivables except for accounts receivables from the PRC government's social insurance schemes and certain credit-impaired debtors of which ECL are assessed individually. These receivables consist of a large number of small patients with common risk characteristics that are representative of the patients' abilities to pay all amounts due in accordance with the contractual terms.

Impairment of Goodwill

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

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

本集團管理層密切監察應收賬款的信貸質素，並認為無逾期亦無減值的債項具有良好的信貸質素。無逾期亦無減值的應收款項與眾多並無違約紀錄的客戶有關。作為本集團信貸風險管理的一部分，本集團使用應收賬款的賬齡評估其應收賬款的減值情況，惟中國政府的社會保險計劃及若干獨立評估預期信貸虧損的信用減值債務人的應收賬款除外。該等應收賬款由大量具有共同風險特徵的小病患組成，該等病患代表病患按照合約條款支付所有應付金額的能力。

商譽減值

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

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

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Furthermore, as at 31 December 2020, the Board conducted a further review of the carrying values of the aforementioned CGUs. With respect to Anhui Hualin CGU, as actual performance of the Anhui Hualin Group for the full year ended 31 December 2020 achieved better results due to its significant rebound in its revenue, the Board considered no further impairment is required in respect of the goodwill allocated to the Anhui Hualin CGU. However, with respect to Kangxin Hospital CGU, after taken into consideration of the most recent actual performances of the Kangxin Hospital CGU, the Board considers that the estimated medium-term future growth in revenue and results of Kangxin Hospital will be further lowered. Hence, additional impairment loss of RMB1.4 million has been made for the second half of year 2020, and the total impairment loss for the Reporting Period amounted to RMB49.9 million has been charged to profit or loss.

As at 31 December 2020, the carrying amount of goodwill relating to the Anhui Hualin CGU is approximately RMB29.1 million (2019: RMB56.6 million) and the Kangxin Hospital CGU is approximately RMB15.5 million (2019: RMB65.4 million).

Anhui Hualin Group was acquired by the Group in March 2018, and since then it is under rapid operational and business expansion. As at 30 June 2020, the Board is of the view that the primary factors resulting in the change in future cash flow projections and the impairment of goodwill relating to the Anhui Hualin CGU are as follows:

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

此外，於二零二零年十二月三十一日，董事會進一步審閱上述現金產生單位的賬面值。就安徽樺霖現金產生單位而言，由於安徽樺霖集團截至二零二零年十二月三十一日止全年的實際表現因其收益大幅回升而取得較佳業績，董事會認為毋須就分配至安徽華林現金產生單位的商譽作出進一步減值。然而，就康心醫院現金產生單位而言，經計及康心醫院現金產生單位的最近期實際表現後，董事會認為康心醫院估計中期未來收益及業績的增長將進一步降低。因此，於二零二零年下半年已作出額外減值虧損人民幣1.4百萬元，而於報告期間的減值虧損總額為人民幣49.9百萬元已自損益扣除。

於二零二零年十二月三十一日，與安徽樺霖現金產生單位及康心醫院現金產生單位有關的商譽賬面值分別為約人民幣29.1百萬元（二零一九年：人民幣56.6百萬元）及約人民幣15.5百萬元（二零一九年：人民幣65.4百萬元）。

安徽樺霖集團於二零一八年三月被本集團收購，此後其營運及業務迅速發展。於二零二零年六月三十日，董事會認為，與安徽樺霖現金產生單位有關之導致未來現金流量預測變動及商譽減值的主要因素如下：

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

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- (iii) the local competition has been intense in the Anhui region, in particular, the competition for healthcare workers, which may have further pressure on staff costs in the short-term.

Kangxin Hospital commenced operations in March 2017, and 2020 was its fourth year of operation. As at 30 June 2020 and 31 December 2020, the Board is of the view that the primary factors resulting in the change in future cash flow projections and the impairment of goodwill relating to the Kangxin Hospital CGU are as follows:

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

- (iii) 安徽地區競爭（特別是醫護人員競爭）尤為激烈，短期內可能會進一步加大對員工成本壓力。

康心醫院於二零一七年三月投入運營，二零二零年為其營運的第四年。於二零二零年六月三十日及二零二零年十二月三十一日，董事會認為，與康心醫院現金產生單位有關之導致未來現金流量預測變動及商譽減值的主要因素如下：

- (i) 儘管 COVID-19 疫情僅屬暫時性現象，康心醫院於二零一九年，特別是二零二零年上半年的實際收益表現低於先前預期。二零二零年的住院及門診人次以及手術數量均未達致我們最初的預測數目；
- (ii) 重慶地區優質醫療專業人員競爭激烈，且由於康心醫院仍處於運營初期階段，及發展其品牌及聲譽的進程中，故繼續招募有助於吸引就診人次的知名及聲譽卓著的醫生對康心醫院仍屬挑戰。於報告期間，康心醫院流失若干關鍵醫療專家及人才，進而導致康心醫院的就診人次進一步下降。預期將對我們短期的收益增長管理預測產生不利影響。因此，我們已降低短期內對康心醫院就診人次增長的預期；及
- (iii) 康心醫院按該速率產生的固定成本較原先預期的收益增長為快。具體而言，鑒於重慶市的市況及競爭格局，若干固定成本包括薪資、維修及維護以及其他固定行政開支的增長速率高於預期。

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

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

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

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

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Administrative Expenses

The administrative expenses of the Group primarily consist of staff costs, repairs and maintenance expenses, office expenses, depreciation and amortisation, rental expenses, utilities expenses, entertainment and travelling expenses and other expenses. In 2020, administrative expenses amounted to RMB227.8 million (2019: RMB232.3 million), representing a year-on-year decrease of approximately 1.9%, primarily due to (i) a decrease in administrative staff related costs to RMB79.6 million (2019: RMB89.0 million) as a result of decrease in bonus payment and social security insurance contribution during the year, however, our number of administrative staff headcounts remains relatively the same; (ii) an increase in depreciation and amortisation to RMB36.2 million (2019: RMB32.4 million); and (iii) a decrease in overall office and administration costs as well as other utilities expenses as a result of costs savings as well as temporary closures and reduction of our operations during the time of the pandemic.

Finance Costs

Finance costs for the year amounted to RMB22.0 million (2019: RMB17.2 million). Finance costs for the current year represents (i) interest on bank loans raised during the year of RMB15.3 million (2019: RMB5.4 million); (ii) the interest element relating to lease liabilities charged to profit or loss during the current year due to application of IFRS 16 relating to leases of RMB12.5 million (2019: RMB13.3 million); and (iii) adjustment by amount of interest capitalised in the cost of qualifying assets of RMB5.8 million (2019: RMB1.5 million). The increase in finance costs is primarily due to the increase in the Group's bank borrowings during the year.

Income Tax Expenses

The income tax expenses of the Group primarily consisted of PRC enterprise income tax and Hong Kong Profits Tax. In 2020, income tax expenses amounted to RMB24.0 million (2019: RMB68.8 million), representing a year-on-year decrease of approximately 65.2%. The subsidiaries of the Group in the PRC are generally subject to income tax rate of 25% on their respective taxable income. Our effective tax rate for the Reporting Period was -91.9% (2019: 58.6%). The decrease in income tax expenses was primarily due the decrease in profits generated at Kanghua Hospital and Renkang Hospital during the year, as well as, the tax effect of tax losses not recognised for losses incurred of Kangxin Hospital, as well as, the tax effect of impairment loss recognised in respect of goodwill.

行政開支

本集團的行政開支主要包括員工成本、維修及保養開支、辦公室開支、折舊及攤銷、租金開支、水電開支、交際及交通開支以及其他開支。於二零二零年，行政開支為人民幣227.8百萬元（二零一九年：人民幣232.3百萬元），按年計同比減少約1.9%，主要由於：(i)年內花紅及社保供款減少令行政員工相關成本減少至人民幣79.6百萬元（二零一九年：人民幣89.0百萬元），然而，我們的行政員工人數仍相對持平；(ii)折舊及攤銷增加至人民幣36.2百萬元（二零一九年：人民幣32.4百萬元）；及(iii)疫情期間辦公及行政成本以及其他公共事業支出整體因節約成本及臨時關閉及縮減我們的營運而有所減少。

融資成本

年內的融資成本為人民幣22.0百萬元（二零一九年：人民幣17.2百萬元）。本年度融資成本指(i)年內所籌借銀行貸款人民幣15.3百萬元（二零一九年：人民幣5.4百萬元）的利息；(ii)由於應用與租賃人民幣12.5百萬元（二零一九年：人民幣13.3百萬元）相關的國際財務報告準則第16號，故指與本年度自損益扣除的租賃負債相關的利息要素；及(iii)按於合資格資產成本人民幣5.8百萬元（二零一九年：人民幣1.5百萬元）內資本化的利息金額調整。融資成本增加主要由於年內本集團的銀行借款增加所致。

所得稅開支

本集團的所得稅開支主要包括中國企業所得稅及香港利得稅。於二零二零年，所得稅開支為人民幣24.0百萬元（二零一九年：人民幣68.8百萬元），按年計同比減少約65.2%。本集團於中國之附屬公司一般須就其應課稅所得收入按25%之所得稅稅率繳納稅項。我們於報告期間的實際稅率為-91.9%（二零一九年：58.6%）。所得稅開支減少主要由於年內康華醫院及仁康醫院所產生溢利減少以及未就康心醫院所產生虧損確認稅項虧損的稅收影響及商譽有關之已確認減值虧損的稅收影響。

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(Loss) Profit for the Year

The Group recorded loss for the Reporting Period amounting to RMB50.1 million (2019: profit of RMB48.7 million), and loss attributable to shareholders of the Company amounted to RMB25.4 million (2019: profit attributable to shareholders of RMB74.3 million). The loss is primarily due to the continuing losses incurred by Kangxin Hospital, the decrease in profits generated at Kanghua Hospital and Renkang Hospital, and impairment loss recognised in respect of goodwill of RMB77.4 million (2019: RMB60.0 million) for the current year.

FINANCIAL POSITION

Property, Plant and Equipment, Rights-of-Use Assets and Deposits Paid for Acquisition of Property, Plant and Equipment

During the Reporting Period, the Group acquired property, plant and equipment and incurred expenditure on construction in progress of RMB82.9 million (2019: RMB76.6 million) and RMB86.9 million (2019: RMB118.3 million), respectively, mainly for the purpose of upgrading and expanding the service capacity of the Group's hospital and rehabilitation services operations and construction cost incurred of Phase II medical facility at our Kangxin Hospital.

At 31 December 2020, the Group had right-of-use assets of RMB382.8 million (2019: RMB323.1 million) which includes leasehold lands of RMB231.5 million (2019: RMB150.4 million) and leasehold land and buildings relating to leases of RMB151.3 million (2019: RMB172.7 million) recognised in accordance with IFRS 16. During the year, the Group acquired land use rights of a land parcel to undertake an integrated healthcare project to develop comprehensive elderly healthcare medical facilities in Dongguan City for the total consideration of RMB85.1 million. In addition, during the year, the Group entered into new lease agreements for the use of properties in the PRC ranging from 3 to 7 years. The Group is required to make fixed monthly payments. On lease commencement, the Group recognised right-of-use assets and lease liabilities of RMB8.3 million (2019: RMB8.4 million) each relating to those new leases.

年內(虧損)溢利

本集團於報告期間錄得虧損人民幣50.1百萬元(二零一九年:溢利人民幣48.7百萬元),及本公司股東應佔虧損為人民幣25.4百萬元(二零一九年:股東應佔溢利人民幣74.3百萬元)。虧損主要是由於康心醫院產生持續虧損、康華醫院及仁康醫院產生的溢利減少,以及本年度就商譽確認的減值虧損人民幣77.4百萬元(二零一九年:人民幣60.0百萬元)所致。

財務狀況

物業、廠房及設備、使用權資產以及就收購物業、廠房及設備支付的按金

於報告期間,本集團購買物業、廠房及設備以及就在建工程產生支出分別為人民幣82.9百萬元(二零一九年:人民幣76.6百萬元)及人民幣86.9百萬元(二零一九年:人民幣118.3百萬元),主要用於升級及擴大本集團醫院及康復服務營運的服務能力以及我們康心醫院二期醫療設施產生的建設成本。

於二零二零年十二月三十一日,本集團的使用權資產為人民幣382.8百萬元(二零一九年:人民幣323.1百萬元),包括租賃土地人民幣231.5百萬元(二零一九年:人民幣150.4百萬元)及根據國際財務報告準則第16號確認與租賃有關的租賃土地及樓宇人民幣151.3百萬元(二零一九年:人民幣172.7百萬元)。年內,本集團收購一幅土地的土地使用權以承接綜合醫療保健項目,在東莞市開發全面的安老院舍醫療設施,總代價人民幣85.1百萬元。此外,本集團於年內訂立新租賃協議,以在中國使用物業介乎三至七年。本集團須按月支付固定費用。於租賃開始時,本集團就該等新租賃確認各自使用權資產及租賃負債人民幣8.3百萬元(二零一九年:人民幣8.4百萬元)。

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管理層討論及分析

At 31 December 2020, the Group had deposits paid for acquisition of property, plant and equipment amounting to RMB91.2 million (2019: RMB109.6 million). The deposits mainly represent deposits paid for construction cost of Phase II medical facility at our Kangxin Hospital and amount paid for acquisition of new medical equipment and other new facilities as the Group continues to upgrade its medical facilities and expand its operation capacity.

Accounts and Other Receivables

The account receivables of the Group primarily consisted of balances due from social insurance funds, certain corporate customers and individual patients. As at 31 December 2020, accounts receivables decreased to RMB204.7 million (2019: RMB264.2 million), of which 76.9% (2019: 74.0%) were aged within 90 days. Average accounts receivables turnover days for the current year is 49.0 days (2019: 41.1 days). The decrease in accounts receivables and increase in accounts receivable turnover days is primarily due to (i) decline in revenue of our hospitals operations; and (ii) delays in settlement from Dongguan social insurance funds and certain corporate customers. The management is of the view that the increase in average accounts receivables turnover days is temporary and primarily due to the effects of the COVID-19 pandemic during the year.

The other receivables of the Group primarily consisted of prepayments to suppliers, interest receivables and others. As at 31 December 2020, other receivables increased to RMB44.0 million (2019: RMB36.4 million) primarily due to (i) an increase in prepayments to suppliers to RMB16.4 million (2019: RMB9.9 million); and (ii) an increase in other receivables mainly due to expansion of the Group's operations of our rehabilitation and other healthcare services segment and others segment (elderly healthcare services).

於二零二零年十二月三十一日，本集團就購買物業、廠房及設備支付按金人民幣91.2百萬元（二零一九年：人民幣109.6百萬元）。按金主要指就康心醫院醫療設備二期的建築成本之已付按金及購買新的醫療設備及其他新設施支付的款項，是由於本集團繼續升級醫療設施並擴充經營能力。

應收賬款及其他應收款項

本集團的應收賬款主要包括應收社保基金、若干公司客戶和個人病人的結餘。於二零二零年十二月三十一日，應收賬款減少至人民幣204.7百萬元（二零一九年：人民幣264.2百萬元），其中76.9%（二零一九年：74.0%）的賬齡為90天內。本年度平均應收賬款周轉天數為49.0天（二零一九年：41.1天）。應收賬款減少及應收賬款周轉天數增加主要是由於(i)本集團的醫院經營收益下滑；及(ii)東莞社保基金及若干企業客戶的結算延誤所致。管理層認為，應收賬款平均周轉天數延長為暫時性，主要是由於年內受到COVID-19疫情的影響。

本集團的其他應收款項主要包括對供應商的預付款、應收利息及其他。於二零二零年十二月三十一日，其他應收款項增至人民幣44.0百萬元（二零一九年：人民幣36.4百萬元），主要由於(i)對供應商的預付款增加至人民幣16.4百萬元（二零一九年：人民幣9.9百萬元）；及(ii)主要因擴大本集團康復及其他醫療服務分部及其他分部（老年醫療服務）的業務導致其他應收款項增加。

Management Discussion and Analysis

管理層討論及分析

Accounts and Other Payables and Provision

The accounts and other payables and provision of the Group primarily consisted of accounts payables, accrued expenses, receipts in advance, payables for acquisition of property, plant and equipment, provision for medical dispute claims, other tax payables and others. As at 31 December 2020, accounts and other payables and provisions increased to RMB516.9 million (2019: RMB488.5 million) primarily due to: (i) slight decrease in accounts payable to RMB256.8 million (2019: RMB262.0 million) as a result of decreases in our hospital services operations and purchases of supplies during the year; (ii) increase of accrued expenses to RMB94.0 million (2019: RMB83.1 million) mainly because of increases in operational and administrative charges; (iii) an increase in receipt in advance to RMB100.7 million (2019: RMB61.0 million) by reason of an increase in temporary funds received from social security insurance fund; (iv) a decrease in payables for acquisition of property, plant and equipment to RMB41.7 million (2019: RMB57.4 million) owing to reduction in medical equipment purchases and improvement works made to our owned-hospitals during the year; and (v) an increase in provision for medical dispute claims to RMB3.0 million (2019: RMB0.4 million).

Net Current Assets

As at 31 December 2020, the Group recorded net current assets of RMB294.4 million (2019: RMB378.2 million) and net assets position of RMB1,407.5 million (2019: RMB1,457.6 million).

應付賬款及其他應付款項以及撥備

本集團的應付賬款及其他應付款項以及撥備主要包括應付賬款、應計開支、預收款項、收購物業、廠房及設備應付款項、醫療糾紛索賠撥備、其他應付稅項及其他。於二零二零年十二月三十一日，應付賬款及其他應付款項以及撥備增加至人民幣516.9百萬元（二零一九年：人民幣488.5百萬元），主要由於：(i)年內醫院服務業務及物資採購減少導致應付賬款略減至人民幣256.8百萬元（二零一九年：人民幣262.0百萬元）；(ii)應計開支增加至人民幣94.0百萬元（二零一九年：人民幣83.1百萬元），主要由於營運及行政費用增加；(iii)自社保基金獲得的臨時資金增加使得預收款項增加至人民幣100.7百萬元（二零一九年：人民幣61.0百萬元）；(iv)收購物業、廠房及設備應付款項減少至人民幣41.7百萬元（二零一九年：人民幣57.4百萬元），是由於年內購買醫療設備及我們自有醫院裝修工程減少；及(v)醫療糾紛申索撥備增加至人民幣3.0百萬元（二零一九年：人民幣0.4百萬元）。

流動資產淨值

於二零二零年十二月三十一日，本集團錄得流動資產淨值人民幣294.4百萬元（二零一九年：人民幣378.2百萬元）及淨資產狀況人民幣1,407.5百萬元（二零一九年：人民幣1,457.6百萬元）。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources

The Group continued to maintain a strong financial position with cash and cash equivalents of RMB179.7 million (2019: RMB223.9 million) and fixed bank deposits of RMB5.0 million as at 31 December 2020 (2019: RMB37.0 million). The Group continues to generate steady cash inflow from operations and coupled with sufficient cash and bank balances, in the opinion of the Directors, the Group will have adequate and sufficient liquidity and financial resources to meet the working capital requirement of the Group for at least the next twelve months following the end of the Reporting Period.

As at 31 December 2020, as part of the Group's cash management activities, the Group had investments (classified as financial assets at FVTPL) in aggregate of RMB467.7 million (2019: RMB477.2 million), primarily consisting of, (i) portfolio investment fund of RMB67.7 million (2019: RMB77.2 million), representing a portfolio investment fund, the underlying portfolio of which included a mixture of cash and shares that are primarily listed in Hong Kong; and (ii) structured short-term bank deposits of RMB400.0 million (2019: RMB400.0 million), representing principal-protected products issued by a PRC commercial bank.

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

流動資金及資本資源

財務資源

本集團繼續維持強勁的財務狀況，於二零二零年十二月三十一日現金及現金等價物為人民幣179.7百萬元（二零一九年：人民幣223.9百萬元）及固定銀行存款為人民幣5.0百萬元（二零一九年：人民幣37.0百萬元）。本集團繼續從經營活動產生穩定的現金流入，加上足夠的現金及銀行結餘。董事認為，本集團將有足夠和充足的流動資金及財務資源，以滿足本集團於報告期間結束後至少未來十二個月的營運資金需求。

於二零二零年十二月三十一日，作為本集團現金管理活動的一部分，本集團作出投資（分類為按公平值計入損益的金融資產）合共人民幣467.7百萬元（二零一九年：人民幣477.2百萬元），主要包括(i)投資組合基金人民幣67.7百萬元（二零一九年：人民幣77.2百萬元），即一種投資組合基金，其相關投資組合包括現金及主要在香港上市的股份；及(ii)結構性短期銀行存款人民幣400.0百萬元（二零一九年：人民幣400.0百萬元），指由一家中國商業銀行發行的保本產品。

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

Management Discussion and Analysis

管理層討論及分析

Cash Flow Analysis

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

現金流量分析

下表載列從本集團於所示年度之綜合現金流量表摘錄的資料：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	275,292	98,178
Net cash used in investing activities	投資活動所用現金淨額	(182,152)	(212,882)
Net cash (used in) from financing activities	融資活動(所用)所得現金淨額	(138,215)	135,105
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	(45,075)	20,401

Net cash generated from operating activities

During the Reporting Period, the net cash generated from operating activities amounted to RMB275.3 million (2019: RMB98.2 million), representing a year-on-year increase of 180.4%. Although, there is a deterioration of performance in Adjusted EBITDA for the Reporting Period, however, changes in working capital including decreases in inventories, accounts and other receivables and accounts and other payables as well as decrease in income tax paid have caused a substantial an increase in net generated from operating activities.

經營活動所得現金淨額

於報告期間，經營活動所得現金淨額為人民幣275.3百萬元(二零一九年：人民幣98.2百萬元)，按年計同比增加180.4%。儘管報告期間經調整EBITDA表現惡化，但營運資金變動(包括存貨、應收賬款及其他應收款項及應付賬款及其他應付款項減少)及已付所得稅減少導致經營活動產生的淨額大幅增加。

Net cash used in investing activities

During the Reporting Period, the net cash used in investing activities amounted to RMB182.2 million (2019: RMB212.9 million), representing a year-on-year decrease of 14.4%. The decrease is primarily attributable to (i) a decrease in cash used in deposits paid for acquisition of property, plant and equipment to RMB33.8 million (2019: RMB76.6 million); (ii) net withdrawal of fixed bank deposits during the year; (iii) a net decrease in purchase of financial assets at FVTPL; and (iv) partly offset by payments made for acquisition of land use rights (rights-of-use assets) in the current year of RMB85.1 million (2019: nil).

投資活動所用現金淨額

於報告期間，投資活動所用現金淨額為人民幣182.2百萬元(二零一九年：人民幣212.9百萬元)，按年計同比減少14.4%。該減少主要是由於(i)就購置物業、廠房及設備已付按金所用現金減少至人民幣33.8百萬元(二零一九年：人民幣76.6百萬元)；(ii)年內提取定期銀行存款淨額；(iii)購買按公平值計入損益的金融資產的減少淨額；及(iv)部分被本年度就收購土地使用權(使用權資產)付款人民幣85.1百萬元(二零一九年：零)抵銷。

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Net cash (used in) from financing activities

During the Reporting Period, the net cash used in financing activities amounted to RMB138.2 million (2019: net cash generated from financing activities of RMB135.1 million) and primarily consists of (i) net repayments to non-controlling shareholders of subsidiaries of RMB120.0 million (2019: net advances of RMB7.7 million); (ii) no dividends was paid in the current year (2019: dividend payment of RMB53.4 million); (iii) raised less new bank loans in the current year of RMB50.0 million (2019: new bank loans raised of RMB235.4 million); and (iv) increase in interest paid and repayment of bank loans during the current year.

Significant Investment, Acquisition and Disposal

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

Cash Management Activities

As part of the Group's cash management, the Group has from time to time purchased investment products issued by a reputable PRC commercial bank with terms ranging from 61 days to 117 days and portfolio investment funds to achieve higher interest income without interfering with business operations or capital expenditures. The investment products are not rated by any credit rating agency but is classified as low-risk by the issuing bank and may involve liquid listed securities. The Group carefully balances the risks and returns associated with the investment products when making the investment decisions. The senior management of the Group is closely involved in scrutinizing any decision of the Group to purchase investment products.

Capital Expenditures

The Group regularly makes capital expenditures to expand its operations, maintain its medical facilities and improve its operating efficiency. Capital expenditures primarily consist of purchases of property, plant and equipment. The capital expenditures of the Group during the year were RMB169.8 million (2019: RMB194.9 million). The Group has financed its capital expenditures mainly through cash flows generated from operating activities and bank loans.

融資活動(所用)所得現金淨額

於報告期間，融資活動所用現金淨額為人民幣138.2百萬元(二零一九年：融資活動產生的現金淨額為人民幣135.1百萬元)，主要包括(i)償還附屬公司非控股股東款項淨額人民幣120.0百萬元(二零一九年：墊款淨額人民幣7.7百萬元)；(ii)於本年度並無派付股息(二零一九年：派付股息人民幣53.4百萬元)；(iii)於本年度籌集的較少新銀行貸款人民幣50.0百萬元(二零一九年：已籌集的新銀行貸款人民幣235.4百萬元)；及(iv)本年度已付利息及償還銀行貸款增加。

重大投資、收購及出售

除本年報所披露者外，本集團於報告期間內並無任何重大投資、收購或出售。

現金管理活動

作為本集團現金管理的一部分，本集團不時購買由一家聲譽良好的中國商業銀行發行期限介乎61日至117日的投資產品及投資組合基金，在不影響業務運作或資本開支的前提下，以獲取更高的利息收益。投資產品未獲任何信貸評級機構評級，但由發行銀行分類為低風險，及可能涉及流通上市證券。本集團在制定相關投資決策時，會謹慎衡量投資產品的風險與收益。本集團高級管理層亦密切參與本集團有關購買投資產品的一切相關決策。

資本開支

本集團定期作出資本開支以擴大營運、維持醫療設施並提高經營效率。資本開支主要包括購買物業、廠房及設備。本集團於年內的資本開支為人民幣169.8百萬元(二零一九年：人民幣194.9百萬元)。本集團主要通過經營活動所得現金流量及銀行貸款為資本開支提供資金。

USE OF PROCEED FROM THE INITIAL PUBLIC OFFERING

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

Up to 31 December 2020, of the net proceeds from the initial public offering, (i) RMB71.6 million, representing approximately 9.2% of the net proceeds, has been utilised and used as general working capital; (ii) RMB134.7 million, representing approximately 17.2% of the net proceeds, has been utilised and used on expansion of our current operations and upgrading our hospital's facilities; and (iii) RMB158.8 million, representing approximately 20.3% of the net proceeds, has been utilised and used for acquisition and potential acquisition of businesses. As at 31 December 2020, out of the balance of the unutilised net proceeds of RMB417.5 million, part of such proceeds has been used to purchase certain financial products (classified as financial assets at FVTPL) to achieve higher interest income and capital return without interfering with our business operations or capital expenditures to earn better return on our excess cash balance, and the remaining balance has been kept at the bank accounts of the Group (included in bank balances and cash). As at the date of this annual report, the Company does not anticipate any material change to its plan on the use of proceeds as stated in the Prospectus.

首次公開發售所得款項用途

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

截至二零二零年十二月三十一日，首次公開發售所得款項淨額中(i)人民幣71.6百萬元(佔所得款項淨額約9.2%)已被動用並用於一般營運資金；(ii)人民幣134.7百萬元(佔所得款項淨額約17.2%)已被動用並用於擴大我們現有業務及升級醫院設施；及(iii)人民幣158.8百萬元(佔所得款項淨額約20.3%)已被動用並用於業務收購及潛在收購。於二零二零年十二月三十一日，尚未動用之所得款項淨額結餘為人民幣417.5百萬元，當中部分已被用於購買若干金融產品(分類為按公平值計入損益的金融資產)，從而獲得較高的利息收入及資本回報，又不會干擾業務營運或資本開支並就我們的超額現金結餘賺取更好的回報，且餘額乃存於本集團的銀行賬戶(計入銀行結餘及現金)。於本年報日期，本公司預計招股章程所述所得款項使用計劃不會發生任何重大變動。

Management Discussion and Analysis

管理層討論及分析

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

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

Purpose	Net proceeds from the initial public offering intended for the purpose as disclosed in the Prospectus (RMB million) 招股章程所披露擬定用途的首次公開發售所得款項淨額 (人民幣百萬元)	Utilisation up to 31 December 2020 (RMB million) 截至二零二零年十二月三十一日的動用情況 (人民幣百萬元)	Unutilised amount (RMB million) 未動用金額 (人民幣百萬元)	Expected timeline for the utilisation of the unutilised amount ^{Note} 使用未動用金額的預期期限 ^{附註}
用途				
Expansion of the Group's current operations and upgrading of hospital facilities 擴大本集團現有業務及升級醫院設施	70.4	8.5	61.9	By the end of 31 December 2021 於二零二一年十二月三十一日前
Expansion of operating capacity and capability in multi-disciplinary specialised treatment and diagnosis and upgrade of medical facilities 擴大營運實力及多學科診治能力以及升級醫療設施	281.7	126.2	155.5	By the end of 31 December 2021 於二零二一年十二月三十一日前
Expansion of hospital management operations 擴大醫院管理營運	78.3	–	78.3	By the end of 31 December 2021 於二零二一年十二月三十一日前
Expansion of healthcare operations in the PRC through selective mergers and acquisitions 通過選擇性併購擴大於中國的醫療業務	273.9	158.8	115.1	By the end of 31 December 2021 於二零二一年十二月三十一日前
Working capital and other general corporate purposes 營運資金及其他一般公司用途	78.3	71.6	6.7	By the end of 31 December 2021 於二零二一年十二月三十一日前
Total 總計	782.6	365.1	417.5	

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

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

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INDEBTEDNESS

Bank Loans

In 2019, the Group obtained new bank loan facilities in the aggregate amount of RMB620.0 million for the purpose of funding the development of the Phase II medical facility and financing the operations of Kangxin Hospital, in which, up to 31 December 2020, RMB285.4 million has been drawn down. As at 31 December 2020, the Group had secured bank loans of carrying amount of RMB257.8 million (2019: RMB216.3 million). The principal agreements underlying such bank loan facilities include the following:

- (i) a RMB420.0 million fixed asset facility agreement (固定資產借款合同) with Industrial and Commercial Bank of China Limited, Chongqing Jiangbei Branch, pursuant to which RMB169.4 million has been drawn down in 2019 and RMB50.0 million has been drawn down in 2020. The bank loan carried an interest rate at the benchmark lending rate offered by the People's Bank of China (adjusted annually from the drawn down date) and is secured by shares pledged over the entire equity in Kangxin Hospital held by the Company and its non-controlling shareholder. As at 31 December 2020, the effective interest rate of the secured bank loan is 5.84% (2019: 5.9%) per annum. As at 31 December 2020, the carrying amount of the borrowing in respect of such arrangement amounted to RMB204.6 million (2019: RMB155.6 million); and

債項

銀行貸款

二零一九年本集團獲得新銀行貸款融資合共人民幣620.0百萬元，以為康心醫院二期醫療設施的發展提供資金及運營撥資，其中截至二零二零年十二月三十一日已提取人民幣285.4百萬元。於二零二零年十二月三十一日，本集團取得銀行貸款賬面值人民幣257.8百萬元（二零一九年：人民幣216.3百萬元）。有關銀行貸款融資的主要合同包括以下各項：

- (ii) 與中國工商銀行股份有限公司重慶江北分行訂立的人民幣420.0百萬元的固定資產借款合同，據此，二零一九年已提取人民幣169.4百萬元及二零二零年已提取人民幣50.0百萬元。銀行貸款利率按中國人民銀行提供的貸款基準利率計算，自提取日期起每年進行調整，以及銀行貸款以本公司及其非控股股東持有的康心醫院全部股權的股份作抵押。於二零二零年十二月三十一日，有抵押銀行貸款的實際年利率為5.84%（二零一九年：5.9%）。於二零二零年十二月三十一日，有關安排所涉借款的賬面值為人民幣204.6百萬元（二零一九年：人民幣155.6百萬元）；及

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(ii) a RMB200.0 million financial leasing agreement (融資租賃合同) with Industrial and Commercial Bank of China Leasing Co., Ltd., pursuant to which RMB66.0 million has been drawn down in 2019 (2020: nil). The loan carried an interest rate at the benchmark lending rate offered by the People's Bank of China plus 5%, which was fixed at the drawn down date. This agreement involves a sale and lease back arrangement over certain medical equipment assets of Kangxin Hospital, pursuant to which such assets have been transferred to the lender and leased back to Kangxin Hospital, with an option exercisable by Kangxin Hospital to purchase the assets at a nominal consideration upon the maturity of the lease. Despite that such arrangement assumes the legal form of a lease, the Group retains effective control over such assets; thus, the Group accounted for such arrangement as a secured loan at amortised cost at an effective interest rate of 6.74% (2019: 6.74%) per annum and repayable in quarterly variable instalments until September 2027. In addition, such assets have been pledged to the lender as security throughout the loan period. As at 31 December 2020, the carrying amount of the borrowing in respect of such arrangement amounted to RMB53.2 million (2019: RMB60.7 million). As at 31 December 2020, the property, plant and equipment with net book value of RMB45.5 million (2019: RMB58.8 million) had been pledged to secure the banking facility granted.

(ii) 與工銀金融租賃有限公司訂立的人民幣200.0百萬元的融資租賃合同，據此，二零一九年已提取人民幣66.0百萬元（二零二零年：無）。該貸款的利率在提取日已固定，為中國人民銀行所報貸款基準利率加5%。該合同涉及有關康心醫院若干醫療設備資產的售後租回安排，據此，相關資產已轉讓予借方並租予康心醫院，康心醫院可選擇性按租賃到期時的名義代價購買該資產。儘管該項安排以租賃的合法形式進行，惟本集團仍保有該等資產的實際控制權；因此，本集團將該項安排視為一項有抵押貸款，按攤銷成本計量，實際年利率為6.74%（二零一九年：6.74%），直至二零二七年九月可按季度分期償還。此外，相關資產已於貸款期間抵押予借方作為一項擔保。於二零二零年十二月三十一日，有關安排所涉借款的賬面值為人民幣53.2百萬元（二零一九年：人民幣60.7百萬元）。於二零二零年十二月三十一日，賬面淨值為人民幣45.5百萬元（二零一九年：人民幣58.8百萬元）的物業、廠房及設備已抵押作所授出銀行融資的擔保。

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

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

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Contingent Liabilities

The Group is subject to legal proceedings and claims in the ordinary of business primarily arising from medical disputes brought on by patients. Provision for medical disputes is made based on the status of potential and active claims outstanding as at the end of the relevant period, and primarily taking into account any judicial appraisal or court determination against the Group. As at 31 December 2020, the total stated claim amount of the Group's on-going medical disputes was approximately RMB6.8 million (2019: RMB5.8 million) and there were certain medical disputes without claim amount stated. Based on the Group's assessment, during the year ended 31 December 2020, approximately RMB3.0 million (2019: RMB0.4 million) had been provided and included in accounts and other payables of the Group.

As at 31 December 2020, the Group had no contingent liabilities or guarantees that would have a material impact on the financial position or operation of the Group.

Pledge of Assets

As at 31 December 2020, certain property, plant and equipment of the Group with net book value of RMB45.5 million (2019: RMB58.8 million) had been pledged to secure banking facilities granted to the Group.

Capital commitments

The capital commitments of the Group were primarily attributable to construction costs relating to the expansion and renovation of the Group's medical facilities. As at 31 December 2020, the capital commitments in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements were RMB255.5 million (2019: RMB332.0 million).

Financial Instruments

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

或然負債

本集團受制於法律訴訟及於日常業務中由病人提出的醫療糾紛索賠。醫療糾紛的撥備是根據有關期間結束時可能和尚未了結的進行中索賠個案狀況而作出，主要考慮本集團將面臨的任何司法判決或法院裁決。於二零二零年十二月三十一日，本集團尚未了結的醫療糾紛索賠總額約為人民幣6.8百萬元（二零一九年：人民幣5.8百萬元），而有部份醫療糾紛未有列明索賠金額。根據本集團作出的評估，截至二零二零年十二月三十一日止年度，本集團已作出約人民幣3.0百萬元（二零一九年：人民幣0.4百萬元）的撥備，並計入本集團的應付賬款及其他應付款項中。

於二零二零年十二月三十一日，本集團並無可能對本集團財務狀況或營運產生重大影響的或然負債或擔保。

資產抵押

於二零二零年十二月三十一日，本集團賬面淨值為人民幣45.5百萬元（二零一九年：人民幣58.8百萬元）的若干物業、廠房及設備已抵押作向本集團授出的銀行融資的擔保。

資本承擔

本集團的資本承擔主要歸因於與本集團醫療設施擴建及翻新有關的建築成本。於二零二零年十二月三十一日，本集團已訂約但未於綜合財務報表撥備之物業、廠房及設備的資本承擔為人民幣255.5百萬元（二零一九年：人民幣332.0百萬元）。

金融工具

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

Management Discussion and Analysis

管理層討論及分析

Exposure to fluctuation in Exchange rates

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

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

Gearing Ratio

As at 31 December 2020, the Group's gearing ratio (total interest-bearing bank loans divided by total equity and multiplied by 100%) was 18.3% (2019: 14.8%).

匯率波動風險

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

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

資產負債比率

於二零二零年十二月三十一日，本集團之資產負債比率（計息銀行貸款總額除以總權益並乘以100%）為18.3%（二零一九年：14.8%）。

The Board is pleased to present this annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the operation of private hospitals, provision of rehabilitation and other healthcare services, sales of pharmaceutical products and provision of other services (including elderly healthcare services) in the PRC.

Details of the principal activities of the principal subsidiaries of the Company are set out in Note 39 to the consolidated financial statements.

BUSINESS REVIEW

The description of principal risks and uncertainties that the Group may be facing, a fair review of the Group's business during the year, and the probable future business development of the Group are provided in the Corporate Governance Report and the Management Discussion and Analysis section on pages 82 to 99 and on pages 14 to 60 respectively of this annual report. Also, the financial risk management objectives and policies of the Group can be found in Note 35(b) to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Financial Highlights on pages 4 to 5 and Financial Summary on page 274 of this annual report respectively. In addition, discussions on the relationships with its staff, customers and suppliers is also contained in the Environmental, Social and Governance Report section on pages 100 to 147 of this annual report. Discussions on the Group's environmental policies and compliance with relevant laws and regulations which have a significant impact on the Group are contained in this annual report on page 62.

董事會欣然提呈本年報以及本集團截至二零二零年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本集團主要在中國從事經營私營醫院，提供康復及其他醫療服務、銷售藥品及提供其他服務（包括老年醫療服務）。

本公司主要附屬公司的主要業務詳情載於綜合財務報表附註39。

業務回顧

有關本集團可能面對之主要風險及不確定因素之描述、本集團年內業務之中肯審視及本集團之可能日後業務發展分別載於本年報第82至99頁之企業管治報告及第14至60頁之管理層討論及分析一節。此外，本集團金融風險管理目標及政策可於綜合財務報表附註35(b)閱覽。應用財務關鍵表現指標之本集團年內表現分析分別載於本年報第4至5頁之財務概覽及本年報第274頁之財務概要。此外，有關本公司與其員工、客戶及供應商之關係之討論亦載於本年報第100至147頁之環境、社會及管治報告一節。有關本集團環境政策以及遵守對本集團有重要影響之相關法例及規例之討論則載於本年報第62頁。

Report of the Board

董事會報告

ENVIRONMENTAL PROTECTION

The Group is subject to national and local environmental laws and regulations in the PRC, including with respect to hospital sanitation, diseases control, medical wastes management, and discharge of wastewater, pollutants and radioactive substances. The Group is conscious of its environmental protection obligations and is committed to the sustainable development of the environment and society. The Group has established internal rules regarding environmental protection and actively seeks to implement ecofriendly technologies and clinical environment where feasible. The Group believes that it has maintained good relationship with the communities. With respect to medical wastes management, the Group has engaged qualified third parties to arrange proper disposal for all of its hospitals in accordance with applicable laws and regulations.

To the best of the Group's knowledge, during the year ended 31 December 2020, the Group had complied with the applicable environment laws and regulations in the PRC in all material respects.

Please refer to pages from 100 to 147 of this annual report for the Environmental, Social and Governance Report of the Company prepared in compliance with the provisions set out in the ESG Reporting Guide in Appendix 27 to the Hong Kong Listing Rules.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

There was no incident of non-compliance with relevant laws and regulations that had a significant impact on the Group during the Reporting Period.

FINANCIAL RESULTS

The Group's financial results for the year ended 31 December 2020 are set out in the consolidated statement of profit or loss and other comprehensive income on page 168 of this annual report.

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 8 November 2016. The Company's net proceeds from the initial public offering amounted to approximately RMB782.6 million (equivalent to HK\$874.9 million) after deducting underwriting commissions and all related expenses. As of the date of this annual report, the Company did not anticipate any material change to its plan on the use of proceeds as stated in the Prospectus.

For a description of the utilisation of the proceeds from the initial public offering, please refer to pages 55 to 56 of this annual report.

環境保護

本集團遵守中國國家和地方環境法律及法規，包括醫院衛生、疾病控制、醫療廢物管理、污水、污染物和放射性物質的排放。本集團意識到其環境保護的義務，致力於環境與社會的可持續發展。本集團已制定環境保護的內部規定，並積極要求在可行的情況下實施環保技術和臨床環境。本集團認為，其與社區維持良好關係。在醫療廢物管理方面，本集團已聘請合資格第三方按照適用的法律及法規為其所有醫院進行妥善處置。

據本集團所知，截至二零二零年十二月三十一日止年度，本集團在所有重大方面均符合中國適用環境法律及法規。

本公司根據香港上市規則附錄二十七環境、社會及管治報告指引所載條文編製的環境、社會及管治報告請參閱本年報第100至147頁。

遵守相關法律和法規

報告期間，本集團無發生不遵守法律和法規的事項，對其造成重大影響。

財務業績

本集團截至二零二零年十二月三十一日止年度的財務業績載於本年報第168頁的綜合損益及其他全面收益表。

首次公開發售所得款項用途

本公司H股於二零一六年十一月八日在香港聯交所主板上市。本公司首次公開發售所得款項淨額扣除包銷佣金及所有相關費用後約為人民幣782.6百萬元（相等於874.9百萬港元）。截至本年報日期，本公司並無預期對招股章程所指所得款項的使用計劃發生任何重大變更。

有關首次公開發售所得款項用途的描述，請參照本年報第55至56頁。

DIVIDEND

The Board does not recommend the distribution of a final dividend for the year.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Reporting Period are set out in Note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity and Note 38 to the consolidated financial statements, respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 16 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The Group has a highly diversified customer portfolio, including individual patients as well as business corporations and government administrations who purchase healthcare services for their employees. For the year ended 31 December 2020, the Group's largest customer or the five largest customers in aggregate contributed to less than 1% of the Group's total revenue.

For the year ended 31 December 2020, the Group's largest supplier and the five largest suppliers in aggregate contributed to approximately 28.1% and 71.0%, respectively, of the Group's total purchases, including pharmaceuticals, medical consumables, medical equipment, construction and renovation services, electricity supply and non-healthcare related ancillary management services ("Total Purchases"). The Group's largest supplier, Dongguan Yuheng Pharmaceuticals Co., Ltd. (東莞市裕恒醫藥有限公司) ("Yuheng"), accounted for approximately 28.1% of the Group's Total Purchases. Yuheng has been an Independent Third Party during the Reporting Period. Yuheng is a wholesaler of pharmaceuticals and medical equipment primarily to hospitals in the PRC. The Group's relationship with Yuheng began in 2010. The Group has a long term agreement that does not impose any minimum purchasing commitment on the Group and the Group may place orders with Yuheng at its own discretion. The pricing of the relevant products is determined at the time the relevant order is placed with reference to market price. The agreement sets out the framework of delivery, settlement, inspection and quality control, product defects, compensation arrangements for delivery failure, medical equipment training, packaging and warranty. The agreement is for an indefinite period but the Group may terminate it if Yuheng commits a material breach or fails to deliver the relevant products within a prescribed period. The Group has a 90-days credit period with Yuheng.

股息

董事會不建議派發本年度之末期股息。

股本

本公司於報告期間的股本變動詳情載於綜合財務報表附註28。

儲備

本集團與本公司於報告期間的儲備變動詳情分別載於綜合權益變動表及綜合財務報表附註38。

物業、廠房及設備

於報告期間本集團物業、廠房及設備的變動詳情載於綜合財務報表附註16。

主要客戶及供應商

本集團的客戶組合高度多元化，包括個人病人以及為僱員購買醫療服務的商業公司和政府部門。截至二零二零年十二月三十一日止年度，本集團最大客戶或五大客戶合計對本集團總收益的貢獻少於1%。

截至二零二零年十二月三十一日止年度，本集團最大的供應商和五大供應商合計分別佔本集團採購總額約28.1%和71.0%，其中包括藥品、醫療耗材、醫療設備、建築及裝修服務、電力供應和非醫療相關輔助管理服務（「總採購」）。本集團最大的供應商東莞市裕恒醫藥有限公司（「裕恒」）佔本集團總採購額約28.1%。於報告期間，裕恒一直為獨立第三方。裕恒是中國醫院的主要藥品和醫療設備批發商。本集團與裕恒的關係始於二零一零年。本集團有長期協議，不對本集團施加任何最低採購承諾，本集團可自行決定向裕恒下達訂單。相關產品的定價在相關訂單發出時參照市場價格釐定。協議載列交貨、結算、檢驗和質量控制、產品缺陷、交貨失敗賠償安排、醫療設備培訓、包裝和保修的框架。協議無限期，倘裕恒發生重大違規或未能在規定期限內交付相關產品，本集團可以終止協議。裕恒給予本集團90天的信貸期。

Report of the Board

董事會報告

None of the Directors, the Supervisors or any of their respective close associates (as defined under the Hong Kong Listing Rules), or any Shareholders, which to the knowledge of the Directors, direct or indirect own more than 5% of the Company's issued share capital has any interests in the Group's five largest customers or suppliers for the year ended 31 December 2020.

DONATIONS

For the year ended 31 December 2020, the charitable contributions and other donations made by the Group amounted to approximately RMB2.8 million in aggregate.

SUBSIDIARIES

Details of the Company's principal subsidiaries as of 31 December 2020 are set out in Note 39 to the consolidated financial statements.

DIRECTORS

The Directors during the Reporting Period up to the date of this annual report are:

Executive Directors

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

Non-executive Director

Mr. Lv Yubo

Independent Non-executive Directors

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

SUPERVISORS

The Supervisors during the Reporting Period and up to the date of this annual report are:

Mr. Chen Shaoming (*Chairman of the Supervisory Committee*)
Mr. Wang Shaofeng
Mr. Yue Chunyang

概無董事、監事或彼等之任何緊密聯繫人(定義見香港上市規則)或就董事所知擁有本公司已發行股本5%以上的任何股東直接或間接擁有本集團截至二零二零年十二月三十一日止年度的五大客戶或供應商的任何權益。

捐款

截至二零二零年十二月三十一日止年度，本集團作出慈善捐款及其他捐款合計約人民幣2.8百萬元。

附屬公司

本公司截至二零二零年十二月三十一日的主要附屬公司詳情載於綜合財務報表附註39。

董事

於報告期間直至本年報日期的董事如下：

執行董事

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

非執行董事

呂玉波先生

獨立非執行董事

楊銘灃先生
陳可冀醫生
陳星能先生

監事

於報告期間直至本年報日期的監事如下：

陳少明先生(監事會主席)
王少鋒先生
岳春陽先生

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 37 to the consolidated financial statements, no transaction, arrangement or contracts of significance to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries, was a party and in which a Director or a Supervisor, or any entity connected with any Director or Supervisor, had a material interest, whether directly or indirectly, subsisted as of 31 December 2020 or at any time during the Reporting Period.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 37 to the consolidated financial statements, none of the Controlling Shareholders has or had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

NON-COMPETITION AGREEMENT

Pursuant to the Non-Competition Agreement, the Controlling Shareholders have undertaken that they will not, and will also procure their respective close associate(s) (as appropriate) (other than the Group) not to, either directly or indirectly, compete with the Group's principal business (which is primarily to provide hospital services) and granted to the Group the option for new business opportunities, option for acquisitions and pre-emptive rights. During the Reporting Period, the Company did not receive any Offer Notice (as defined under the section headed "Relationship with our Controlling Shareholders" in the Prospectus) from the Controlling Shareholders.

The Company has received confirmations from the Controlling Shareholders confirming their compliance with the Non-Competition Agreement for the year ended 31 December 2020 for disclosure in this annual report. The independent non-executive Directors have also reviewed the Controlling Shareholders' compliance with the Non-Competition Agreement for the year ended 31 December 2020.

董事及監事於重大交易、安排或合約中的權益

除綜合財務報表附註37所披露者外，概無董事或監事、或任何董事或監事的任何關連實體就本公司或其任何控股公司、附屬公司或同系附屬公司截至二零二零年十二月三十一日或報告期間任何時間存在的任何重大交易、安排或合約直接或間接擁有重大權益。

控股股東於重大合約中的權益

除綜合財務報表附註37所披露者外，無控股股東於對本集團業務屬重大（不論提供服務或其他）由本公司或其任何附屬公司於報告期間作為一方訂立的任何重大合約直接或間接擁有重大權益。

不競爭協議

根據不競爭協議，控股股東已承諾彼等將不會並將會促使其緊密聯繫人（如適用）（本集團除外）不會直接或間接與本集團的主要業務（主要是提供醫院服務）競爭，並授予本集團新業務機會的選擇權，收購選擇權及優先購買權。於報告期間，本公司並無從控股股東接獲任何要約通知（定義見招股章程「與我們控股股東的關係」一節）。

本公司已收到控股股東確認，其於截至二零二零年十二月三十一日止年度遵守不競爭協議的確認書，以供於本年報披露。獨立非執行董事亦已審閱控股股東截至二零二零年十二月三十一日止年度遵守不競爭協議。

Report of the Board

董事會報告

EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' emoluments and the five highest paid individuals are set out in Notes 11 and 12 to the consolidated financial statements.

Mr. Lv Yubo has waived emoluments in acting as a non-executive Director. No other Director has waived or agreed to waive any emoluments during the Reporting Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective associates (as defined under the Hong Kong Listing Rules) had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group.

PERMITTED INDEMNITY PROVISIONS

The Company has purchased appropriate liability insurance for its Directors, Supervisors and senior management. The permitted indemnity provisions are set out in such liability insurance.

Saved as disclosed above, no permitted indemnity provision was made by the Company during the Reporting Period and no permitted indemnity provision was in force as at the date of this annual report.

董事酬金及五位最高薪人士

董事酬金以及五位最高薪人士的詳情載於綜合財務報表附註11及12。

呂玉波先生已放棄擔任非執行董事的酬金。於報告期間，概無其他董事已放棄或同意放棄任何酬金。

董事於競爭業務中之權益

於報告期間，概無董事或彼等各自之聯繫人（定義見香港上市規則）從事任何與本集團業務直接或間接構成競爭或可能構成競爭的業務，或於其中擁有任何權益。

獲准許之彌償條文

本公司已為董事、監事及高級管理人員購買適當的責任保險。獲准許的彌償條文的規定載於該等責任保險內。

除上述披露外，本公司於報告期間並無作出任何獲准許的彌償條文，且於本年報日期，概無任何獲准許的彌償條文生效。

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

As of 31 December 2020, the interests and short positions of the Directors, the Supervisors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is keen to taken or deemed to have under such provisions of the SFO), or as recorded in the registered maintained by the Company under section 352 of the SFO, or as notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

(a) The Company

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

董事、監事及最高行政人員於證券之權益

截至二零二零年十二月三十一日，本公司董事、監事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所的權益及淡倉（包括彼等根據證券及期貨條例之該等條文被視為或被當作擁有的權益及淡倉），或須列入由本公司按證券及期貨條例第352條存置之登記冊內，或根據標準守則須知會本公司及香港聯交所的權益及淡倉如下：

(a) 本公司

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董事會報告

Notes:

- (1) Pursuant to a concert party agreement, each of Mr. Wang Junyang, Ms. Wang Aici, Mr. Chen Wangzhi and Ms. Wang Aiqin has agreed to jointly control their respective interests in the Company and the decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all of them. Therefore, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (2) As of 31 December 2020, Kanghua Group (held as to 97.46% by Mr. Wang Junyang) held 197,500,000 Domestic Shares and Xingye Group (held as to 50% by Mr. Wang Junyang) held 25,000,000 Domestic Shares. As Mr. Wang Junyang controls more than one third of the voting power at the general meeting of each of Kanghua Group and Xingye Group, Mr. Wang Junyang is deemed to be interested in the same number of Shares in which each of Kanghua Group and Xingye Group is interested by virtue of the SFO.
- (3) As of 31 December 2020, Xingda Property (held as to 50% each by Mr. Chen Wangzhi and Ms. Wang Aiqin) held 27,500,000 Domestic Shares. As each of Mr. Chen Wangzhi and Ms. Wang Aiqin controls more than one third of the voting power at the general meeting of Xingda Property, each of Mr. Chen Wangzhi and Ms. Wang Aiqin is deemed to be interested in the same number of Shares in which Xingda Property is interested by virtue of the SFO.
- (4) As Mr. Chen Wangzhi and Ms. Wang Aiqin are husband and wife, each of them is deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.
- (5) Mr. Wong Wai Hung holds 34.0% in HH International (as defined below), which in turns holds 100% in Weishun Property (as defined below), which in turns holds 100% in Kangwei Industrial (as defined below), which in turns holds 37.5% in Xingye Group. Xingye Group held 25,000,000 Domestic Shares. As Mr. Wong Wai Hung controls more than one third of the voting power at the general meeting of Xingye Group, Mr. Wong Wai Hung is deemed to be interested in the same number of Shares in which Xingye Group is interested by virtue of the SFO.
- (6) The shareholding percentages are calculated on the basis of 250,000,000 Domestic Shares and 84,394,000 H Shares issued by the Company as of 31 December 2020.

附註：

- (1) 根據一項一致行動協議，王君揚先生、王愛慈女士、陳旺枝先生及王愛勤女士均同意共同控制其各自於本公司的權益，而就本集團業務及營運的決定應當作上述人士一致同意。因此，基於證券及期貨條例，上述各方視為於其持有的所有股份擁有權益。
- (2) 截至二零二零年十二月三十一日，康華集團（王君揚先生持有97.46%）持有197,500,000股內資股，而興業集團（王君揚先生持有50%）持有25,000,000股內資股。由於王君揚先生於康華集團及興業集團各自的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，王君揚先生被視為於康華集團及興業集團各自擁有的相同數目股份擁有權益。
- (3) 截至二零二零年十二月三十一日，興達物業（陳旺枝先生及王愛勤女士分別各自持有50%）持有27,500,000股內資股。由於陳旺枝先生及王愛勤女士在興達物業的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，陳旺枝先生及王愛勤女士被視為於興達物業擁有的相同數目股份擁有權益。
- (4) 由於陳旺枝先生及王愛勤女士為夫婦，故基於證券及期貨條例，其均被視為於其所合共持有的所有股份中擁有權益。
- (5) 王偉雄先生持有浩享國際（定義見下文）34.0%，而浩享國際持有偉順物業（定義見下文）100%，而偉順物業持有康偉實業（定義見下文）100%，而康偉實業持有興業集團37.5%。興業集團持有25,000,000股內資股。由於王偉雄先生於興業集團的股東大會上控制超過三分之一的投票權，基於證券及期貨條例，王偉雄先生被視為於興業集團擁有的相同數目股份擁有權益。
- (6) 持股比例以本公司截至二零二零年十二月三十一日發行的250,000,000股內資股及84,394,000股H股計算。

(b) Associated corporations of the Company

(b) 本公司相聯法團

Name of Director 董事姓名	Associated corporation 相聯法團	Nature of interest 權益性質	Approximate percentage interest in the associated corporation 佔相聯法團 權益概約百分比
Mr. Wang Junyang 王君揚先生	Kanghua Group 康華集團	Beneficial owner 實益擁有人	97.46%
Mr. Wang Junyang 王君揚先生	Xingye Group 興業集團	Beneficial owner 實益擁有人	50%
Mr. Wong Wai Hung 王偉雄先生	Xingye Group 興業集團	Interest in a controlled corporation ⁽¹⁾ 於受控制法團的權益 ⁽¹⁾	37.50%
Mr. Chen Wangzhi 陳旺枝先生	Xingda Property 興達物業	Beneficial owner; family interest of spouse 實益擁有人；配偶的家族權益	100%
Ms. Wang Ai Qin 王愛勤女士	Xingda Property 興達物業	Beneficial owner, family interest of spouse 實益擁有人；配偶的家族權益	100%

Note:

附註：

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

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

Save as disclosed above, as of 31 December 2020, to the knowledge of the Board, none of the Directors, the Supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, the Supervisors and chief executives of the Company were taken or deemed to have under such provisions of the SFO); (ii) recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，截至二零二零年十二月三十一日，據董事會所知，概無本公司董事、監事或行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債權證中擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所的權益及淡倉(包括本公司董事、監事及行政總裁根據證券及期貨條例之該等條文被視為或被當作擁有的權益及淡倉)；(ii)須列入由本公司按證券及期貨條例第352條存置之登記冊內的權益及淡倉；或(iii)根據標準守則須知會本公司及香港聯交所的權益及淡倉。

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董事會報告

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As of 31 December 2020, according to the register kept by the Company pursuant to Section 336 of the SFO and so far is known to, or can be ascertained after reasonable enquiry by the Directors, the following person/entity had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or be directly and indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meetings of the Company:

(a) Interests in the Shares of the Company

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

主要股東的權益

截至二零二零年十二月三十一日，按照本公司根據證券及期貨條例第336條存置的登記冊，及據目前為止已知或可經向董事作出合理查詢後確定，以下人士／實體於股份及相關股份中擁有權益或淡倉根據證券及期貨條例第XV部第2及3分部之條文須向本公司及香港聯交所披露，或直接或間接擁有於本公司股東大會上在任何情況下有權投票的任何類別股本中面值5%或以上的權益：

(a) 於本公司股份的權益

Report of the Board

董事會報告

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 總額 概約百分比
Ms. Wang Aiqin 王愛勤女士	Domestic Shares 內資股	Interest of a party to an agreement regarding interest in the Company ⁽¹⁾ ; interest in a controlled corporation ⁽³⁾ ; family interest of spouse ⁽⁴⁾ 有關於本公司權益的協議作為權益的一方 ⁽¹⁾ ；於受控制法團的權益 ⁽³⁾ ；配偶的家族權益 ⁽⁴⁾	250,000,000 (Long position) (好倉)	100%	74.76%
Xingda Property 興達物業	Domestic Shares 內資股	Beneficial owner 實益擁有人	27,500,000 (Long position) (好倉)	11%	8.22%
Xingye Group 興業集團	Domestic Shares 內資股	Beneficial owner ⁽⁵⁾ 實益擁有人 ⁽⁵⁾	25,000,000 (Long position) (好倉)	10%	7.48%
Mr. Wong Wai Hung 王偉雄先生	Domestic Shares 內資股	Interest in a controlled corporation ⁽⁵⁾ 於受控制法團的權益 ⁽⁵⁾	25,000,000 (Long position) (好倉)	10%	7.48%
HH International Investment Limited ("HH International") 浩享國際投資有限公司 (「浩享國際」)	Domestic Shares 內資股	Interest in a controlled corporation ⁽⁵⁾ 於受控制法團的權益 ⁽⁵⁾	25,000,000 (Long position) (好倉)	10%	7.48%
Dongguan Weishun Property Investment Co., Ltd. ("Weishun Property") 東莞市偉順物業投資有限公司 (「偉順物業」)	Domestic Shares 內資股	Interest in a controlled corporation ⁽⁵⁾ 於受控制法團的權益 ⁽⁵⁾	25,000,000 (Long position) (好倉)	10%	7.48%
Dongguan Kangwei Industrial Investment Co., Ltd. ("Kangwei Industrial") 東莞市康偉實業投資有限公司 (「康偉實業」)	Domestic Shares 內資股	Interest in a controlled corporation ⁽⁵⁾ 於受控制法團的權益 ⁽⁵⁾	25,000,000 (Long position) (好倉)	10%	7.48%
New China Asset Management (Hong Kong) Limited 新華資產管理(香港)有限公司	H Shares H股	Investment manager 投資經理	8,689,000 (Long position) (好倉)	10.30%	2.60%

Report of the Board

董事會報告

Name 姓名／名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage in Shares of the same class 相同類別 股份所佔 概約百分比	Approximate percentage of the Company's total issued share capital 佔本公司 已發行股本 總額 概約百分比
Lin Lijun ("Mr. Lin") 林利軍 (「林先生」)	H Shares H股	Interest in a controlled corporation ⁽⁶⁾ 於受控制法團的權益 ⁽⁶⁾	11,146,200 (Long position) (好倉)	13.21%	3.33%
LVC Assets Management Limited	H Shares H股	Interest in a controlled corporation ⁽⁶⁾ 於受控制法團的權益 ⁽⁶⁾	11,146,200 (Long position) (好倉)	13.21%	3.33%
LVC KH Investment L.P.	H Shares H股	Beneficial owner 實益擁有人	11,146,200 (Long position) (好倉)	13.21%	3.33%
Haitian (HK) Holdings Limited (formerly named as "Haitian (HK) Financial Development Limited") 海天(香港)控股有限公司 (前稱「海天(香港)金融 發展有限公司」)	H Shares H股	Beneficial owner 實益擁有人	5,052,600 (Long position) (好倉)	5.98%	1.51%
Zhan Yongxiang 詹永祥	H Shares H股	Beneficial owner 實益擁有人	5,021,966 (Long position) (好倉)	5.95%	1.50%
Mr. Wang Mingsong 王明松先生	H Shares H股	Interest in a controlled corporation ⁽⁷⁾ 於受控制法團的權益 ⁽⁷⁾	4,880,000 (Long position) (好倉)	5.78%	1.46%
Bo An Investments Pte. Ltd. ("Bo An Investments") 博安投資私人有限公司 (「博安投資」)	H Shares H股	Interest in a controlled corporation ⁽⁷⁾ 於受控制法團的權益 ⁽⁷⁾	4,880,000 (Long position) (好倉)	5.78%	1.46%
Huaxia International Company Limited ("Huaxia International") 華夏國際有限公司 (「華夏國際」)	H Shares H股	Beneficial owner ⁽⁷⁾ 實益擁有人 ⁽⁷⁾	4,880,000 (Long position) (好倉)	5.78%	1.46%

Notes:

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

附註：

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

Report of the Board

董事會報告

(b) Substantial shareholders of other members of the Group

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

Notes:

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

Save as disclosed above, as of 31 December 2020, to the knowledge of the Directors, no other person had, or were deemed or taken to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the registry kept by the Company pursuant to Section 336 of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

(b) 本集團其他成員公司的主要股東

附註：

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

除上文所披露者外，截至二零二零年十二月三十一日，據董事所知，概無其他人士於股份或相關股份中擁有權益或淡倉根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或記錄在本公司根據證券及期貨條例第336條存置的登記冊內。

管理層合約

本公司並無訂立有關管理及執行本公司業務的全部或任何重大部份的合約或於報告期間存在該等合約。

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

At no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, the Supervisors or chief executives of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

CONNECTED TRANSACTIONS

During the year ended 31 December 2020, the Company had complied with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules with respect to connected transactions and continuing connected transactions. Details of the Group's non-exempt connected transactions are set out below:

Continuing Connected Transactions

Continuing connected transaction under 以下各方進行的 持續關連交易	Connected person 關連方	Nature of the connected person's interest in the transaction 在交易中的關連方 權益的性質	Annual cap for the year ended 31 December 2020 (Note) (RMB million) 截至二零二零年 十二月三十一 止年度的年度上限 (附註) (人民幣百萬元)	Actual transaction value for the year ended 31 December 2020 (RMB million) 截至二零二零年 十二月三十一 止年度的實際 交易價值 (人民幣百萬元)
The Kanghua Hospital Lease Agreement 康華醫院租賃協議	Kanghua Group 康華集團	The land and buildings under the lease are owned by Kanghua Group and leased to Kanghua Hospital 由康華集團以租賃形式擁有及租予康華醫院的土地和建築物	36.0	35.7
The Renkang Hospital Lease Agreement 仁康醫院租賃協議	Tongli Enterprise 同力實業	The land and buildings under the lease are owned by Tongli Enterprise and leased to Renkang Hospital 由同力實業以租賃形式擁有及租予仁康醫院的土地和建築物	6.0	6.0

Note: The renewal of annual caps under each of the Kanghua Hospital Lease Agreement and the Renkang Hospital Lease Agreement for the three years ending 31 December 2021 is set out in the announcement of the Company dated 19 December 2018.

董事及監事收購股份或債務證券的權利

於報告期間任何時間本公司或其任何附屬公司概無作為一方，與董事、監事或本公司最高行政人員（包括彼等各自之配偶或未滿18歲之子女）訂立任何安排，可藉收購本公司或任何其他法人團體的股份或債券而獲益。

關連交易

截至二零二零年十二月三十一日止年度，本公司已符合香港上市規則第14A章就關連方交易及持續關連方交易之適用要求。本集團的非豁免關連方交易詳情如下：

持續關連交易

Annual cap for the year ended 31 December 2020 (Note) (RMB million) 截至二零二零年 十二月三十一 止年度的年度上限 (附註) (人民幣百萬元)	Actual transaction value for the year ended 31 December 2020 (RMB million) 截至二零二零年 十二月三十一 止年度的實際 交易價值 (人民幣百萬元)
36.0	35.7
6.0	6.0

附註：重續康華醫院租賃協議及仁康醫院租賃協議各自項下截至二零二一年十二月三十一日止三年的年度上限載於本公司日期為二零一八年十二月十九日的公告。

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董事會報告

The Kanghua Hospital Lease Agreement

On 10 April 2016, Kanghua Hospital (a wholly-owned subsidiary of the Company), entered into the Kanghua Hospital Lease Agreement with Kanghua Group in relation to the lease of land and buildings underlying Kanghua Hospital from Kanghua Group for a term of 10 years commencing from 1 January 2016 to 31 December 2025.

Rent

The rent payable under the Kanghua Hospital Lease Agreement is determined with reference to (i) the actual GFA used by Kanghua Hospital during the year (which shall not be less than 254,896.1 sq.m.); and (ii) the monthly rental per sq.m. For the year ended 31 December 2020, the actual GFA used by Kanghua Hospital was 311,284.0 sq.m. and the monthly rental per sq.m. was RMB9.63.

The Renkang Hospital Lease Agreement

On 10 April 2016, Renkang Hospital (a 57%-owned subsidiary of the Company), entered into the Renkang Hospital Lease Agreement with Tongli Enterprise in relation to the lease of land and buildings underlying Renkang Hospital from Tongli Enterprise for a term of 10 years commencing from 1 January 2016 to 31 December 2025.

Rent

The rent payable under the Renkang Hospital Lease Agreement is determined with reference to (i) the actual GFA used by Renkang Hospital during the year (which shall not be less than 73,265.6 sq.m.); and (ii) the monthly rental per sq.m. For the year ended 31 December 2020, the actual GFA used by Renkang Hospital was 77,449.7 sq.m. and the monthly rental per sq.m. was RMB6.42.

康華醫院租賃協議

於二零一六年四月十日，康華醫院（本公司的全資附屬公司）與康華集團就有關向康華集團租賃康華醫院相關的土地及建築物訂立康華醫院租賃協議，由二零一六年一月一日至二零二五年十二月三十一日，為期十年。

租金

根據康華醫院租賃協議應付的租金是參照(i)康華醫院於年內實際使用的建築面積（不得少於254,896.1平方米）；及(ii)每平方米每月租金釐定。截至二零二零年十二月三十一日止年度，康華醫院實際使用的建築面積為311,284.0平方米，而每平方米每月租金為人民幣9.63元。

仁康醫院租賃協議

於二零一六年四月十日，仁康醫院（本公司擁有57%股權的附屬公司）與同力實業就有關向同力實業租賃仁康醫院相關的土地及建築物訂立仁康醫院租賃協議，由二零一六年一月一日至二零二五年十二月三十一日，為期十年。

租金

根據仁康醫院租賃協議應付的租金是參照(i)仁康醫院於年內實際使用的建築面積（不得少於73,265.6平方米）；及(ii)每平方米每月租金釐定。截至二零二零年十二月三十一日止年度，仁康醫院實際使用的建築面積為77,449.7平方米，而每平方米每月租金為人民幣6.42元。

Review by and confirmation of independent non-executive Directors of the Company

The independent non-executive Directors have reviewed the above continuing connected transactions, and after due and careful enquiry with the management of the Group, confirmed that such transactions were:

- (i) carried out in the ordinary and usual course of business of the Group;
- (ii) made on normal commercial terms or better; and
- (iii) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable, and in the interests of the Shareholders as a whole.

The independent non-executive Directors are satisfied that they have received and reviewed sufficient information to give the confirmations above.

Confirmation of the auditor

As to the requirement set forth in Rule 14A.56 of the Hong Kong Listing Rules, the auditor of the Company has written to the Board to confirm that it has not been aware of any matter which leads it to believe the aforesaid continued connected transactions:

- (i) have not been approved by the Board;
- (ii) are not carried out in accordance with the related transaction agreement in any material respects; and
- (iii) exceed the annual cap.

Details of the related party transactions of the Group are set out in Note 37 to the consolidated financial statements.

Apart from disclosed in this annual report, none of the related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules, which are subject to announcement or independent shareholders' approval requirements.

本公司獨立非執行董事的審閱和確認

獨立非執行董事已審閱上述持續關連交易，並經本集團管理層審慎仔細查詢後，確認該等交易為：

- (i) 在本集團之一般及日常業務過程中進行；
- (ii) 按正常商業條款或更佳條款訂立；及
- (iii) 按照相關交易協議的條款進行，屬公平合理，並符合股東的整體利益。

獨立非執行董事信納已獲得及審閱足夠資料作出上述確認。

核數師的確認

誠如香港上市規則第14A.56條所載的規定，本公司核數師已向董事會書面確認，其並未知悉導致其相信上述持續關連交易出現以下情況的事項：

- (i) 尚未獲得董事會批准；
- (ii) 在任何重大方面不按照相關交易協議進行；及
- (iii) 超過年度上限。

本集團關聯方交易的詳情載於綜合財務報表附註37。

除本年報所披露者外，根據香港上市規則第14A章，概無關聯方交易構成關連交易或持續關連交易，受公告或獨立股東批准所規限。

Report of the Board

董事會報告

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

EQUITY-LINKED AGREEMENT

The Company had not entered into any equity-linked agreement during the Reporting Period, nor did any equity-linked agreement subsist at the end of the Reporting Period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the PRC Company Law which oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

BANK BORROWINGS

Details of the bank borrowings of the Group as at 31 December 2020 are set out in Note 25 to the consolidated financial statements.

CASH MANAGEMENT

As part of the cash management policy to manage excess cash, the Group had purchased investment products from financial institutions and invested in certain financial product issued by a PRC commercial bank to achieve higher interest income without interfering with its business operations or capital expenditures during the Reporting Period.

The Group carefully balances its needs for interest income and the risks associated with financial products by investing in simple financial products issued by reputable financial institutions. The Company's senior management, including its chief executive officer and chief financial officer, is involved in these investment decisions. The Company's senior management periodically reviews investment strategies and investment portfolios to ensure they achieve the Group's cash management objectives. Before making a proposal to invest in financial products, the head of the finance department of the relevant hospital or Group company must assess the cash flow and operational needs and capital expenditures of such hospital or company. If the cash flow exceeds its operational needs and an appropriate low-risk investment opportunity is available, the head of the relevant finance department will submit the investment proposal to the Company's senior management for approval. Regardless of investment size, a proposal to invest in any investment products must first be reviewed and approved by the Company's chief financial officer, who is also responsible for reviewing the relevant documentation and negotiation with the counterparty. After the chief financial officer approves the proposal, it must also be approved by (i) the chief

購回、出售或贖回上市證券

於報告期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

股票掛鈎協議

本公司於本報告期間未達成股權掛鈎協議，於報告期末尚未有任何股權掛鈎協議。

優先購買權

章程或中國公司法並無載有優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

銀行借款

本集團於二零二零年十二月三十一日的銀行借款詳情載於綜合財務報表附註25。

現金管理

本集團已從金融機構購買投資產品並投資由一間中國商業銀行發行的若干金融產品，以此作為管理超額現金的現金管理政策的一部分，以便於報告期在不干擾其業務運作或資本支出的情況，取得較高的利息收入。

本集團憑藉投資於由信譽卓著的金融產品機構發行的簡單金融產品，謹慎地平衡對利息收入的需求以及與金融產品有關的風險。本公司的高級管理層（包括行政總裁及首席財務官）參與該等投資決定。本公司的高級管理層定期檢討投資策略及投資組合，以保管實現本集團的現金管理目標。提出於金融產品的投資建議前，相關醫院或本集團旗下公司的財務部門主管必須評估該醫院或公司的現金流量及營運需求以及資本開支。倘若現金流量超過其營運需求，且可獲得適當的低風險投資機會，相關財務部門的主管會提交投資建議予本公司的高級管理層批准。無論投資規模如何，於任何投資產品的投資建議必須首先經本公司的首席財務官審閱及批准。本公司的首席財務官亦負責審閱相關文件及與交易對手方進行磋商。首席財務

executive officer, if the investment amount exceeds RMB10 million; or (ii) the executive Directors and the independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under the Hong Kong Listing Rules, if the investment amount exceeds RMB100 million.

In assessing a proposal to invest in a financial product, a number of criteria must be met, including:

- the term of the financial product should generally not exceed one year;
- the proposed investment must not interfere with our business operations or capital expenditures;
- the financial product must be issued by a reputable bank with which we have a long-term relationship, preferably exceed five years; and
- the investment portfolio of the financial product should generally bear low risk.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. The Board is of the opinion that the Company has complied with the applicable code provisions under the CG Code throughout the Reporting Period. Principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 82 to 99 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best of the Directors' knowledge, as at the date of this annual report, the Company had maintained the public float of the issued Shares as required under the Hong Kong Listing Rules.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE HONG KONG LISTING RULES

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

官批准建議之後，該建議亦必須由(i)行政總裁(倘若投資金額超過人民幣10百萬元)；或(ii)具有香港上市規則規定的適當專業資格或會計或相關財務管理專長的執行董事及獨立非執行董事(倘若投資金額超過人民幣100百萬元)批准。

評估於金融產品的投資建議時，必須符合多項標準，其中包括：

- 金融產品的期限一般不超過一年；
- 建議投資不得干擾我們的業務營運或資本開支；
- 金融產品必須由我們與之擁有長期關係(最好超過五年)的聲譽卓越的銀行發行；及
- 金融產品的投資組合一般應具有低風險。

企業管治

本公司致力於維持高水平的企業管治常規。董事會認為，本公司於報告期間已遵守企業管治守則之適用守則條文。本公司採納的主要企業管治常規載於在本年報第82至99頁「企業管治報告」一節。

足夠的公眾持股量

根據本公司公開可獲得的資料及據董事所深知，於本年報日期，本公司按照香港上市規則所規定維持本公司已發行股份的公眾持股量。

根據香港上市規則持續披露責任

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

Report of the Board

董事會報告

CLOSURE OF THE REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM

The register of members of the Company will be closed from 24 May 2021 to 23 June 2021, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30pm on 21 May 2021.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

There are no important events after the Reporting Period and up to the date of this annual report.

AUDITOR

The Company has appointed Deloitte Touche Tohmatsu as its auditor for the year ended 31 December 2020. A resolution will be proposed for approval by the Shareholders at the AGM to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company. The Company has not changed its auditor during any of the past three years.

For and on behalf of the Board

Wang Junyang
Chairman

Dongguan, the PRC
29 March 2021

暫停辦理股份過戶登記

為確定出席股東週年大會及於會上投票之權利

本公司將於二零二一年五月二十四日至二零二一年六月二十三日(包括首尾兩天)暫停辦理股份過戶登記,期間不會辦理股份過戶登記手續。為確定股東享有出席股東週年大會及於會上投票之權利,所有股份過戶文件連同相關股票必須於二零二一年五月二十一日下午四時三十分前交回本公司之H股股份過戶登記處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

報告期後的重要事項

從報告期後截至本年報日期期間並沒有發生重要事項。

核數師

截至二零二零年十二月三十一日止年度,本公司已委任德勤•關黃陳方會計師行為本公司的核數師。本公司將於股東週年大會上提呈一項決議案供股東批准,以續聘德勤•關黃陳方會計師行為本公司核數師。本公司於過往三年並無變更其核數師。

代表董事會

王君揚
主席

中國, 東莞
二零二一年三月二十九日

Report of the Supervisory Committee

監事會報告

To the Shareholders:

The Supervisory Committee, in compliance with the relevant laws and regulations and the Articles, has conducted its work in accordance with the fiduciary principle, and has taken up an active role to work seriously and with diligence to protect the interests of the Company and the Shareholders.

During the Reporting Period, the Supervisory Committee had reviewed cautiously the operation and development plans of the Company and provided reasonable suggestions and opinions to the Board. It also strictly and effectively monitored and supervised the Company's management in making significant policies and decisions to ensure that they were in compliance with the laws and regulations of the PRC and the Articles, and in the interests of the Shareholders.

We have reviewed and agreed to the Report of the Board and audited consolidated financial statements proposed by the Board for presentation at the AGM. We are of the opinion that the Directors and the chief executives and other senior management of the Company are able to strictly observe their fiduciary duties, to act diligently, to exercise their authority faithfully in the best interests of the Company and to work in accordance with the Articles. We are witnessing better operations and internal controls.

Up to the date of approval of this report, none of the Directors and chief executives and senior management members of the Company had been found to have abused their authority, damaged the interests of the Company or infringed upon the interests of the Shareholders. None of them was found to be in breach of any laws and regulations or the Articles. The Supervisory Committee is satisfied with the achievement and cost effectiveness of the Company during the Reporting Period and has great confidence in the future prospects of the Company.

For and on behalf of the Supervisory Committee

Chen Shaoming
Chairman

Dongguan, the PRC
29 March 2021

致股東：

監事會按照有關法律和法規及章程的規定，按照誠信原則開展工作，發揮積極作用，認真履行職責，保護本公司及股東的權益。

於報告期間，監事會審慎地審閱本公司的經營及發展規劃，並向董事會提供合理的建議和意見，另嚴格及有效地監控和監督本公司的管理層制定重大政策和決定，確保其符合中國的法律和法規及章程，並符合股東的利益。

我們已審閱並同意董事會於股東週年大會上提呈的董事會報告及經審核的財務報表。我們認為，本公司董事、行政總裁及其他高級管理層能夠嚴格遵守誠信責任，認真履行職責，按照符合本公司的最佳利益忠誠地行使其授權，及按照章程辦事。我們正在目睹更好的運作和內部控制。

截至本報告批准之日，本公司董事、行政總裁及高級管理層成員均未被發現濫用其授權，損害本公司的利益或侵害股東的權利。概無發現上述人士違反任何法律及法規或章程。監事會對於報告期間本公司的成就和成本效益感到滿意，對本公司的未來前景充滿信心。

代表監事會

陳少明
主席

中國·東莞
二零二一年三月二十九日

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2020. The Board is of the opinion that the Company has complied with the applicable code provisions under the CG Code throughout the year ended 31 December 2020.

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

THE BOARD

Board Composition

The Board currently comprises eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors.

Executive Directors

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

Non-executive Director

Mr. Lv Yubo

Independent Non-executive Directors

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

The brief biographical details of the Directors are set out in the section headed "Directors, Supervisors and Senior Management" on pages 148 to 160 of this annual report. The overall management and supervision of the Company's operation and the function of formulating overall business strategies were vested in the Board.

董事會欣然提呈截至二零二零年十二月三十一日止年度的本企業管治報告。董事會認為，本公司於截至二零二零年十二月三十一日止年度已遵守企業管治守則項下的適用守則條文。

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

董事會

董事會組成

董事會目前由八名董事組成，其中包括四名為執行董事、一名為非執行董事及三名為獨立非執行董事。

執行董事

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

非執行董事

呂玉波先生

獨立非執行董事

楊銘灃先生
陳可冀醫生
陳星能先生

董事履歷簡介詳情載於本年報第148至160頁「董事、監事及高級管理層」一節。董事會獲賦予本公司營運的整體管理和監督以及制定整體業務策略的功能。

During the Reporting Period and up to the date of this annual report, the Board has met the requirements of Rules 3.10 and 3.10A of the Hong Kong Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise and the requirement that the independent non-executive Directors represent at least one-third of the Board.

The Company has received annual confirmation on independence from each independent non-executive Director pursuant to the requirements under the Hong Kong Listing Rules. The Company considers that each independent non-executive Director is independent in accordance with the independence guidelines as set out in Rule 3.13 of the Hong Kong Listing Rules.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Nomination Committee and the Remuneration Committee.

The CG Code requires the Directors to disclose to the Company the number and nature of offices held in public companies or organisations and other significant commitments as well as their identities and the time involved. The Directors have agreed to disclose to the Company their other commitments in a timely manner.

CHAIRMAN AND CHIEF EXECUTIVE

Mr. Wang Junyang is an executive Director and the chairman of the Board. Mr. Chen Wangzhi is an executive Director and the chief executive officer of the Company. Mr. Wong Wai Hang Ricky is a senior management member and the chief financial officer of the Company. The three of them have separate roles.

Relationship between Directors and Chief Executives

Certain Directors and the chief executive officer of the Company are members of the Wang Family. Please refer to the section headed "Directors, Supervisors and Senior Management" on pages 148 to 160 of this annual report for details.

於報告期間及直至本年報刊發日期，董事會已符合香港上市規則第3.10及3.10A條規則的規定，即有關委任至少三名獨立非執行董事中至少有一名獨立非執行董事擁有適當專業資格或會計或相關財務管理專長，以及獨立非執行董事至少佔董事會三分之一的規定。

本公司已根據香港上市規則的規定，接獲每名獨立非執行董事發出獨立性的年度確認書。本公司認為，每名獨立非執行董事均按照香港上市規則第3.13條所載的獨立性指引被視為獨立。

所有董事（包括獨立非執行董事）為董事會帶來廣泛的寶貴業務經驗、知識及專業素養，以實現高效率 and 有效運作。獨立非執行董事獲邀加入審核委員會、提名委員會及薪酬委員會。

企業管治守則規定，董事向本公司披露於上市公司或機構所持職位的數量和性質，以及其他重大承諾，以至其身份及涉及的時間。董事已同意及時向本公司披露他們的其他承諾。

主席及行政總裁

王君揚先生為執行董事兼董事會主席。陳旺枝先生為執行董事兼本公司行政總裁。黃偉恒先生為本公司高級管理層成員及首席財務官。三人的角色均獨立分開。

董事與行政總裁之間的關係

本公司若干董事及行政總裁為王氏家族成員。有關詳情，請參閱本年報第148至160頁「董事、監事及高級管理層」一節。

Corporate Governance Report

企業管治報告

ROLE AND FUNCTION OF AND DELEGATION BY THE BOARD

The Board is responsible for and has general powers for the management and conduct of the business of the Company. It delegates day-to-day management of the Company to the executive Directors and the senior management of the Company within the control and the authority framework set by the Board. The delegated functions and responsibilities are periodically reviewed by the Board.

The Board reserves its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, recommendation for appointment of Directors and other significant financial and operational matters. For details, please refer to the Articles.

In addition, the Board has also delegated to the Audit Committee, the Nomination Committee and the Remuneration Committee various responsibilities as set out in their respective terms of reference. Further details of these committees are set out in this corporate governance report.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance to indemnify its Directors in respect of legal actions against them.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

Save as disclosed in this annual report, there has been no change in information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules since the date of the 2020 interim report of the Company.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director shall receive formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Hong Kong Listing Rules and relevant statutory requirements.

董事會的角色和職能及轉授

董事會對本公司業務的管理和行為負責並具有一般權力。在董事會制定的控制權限和權限框架內，將本公司日常管理委託給本公司的執行董事和高級管理層。董事會定期審閱轉授的職能和職責。

董事會保留對本公司所有重大事項的決策，包括：審批及監督所有政策事項、總體策略及預算、內部控制和風險管理體系、重大交易（特別是可能涉及利益衝突的事項）、財務資料、任命董事及其他重大財務及營運事項的建議。詳情請參閱章程。

此外，董事會亦向審核委員會、提名委員會和薪酬委員會轉授各自的職權範圍內所載的各項職責。這些委員會的進一步詳情載於本企業管治報告。

所有董事應確保按照適用的法律和法規真誠地履行職務，並始終以本公司及股東的利益為依歸。

本公司已安排適當的責任保險，就向董事採取的法律行動彌償董事。

董事、監事及行政總裁資料的變更

除本年報所披露者外，自本公司之二零二零年中期報告日期以來，根據香港上市規則第13.51B(1)條，概無資料變更須予披露。

入職指導及持續專業發展

每位新委任董事均將在首次獲委任時接受正式、全面及專門為其而設之入職介紹，以確保其對本公司之業務及運作有適當之了解，以及全面知悉在香港上市規則及相關法定規定下董事之責任及義務。

Directors will be continuously updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Directors are also encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company update the Directors on the latest developments regarding the Hong Kong Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

During the Reporting Period, all Directors, namely Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung Simon, Ms. Wang Aiqin, Mr. Lv Yubo, Mr. Yeung Mina Lai, Dr. Chen Keji and Mr. Chan Sing Nun, had participated in continuous professional training to develop and refresh their knowledge and skills in relation to their contribution to the Board.

Directors' knowledge and skills are continuously developed and refreshed by, *inter alia*, the following means:

- participation in continuous professional training seminars and/or conferences and/or courses and/or workshops on subjects relating to, *inter alia*, corporate governance, directors' duties and legal and regulatory changes organised and/or arranged by the Company and/or professional bodies and/or lawyers;
- reading materials provided from time to time by the Company to Directors regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties; and
- reading news, journals, magazines and/or other reading materials regarding legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.

COMPLIANCE WITH THE MODEL CODE

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

董事將持續獲得有關法律和監管機制以及業務環境的最新消息，以協助彼等履行其職責。本公司亦鼓勵董事參與持續專業發展，以提高及更新彼等的知識及技能。本公司的聯席公司秘書不時向董事提供有關香港上市規則及其他適用監管固定之最新進展，以確保本公司遵守有關規定，及加強董事對良好企業管治常規的意識。

於報告期間，所有董事（即王君揚先生、陳旺枝先生、王偉雄先生、王愛勤女士、呂玉波先生、楊銘灃先生、陳可冀醫生及陳星能先生）均已參加了持續性職業培訓，就為董事會作出貢獻提升及更新其知識及技能。

董事透過（其中包括）以下方式不斷發展及更新知識及技能：

- 參與本公司及／或專業機構及／或律師舉辦及／或安排有關（其中包括）企業管治、董事職責及法律與規管變動之持續專業培訓講座及／或研討會及／或課程及／或工作坊；
- 本公司不時向董事提供有關法律及規管變動，以及董事履行其職責之相關事宜之閱讀資料；及
- 閱覽有關法律及規管變動，以及董事履行其職責之相關事宜之新聞、期刊、雜誌及／或其他閱讀資料。

標準守則的合規

本公司已採納標準守則作為本公司董事和監事進行證券交易的行為守則。經向所有董事及監事作出具體查詢後，在報告期間，已遵守標準守則規定的所需標準。凡已經或可能管有未發佈有關本公司或股份內幕信息的僱員，一概不得於禁止交易期間買賣股份。

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DIRECTORS' SERVICE CONTRACTS

Each of the Directors entered into a service contract with the Company for an initial term of three years. According to these service contracts, each Director's term of office (a) three years commencing from the date when their respective appointments were approved by the Shareholders; and (b) subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with the Articles and applicable laws, rules or regulations.

None of the Directors or the Supervisors has entered or is proposed to enter into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

BOARD MEETINGS AND GENERAL MEETINGS

The Company has adopted the practice of holding Board meetings for at least four times a year at approximately quarterly intervals pursuant to code provision A.1.1 of the CG Code. Notice of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting pursuant to code provision A.1.3 of the CG Code.

All Directors are provided with agenda and relevant information in advance before a Board meeting. They have access to the senior management and the joint company secretaries of the Company at all times and, upon reasonable request, may seek independent professional advice at the Company's expense.

Minutes of Board meetings are kept by the secretary to the Board with copies circulated to all Directors for information and records. Minutes of Board meetings and committee meetings record sufficient detail of the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of Board Meetings and committee meetings are sent to the Directors for comments within a reasonable time after the date on which a meeting is held. The minutes of the Board meetings are open for inspection by Directors.

董事服務合約

每名董事均與本公司訂立初始為期三年的服務合約。根據這些服務合約，每名董事的任期為：(a) 由其各自的任命獲股東批准之日起計三年；及 (b) 根據各自的條款終止的情況下。服務合約可按照章程及適用法律、法規或條例予以重續。

概無董事及監事與本公司已訂立或建議訂立任何服務合約，而本公司不可於一年內毋須支付賠償（法定賠償除外）可予終止。

董事會會議及股東大會

本公司根據企業管治守則的守則條文第A.1.1條，每年大概以季度計至少召開四次董事會會議。董事會全體會議的通知將不少於十四天向所有董事提供，讓他們有機會按照企業管治守則的守則條文第A.1.3條出席定期會議及把事項納入議程內。

所有董事在董事會會議之前均事先獲提供議程和相關資料。他們隨時可以接觸本公司的高級管理層和聯席公司秘書，並經提出合理要求後，可尋求獨立專業意見，費用由本公司承擔。

董事會秘書負責保存董事會會議記錄，副本分發給所有董事傳閱以作參考及記錄。董事會及委員會的會議記錄載列董事會及委員會考慮事項的詳盡細節，包括董事提出的任何疑慮。董事會會議記錄草案在召開會議之日期後一段合理時間內發送董事以供批註。董事會會議記錄可供董事查閱。

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During the Reporting Period, the Board convened four meetings. A summary of the attendance record of the Directors is set out in the table below:

於報告期間，董事會召開四次會議。董事出席記錄概要載於下表：

Name of Directors	董事姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2020 於截至二零二零年十二月三十一日止年度期間 出席／可出席會議次數	Attendance rate 出席率
Executive Directors			
Mr. Wang Junyang <i>(Chairman)</i>	王君揚先生 <i>(主席)</i>	4/4	100%
Mr. Chen Wangzhi <i>(Chief Executive Officer)</i>	陳旺枝先生 <i>(行政總裁)</i>	4/4	100%
Mr. Wong Wai Hung Simon <i>(Vice Chairman)</i>	王偉雄先生 <i>(副主席)</i>	4/4	100%
Ms. Wang Ai Qin	王愛勤女士	4/4	100%
Non-executive Director			
Mr. Lv Yubo	呂玉波先生	4/4	100%
Independent Non-executive Directors			
Mr. Yeung Ming Lai	楊銘灃先生	4/4	100%
Dr. Chen Keji	陳可冀醫生	4/4	100%
Mr. Chan Sing Nun	陳星能先生	4/4	100%

During the Reporting Period, the Company convened one annual general meeting on 23 June 2020. All Directors attended the annual general meeting, apart from Mr. Lv Yubo and Dr. Chen Keji, who could not attend due to pre-arranged business commitments.

於報告期間，本公司於二零二零年六月二十三日召開一次股東週年大會。除呂玉波先生及陳可冀醫生因已安排好的商業承諾未能出席外，其餘所有董事均出席股東週年大會。

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, to handle particular responsibilities of the Board and the Company's affairs. All Board committees of the Company are established with defined written terms of reference that have been uploaded to the respective websites of the Hong Kong Stock Exchange and the Company, and are provided with sufficient resources to discharge their duties.

董事會轄下的委員會

董事會下設三個委員會，即審核委員會、提名委員會及薪酬委員會，負責處理董事會及本公司的指定事務。本公司董事會轄下的所有委員會按照既定書面職權範圍（已上載到香港聯交所及本公司各自的網站）設立，並為其提供足夠資源，讓其履行職責。

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AUDIT COMMITTEE

The Company established the Audit Committee in compliance with Rules 3.21 and 3.22 of the Hong Kong Listing Rules with written terms of reference in compliance with the CG Code and the roles and responsibilities delegated to the Audit Committee by the Board. The Audit Committee is primarily responsible for considering issues relating to the appointment of external auditor and their independence; reviewing the Group's financial information and overseeing the Group's financial reporting system, risk management and internal control procedures; supervising the Company's internal audit system and its implementation; reviewing connected transactions and their compliance with the relevant terms and rules; reviewing the interim and annual results of the Group prior to recommending them to the Board for approval; and other matters that the Board has authorised it to deal with.

The Audit Committee consists of three independent non-executive Directors, Mr. Chan Sing Nun (chairman of the Audit Committee), Mr. Yeung Ming Lai and Dr. Chen Keji.

During the Reporting Period, the Audit Committee held three meetings. At the meetings, the Audit Committee reviewed the annual results announcement and annual report of the Group for the year ended 31 December 2019, the interim results announcement and interim report of the Group for the six months ended 30 June 2020, considering issues relating to the external auditor and their independence and appointment, as well as the risk management and internal control procedures, reviewed connected transactions and the arrangements that allow employees to raise concerns about the possible misconduct and made suggestions to the Board. A summary of the attendance record of the Audit Committee members is set out in the table below:

審核委員會

本公司按照香港上市規則第3.21條及第3.22條的規定設立審核委員會，書面職權範圍符合企業管治守則及董事會轉授審核委員會的角色及職責。審核委員會主要負責審議有關委任外部核數師及其獨立性的事項；審閱本集團的財務資料及監督本集團的財務報告制度、風險管理和內部控制程序；監督本公司的內部審核制度及其實施情況；審查關聯交易及其遵守有關條款和法則；於向董事會提呈以供批准前，審閱本集團的中期和年度業績；以及董事會授權其處理的其他事項。

審核委員會由三名獨立非執行董事組成，即陳星能先生（審核委員會主席）、楊銘澧先生及陳可冀醫生。

於報告期間，審核委員會召開三次會議。於會上，審核委員會已審閱本集團截至二零一九年十二月三十一日止年度之年度業績公告及年度報告、本集團截至二零二零年六月三十日止六個月之中期業績公告及中期報告，並審議有關外部核數師及其獨立性及委任的事項，以及風險管理及內部監控程序、審閱關連交易及允許僱員就可能的不當行為提出關注的安排，並向董事會作出建議。審核委員會成員出席記錄概要載於下表：

Name of committee member	委員會成員姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2020 於截至二零二零年十二月三十一日止年度期間 出席／可出席會議次數	Attendance rate 出席率
Mr. Yeung Ming Lai	楊銘澧先生	3/3	100%
Dr. Chen Keji	陳可冀醫生	3/3	100%
Mr. Chan Sing Nun	陳星能先生	3/3	100%

NOMINATION COMMITTEE

The Company established the Nomination Committee with written terms of reference in compliance with the requirements of the CG Code and the roles and responsibilities delegated to the Nomination Committee by the Board. The Nomination Committee is primarily responsible for preparing the procedures and criteria for determining the candidates for Directors and the senior management of the Company and conducting preliminary review on their qualifications and credentials, including proposing to the Board on its size and composition in accordance with the Company's operating results, assets and shareholding structure; reviewing the procedures and criteria for determining the candidates for Directors and the chief executive officer of the Company and making proposals to the Board; looking for the qualified candidates for Directors and chief executive officer; reviewing and making proposals on the candidates for the Directors and chief executive officer; reviewing and making proposals on the candidates for the other senior management, on which the Board needs to resolve and other matters that the Board has authorized it to deal with.

The Nomination Committee consists of one executive Director, Mr. Wang Junyang (chairman of the Nomination Committee), and two independent non-executive Directors, Mr. Yeung Ming Lai and Dr. Chen Keji.

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy. Please refer to "Board Diversity Policy" on page 92 of this annual report for more details.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

During the Reporting Period, the Nomination Committee held one meeting. At the meeting, the Nomination Committee reviewed the matters relating to the procedures and criteria for determining candidates for directors and selection of senior management of the Company and reviewing and made proposals on candidates for directors and senior management and made suggestions to the Board. A summary of the attendance record of the Nomination Committee members is set out in the table below:

Name of committee member	委員會成員姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2020 於截至二零二零年十二月三十一日止年度期間 出席／可出席會議次數	Attendance rate 出席率
Mr. Wang Junyang	王君揚先生	1/1	100%
Mr. Yeung Ming Lai	楊銘灃先生	1/1	100%
Mr. Chan Sing Nun	陳星能先生	1/1	100%

提名委員會

本公司設立提名委員會，書面職權範圍遵照企業管治守則的規定，以及董事會轉授提名委員會的角色和職責。提名委員會主要負責編製本公司董事及高級管理層候選人的輪選程序及準則，並對其資格和資質進行初步審查，包括按照本公司的經營業績、資產及持股架構，向董事會建議其規模及組成；審閱確定董事和本公司行政總裁候選人的輪選程序及準則，並向董事會提出建議；就董事及行政總裁物色合資格候選人；審閱董事及行政總裁候選人並提出建議；審閱董事會需要議決的其他高級管理人員候選人並提出建議，以及董事會授權其處理的其他事項。

提名委員會包括一名執行董事王君揚先生（提名委員會主席）及兩名獨立非執行董事楊銘灃先生及陳可冀醫生組成。

董事會已採納董事會多元化政策，並討論實施該政策的所有可衡量目標。有關更多詳情，請參閱本年報第92頁的「董事會多元化政策」。

提名委員會將按以下標準評估候選人或現職者，例如誠信、經驗、技能及投入時間及努力執行職責的能力。提名委員會作出推薦供董事會決定。

於報告期間，提名委員會召開一次會議。於會上，提名委員會審議本公司董事候選人及高級管理層甄選程序及標準等有關事項，並審議董事及高級管理層候選人及提出建議，並向董事會作出建議。提名委員會成員出席記錄概要載於下表：

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PROCEDURE FOR NOMINATION OF DIRECTORS

When there is a vacancy in the Board, the Nomination Committee evaluates the balance of skills, knowledge and experience of the Board, and identifies any special requirements for the vacancy. The Nomination Committee will then identify suitable candidates and convene a Nomination Committee meeting to discuss and vote on the nomination of directors and make recommendation to the Board on the candidate(s) for directorship.

CRITERIA FOR NOMINATION OF DIRECTORS

The Nomination Committee will consider candidates who possess the particular skills, experience and expertise that will best complement the Board effectiveness at that time.

In considering the overall balance of the Board's composition, the Nomination Committee will give due consideration to the board diversity policy of the Company.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee with written terms of reference in compliance with the CG Code and the roles and the responsibilities delegated to the Remuneration Committee by the Board. The Remuneration Committee is primarily responsible for formulating the criteria for and conducting assessment on the Directors and senior management as well as determining and reviewing the remuneration policies and plans for the Directors and senior management, including formulating remuneration plans and proposals in accordance with the terms of reference of the Directors and senior management and the importance of their positions as well as the remuneration benchmarks for the relevant positions in other comparable companies; the remuneration plans and proposals including but not limited to criteria, procedures and main assessment system for performance assessment, main proposals and regulations on award and punishment; reviewing the performance of the Directors and senior management and conducting annual assessment on their performance and results; supervising the implementation of the remuneration policies of the Company and other matters that the Board has authorised it to deal with. The Remuneration Committee has adopted the second model described in paragraph B.1.2(c) under Appendix 14 to the Hong Kong Listing Rules (i.e. make recommendation to the Board on the remuneration packages of individual executive Director and senior management member).

The Remuneration Committee consists of two independent non-executive Directors, Mr. Chan Sing Nun (chairman of the Remuneration Committee), Mr. Yeung Ming Lai, and one executive Director, Ms. Wang Ai Qin.

提名董事程序

當董事會出現空缺時，提名委員會將評估董事會所需技巧、知識及經驗，並識別空缺是否存在任何特殊要求。提名委員會將識別合適人選並召開提名委員會會議，就提名董事進行討論及投票，並向董事會推薦擔任董事的人選。

提名董事的標準

提名委員會將考慮具備能夠最佳輔助促進董事會效率的個別技能、經驗及專業知識的人選。

提名委員會於考慮董事會組成的整體平衡時，將適當顧及本公司董事會多元化政策。

薪酬委員會

本公司設立薪酬委員會，書面職權範圍遵照企業管治守則的規定，以及董事會轉授薪酬委員會的角色和職責。薪酬委員會主要負責制定董事及高級管理層的評估準則，並釐定和審閱董事及高級管理層的薪酬政策和計劃，包括按照董事及高級管理層的職權範圍、職位重要性及其他類似公司有關職位的薪酬基準制定薪酬計劃及建議；薪酬計劃及建議，包括但不限於績效評估的準則、程序和主要評核制度、獎勵和處罰的主要方案和規定；檢討董事及高級管理層的表現及對其表現及業績進行年度評核；監督本公司薪酬政策的實施情況和董事會授權處理的其他事項。薪酬委員會已採納香港上市規則附錄14第B.1.2(c)段所述的第二個模式（即向董事會提交個別執行董事及高級管理層的薪酬待遇建議）。

薪酬委員會由兩名獨立非執行董事陳星能先生（薪酬委員會主席）、楊明禮先生及一名執行董事王愛勤女士組成。

The primary goal of the Group's remuneration policy is to enable the Directors and senior management to be competitively rewarded having regard to the Group's operating results, roles and responsibilities and individual performance of the directors and senior management and comparable market practices.

本集團薪酬政策的主要目標是讓董事及高級管理層在考慮本集團的經營業績、角色和職責以及董事和高級管理人員的個別表現，以至可比市場常規後，能夠給予具競爭力的獎勵。

Details of the Directors' emoluments and the five highest paid individuals are set out in Notes 11 and 12 to the consolidated financial statements.

有關董事酬金及五位最高薪人士的詳情載於綜合財務報表附註11及12。

The remuneration of the members of senior management (for the avoidance of doubt, excluding Directors and Supervisors) by band during the Reporting Period is set out below:

於報告期間，高級管理層的成員薪酬（為免生疑，不包括董事及監事）按薪酬範圍劃分如下：

Remuneration band	薪酬範圍	Number of individuals	個體人數
HK\$500,001 – HK\$1,000,000	500,001 港元至 1,000,000 港元	5	
HK\$1,000,001 – HK\$1,500,000	1,000,001 港元至 1,500,000 港元	2	
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	

During the Reporting Period, the Remuneration Committee held one meeting. At the meeting, the Remuneration Committee reviewed the matters relating to the reviewing and made proposals on the remuneration package of Directors and senior management of the Company and made suggestions to the Board. A summary of the attendance record of the Remuneration Committee members is set out in the table below:

於報告期間，薪酬委員會召開一次會議。於會上，薪酬委員會審議有關檢討本公司董事及高級管理層的薪酬待遇有關事宜及提出建議，並向董事會作出建議。薪酬委員會成員出席記錄概要載於下表：

Name of committee member	委員會成員姓名	Number of meetings attended/eligible to attend during the year ended 31 December 2020 於截至二零二零年十二月三十一日止年度期間 出席／可出席會議次數	Attendance rate 出席率
Ms. Wang Aiqin	王愛勤女士	1/1	100%
Mr. Yeung Ming Lai	楊銘灃先生	1/1	100%
Mr. Chan Sing Nun	陳星能先生	1/1	100%

Corporate Governance Report

企業管治報告

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy and discussed all measurable objectives set for implementing the policy, which will form the basis of the Board's considerations in 2020. The Company recognises and embraces the benefits of having a diverse Board with a view to enhancing its effectiveness and achieving a high standard of corporate governance. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision of all Board appointments should be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee has reviewed the board diversity policy to ensure its effectiveness and considered that the Group achieved the objectives of its board diversity policy for the year ended 31 December 2020.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties including but not limited to:

- (a) to review the Company's compliance with the CG Code and disclosure in the corporate governance report;
- (b) to review and monitor the training and continuous professional development of Directors, Supervisors and senior management; and
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements for the year ended 31 December 2020 which give a true and fair view of the affairs of the Company and the Group and of the Group's financial performance and cash flows. The Directors also acknowledge their responsibilities to ensure that the consolidated financial statements of the Group are published in a timely manner.

The management of the Company has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's consolidated financial statements, which are put to the Board for approval. The Company provides all members of the Board with updates on the Company's performance, positions and prospects.

董事會多元化政策

董事會已採納董事會多元化政策，並討論實施該政策的所有可衡量目標，此將成為董事會於二零二零年考量的基準。本公司意識到並擁護具有多元化董事會的利益，旨在提高其效用並實現高水平的企業管治。本公司致力確保董事會在技能、經驗和多元化觀點各方面取得平衡，適合本公司業務的需要。候選人的輪選將以一系列多元化觀點為基礎，包括但不限於性別、年齡、文化和教育背景、種族、專業經驗、技能、知識和服務年期。所有董事會任命的最終決定，應以輪選的候選人將為董事會帶來的提供的長處和貢獻為基礎。提名委員會已審閱董事會多元化政策以確保其有效，並認為本集團已於截至二零二零年十二月三十一日止年度達成董事會成員多元化政策的目標。

企業管治職能

董事會負責履行企業管治職責，包括但不限於：

- (a) 審閱本公司在企業管治報告中遵守企業管治守則及資料披露的情況；
- (b) 審閱及監督董事、監事及高級管理層的培訓和持續專業發展；及
- (c) 審閱及監督本公司遵守法律和法規要求的政策及常規。

董事及核數師對就財務報表進行財務報告的責任

董事承認其編製截至二零二零年十二月三十一日止年度之綜合財務報表的責任，據此真實和公平地呈列本公司及本集團的狀況以及本集團的財務表現及現金流量。董事亦承認其負責確保本集團的綜合財務報表及時刊發。

本公司管理層向董事會提供所需解釋及資料，使董事會能夠對向董事會提呈批准本公司的綜合財務報表進行知情評估。本公司向董事會全體成員提供本公司表現、狀況及前景的最新情況。

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement prepared by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 161 to 167 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the risk management and internal control systems of the Group and for reviewing their effectiveness at least annually. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, risk management and internal controls, and the resourcing of the finance and internal audit functions.

Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. The systems and internal control procedures can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Board has in place internal control procedures in ensuring any continuing connected transactions are conducted in compliance with their terms and the applicable requirements under the Hong Kong Listing Rules.

An internal audit function has been established to perform regular financial and operational reviews and recommend necessary actions to the relevant management. The internal audit function is to ensure the risk management and internal control procedures are in place and function properly as intended. The internal audit function also reviews the continuing connected transactions of the Group and the adequacy and effectiveness of the relevant internal control procedures. The results of the internal audit are reported to the Audit Committee. The independent non-executive Directors, in performing their review of the continuing connected transactions of the Group, also take into account the findings of the internal audit function.

董事並不知悉有關事件或條件的任何重大不確定因素，可能對本集團持續經營的能力構成重大質疑。

本公司核數師就本公司綜合財務報表的報告責任編製的陳述載於本年報第161至167頁「獨立核數師報告」。

風險管理與內部控制

董事會負責本集團的風險管理和內部控制制度，並至少每年審閱其有效性。審核委員會協助董事會履行本集團財務、運作、合規、風險管理和內部控制的監督和企業管治職責，以及財務及內部審核職能的資源。

本公司已設計及設定適當的政策和控制措施，確保資產受到保障，不致於不當使用或處置，依法遵守有關規章制度，依照有關會計準則和監管報告要求存置可靠的財務及會計記錄，而可能對本集團業績造成影響的主要風險已適當地識別出來及予以管理。系統和內部控制程序只能對防止重大錯報或損失提供合理而不是絕對鑒證，因為這些安排僅是旨在控制而不是消除未能實現業務目標的風險。

董事會已制定內部控制程序，確保任何持續關連交易按照香港上市規則的條款及適用規定進行。

本公司已建立內部審計功能，定期進行財務和業務審查，並向有關管理層建議所需的行動。內部審計功能的工作是確保風險管理和內部控制程序到位並按預期正常運行。內部審計功能還對本集團持續關連交易及相關內部控制程序的充分性和有效性進行了檢討。內部審計結果向審核委員會報告。獨立非執行董事對本集團的持續關連交易進行審閱時，亦會考慮到內部審計功能的調查結果。

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Clinical risks are particularly relevant to the Group's hospital operations and a key area of the Group's clinical governance. The Group has adopted a three-tier risk management approach to identify, assess, mitigate and handle these risks. At the first line of defence, the hospitals' front-line staff, guided by clearly defined procedures, are responsible for identifying, assessing and monitoring risks associated with day-to-day operations. The hospital managers and executives, as the second line of defence, implement rules and procedures, provide coaching and support, and deal with, and analyse unusual and unexpected fact patterns and outcomes detected or anticipated by their staff. They ensure that risks are within the acceptable range in the ordinary course of business and that the first line of defence is effective. They also continuously benchmark against international best practice and collate lessons learnt from past incidents to identify areas of improvements. As the final line of defence, the Audit Committee and the internal audit function of the Company ensure that the first and second lines of defence are effective through constant inspection, monitoring and making recommendations to improve the relevant processes. On an ongoing basis, each hospital of the Group reviews and assesses the status of potential risks which may impact on its ability to achieve its business objectives and/or those of the Group. This review process includes assessment as to whether the existing system of internal controls continues to remain relevant, adequately addresses potential risks, and/or should be supplemented. The results of these reviews are regularly reported to the senior management and the Board. Such top-down and company-wide risk management system is intended to cover every aspect of the Group's clinical operations.

The Board from time to time and at least annually reviews the significant risk factors affecting the operations of the Group as a whole and is cognizant that the unprecedented COVID-19 pandemic has become a relevant risk factor to the hospital operations (including, in particular, the health and safety of patients and staff) of the Group. The COVID-19 pandemic in the PRC is considered well under control, however, it remains to be seen whether it will result in material and long-term disruptions to the Group's operations. Please also refer to the paragraph headed "The Impact of COVID-19" in the Management Discussion and Analysis section.

The Audit Committee was satisfied as to the implementation and effectiveness of the Group's risk management and internal control procedures. There were no matters of material concerns relating to financial, operational or compliance controls. The Board is satisfied with the adequacy of the risk management and internal control procedures of the Group during the Reporting Period.

臨床風險與本集團的醫院業務和本集團臨床治理的重點領域特別相關。本集團採用三級制風險管理方式，對風險進行識別、評估、減輕和處理。在第一道防線方面，醫院前線員工以清楚界定的程序為指引，負責識別、評估和監測與日常營運有關的風險。作為第二道防線的醫院管理人員和行政人員執行規則和程序，提供指導和支持，及處理和分析工作人員發現或預期的異常和意想不到的事件模式和結果。他們確保風險在日常業務過程中處於可接受的範圍內，第一道防線是有效的。他們還不斷評估國際最佳常規，並整理從過去事件中汲取的教訓，以確定改進範疇。作為最後一道防線，本公司的審核委員會和內部審計功能通過不斷的檢查、監督並提出建議以改進相關程序，確保第一道防線和第二道防線的有效性。在持續的基礎上，本集團每家醫院審查和評估潛在風險的狀況，這些風險可能會影響該醫院實現其業務目標的能力和／或本集團的能力。這個審查過程包括評估現有內部控制制度是否繼續保持相關性，充分解決潛在風險和／或應予以補充。這些審查的結果定期向高級管理層及董事會報告。這種自上而下及涵蓋全公司的風險管理制度，旨在讓本集團臨床營運的各個方面均可以得到保障。

董事會不時且至少每年審查影響本集團整體運營的重大風險因素，並認識到空前的COVID-19疫情已成為本集團醫院運營的相關風險因素（包括（尤其是）病人及醫護人員的健康及安全）。中國的COVID-19疫情被視為處於良好控制之下，惟疫情是否會嚴重及長期中斷本集團的運營尚待觀察。另請參閱管理層討論及分析一節中的「COVID-19的影響」一段。

審核委員會對本集團風險管理和內部控制程序的實施和有效性感到滿意。概無關於財務、運營或合規控制的重大事項。董事會對報告期間本集團風險管理和內部控制程序的充足性感到滿意。

In addition to the review of risk management and internal controls undertaken within the Group, the external auditor also assessed the adequacy and effectiveness of certain key risk management and internal controls as part of their statutory audits. Where appropriate, the external auditor's recommendations are adopted and enhancements to the risk management and internal controls will be made.

DISSEMINATION OF INSIDE INFORMATION

With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company:

- (i) is aware of its obligations under the SFO and the Hong Kong Listing Rules and the overriding principle that inside information should be announced immediately if it is the subject of a decision;
- (ii) conducts its affairs with close regard to the applicable laws and regulations;
- (iii) has established a policy and implemented guidelines for monitoring, reporting and disseminating inside information to our shareholders, investors, analysts and media by pursuing broad, non-exclusive distribution of information through channels such as financial reporting, public announcements and its website. These policies and guidelines also identify who are the Company's authorised spokespersons and their responsibilities for communications with stakeholders; and
- (iv) has communicated to all relevant staff regarding the implementation of the policy and relevant trainings are also provided.

The Company discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Company ensures the information is kept strictly confidential. If the Company believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Company is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

除審閱本集團內的風險管理和內部控制外，外部核數師還對若干主要風險管理和內部控制的充足性及有效性進行評估，作為其法定審核的一部份。在適當的情況下，本公司採納外部核數師的建議，並對風險管理和內部控制進行改進。

內幕消息的發佈

就處理和發佈內幕消息的程序和內部控制，本公司：

- (i) 知悉其根據證券及期貨條例及香港上市規則所承擔的責任，而當中最重要原則，為若決定有關消息為內幕消息，則應立即公佈；
- (ii) 於處理時密切關注適用法律和法規；
- (iii) 就通過財務報告、公告及其網站等渠道，廣泛地、非排他性地發佈消息，監督、報告及向股東、投資者、分析員及媒體發佈內幕消息制定政策及實行指引。這些政策及指引亦識別出本公司授權的發言人以及與利益相關方溝通的責任；及
- (iv) 已向所有有關人員通報了有關政策的實施情況，並提供相關培訓。

本公司在合理切實可行的情況下儘快向公眾披露內幕消息，除非消息屬於證券及期貨條例所容許的安全港條文內。消息於向公眾全面披露前，本公司應確保消息嚴格保密。如果本公司認為不能保持所需的保密程度或可能違反保密規定，本集團應立即向公眾披露消息。鑒於以清晰及均衡的方式提供資料，需要同等披露利好和利空的事實，本公司致力確保公告或通函中所載的資料對於重大事實不構成虛假或誤導，或通過遺漏重大事實以致虛假或誤導。

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AUDITOR'S REMUNERATION

During the year ended 31 December 2020, the total fee paid/payable in respect of audit and non-audit services provided by the Group's auditor, Deloitte Touche Tohmatsu, is set out below:

核數師酬金

截至二零二零年十二月三十一日止年度，本集團核數師德勤•關黃陳方會計行提供的審計和非審計服務已付／應付的費用總額如下：

		RMB'000 人民幣千元
Audit services	審計服務	
– Audit services in connection with the consolidated financial statements	– 關於綜合財務報表的審計服務	2,366
Non-Audit services	非審計服務	
– Review of interim condensed consolidated financial statements	– 審閱中期簡明綜合財務報表	495
Total	合計	2,861

JOINT COMPANY SECRETARIES

Ms. Chau Hing Ling of Vistra Corporate Services (HK) Limited, an external service provider, has been engaged by the Company as one of the joint company secretaries. Her primary contact person at the Company is Mr. Wong Wai Hang Ricky, the chief financial officer of the Company and the other joint company secretary.

聯席公司秘書

外部服務供應商Vistra Corporate Services (HK) Limited的周慶齡女士已獲本公司委聘為聯席公司秘書之一，其於本公司的首要聯絡人為本公司首席財務官兼另一名聯席公司秘書黃偉恒先生。

During the Reporting Period, both of Ms. Chau Hing Ling and Mr. Wong Wai Hang Ricky have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Hong Kong Listing Rules.

於報告期間，周慶齡女士及黃偉恒先生均已遵照香港上市規則第3.29條已進行不少於15小時的相關專業培訓。

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board believes that effective communication with investors is essential for establishing investors' confidence and attracting new investors. The Group also recognises the importance of transparency and timely disclosure of corporate information which enables investors to make the best investment decision.

與股東的溝通及投資者關係

董事會認為，與投資者維持有效溝通，對於建立投資者的信心和吸引新的投資者至關重要。本集團亦意識到透明度和及時披露公司消息的重要性，使投資者能夠作出最佳投資決策。

The general meetings of the Company provide an important channel for communications between the Board and the Shareholders. The chairman of the Board, as well as chairmen of the three Board committees or, in their absence, other members of the respective committee and where appropriate, the independent Board committee, will be available to answer questions at Shareholders' meetings.

本公司股東大會提供董事會與股東之間溝通的重要渠道。董事會主席、董事會轄下三個委員會的主席，或（在其缺席的情況下）各委員會的其他成員，及如適用，獨立董事會委員會可於股東大會上解答提問。

Published documents together with the latest corporate information and news are available on the Company's website at <http://www.kanghuagp.com>. Investors can also communicate with the Company through email at kh@kanghuagp.com.

DIVIDEND CONSIDERATIONS

The payment of dividend is to allow the Shareholder to participate in the Company's profits whilst retaining adequate reserves to sustain the Group's operations and future growth. The declaration, form, frequency and amount of dividend to be paid by the Company must comply with relevant laws and regulations and the Articles. In deciding whether to recommend any dividend, the Board will take into account a number of factors, including financial performance, reserves, operations and liquidity requirements and development plans of the Company. The Board will comprehensively consider other relevant factors as appropriate from time to time. The Company does not have a fixed dividend distribution ratio.

PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including the IFRS. Distributions from the Company and its subsidiaries may also become subject to any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that the Company or its subsidiaries may enter into in the future.

The amount of any dividend actually distributed to the Shareholders will depend upon the Group's earnings and financial condition, operating requirements, capital requirements and any other conditions that the Directors may deem relevant and may be subject to approval of the Shareholders. The Board has an absolute discretion to recommend any dividend for any year. There is no assurance that dividends of any amount will be declared or distributed in any year.

本公司已刊發的文件，連同最新公司消息和新聞，可於本公司網站 <http://www.kanghuagp.com> 查閱。投資者亦可以通過電子郵件 kh@kanghuagp.com 與本公司進行溝通。

股息代價

派付股息有利於股東參與分享本公司溢利，同時保有充足儲備金用於維持本集團的營運及未來發展。本公司的股息宣派、形式、頻次及金額必須符合有關法律法規及細則。在釐定是否建議任何股息時，董事會將會考慮多項因素，包括本公司的財務表現、儲備、經營及流動資金需求以及發展計劃。董事會將不時綜合考慮其他適當的有關因素。本公司並沒有固定的股息分配比率。

中國法律規定，股息僅可根據中國會計準則計算的年度溢利中派付，在多數方面有別於其他司法管轄權區的公認會計準則（包括國際財務報告準則）。本公司及其附屬公司的分派亦可受銀行信貸融資的任何限制性契約、可換股債券文據或本公司或其附屬公司未來可能訂立的其他協議限制。

股東應佔的實際可分派股息金額將視乎於本集團的盈利及財務狀況、經營規定、資本規定及任何其他董事可能視為有關的條件，並可能須取得股東批准。董事會有絕對酌情建議派付任何年度的任何股息。概無保證任何金額的股息將於任何年度宣派或分派。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

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

Shareholders requesting the convening of an EGM shall proceed in accordance with the procedures set forth below.

The Shareholders individually or jointly holding over 10% of the Shares with the voting power at the proposed meeting have the right to request the Board to hold the EGM or a class meeting in writing. According to laws, administrative regulations and the Articles, the Board shall give written feedback to agree or disagree to hold the EGM or the class meeting within ten days after receiving the proposal.

If the Board agrees to hold the EGM or the class meeting, a meeting notice shall be given within five days after the Board makes such a resolution. Changes to the original proposal in the notice shall be approved by the relevant Shareholders.

If the Board disagrees to hold the EGM or the class meeting or fails to give feedback within ten days after receiving the request, the Shareholders individually or jointly holding over 10% of the Shares have the right to request the Supervisory Committee to hold the EGM or the class meeting in writing.

If the Supervisory Committee agrees to hold the EGM or the class meeting, a meeting notice shall be given within five days after receiving the request. Changes to the original proposal in the notice shall be approved by the relevant Shareholders.

If the Supervisory Committee fails to give the notice of the EGM within the specified period, it shall be deemed that the Supervisory Committee does not convene or preside over the Shareholders' meeting. Shareholders who individually or jointly hold 10% or more of the Shares for not less than 90 consecutive days may convene and preside over the EGM by themselves. The expenses of the Shareholders' meeting held by the Supervisory Committee or Shareholders by themselves shall be borne by the Company.

Procedures for Shareholder(s) to Put Forward Proposals at a General Meeting

When the Company holds a Shareholders' general meeting, the Board, the Supervisory Committee and the Shareholders individually or jointly holding over 3% of the Shares have the right to submit proposals to the Company. Shareholders individually or jointly holding over 3% of the Shares may put forward interim proposal and submit to the convener in writing ten days before the EGM.

股東權利

股東召開臨時股東大會（「臨時股東大會」）的程序

股東要求召開臨時股東大會應按照下列程序進行。

凡單獨或共同持有擬召開的大會投票權10%以上股份的股東，有權以書面要求董事會召開臨時股東大會或類別股東會議。根據法律、行政法規及章程，董事會在收到提案後十日內，給予書面反饋，同意或不同意召開臨時股東大會或類別股東會議。

如董事會同意舉行臨時股東大會或類別股東會議時，應在董事會作出決議後五日內發出會議通告。通告中對原始提案的變更應由相關股東批准。

如董事會不同意舉行臨時股東大會或類別股東會議，或者在收到要求後十日內未能提供反饋意見，凡個人或共同持有10%以上股份的股東有權以書面形式要求監事會召開臨時股東大會或類別股東會議。

如監事會同意舉行臨時股東大會或類別股東會議，應當在收到要求後五日內發出會議通告。通告中對原始提案的變更應由相關股東批准。

如監事會在指定期限內未能發出臨時股東大會通告，視為監事會未能召開或主持股東大會。凡單獨或共同持有10%或以上股份不少於連續90天的股東可以自行召開並主持臨時股東大會。監事會或股東自行舉行的股東大會，費用由本公司承擔。

於股東大會上向股東提呈議案的程序

當本公司舉行股東大會時，董事會、監事會及單獨或共同持股3%以上股份的股東有權向本公司提呈議案。單獨或共同持有3%以上股份的股東可提出臨時議案，並於臨時股東大會前十日以書面形式向召集人提呈。

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through Mr. Wong Wai Hang Ricky, the chief financial officer and joint company secretary of the Company. His contact details are as follows:

Address:

Unit 3207, Metroplaza Tower 2
223 Hing Fong Road, Kwai Fong
New Territories, Hong Kong
Tel: (852) 2428-2880
Fax: (852) 2418-5688
Email: kh@kanghuagp.com

Shareholders may also make enquiries with the Board at the general meetings of the Company.

CHANGE IN CONSTITUTIONAL DOCUMENTS

There is no significant change in the articles of association during the Reporting Period. The currently valid Articles of Association is available on the websites of the Hong Kong Stock Exchange and the Company.

股東向董事會查詢的程序

股東可隨時通過與本公司首席財務官兼聯席公司秘書黃偉恒先生以書面形式向董事會提出查詢及所關注的問題。黃先生的聯繫詳情如下：

地址：

香港新界
葵芳興芳路223號
新都會廣場第二座3207室
電話：(852) 2428-2880
傳真：(852) 2418-5688
電郵：kh@kanghuagp.com

股東亦可在本公司股東大會上向董事會查詢。

章程文件的更改

於報告期間，公司章程並無重大變動。當前有效的公司章程可在香港聯交所及本公司網站上查閱。

Environmental, Social and Governance Report

環境、社會及管治報告

The Board is pleased to present the environmental, social and governance report of the Company for the year ended 31 December 2020 (the "ESG Report"). The contents of the ESG Report are in compliance with the relevant environmental, social and governance reporting guidelines set out in Appendix 27 to the Hong Kong Listing Rules.

The ESG Report covers the Group's operations at Kanghua Hospital, Renkang Hospital, Kanghua Hospital – Huawei Clinic, Kangxin Hospital and the Anhui Hualin Group (the "Relevant Operations").

Any opinions or suggestions in relation to the ESG Report may be sent to the Company's email address at: kh@kanghuagp.com.

董事會欣然提呈本公司截至二零二零年十二月三十一日止年度的環境、社會及管治報告（「環境、社會及管治報告」）。環境、社會及管治報告的內容符合香港上市規則附錄二十七所載的有關環境、社會及管治報告指引。

環境、社會及管治報告涵蓋本集團位於康華醫院、仁康醫院、康華醫院—華為門診、康心醫院及安徽樺霖集團的經營業務（「有關經營業務」）。

如有任何有關環境、社會及管治報告的意見或建議，可發送至本公司的電郵地址 kh@kanghuagp.com。

1. ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT SYSTEM

1.1 Core values in environmental, social and governance

The Group is committed to integrating corporate, social and environmental responsibilities into various aspects of the Group's operations for achieving sustainable development. To this end, the Group has implemented various environmental, social and governance policies:

- (a) compliance with the requirements of the laws, rules and regulations on the corporate environment, society and governance;
- (b) promotion of the establishment and improvement of relevant management systems and mechanisms in corporate environment, society and governance;
- (c) emphasis on delivering patient-centric healthcare services with the highest possible ethical and professional standard;
- (d) active engagement with stakeholders to identify changing needs in corporate, social and environmental aspect of the Group's operations; and
- (e) encourages staff to save energy, cherish resources, support and promote measures on energy-saving and emission reduction.

1. 環境、社會及管治管理制度

1.1 環境、社會及管治的核心價值

本集團致力於將企業、社會及環境責任融入本集團營運的各個方面，以實現可持續發展。為此，本集團已實施各項環境、社會及管治政策：

- (a) 遵守有關企業環境、社會及管治的法律、規則及法規規定；
- (b) 促進建立及改進企業環境、社會及管治的有關管理制度及機制；
- (c) 注重以最高的合理道德及專業標準提供以患者為中心的醫療服務；
- (d) 積極與持份者參與，以識別本集團營運的企業、社會及環境方面不斷變化的需求；及
- (e) 鼓勵員工節約能源、珍惜資源、支持及推進節能減排措施。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group has set up a special working group formed by the management and hospital executives and managers of each hospital and operating facilities to promote the above policies and prepare the relevant disclosures and report to the Board.

本集團已成立了專項工作小組，成員包括管理層及各醫院及營運設施的醫院行政人員及管理人員，以推動上述政策及編製相關披露，並向董事會匯報。

1.2 The communication and responses among the stakeholders

As part of the Group's sustainable development objectives, the Group maintains communication with stakeholders through various channels with a view to proactively responding to stakeholders' requests and fostering the Group's capability in fulfilling its environmental and social responsibilities:

1.2 持份者溝通與回應

作為本集團可持續發展目標的一部分，本集團通過多種渠道與持份者保持溝通，旨在主動回應持份者的要求及促進本集團更好地履行環境及社會責任：

Stakeholders 持份者	Communication and responses 溝通與回應	Key issues 主要事項
Investors/shareholders 投資者／股東	Shareholders' general meetings, annual reports and interim reports, results announcements, corporate announcements, investors conferences 股東大會、年報與中期報告、業績公告、企業公告、投資者大會	Corporate governance and strategic development and directions 企業管治及戰略發展及方向
Government and regulatory authorities 政府及監管機構	Regular communications, field visits, meetings, operating information disclosure and reporting 定期溝通、實地視察、會議、營運資料披露及報告	Strict compliance with applicable laws and regulations, license, maintaining and renewal hospital classification, anti-corruption, environmental protection, responsive to the government's latest policies and directives on healthcare 嚴格遵照適用法律法規、牌照、維持及重續醫院分類、反貪污、環境保護、響應政府有關醫療的最新政策及指引
Staff 員工	Labour union, regular communications between staff and management, staff activities, regular in-house publications, trainings and education, responsibility and accountability systems 職工工會、員工與管理層定期溝通、員工活動、定期內部刊物、培訓與教育、責任及問責制度	Staff retention, collegiality, quality standard, ethical practice, career progression, development and training, workplace health and safety, fair and reasonable reward and punishment mechanisms 員工留聘、合作關係、質量標準、道德操守、職業發展、發展與培訓，工作場所健康與安全、公正合理的獎懲機制

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 持份者	Communication and responses 溝通與回應	Key issues 主要事項
Suppliers	Due diligence, meetings, negotiations, regular review of cooperation and quality check, internal audit of procurements and prescriptions by doctors	Stable and uninterrupted supply of quality pharmaceuticals, medical consumables and medical equipment on terms no less favourable than market, proper qualifications and licenses, service support and training on equipment, anti-corruption, environmentally preferable purchasing
供應商	盡職調查、會議、談判、定期審查合作及質量檢查、採購內部審核及醫生處方	按不遜於市場的條款穩定且不間斷地供應優質的藥品、醫療耗材及醫療設備、適當的資格及牌照、設備的服務支持及培訓、反腐敗、環保採購
Patients	Day to day operations and communications, dedicated customer service, satisfaction surveys and feedback, service complaints and response systems	Clinical standard and the Group's reputation as a quality and ethical healthcare services provider, patient satisfaction, anti-corruption (e.g. refusing "red packets")
患者	日常運營及溝通、專責的客戶服務、滿意度調查與反饋、服務投訴及回應系統	臨床標準及本集團作為優質及高道德標準的醫療服務提供商的聲譽、患者滿意度、反腐敗（如拒絕「紅包」）
Community	Community activities, public health awareness events, free medical consultations, regular in-house publications, donations, supporting charitable causes	Improving the community's awareness of public health and safety and the profile of the Group as a socially responsible healthcare services provider, addressing healthcare needs from the underserved and unprivileged
社區	社區活動、公共衛生意識活動、免費醫療諮詢、定期內部刊物、捐贈、支持慈善事業	提高社區對公共衛生與安全的意識及本集團作為對社會負責的醫療服務提供商的形象、處理服務不足的基層醫療機構的醫療需求
Healthcare facilities	Mutual cooperation and patient referrals, technical assistance to lower-tier hospitals, multisite doctor practice	Delivery of optimal clinical solutions to address the different needs of patients, referral of patients requiring acute, complex and critical care from lower-tier hospitals to the Group, the Group's influential presence in the industry
醫療機構	相互合作及病人轉診，向下級醫院提供技術援助、醫生多點執業	提供最佳的臨床解決方案，以滿足患者的不同需求、將較低等級醫院的急診、疑難雜症及重症監護的患者轉診至本集團、本集團業內有影響力的地位

Environmental, Social and Governance Report

環境、社會及管治報告

2. ENVIRONMENTAL PROTECTION

The Group regularly keeps track of the latest national and regional environmental laws and regulations and adopts all necessary measures to comply with them. The Board considers that wastewaters and solid wastes (particularly medical wastes) produced by the Group's hospitals and operating facilities are particularly relevant to environmental protection. The Group is compliant with applicable laws and regulations, including, the Law of the PRC on the Prevention and Control of Water Pollution, the Regulations on Urban Drainage and Sewage Treatment, the Regulations on the Management of Medical Waste and the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste. During the year ended 31 December 2020, the Group had not been subject to any penalties in relation to environmental protection.

Developing sustainable best practices requires modification of staff behavior, and this occurs most frequently through ongoing staff education. Education and supporting processes are one of the most critical elements to effective implementation of environmental protection initiatives and reduction in environmental footprint.

In particular, with the outstanding performance of Kanghua Hospital in the National Greening Action promoted by the PRC, it is recognised as the "Model National Greening Unit", which is the only Grade A Class III hospital in the PRC bestowed with such award. Kanghua Hospital has achieved a green space and greening coverage ratio of over 60%, providing patients with a pleasant hospital environment surrounded by greenery.

2.1 Wastewaters

Hospitals discharge considerable amounts of chemicals and microbial agents in their wastewaters. Many substances contained in the wastewaters, such as chemicals, medicine residues as well as pathogenic resistant bacteria and viruses, resist normal wastewater treatment and could pose a danger to public health and the environment if released untreated into the public sewer system. Due to the chemical and biochemical contaminants, the wastewaters treatment requires specialised technologies and processes that cannot be feasibly conducted at the source. The Group engages a qualified and licensed service provider to process all of the wastewaters produced by its hospitals. Before the wastewaters are processed by the service provider, they are stored in dedicated facilities to ensure they will not contaminate the primary water supply for human consumption and clinical use.

2. 環境保護

本集團定期追蹤最新國家和地區環境保護法律法規，並採取所有必要措施遵守有關法律法規。董事會認為本集團醫院及營運設施產生的污水及固體廢物（尤其是醫療廢物）與環境保護尤為相關。本集團遵守適用法律法規，包括《中華人民共和國水污染防治法》、《城鎮排水與污水處理條例》、《醫療廢物管理條例》及《中華人民共和國固體廢物污染環境防治法》。截至二零二零年十二月三十一日止年度，本集團並無遭受與環境保護有關的任何懲罰。

制定可持續最佳做法需要改變員工的行為，而這最常見的方法是持續的員工教育。教育及支持過程是有效實施環保舉措及減少環境足跡的最關鍵因素之一。

尤其是，康華醫院憑借在中國推進國土綠化行動中傑出的表現最終獲評為「全國綠化模範單位」，是國內唯一獲此殊榮的三級甲等醫院。康華醫營造了一個超過60%的綠地率及綠化覆蓋率的院區，為患者提供了一個綠化無處不在的就醫環境。

2.1 污水

醫院在其污水中排放大量的化學物質及微生物劑。污水中含有的許多物質，如化學藥品、藥物殘留物、致病性耐藥菌及病毒，抵禦正常的污水處理，如未經處理進入公共污水系統，可能對公共衛生及環境造成危害。由於化學及生物化學污染物，污水處理需要專門的技術及過程，該等技術及過程在源頭上或不可行。本集團委聘合資格且持牌的服務提供商處理其醫院產生的所有污水。於污水經服務提供商處理之前，將其存放在專用設施中，以確保不會污染用於人類飲用及臨床使用的原生水供應。

Environmental, Social and Governance Report

環境、社會及管治報告

The table below sets forth the discharge volume of wastewaters by the Relevant Operations for the years indicated:

下表載列於所示年度有關經營業務的污水排放量：

		Change 變動	2020 二零二零年	2019 二零一九年
Wastewaters discharge (ton)	污水排放(噸)	-0.5%	317,053	318,692
Wastewaters discharge per gross floor area (ton/gross floor area)	每建築面積的污水排放(噸/建築面積)	-8.7%	0.63	0.69

The decrease in wastewaters discharge in 2020 was primarily due to the decrease in business operation of the Group from the COVID-19 pandemic which resulted in the decrease in the overall patient visits in general during the year.

於二零二零年的污水排放減少主要由於本集團業務營運因COVID-19疫情而減少，導致年內整體就診人數減少。

The discharge of wastewaters is integral to the Group's clinical operations and is generally expected to increase in line with business growth. The management does not currently consider that it is feasible to implement any initiatives or policies to control or reduce the amount of wastewaters discharge without compromising sanity and clinical safety, which are of overriding importance to public health and safety. The Group regularly reviews its wastewaters treatment protocols with a view to ensuring there is no inadvertent contamination of its water supply and that the wastewaters will be properly handled by the hospitals before treated by the service provider. The management believes that the wastewaters produced by the hospitals, after properly treated by the service provider, will pose minimal risks to the environment.

污水排放是本集團臨床業務的組成部分，一般預計會隨著業務增長而增加。管理層目前認為，在不影響衛生及臨床安全（其對公共衛生及安全至關重要）情況下實行任何舉措或政策來控制或減少污水排放量不可行。本集團定期檢討其污水處理方案，以確保其供水不會出現疏忽的污染及在服務提供商處理之前，污水將由醫院妥善處理。管理層認為，醫院產生的污水在得到服務提供商的妥善處理後，對環境造成的風險微乎其微。

2.2 Hazardous solid wastes

Hospital operations generate a variety of solid medical wastes in the diagnosis, treatment or immunization of patients or in research that can pose a danger to public health and the environment if not properly treated and disposed of. Materials containing pathogens are infectious can cause diseases if exposed. These include:

- human anatomical waste: waste from surgery and autopsies on patients with infectious diseases;
- sharps: disposable needles, syringes, saws, blades, broken glasses, nails or any other item that could cause a cut; and
- pathological: tissues, organs, body parts, human flesh, fetuses, blood and body fluids.

Non-infectious but hazardous wastes include:

- pharmaceuticals: drugs and chemicals that are returned from wards, spilled, outdated, contaminated, or are no longer required; and
- radioactive: wastes contaminated with radioactive substances used in diagnosis and treatment of diseases.

The Group's hospitals have in place a comprehensive medical waste management system:

1. Identification and segregation of waste types: segregation of different types of wastes at source (wards, operation theaters, laboratories, examination rooms etc.) with color coding systems and clear operation guidelines and handbooks, supervised by responsible staff. Effective segregation diminishes total waste and the hospital's environmental footprint;

2.2 有害固體廢物

醫院業務在患者的診斷、治療或免疫接種或研究中產生各種固體醫療廢物，如不妥善處理及處置，可對公共衛生及環境構成危害。含有病原體的物質具傳染性，如暴露在外，則會造成疾病。該等物質包括：

- 人體解剖廢物：傳染病患者手術及屍體解剖的廢物；
- 銳器：一次性針頭、注射器、鋸、刀片、破碎的玻璃、指甲或任何可能導致割傷的物品；及
- 病理：組織、器官、身體部位、人體、胎兒、血液及體液。

非傳染性但有害廢物包括：

- 藥品：從病房退回、溢出、過期、被污染或不再需要的藥物及化學藥品；及
- 放射性：用於疾病診斷及治療的放射性物質污染的廢物。

本集團醫院已制定一套全面的醫療廢物管理制度：

1. 廢物類型的識別及分離：以顏色編碼系統及明確的操作指引及手冊在負責人員監督下從源頭（病房、手術室、化驗室、檢查室等）分離不同類型廢物。有效的分離減少廢物總量及醫院的環境足跡；

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- | | |
|--|--|
| <p>2. Transport & storage of waste: use of puncture proof and leak proof containers; bags are properly tied and sealed; use of special containers for radioactive wastes; use of designated transport trolleys and timely collection; and storage in covered areas remote from normal passages with security measures to prevent unauthorized tempering;</p> | <p>2. 廢物運輸與儲存：使用防刺穿及防滲漏容器；袋子妥善地捆紮及密封；使用放射性廢物專用容器；使用專用的運輸手推車及及時收集；及保存在遠離正常通道的有蓋區域，並採取安全措施防止未經授權再利用；</p> |
| <p>3. Identify the need for use of personal protective equipment: special clothing, gloves, masks and eye protection identified and provided to the healthcare works responsible for waste transportation and disposal; and</p> | <p>3. 識別使用個人防護裝備的需要：識別並向負責廢物運輸及處置的醫療人員提供特殊服裝、手套、口罩及眼睛保護；及</p> |
| <p>4. Proper disposal of waste: collection and subsequent disposal by qualified and licensed service provider (including incineration, landfill or chemical/biochemical treatment, as appropriate to the type of wastes) specialized in medical wastes disposal. On account of the hazardous nature of these wastes, they are not typically recycled.</p> | <p>4. 妥善處理廢物：由專業從事醫療廢物處理的合資格且持牌服務提供商（包括適用廢物類型的焚化、填埋或化學／生物化學處理）的收集及後續處置。由於該等廢物具有有害性，通常不可回收再利用。</p> |

The table below sets forth the volume of hazardous solid medical wastes produced by the Relevant Operations for the years indicated:

下表載列於所示年度有關經營業務產生的有害固體醫療廢物量：

		Change 變動	2020 二零二零年	2019 二零一九年
Hazardous solid wastes (kg)	有害固體廢物(公斤)	-12.5%	515,121	588,721
Hazardous solid wastes per gross floor area (kg/gross floor area)	每建築面積的有害固體廢物(公斤／建築面積)	-19.3%	1.022	1.266

The decrease in hazardous solid medical wastes produced in 2020 was primarily due to the decrease in business operations of the Group from the COVID-19 pandemic which resulted in the decrease in the overall patient visits in general during the year.

二零二零年產生的有害固體醫療廢物量減少主要由於本集團的業務營運因 COVID-19 疫情而減少，導致年內整體就診次數減少。

The disposal of hazardous solid medical wastes is integral to the Group's clinical operations and is generally expected to increase in line with business growth. The management does not currently consider that it is feasible to implement any initiatives or policies to control or reduce the production of hazardous solid wastes without compromising safety and clinical safety, which are of overriding importance. For example, many surgical tools, protective masks and gloves and syringes are strictly for one-time use only; extending their use may reduce waste production but is not clinically acceptable as it significantly increases the risks of cross-infection among patients and staff. The Group regularly reviews its waste management system with a view to ensuring that all of the steps in the chain are properly followed with the safety of the patients and staff as top priority. One of the key steps in managing the hazardous wastes is proper identification and segregation because: (i) this ensures no hazardous wastes are inadvertently mixed with domestic wastes and disposed without proper treatment, potentially posing harm to public safety and environment; and (ii) the service provider processes the wastes collected according to the identification and segregation by the hospitals. The hospitals have a responsibility and accountability system for waste management at the source and provide regular trainings to the front-line staff to ensure that the guidelines and handbooks are strictly adhered. The management believes that the hazardous solid wastes produced by the hospitals, after properly treated by the service provider, will pose minimal risks to the environment.

棄置有害固體醫療廢物是本集團臨床業務的組成部分，一般預計會隨著業務增長而增加。管理層目前認為，在不影響衛生及臨床安全（其至關重要）情況下實行任何舉措或政策來控制或減少有害固體廢物產生量不可行。例如，許多手術工具、防護口罩及手套和注射器嚴格僅用於一次性使用；延長其使用可能會減少廢物產生量，但從臨床上不可接受，因為這將大幅增加患者與員工之間交叉感染的風險。本集團定期檢討其廢物管理制度，確保以患者及員工安全為首要任務，妥善遵循整個環節中的所有步驟。管理有害廢物的關鍵步驟之一是適當識別及分離，因為：(i) 這將確保有害廢物不會無意中與生活垃圾混合及在沒有妥善處理情況下進行處置，可能危及公共安全與環境；及(ii) 服務提供商根據醫院的識別及分離處理所收集的廢物。醫院從源頭定有廢物管理責任追究制度，定期向前線人員進行培訓，確保嚴格遵守指引及手冊。管理層認為，醫院產生的有害固體廢物經服務提供商妥善處理後，對環境構成的風險微乎其微。

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2.3 Domestic wastes

The Group's operations generate domestic wastes that are non-infectious and non-hazardous from the offices, dormitories, kitchens, rooms, including bed linens, utensils, paper, etc. These wastes are identified and segregated at source and are eventually collected, treated and recycled by general wastes service providers.

The table below sets forth the volume of domestic wastes produced by the Relevant Operations for the years indicated:

		Change 變動	2020 二零二零年	2019 二零一九年
Domestic wastes (kg)	生活垃圾(公斤)	-26.6%	2,160,406	2,943,221
Domestic wastes per gross floor area (kg/gross floor area)	每建築面積的生活垃圾(公斤/建築面積)	-32.3%	4.285	6.328

The decrease in domestic wastes produced in 2020 was primarily due to the decrease in business operations of the Group from the COVID-19 pandemic which resulted in the decrease in the overall patient visits in general, and the continuous efforts in reducing office and other domestic consumables usage using the year.

The Group is conscientious about the environment and is committed to the recycling of domestic wastes where feasible. This primarily includes the recycling of paper, plastic, metal and glass. The Group mandates its staff to segregate the domestic wastes into appropriate categories for proper handling by the service provider. The Group also promotes "paper-less" office, including double-sided or secondary paper printing except for official documents, multimedia form of presentation in meetings and increasing the use of office automation system to reduce administrative paperwork. The hospitals have an engineering department to salvage any usable parts or components from decommissioned equipment and furniture, such as televisions, computers and hospital beds, before they are disposed of. The Group may also donate obsolete but functional items, such as computers, to various charitable organisations. The Group will continue to explore feasible initiatives to reduce domestic waste production and enhance its recycling efforts.

2.3 生活垃圾

本集團的業務從辦公室、宿舍、廚房、房間產生非傳染性且非有害性的生活垃圾，包括床上用品、餐具、紙張等。該等垃圾從源頭予以識別及分離，最終由一般廢物服務提供商收集、處理及回收再利用。

下表載列於所示年度有關經營業務產生的生活垃圾量：

二零二零年產生的生活廢棄物減少主要由於本集團的業務營運因COVID-19疫情而減少，導致年內整體就診次數減少，以及持續減少辦公室及其他生活消耗品使用量。

本集團認真對待環境，致力於在可行的情況下回收再利用生活垃圾，主要包括紙張、塑料、金屬及玻璃的回收利用。本集團要求其員工將生活垃圾分為適當類別，供服務提供商妥善處理。本集團亦推崇「無紙化」辦公（包括雙面或二次印刷，除正式文件外）、會議的多媒體展示及增加辦公自動化系統的使用，以減少行政文書工作。醫院設有一個工程部門，於報廢設備及傢具（如電視機、電腦及醫院病床）處置前將其任何可用零件或部件進行回收。本集團亦可將過時但可使用的物品（如電腦）捐贈予各慈善組織。本集團將繼續探索可行的舉措，減少生活垃圾產生量並加強回收力度。

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2.4 Energy consumption

Healthcare systems are among a community's largest consumers of energy. Hospitals are generally open 24 hours a day and have sophisticated energy needs, such as particular air flow controls and specialized heating, ventilation and air-conditioning systems. The Group's hospitals' and operating facilities' energy consumption primarily includes electricity and water.

The table below sets forth the consumption of the Relevant Operations for the years indicated:

		Change 變動	2020 二零二零年	2019 二零一九年
Electricity (kilowatt-hours)	電力(千瓦時)	-1.4%	38,761,263	39,291,865
Electricity consumption intensity (kilowatt-hours per gross floor area)	電耗強度 (每建築面積千瓦時)	-9.0%	76.9	84.5
Water consumption (ton)	水耗(噸)	-7.8%	713,872	774,110
Water consumption intensity (ton per gross floor area)	水耗強度 (每建築面積噸)	-14.5%	1.42	1.66

Electricity consumption is primarily attributable to air-conditioning, water heating, lighting and energy demanding medical equipment such as MRI and X-ray. The Group's initiatives aimed at reducing electricity consumption include:

- explore the feasibility of using air heat pump water heater and gas-fired boiler;
- installation of inverter-type air-conditioning systems that are more energy-efficient;
- installation of high efficiency LED light sources;
- promote staff awareness and control measures ensure lights are off when no one is using;
- an energy saving task force is set up to perform regular inspections of air-conditioning systems and other electrical systems to ensure no unintended or unusual usage;

2.4 能源消耗

醫療系統是社區最大的能源消費機構之一。醫院一般每天24小時開業，具有極為複雜的能源需求，如特定的氣流控制及專門的供暖、通風及空調系統。本集團醫院及營運設施的能源消耗主要包括水電。

下表載列於所示年度有關經營業務消耗量：

電力消耗主要是由於空調、水暖、照明及高耗能的醫療設備(如MRI及X射線)。本集團旨在減少用電量的舉措包括：

- 探索使用空氣熱泵熱水器及燃氣鍋爐的可行性；
- 安裝更節能的逆變式空調系統；
- 安裝高效率LED光源；
- 推動員工的意識及控制措施，確保在沒有人在使用時熄燈；
- 設立一個節能專責小組，對空調系統及其他電氣系統進行定期檢查，以確保不存在無意或異常使用；

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- installation of motion-triggered lighting systems in escalators and elevators;
 - maximize the use of natural sunlight via roof windows;
 - implement a system of inspecting office buildings; every administrative department is responsible for the inspection of power consumption and timely turning off related electrical appliances, including lighting, air conditioning and so on.
 - installation of automatic door closers in wards with a view to increasing energy efficiency by limiting the amount of air movement required, as well as the space that needs to be cooled; and
 - gradually replace obsolete equipment with new equipment that are certified for energy efficiency.
- 在自動扶梯及電梯中安裝運動觸發的照明系統；
 - 通過屋頂窗戶最大限度地利用自然光；
 - 實施辦公樓巡查制度，即各行政部門分區域負責電力使用情況檢查並及時關閉相關電器，包括電燈、空調等。
 - 將自動閉門器安裝在病房中，以通過限制所需的空氣流動量以及需要冷卻的空間來提高能源效率；及
 - 逐步用節能認證的新設備替代過時的設備。

Water consumption is primarily attributable to cooling equipment, plumbing fixtures, landscaping, medical process rinses, pure water systems and domestic uses (sinks, showers, toilets). The Group's initiatives aimed at reducing water consumption include:

耗水量主要是由於冷卻設備、水管裝置、景觀美化、醫療過程沖洗、純淨水系統及生活用水（水槽、淋浴、廁所）。本集團旨在減少用水量的舉措包括：

- leak detection and repair;
 - use of high-efficiency showerheads;
 - use of low-flow plumbing fixtures;
 - use of motion sensor-activated faucets and flow control;
 - use of waterless medical vacuum pumps;
 - use of reject water produced in the reverse-osmosis process;
 - use full loads in sanitizers, sterilizers and laundry washing machines, consistent with infection control requirements; and
 - minimize water use for irrigation with rain/soil moisture controllers and only during times when wind and evaporation are lowest.
- 洩漏檢測及維修；
 - 使用高效噴頭；
 - 使用低流量水管裝置；
 - 使用運動傳感器啟動的水龍頭及流量控制；
 - 使用無水醫用真空泵；
 - 使用在反滲透過程中產生的廢水；
 - 符合感染控制要求情況下全負荷使用消毒劑、消毒器及洗衣機；及
 - 使用雨水／土壤濕度控制器盡量減少灌溉的用水量，且只有在風及蒸發量最低的時候才能使用。

The Group achieved remarkable water saving on account of, among other water-saving initiatives, the installation of more than 1,500 high-efficiency waterheads at Kanghua Hospital.

In the past, Kanghua Hospital has been awarded by the Dongguan Water Authority under the Dongguan Municipal People's Government, the "Water-Saving Unit of Dongguan" upon passing evaluations on various aspects, including water-saving rules and regulations, water-saving containers and infrastructure, water usage planning and management and water-saving mechanism implementation.

The Group will continue to oversee the effectiveness of the above initiatives and explore new and innovative ways to achieve water saving, which will in turn contribute to electricity saving.

The decrease in the consumption of both electricity and water during the year ended 31 December 2020 was primarily due to the decrease in business operations of the Group from the COVID-19 pandemic which resulted in the decrease in the overall patient visits in general during the year, and restriction and closures of our rehabilitation centres during the time of the pandemic.

2.5 Antibiotics prescription

Antimicrobial resistance is a global public health challenge, which is aggravated by the overuse of antibiotics. Increased antimicrobial resistance is the cause of severe infections, complications, longer hospital stays and increased mortality. Antibiotics over-prescription is also potentially associated with an increased risk of adverse effects, more frequent re-attendance and increased medicalization of self-limiting conditions.

Inevitably, doctors at the Group's hospitals prescribe antibiotics to patients from time to time. The Group is committed to the judicious prescription of antibiotics by eliminating unnecessary or sub-optimal prescriptions. The Group's continuous efforts has led to a stable rate of antibiotics prescription of the relevant operations in 2020 as compared with 2019.

因在康華醫院安裝了逾1,500個高效水龍頭等節水措施，本集團節水成效顯著。

過往，東莞市人民政府屬下的東莞市水務局通過對節水規章制度、節水載體建設、用水計劃管理、節水投入機制等方面的評審，向康華醫院頒發了「東莞市節水型單位」。

本集團將繼續監督上述舉措的有效性，並探尋新的創新方法實現節水，進而促進節電。

截至二零二零年十二月三十一日止年度，水電耗量減少，主要乃因本集團的業務營運因COVID-19疫情而減少，導致年內整體就診次數減少，以及於疫情期間限制及關閉康復中心。

2.5 抗生素處方

抗菌素耐藥性是全球公共衛生的一項挑戰，過度使用抗生素會造成耐藥性加劇。抗菌素耐藥性加劇是導致嚴重感染、併發症、住院時間延長及死亡率上升的原因。抗生素處方過量亦可能伴隨著不利影響的風險增加，復發頻率增加及自限性條件的醫療化增加。

本集團醫院醫生不時不可避免地患者開出抗生素處方。本集團致力於通過消除不必要或次優處方審慎開出抗生素處方。經過不懈努力，本集團於二零二零年對比二零一九年於相關業務上採取穩定的抗生素處方使用率。

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The Group's clinical governance tracks a number of parameters to gauge the prescription of antibiotics as set forth in the table below:

本集團的臨床治理追蹤衡量抗生素處方的若干參數，詳情載列下表：

Kanghua Hospital	康華醫院	2020 二零二零年	2019 二零一九年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	8.2%	10.8%	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	17.0%	25.8%	≤ 40%
Rate of antibiotics prescription for inpatients	住院患者抗生素處方率	45.0%	47.2%	≤ 60%
Renkang Hospital	仁康醫院	2020 二零二零年	2019 二零一九年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	11.1%	15.1%	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	29.5%	31.7%	≤ 40%
Rate of antibiotics prescription for inpatients	住院患者抗生素處方率	58.8%	62.8%	≤ 60%
Kangxin Hospital	康心醫院	2020 二零二零年	2019 二零一九年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	1.2%	2.0%	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	2.1%	4.0%	≤ 40%
Rate of antibiotics prescription for inpatients	住院患者抗生素處方率	25.2%	25.0%	≤ 60%

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Huawei Clinic	華為門診	2020 二零二零年	2019 二零一九年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	9.5%	17.3%	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	19.8%	19.8%	≤ 40%
Anhui Hualin Group	安徽樺霖集團	2020 二零二零年	2019 二零一九年	Standard 標準
Rate of antibiotics prescription for Outpatients	門診患者抗生素處方率	13.2%	13.4%	≤ 20%
Rate of antibiotics prescription for emergency treatment	抗生素處方用於緊急治療的比率	0%	0%	≤ 40%
Rate of antibiotics prescription for inpatients	住院患者抗生素處方率	21.6%	17.7%	≤ 60%

The Group's initiatives to the judicious prescription of antibiotics include:

- providing education and clinical decision support to doctors and patients regarding the long-term and community-wide consequences of overusing antibiotics;
- patients should be educated of the importance of following the use of antibiotics according to prescription;
- doctors should always follow the principle of rational, safe and effective antibiotics prescription;
- antibiotics should be prescribed only for bacterial infections whenever possible and in the proper dose for the correct duration;
- narrow spectrum antibiotics should be chosen whenever possible to avoid destroying populations of beneficial bacteria along with the disease-causing bacteria;

本集團倡導審慎開出抗生素處方的舉措包括：

- 為醫生及患者提供過度使用抗生素的長期及全社會後果的教育及臨床決策支持；
- 教育患者遵照處方使用抗生素的重要性；
- 醫生應始終遵循合理、安全及有效的抗生素處方原則；
- 抗生素盡可能於細菌感染時方可按正確藥效時間的適當劑量開出處方；
- 應盡可能選擇窄譜抗生素，以避免連同致病細菌一起破壞有益細菌群；

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- publish internal clinical guidelines for doctors to follow, especially for common infections, with a view to improving antibiotics use;
 - rotating use of different classes of antibiotics where possible;
 - accountability systems to prompt responsible prescription of antibiotics by doctors;
 - strictly prohibit any form of advantages or rebates provided by pharmaceutical companies to incentivize doctors to prescribe more antibiotics; and
 - regular communications with regulators and healthcare organizations, including the Chinese Center for Disease Control and Prevention, to understand the latest community threats and outbreaks with a view to modifying antibiotics prescription strategy as appropriate.
- 發佈醫生遵循的內部臨床指引，特別是針對常見的感染，以改善抗生素使用；
 - 盡可能交替使用不同類別的抗生素；
 - 制定問責制度，促使醫生負責任地開出抗生素處方；
 - 嚴格禁止製藥公司提供任何形式的好處或回扣鼓勵醫生開出更多的抗生素處方；及
 - 與包括中國疾病預防控制中心在內的監管機構及醫療組織定期溝通，了解最新的社區疾病威脅及爆發情況，以期酌情修改抗生素處方策略。

3. EMPLOYMENT

The success of the Group depends critically on its ability to attract, develop and retain its staff. The Group adheres to fair and open recruitment practices, and provides its staff with adequate protection of rights. During the year ended 31 December 2020, the Group continued to strive for improvements and innovations in staff support, development and training to create a safe and comfortable working environment and provide a fair and collegial learning and development platform. The Group prides itself on maintaining harmonious relationships with its staff in the spirit of “Kanghua People”. As of 31 December 2020, the Group had a total of 3,777 (2019: 3,838) full-time staff.

3. 僱傭

本集團的成功十分依賴於吸引、培養及留住員工的能力。本集團遵循公開公平的招聘方式，並充分保護員工權利。截至二零二零年十二月三十一日止年度，本集團繼續努力在員工支持、發展及培訓上作出改進及創新，以創造安全舒適的工作環境和提供公平的學院式學習及發展平台。本集團秉著「康華人」的精神以與員工保持和諧關係為榮。截至二零二零年十二月三十一日，本集團共有全職員工3,777人（二零一九年：3,838人）。

3.1 Recruitment

Recruitment is an important component to the continuous growth of the Group. The Group's recruitment process is merit based and is open to all qualified personnel. In addition to internal recruitment by job promotion and rotation, the Group also carries out external recruitment activities. Healthcare professionals are highly sought after in Guangdong Province. Therefore, the Group strategically extends its recruitment efforts to other provinces in the PRC. The Group implements a series of internet recruitment campaigns to reach a wide base of potential candidates and on campus recruitment drives in key medical schools and nursing schools in multiple provinces to attract talent out of Guangdong Province. Teaching affiliations with academic institutions enable the Group to identify potential young healthcare professionals and recruit them early on. The Group also has in place various referral schemes to identify potential candidates from its existing staff's social networks. Referred staff generally has higher retention rates and increased engagement. The Group audits and verifies staff identify and background as part of the recruitment process to ensure no child labor or forced labour is employed. Depending on the position being hired, the Group also conducts background checks to ensure the veracity of information provided by the potential candidate. The Group has adopted a Recruitment Process Management Policy to standardize its recruitment practice.

The Group strictly abides by the relevant laws and regulations such as the Labor Law of the PRC and the Labor Contract Law of the PRC, and enters into labor contracts with its staff. Each of the Group's hospitals and operating facilities has adopted a labor union to protect the rights and interests of its staff and encourage them to participate in the management of the Group's operations.

3.2 Equal opportunities employer

The Group is an equal opportunities employer. The Group provides equal opportunities to all staff in a fair, transparent and non-discriminatory environment. Female staff has equal opportunities as male staff, and would not be prejudiced because of pregnancy. No religious or racial discrimination is tolerated in recruitment and career development.

3.1 招聘

招聘是本集團持續增長的重要組成部分。本集團的招聘流程採取擇優錄用，面向所有合資格人士開放。除通過職位晉升及工作輪換進行內部招聘外，本集團亦開展外部招聘活動。醫療專業人士在廣東省備受歡迎。因此，本集團策略性地向中國其他省份擴展招聘工作。本集團實施一系列互聯網招聘活動以接觸廣泛的潛在候選人，並在多個省份的主要醫學院及護理學校進行校園招聘活動以吸引廣東省外人才。本集團與學術機構的教學關係讓其可物色到潛在年輕醫療專業人士並在早期進行招聘。本集團亦制訂多項推薦計劃以從現有員工社會網絡中物色潛在候選人。獲推薦員工的保留率通常較高及更加投入。作為招聘流程的一部分，本集團會審核及核實員工身份與背景，確保不會僱用童工或發生強迫勞動。視乎被聘用的職位，本集團亦會進行背景調查以確保潛在候選人提供的資料真實。本集團已採納《招聘流程管理制度》以使招聘方式標準化。

本集團嚴格遵守相關法律法規，如《中華人民共和國勞動法》及《中華人民共和國勞動合同法》，並與員工訂立勞動合同。本集團各家醫院及營運設施均已成立工會以保護員工權利及權益，並鼓勵員工參與本集團經營管理。

3.2 平等就業機會

本集團是平等就業僱主。本集團為所有員工在公平、透明、無歧視環境中提供平等機會。女性員工擁有與男性員工平等機會，不會因為懷孕而受歧視。在招聘及職業發展中亦不容忍任何宗教或種族歧視。

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截至二零二零年十二月三十一日

Age Group/Gender	年齡組別/性別	Kanghua Hospital		Renkang Hospital		Kangxin Hospital		Huawei Clinic		Anhui Hualin Group		Total Staff	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
		男	女	男	女	男	女	男	女	男	女	男	女
Age 51 or above	51歲或以上	77	51	31	19	11	6	6	3	13	57	138	136
Age between 31 to 50	31至50歲	310	514	94	147	54	93	7	16	50	222	515	992
Age below 30	30歲或以下	164	778	32	197	21	128	2	48	90	389	309	1,540
		551	1,343	157	363	86	227	15	67	153	668	962	2,668

As at 31 December 2019

截至二零一九年十二月三十一日

Age Group/Gender	年齡組別/性別	Kanghua Hospital		Renkang Hospital		Kangxin Hospital		Huawei Clinic		Anhui Hualin Group		Total Staff	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
		男	女	男	女	男	女	男	女	男	女	男	女
Age 51 or above	51歲或以上	89	61	30	15	13	6	6	4	42	32	180	118
Age between 31 to 50	31至50歲	321	543	93	141	65	84	7	11	64	194	550	973
Age below 30	30歲或以下	165	840	32	198	26	148	3	50	87	437	313	1,673
		575	1,444	155	354	104	238	16	65	193	663	1,043	2,764

3.3 Staff remuneration and retention

The Group's comprehensive staff remuneration and retention policy is designed with a view to rewarding staff performance and long term staff retention. It primarily includes: (i) economic components comprising basic salary determined with reference to the individual's position, seniority and length of service, performance bonus determined with reference to the metrics specific to the individual's job function and other benefits; and (ii) non-economic components comprising personal development, job challenge and satisfaction, recognition, work environment, work safety and career advancement. The Group regularly benchmarks against available market data and adjusts its remuneration structure with a view to remaining competitive. While financial incentives are an important factor in staff retention, the Group recognizes that they alone are not enough to improve recruitment and retention in a sustainable manner. Therefore, the Group places equal emphasis on non-economic factors, in particular personal development, work environment and collegiality. The Group's career advancement track is transparent and achievable. The Group provides a platform and support for its staff to undertake medical education and research in their field of choice.

With a view to retaining and developing talent, the Group actively identifies high potential staff and provide them with additional training opportunities, industry exposure and an accelerated career track. By providing training for new skills and tuition reimbursement for external courses, the Group's staff will feel valued, important and invested in the Group. The Group regularly carries out staff appraisals to discuss achievements, strengths, and areas for development, and to set personal objectives with a view to ensuring they feel motivated and appreciated for their contribution. The Group maintains open channels of communication with its staff to keep them informed of the latest developments and provide them with opportunities to voice their opinions. The Group also recognises that its healthcare professionals, in particular doctors and nurses, may be subject to a high pressure and demanding work environment from time to time due to their job nature, which may result in attrition. The Group actively monitors the emotional wellbeing of its staff and provide counselling and supporting arrangements where appropriate. The Group regularly gauges the working hours of its staff to identify any staff with excessive workloads and makes alternative staffing arrangements if necessary. The Group aims to build a strong organisational culture to cultivate a sense of belonging among its staff through various staff functions and events. The Group believes that the creation of a healthy and harmonious working environment will improve staff morale and productivity in the long term.

3.3 員工薪酬及留任

本集團的全面員工薪酬及留任政策旨在獎勵員工表現及長期留住員工。該政策主要包括：(i)經濟部分，當中包括參考個人職位、資歷及服務年限釐定的基本薪金、參考個人職能特定指標釐定的績效花紅及其他福利；及(ii)非經濟部分，當中包括個人發展、工作挑戰性及滿意度、成就感、工作環境、工作安全及職業晉升。本集團定期以可用市場數據為基準，調整其薪酬結構，以保持競爭力。雖然財務獎勵是留住員工的一個重要因素，但本集團認識到，單純的財務獎勵並不足以可持續地改善招聘及留任情況。因此，本集團同樣重視非經濟因素，尤其是個人發展、工作環境及共同治理。本集團的職業晉升渠道透明可行。本集團為員工提供平台及支持，以在其選擇領域進行醫學教育及研究。

為留住及培養人才，本集團積極發掘高潛質員工，向彼等提供額外培訓機會、行業曝光及職業快速晉升通道。通過提供新技能培訓及外部課程學費報銷，本集團的員工將體會到自身價值，認識到自身重要性並投身於本集團。本集團定期進行員工評價以討論成就、優勢及進步領域，並設定個人目標，以確保員工因其貢獻而感受到激勵及獎勵。本集團保持與員工的公開溝通渠道，使之獲悉最新進展，並向彼等提供機會表達個人意見。本集團亦認識到，其醫療專業人士，尤其是醫生及護士，可能因工作性質而不時承受巨大壓力及面臨苛刻工作環境，這可能導致人員流失。本集團積極監控員工心理健康，並在適當時提供諮詢及支持安排。本集團定期計量員工工作時數，以發現超工作負荷的員工，並在必要時作出替代人員安排。本集團旨在打造強有力的組織文化，通過多個職能部門及活動培養員工歸屬感。本集團認為，營造健康和諧的工作環境將長期提高員工士氣及生產力。

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In 2020, the Group began the year with 3,838 (2019: 3,469) full-time staff, added 396 (2019: 794) full-time staff and lost 457 (2019: 425) full-time staff during the year. As at 31 December 2020, the Group had a total of 3,777 (2019: 3,838) full-time staff. The attrition rate of full-time staff (including doctors, nurses, administrative and other support staff) of the Group for 2020 was 12.2% (2019: 11.7%). The attrition rate of doctors of the Group for 2020 was 12.5% (2019: 13.9%). The improvement in attrition rate was primarily attributable to the offering of more competitive remuneration packages and the enhanced profile of the "Kanghua" brand.

3.4 Training and development

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

二零二零年，本集團年初全職員工3,838人（二零一九年：3,469人），年內增加全職員工396人，（二零一九年：794人）及流失全職員工457人（二零一九年：425人）。於二零二零年十二月三十一日，本集團共有全職員工3,777人（二零一九年：3,838人）。二零二零年，本集團的全職員工（包括醫生、護士、行政及其他支援的員工）流失率為12.2%（二零一九年：11.7%）。二零二零年，本集團的醫生流失率為12.5%（二零一九年：13.9%）。流失率改善，主要乃因提供更具競爭力薪酬待遇以及「康華」品牌的影響所致。

3.4 培訓及發展

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

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The Group has adopted a Continuing Education and Training Management Policy. The training system is supported by three major components:

- the science and education department is primarily responsible for training on clinical skills;
- the nursing department is primarily responsible for training on nursing and patient caretaking skills; and
- the human resources department is primarily responsible for comprehensive training on staff management capability, cultural values and technical skills.

The table below sets forth the number of training hours provided to the Group's staff of the Relevant Operations for the years indicated:

		Change 變動率	2020 二零二零年	2019 二零一九年
Number of participants	參與人次	-37.8%	18,880	30,360
Training man-hours (Hours)	培訓工時 (小時)	-39.1%	236,300	388,120

The decrease in the number of participants and training man-hours was primarily due to the restriction measures imposed, temporary closures of our operations and reduction of our non-essential training at the time of the COVID-19 pandemic during the year.

本集團已採納《繼續教育培訓管理制度》。該培訓制度由三個主要組成部分支持：

- 科教部主要負責臨床技能的培訓；
- 護理部主要負責護理及照料病患技能的培訓；及
- 人力資源部主要負責員工管理能力、文化價值及技術技能的全面培訓。

下表載列於所示年度為有關經營業務的本集團員工提供的培訓時數：

參與人次及培訓時數減少，主要由於年內COVID-19疫情期間施加的限制措施，臨時關閉營運以及我們的非必要培訓減少。

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3.5 Workplace health and safety

The Group highly values occupational safety and strives to eliminate potential workplace health and safety hazards. The Group maintains an internal audit and inspection program to ensure the safety of the hospital premises for patients, the public and staff. The aim of the audit process is to ensure that the workplace is continuously monitored and that deficiencies in relation to set standards are remedied. The Group ensures that each of its hospital departments is periodically inspected and audited for safety issues, such as medical treatment safety, environment safety and occupational safety. The Group actively encourages staff to report health and safety incidents and risks on a no repercussion basis, and the learning from proactive monitoring and findings from incident reviews is used to improve further and refine training programmes, policies and working practices. For the year ended 31 December 2020, the Group had, in all material respects, complied with applicable laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

The Group is committed to improving the construction of infection prevention and control systems at both the hospital level and discipline level, further clarifying the functions of infection prevention and control teams, revising the infection prevention and control policies, processes and contingency plans, and strengthening the relevant training and education with a view to consistently standardizing infection prevention and control management. The Group conducts regular sanitisation to contain the potential spread of infectious diseases at its hospitals. The Group has established surveillance systems to closely monitor the prevalence of nosocomial infections at its hospitals and ensure that such incidents are maintained at a very low level in compliance with applicable standards. The Group also provides periodical occupational safety education and training to augment its staff's awareness of safety issues. The Group provides its staff with regular health assessment to monitor their overall health. In particular, the Group adopts stringent assessment protocols for its staff that are regularly exposed to high-risk environments such as radiation and clinical wastes to ensure their exposure is within acceptable safety limits. Such staff are provided with adequate protective gears and are regularly required to take days off to minimize the long term health effects of radiation. Each relevant staff is required to follow specific procedures and guidelines laid down by the hospital, including Medical Staff Occupational Exposure Protection and Reporting Policy. From time to time, the Group engages third party experts to assess the effectiveness of the hospitals' safety and protective measures.

3.5 工作場所健康及安全

本集團高度重視職業安全，努力消除潛在工作場所健康及安全危害。本集團維持內部審核及檢查制度，以確保醫院範圍內患者、公眾及員工的安全。審核過程旨在保證工作場所處於不斷的監控中，以及與設定標準有關的不足之處得到整改。本集團確定期檢查及審查醫院各科室的安全問題（如醫療安全、環境安全及職業安全）。本集團積極鼓勵員工按無反覆基準報告健康及安全事故及風險，而從主動監控中了解的情況及從事故回顧中發現的問題會用於進一步改善及完善培訓計劃、政策及工作實踐。截至二零二零年十二月三十一日止年度，本集團在關於提供安全工作環境及保障僱員免於職業危險的所有重大方面，符合及採用適用法律法規。

本集團堅持完善醫院、科室兩級感染防控體系建設，進一步明確了科室感染防控小組職能，修訂感染防控制度、流程及應急預案，並加強相關培訓與教育，以此不斷規範科室感染防控管理。本集團進行定期消毒，控制傳染性疾病在醫院的潛在傳播。本集團已建立監測系統，密切監控其醫院的醫院感染現患率，確保此類事故維持在極低水平，以符合適用標準。本集團亦提供定期的職業安全教育及培訓，以增強員工的安全問題意識。本集團向員工提供定期健康評估以監控彼等的整體健康，尤其是，針對經常暴露於高風險環境（如輻射及臨床廢棄物）的員工，本集團採用嚴格的評估方案，以確保彼等面臨的風險在可接受安全限度內。該等員工獲提供充分保護裝置，並定期被要求休假數日以盡量降低輻射的長期健康影響。各名相關員工均須遵守醫院制定的具體程序及指引，包括《醫務人員執業暴露防護與報告制度》。本集團會不時聘請第三方專家評估醫院安全及保護措施的有效性。

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The Group recognizes that medical violence has in recent years become a workplace safety hazard faced by many medical professionals in the PRC. In light of this, the Group has established internal guidelines and provided trainings to better prepare its staff in handling such situations, including setting a risk assessment of patient violence, implementing an on-line direct reporting system for adverse events of hospitals and adhering to the Regulations on Prevention and Treatment of Medical Disputes recently issued by the government and taking into account the actual circumstances of the hospitals to establish an early warning management system for patient safety. The department of security is able to dispatch security officers experienced in handling incidents of medical violence. The Group also works closely with the police bureaus and law enforcement agencies who will be able to dispatch officers in short notice to the hospitals if necessary.

本集團認識到醫療暴力近年來已成為中國許多醫務專業人員面臨的工作場所安全危害。有鑒於此，本集團已制定內部指引並提供培訓，以使員工更好做好準備處理有關情況，包括制定患者暴力風險評估，啟用醫院內不良事件網絡直接上報系統，以及根據國家最近頒發的《醫療糾紛預防與處理條例》，結合醫院實際情況，建立患者安全預警管理體系。保衛科能夠調派在處理醫療暴力事件方面經驗豐富的安保人員。在必要情況下，本集團亦會與警察局及執法機構密切合作，彼等將能在接到通知後短時間內向醫院派遣人員。

The table below sets forth key health and safety information of the Relevant Operations for the years indicated:

下表載列於所示年度有關經營業務的主要健康及安全資料：

		2020 二零二零年	2019 二零一九年
Number of staff contracting infections due to occupation	因職業接觸感染員工人數	—	19
Number of staff deaths due to occupation	因職業死亡員工人數	—	—
Number of staff disabilities due to occupation	因職業殘疾員工人數	—	—
Number of man-days lost due to occupation related injuries or illness	因職業相關傷病損失工日天數	—	—

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4. SERVICE QUALITY

As embodied in the Group's motto "Empathic • Virtuous Medical Practice" (蒼生為念 • 厚德載醫), the Group adopts a patient-centric approach in treating all patients, the well-being of whom form the core of its values. The Group places a high priority on providing patients with consistently high quality service and support, which is crucial to its long-term success. The Group provides patient care in an ethical manner, and at the best possible quality, taking into consideration patient safety, patients' satisfaction and service efficiency.

4.1 Patient satisfaction and complaints

The Group's hospitals have a dedicated customer service department to collect and gauge patient feedbacks. The customer service department is an important component in ensuring that patient experience is positive through proactive outreach and responsive communication. The table below sets forth key operating data of the Group's customer service for the years indicated:

		Change 變動率	2020 二零二零年	2019 二零一九年
Number of patients served	服務患者人次	+5.4%	123,096	116,742
Customer service man hours	客服人工時數	+0.1%	2,025,074	2,022,338

The increase in number of patients served was primarily due to (i) the increase in patients visited and served at Kanghua Hospital – Huawei Clinic during the year; and (ii) further improved efficiency and automation of certain aspects of outpatient customer service at Kanghua Hospital and Renkang Hospital in 2020 through online platforms.

4. 服務質量

誠如本集團宗旨「蒼生為念 • 厚德載醫」所體現者，本集團在為所有患者治療時採取以患者為中心的方式，患者安康是其價值核心。本集團高度重視為患者提供一貫的優質服務與支持，這對其長期成功至關重要。考慮到患者安全、患者滿意度及服務效率，本集團以合乎道德的方式、以盡可能好的質量為患者提供護理。

4.1 患者滿意度及投訴

本集團的醫院設有專責客戶服務部以收集及計量患者反饋。通過主動延伸服務及積極應答溝通，客戶服務部是確保患者體驗積極的重要組成部分。下表載列於所示年度本集團客戶服務的主要經營數據：

服務患者人次增加主要由於(i)年內康華醫院－華為門診的服務患者人次增加；及(ii)康華醫院及仁康醫院於二零二零年透過網上平台進一步提升了門診客服若干方面的效率及自動化。

The hospitals continuously review and streamline patient registration process and provide regular staff customer-service training. The hospitals also conduct patient satisfaction surveys. Such results serve to establish a baseline to monitor changes in patient experience and satisfaction in specific area of service delivery. These surveys primarily include:

- call back interviews with inpatients, outpatients and physical examination patients;
- surveys delivered through short messaging services;
- on-site questionnaires; and
- comments collection boxes.

The Group also cooperates with third parties to conduct comprehensive surveys and analytical studies from time to time.

The subjective nature of the healthcare industry means that the Group occasionally receives patient complaints in the ordinary course of business. The Group has implemented a standardised customer complaint management at each of its hospitals with a view to promptly, accurately and comprehensively collecting feedback from patients, addressing patients' concerns, continuously improving clinical processes and ultimately delivering service of the highest standard to patients. The Group generally classifies patient complaints in three major categories of importance: (i) critical complaints, which may involve deficiencies in clinical quality resulting in adverse effects to patients, medical disputes attracting media attention and intervention from regulatory authorities, extremely poor service attitude, verbal abuses or assaults on patients, or any complaints regarding medical ethics; (ii) regular complaints, which may involve general service attitude, environment, accommodation, hospital or inter-departmental processes resulting in inconvenience to patients, billing error, repeated assessment, pricing or lack of communication or language skills; and (iii) immaterial complaints, which may involve mere service recommendations or trivial comments, or complaints that are frivolous, vexatious or are primarily attributable to the patients' individual condition.

醫院會持續檢討並簡化患者掛號流程，並提供定期員工客戶服務培訓。醫院亦會進行患者滿意度調查。有關結果用於建立監控特定服務提供領域內患者體驗及滿意度變化的基準。該等調查主要包括：

- 電話回訪住院患者、門診患者及體檢患者；
- 通過短信服務進行調查；
- 現場問卷調查；及
- 意見收集箱。

本集團亦會不時與第三方合作進行全面調查及分析研究。

醫療行業的主觀性意味著本集團在日常業務過程中會不時收到患者投訴。本集團已在其各家醫院實施標準化客戶投訴管理，以快速、準確及全面收集患者反饋、解決患者關切、持續改善臨床流程及最終向患者提供最高水準的服務。本集團一般將患者投訴分為三大重要類別：(i) 重大投訴，該等投訴可能涉及導致對患者產生不利影響的臨床質量缺陷、引發媒體關注及監管部門干預的醫療糾紛、服務態度極其惡劣、對患者進行辱罵或攻擊或涉及醫德的任何投訴；(ii) 一般投訴，該等投訴可能涉及一般服務態度、環境、住宿、醫院或院內科室間流程給患者帶來的不便、計費錯誤、重複檢查、定價或缺乏溝通或語言技巧；及(iii) 非重要投訴，該等投訴可能僅涉及服務建議或瑣碎評論，或屬無聊、無理取鬧或主要歸因於患者個人狀況的投訴。

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The table below sets forth the number of each category of complaints received by the Group for the years indicated:

下表載列於所示年度本集團收到的各類投訴數目：

		Change 變動率	2020 二零二零年	2019 二零一九年
Number of critical complaints	關鍵投訴數目	-6.3%	15	16
Number of regular complaints	定期投訴數目	-25.4%	50	67
Number of immaterial complaints	非重要投訴數目	-1.2%	333	337
Total	總計	-5.2%	398	420

Patients may lodge a complaint by mail, telephone, touch-screen terminals or in person. The Group has dedicated facilities to record the complaint process on a confidential basis to safeguard the interests of all parties involved and ensure that the complaint processes are conducted fairly with proper records. The hospitals have a complaint office, a unit led by a highly experienced hospital manager and dedicated to the management of patient complainants. The complaint office acts as the complainant point of contact, explains the complaint process to the complainants, directs patient complaints to appropriate departments and governance committees for detailed investigation and root-cause analysis, conducts in-depth fact-finding, proactively oversees and manages the complaint processes, coordinates and communicates with the parties involved, accurately records all relevant findings on a confidential basis and formulates the appropriate replies to the complainants. All initial complaints and views will be handled and responded to directly by the complaint office. The Group is committed to resolving all patient complaints in the shortest period of time, or on the spot, if possible, though resolution of critical complaints generally requires a longer period of time. For critical complaints involving clinical safety or possible health implications, the Group proactively takes immediate actions to prevent and minimise adverse effects on patients. The hospital policy mandates every complaint to be properly lodged and processed through the system and prohibits staff from reaching a private settlement with the complainants, which may potentially place the hospital in a disadvantaged situation if such complaints were to escalate further.

患者可通過郵件、電話、觸摸屏終端或親自提交投訴。本集團有專門設施記錄投訴過程，過程保密，以保護所有參與各方的利益及確保投訴過程公平進行並獲妥善記錄。醫院設有投訴辦公室，由經驗豐富的醫院管理者領導及專門負責管理患者投訴。投訴辦公室用作投訴人聯絡點、向投訴人說明投訴流程、指導患者向適當科室及治理委員會投訴以進行詳細調查及根由分析、進行深入事實認定、積極監督及管理投訴流程、與所涉各方進行協調及溝通、以保密方式準確記錄所有相關結果及妥善回覆投訴人。所有初步投訴及意見將由投訴辦公室直接處理及回覆。儘管解決重大投訴一般耗時較長，但本集團仍致力於在最短時間內解決所有患者投訴，或當場解決（如可能）。對於涉及臨床安全或可能健康影響的重大投訴，本集團將立即積極採取行動防止或盡量減少對患者的不利影響。醫院政策要求每一項投訴都通過該系統妥善提交及處理，且禁止員工與投訴人達成私下和解，因該等投訴進一步升級或會令醫院處於不利位置。

The Group regards patient complaint management as an important component for the continuous improvement of clinical safety and quality. The Group treats each of the patients' complaints seriously and regards them as the best source for improvement. Complaint reports are regularly reported to senior management for review. For every patient complaint, the Group is committed to understanding its fact pattern and root cause, ascertaining the responsible parties and areas of improvement. The hospitals organise a monthly complaints analysis meeting to identify improvement areas in clinical processes, make recommendations and ensure the relevant administrative and clinical departments implement the necessary improvements promptly. In addition, the hospitals organise a quarterly complaints sharing session on the root cause of the complaints, improvement processes implemented and lessons learnt with a view to cultivating a sense of vigilance among staff.

For critical complaints that may escalate into medical disputes, the complaint office will notify the medical dispute contingency task force, headed by the director and senior management of the hospital, to initiate the medical dispute process involving a highly coordinated effort of various units of the hospital. In 2020, most of the complaints were resolved amicably with only a few of them escalated into medical disputes. In 2020, 8 medical disputes cases (2019: 6) were materialised during the year.

4.2 Service quality management

The Group adopts a comprehensive service quality management system consisting of the following key components:

- structure – the availability of clinical resources, including medical equipment, hospital governance structure, human resources, bed to staff ratio, clinical objectives, practice guidelines and standards;
- process – the clinical processes, including whether clinical procedures are conducted according to the relevant specifications, work flow and nosocomial infections; and
- outcome – patient's well-being after receiving service, including efficacy of treatment, recovery progress, health conditions, satisfaction and complications arising from treatments.

本集團將患者投訴管理視作持續改善臨床安全及質量的重要組成部分。本集團認真處理每項患者投訴，並視之為改進的最佳途徑。投訴報告會定期上報高級管理層審閱。本集團致力於理解每項患者投訴的事實情況及根本原因，確定責任方及有待改進之處。醫院每月組織投訴分析會以發現臨床過程中有待改進之處，提出建議及確保相關行政及臨床部門立即實施必要改進措施。此外，醫院每季度就投訴根由、所實施改進程序及所吸取教訓組織投訴交流會，以在員工間培養警惕意識。

對於可能升級為醫療糾紛的重大投訴，投訴辦公室將通知醫院董事及高級管理層領導的醫療糾紛應急管理小組，啟動醫療糾紛程序，由醫院各單位高度協同努力進行處理。二零二零年，大部分投訴得到友善解決，僅有數起升級為醫療糾紛。二零二零年，年內出現8個（二零一九年：6個）醫療糾紛案件。

4.2 服務質量管理

本集團採取全面服務質量管理體系，包括以下主要組成部分：

- 結構—臨床資源可用程度，包括醫療設備、醫院治理結構、人力資源、床位與員工比率、臨床目標、實踐指引及標準；
- 環節—臨床程序，包括臨床手術是否按照相關規範進行、工作流程及醫院感染；及
- 結果—患者接受服務後康復情況，包括治療功效、恢復過程、健康狀況、滿意度及治療引起的併發症。

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The service quality management system has a wide scope. In addition to monitoring the quality of diagnosis (whether it is accurate, comprehensive and prompt), the quality of treatment (whether it is effective, prompt, thorough and of a reasonable duration), nosocomial infections control and clinical deficiency (whether resulting injuries, harm or pain to patients that could otherwise be avoided), the system also monitors clinical efficiency, reasonableness of medical fees, the input-output relationship of applied medical techniques, systematic services and continuum and community feedback. Under this system, each hospital department is given quantifiable service quality targets to achieve and parameters to monitor. Service quality management and improvement is a continuous process. Any deficiency, once identified, will be handled promptly with appropriate level of supervision.

High standard of clinical governance maintains the Group's inpatient fatality rate consistent with the risks inherent in hospital operations and industry. As the Group increases its intake of patients with critical conditions and/or require specialized and complex emergency procedures that carry higher risks of unfavourable clinical outcome, its inpatient fatality rate may increase. The table below sets forth the Group's inpatient fatality rate for the years indicated:

服務質量管理體系範圍廣泛。除監控診斷質量(診斷是否準確、周全及快速)、治療質量(治療是否有效、快速、徹底及期間合理)、醫院感染控制及臨床缺陷(是否對患者產生本來可以其他方式避免的傷害、損害或疼痛)外,該體系亦監控臨床療效、醫療費用合理性、所使用醫療技術投入產出關係、系統化服務及連續性及社區反饋。在該體系下,醫院各科室獲提供須達到的可量化服務質量目標及監控參數。服務質量管理及改進是一個持續的過程。任何缺陷一經發現,即會以適當監督級別迅速處理。

高標準臨床管理使本集團的住院病人死亡率與醫院運營及行業的固有風險保持一致。隨著本集團增加接收重症患者及/或需要專門且複雜緊急手術並帶有較高不利臨床結果風險的患者,其住院病人死亡率或會增長。下表載列於所示年度本集團的住院病人死亡率:

		Change 變動率	2020 二零二零年	2019 二零一九年
Total number of inpatient deaths	住院病人死亡總數	+3.1%	334	324
% of total inpatients	佔住院病人總數的百分比	-0.01 b.p.	0.27%	0.28%

4.3 Patient privacy protection

The Group's hospitals have a dedicated medical records management department to handle patients' medical records. The hospitals strictly adhere to applicable laws and regulations in relation to patient privacy, including Guangdong Province Medical Records Writing and Management Specifications and Healthcare Institutions Medical Records Management Rules. The hospitals have stringent protocols on the creation, maintenance, reviewing and copying, sealing or unsealing and preservation of patient medical records. These protocols are also design to ensure that the records are not accidentally accessed, processed, erased, lost or used without authorization. Patient medical records are generally kept for 15 years. Before access to the relevant medical records is granted, patients or their families will need to produce the original of the patient's identity documents and a signed consent letter. The medical administration department is responsible for overseeing and auditing medical records management.

The Group also promotes patient privacy awareness among staff by conducting regular training and sharing sessions. Hospital staff are sensitive to patient privacy and place additional emphasis on protecting patient privacy during every aspect of the clinical processes. Save as required by applicable laws and regulations, patient information can only be released with consent.

Each of the Group's hospitals has an information technology department responsible for reviewing and implementing data protection measures in accordance with relevant laws and regulations. The hospitals' resources that store and manage patient data are physically disconnected from internet access points to prevent external leakage and tempering activities. The hospitals strictly adhere to grade three security requirements under the Administrative Measures for the Graded Protection of Information Security. The hospitals' network security, system security and database security are reviewed from time to time and are comprehensively audited at least once every year to ensure the required standards are met.

4.3 患者隱私保護

本集團的醫院設有專責醫案管理科來處理患者的醫療記錄。醫院嚴格遵守與患者隱私有關的適用法律法規，包括《廣東省病歷書寫和管理規範》及《醫療機構病歷管理規定》。醫院對患者醫療記錄的創建、維護、審閱與複製、密封或拆封及保存，訂有嚴格規程。該等規程亦旨在確保有關記錄不會意外被查閱、處理、清除、丟失或未經授權使用。患者醫療記錄通常保存15年。在獲准查閱相關醫療記錄前，患者或其家屬將須出示患者身份證件原件及簽名同意書。醫務部負責監督及審核醫案管理。

本集團亦通過進行定期培訓及分享會，提高員工的患者隱私意識。醫院員工對患者隱私保持敏感，並在臨床過程的各個方面格外重視保護患者隱私。除適用法律法規所規定者外，患者資料僅會在徵得同意後發佈。

本集團各家醫院均設有信息技術部，負責根據相關法律及法規審閱及實施數據保護措施。醫院儲存及管理患者數據的資源與互聯網接入點物理斷連，以防止出現外洩及篡改行為。醫院嚴格遵守《信息安全等級保護管理辦法》的第三級安全規定。醫院的網絡安全、系統安全及數據庫安全會不時受到審查及至少每年全面審核一次，以確保符合規定標準。

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The hospitals have formulated policies for privacy data administration which sets out the overall responsibilities and procedures to ensure that all users adhere to defined standards. The hospitals have promulgated internal instructions setting out specific procedures regarding the handling of documents containing patient data. Staff are also required to observe the hospitals' internal instructions on the security of computer systems (including storage, processing, transmission and management of classified information, data encryption and physical security of computer systems). Violation of the above requirements will result in disciplinary actions. The hospitals provide regular updates and trainings to staff on data protection to cultivate their data protection awareness. Staff who need to have access to sensitive data are also required to enter into a confidential undertaking with respect to any patient data, operational, financial and other sensitive information that they may come across.

The hospitals implement strong access controls to information. The degree of access and control the staff has to sensitive information is determined by reference to the relevance to their role, their post and/or seniority and is reviewed from time to time. Any unnecessary or obsolete access rights will be revoked immediately. All network actions are recorded on the systems and continuously monitored for any irregularity. In the event of an information security breach, such records will enable the hospitals to carry out detailed investigations and damage control.

For the year ended 31 December 2020, the Group had, in all material respects, complied with applicable laws and regulations that have a significant impact on the Group relating to patient privacy.

醫院已制定隱私數據管理政策，載明全面責任及程序以確保所有用戶遵守界定標準。醫院已發佈內部指引，載明處理載有患者數據文件的具體程序。員工亦須遵守醫院有關電腦系統安全（包括儲存、處理、傳輸及管理機密資料、數據加密及電腦系統的實體安全）的內部指引。違反上述規定將處以紀律處分。醫院定期向員工提供有關數據保護的最新資料及培訓，以培養其數據保護意識。需要訪問敏感數據的員工亦須就任何患者數據、經營、財務及其可能接觸的其他敏感資料訂立保密承諾。

醫院對資料訪問實施嚴格控制。員工對敏感資料的訪問程度及控制權乃參考其角色、職位及／或資歷的相關性而定，並經不時審核。任何不必要或過時訪問權限將被立即收回。所有網絡行動將錄入系統並將持續監控任何異常情況。倘出現違反信息安全的情況，有關記錄將使醫院能進行詳盡調查及損害控制。

截至二零二零年十二月三十一日止年度，本集團已於所有重大方面就患者私隱遵守對本集團有重大影響的適用法律法規。

4.4 Suppliers

The Group's suppliers primarily consist of agents and distributors of pharmaceuticals, medical consumables and medical equipment. The Group seeks to manage inventory risks by maintaining adequate inventories and building strong relationships directly with suppliers. Suppliers are cautiously selected for quality, reputation, price, product and service offerings and delivery capability. The Group routinely assesses its suppliers' performance, credit-worthiness, re-confirm their qualifications (such as GMP and/or GSP Certificates, where appropriate) and ensure the compliance status and quality of the supplies. The Group undertakes reasonable due diligence of its suppliers' qualifications, including:

- suppliers are required to provide all relevant qualification documents and licenses for inspection;
- the procurement department is responsible for verifying the genuineness, validity and scope of the qualification documents and licenses;
- the qualification documents and licenses will be provided to the relevant departments, including warehouse, medical equipment department and pharmacy department for the relevant staff to take note of the source of the supplies and their qualifications; and
- the suppliers shall promptly produce any updates or changes to the qualification documents and licenses.

4.4 供應商

本集團的供應商主要包括藥品、醫療耗材及醫療設備的代理商及經銷商。本集團力求通過保持充足存貨及直接與供應商建立牢固關係，來管理存貨風險。本集團根據質量、聲譽、價格、產品及服務種類以及交付能力慎重甄選供應商。本集團定期評估供應商的表現、信譽，重新確定彼等的資質（如GMP及／或GSP證書（倘適用）並確保供應的合規狀態及質量。本集團會對供應商資質展開合理盡職調查，包括：

- 供應商須提供所有相關資質文件及許可證備查；
- 採購部負責核證資質文件及許可證的真實性、有效性及範圍；
- 資質文件及許可證將會提供予相關科室，包括倉庫、設備科及藥劑科，以使相關員工記錄供應來源資料及其資質；及
- 供應商應及時出示資質文件及許可證的任何更新或變動。

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The Group has adopted a stringent policy that prohibits suppliers from contacting and offering rebates to doctors to solicit business. If any supplier is found to be in violation, the Group will immediately terminate the business relationship. The Group believes that such practice minimizes the risk of corrupt practices, thereby safeguarding the quality of the supplies.

The Group has an internal rating system for its suppliers, which can broadly be classified into:

- (i) excellent suppliers: the Group should increase purchase volume, and maintain stable relationship with, these suppliers;
- (ii) mediocre suppliers: the Group should gradually reduce purchase volume with, and pay closer scrutiny on, these suppliers; and
- (iii) poor suppliers: these suppliers are blacklisted and the Group should no longer purchase from them. These suppliers typically include those who do not comply with the purchase agreement, have questionable reputation, always misrepresent the product price, do not deliver the required quantity at the required time, deliver supplies with inferior quality, or show no improvement despite repeated warnings.

本集團已採取嚴格政策禁止供應商接觸及向醫生提供回扣以招攬業務。倘任何供應商被發現違規，本集團會立即終止業務關係。本集團相信，這種做法會盡量減少出現腐敗行為的風險，從而保證供應品質。

本集團就供應商設有內部評級制度，可大致分類為：

- (i) 優秀供應商：本集團將增加向該等供應商的採購量並與其保持穩定關係；
- (ii) 普通供應商：本集團將逐漸減少向該等供應商的採購量並對其進行更嚴密審查；及
- (iii) 不理想供應商：該等供應商會被列入黑名單，本集團將不再向其採購。該等供應商通常包括不遵守採購協議、聲譽有問題、經常歪曲產品價格、未在規定時間交付規定數量、交付供應品質低劣或多次警告仍未改進的供應商。

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The Group recognizes that purchasing products with reduced environmental and human health impacts is vital to sustainable healthcare. The Group is exploring various ways to achieve “environmentally preferable purchasing” (“EPP”), an act of purchasing products whose environmental impacts have been considered and found to be less damaging to the environment and human health when compared to competing products. EPP may be feasible to achieve overall cost saving and waste reduction while meeting the needs of patients. The Group has begun its EPP efforts with a few carefully targeted purchasing changes, and if feasible, will expand the scope of environmental purchasing to select as many environmentally sound, healthy and safe products as a hospital can use. The Group believes that EPP may become an important part of the process toward sustainable operations. Downstream corrections of environmental or occupational health issues are generally more costly – in terms of money, labor, technical complexity, and adverse publicity – than prevention through EPP. By carefully selecting products, a hospital may achieve:

- a significant reduction in overall impact on the environment, cost reduction with lower purchase prices or changes that reduce or eliminate waste disposal, hazardous waste, and/or the need for worker safety measures;
- a healthier environment for patients and staff through reduced exposure to hazardous substance; and
- opportunities for positive publicity and promotion.

本集團意識到採購對環境及人類健康影響較低的產品對可持續醫療發展至關重要。本集團不斷探索各種途徑，以實現「環保採購」(「EPP」)，一種所購產品在環境影響方面被視為且獲證實為對環境及人類健康的破壞作用低於競爭產品的採購行為。EPP在滿足病人需求同時實現整體成本節約及減少垃圾方面不失為可行之策。本集團的EPP努力始於對精選目標採購作出些許調整，如可行，將會擴大環保採購範圍，甄選出醫院所能使用的盡可能多的環保、健康及安全產品。本集團認為EPP會成為邁向可持續經營之路的重要組成部分。環保或職業健康問題的事後糾正—在金錢、勞工、技術複雜程度及不利的公眾形象方面—較之於通過EPP進行預防常常須付出更加昂貴的代價。在挑選產品中謹慎行事，醫院可：

- 大大降低對環境的整體影響、以較低的採購價格或較小的價格波動來減少成本，這可減少或消除廢物及有害物質的處理及／或減少員工安全措施需要；
- 通過減少有害物質的曝光為病人及員工營造更加健康的環境；及
- 創造正面宣傳及推廣的機會。

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Any implementation of EPP is expected to be gradual, and may require substantial changes to purchasing and clinical configuration of the hospital. The Group will comprehensively assess the long-term benefits of EPP, clinical feasibility and business considerations when making any purchasing changes.

In addition to the purchase of pharmaceuticals, medical consumables and medical equipment, the Group also relies on various vendors for engineering and renovation services at the hospital premises from time to time. The Group uses its best efforts to ensure that these vendors are properly qualified and will take all appropriate measures to protect the environment both inside and outside the work site and limit harmful effects to the public and property due to wastes, pollution, noise and other nuisances caused by the engineering work. These vendors are expected to satisfy the applicable requirements under the Labor Law of the PRC and the Labor Contract Law of the PRC and provide the workers with adequate social security and benefits under the relevant laws. The Group pays close attention on the engineering work and may from time to time engage third-party supervision to ensure that the engineering work meets the applicable national engineering specifications and standards and environmental protection.

實施任何EPP預期均將循序漸進，且可能需要醫院的採購及臨床配置作出重大改變。在作出任何採購變動時，本集團將綜合評估EPP的長期裨益、臨床可行性及業務代價。

除採購醫藥、醫療耗材及醫療設備外，本集團亦需要不同供應商不時為醫院場所進行工程及翻新服務。本集團竭力確保該等供應商屬適當合格，並將採取一切必要措施保護施工場地內外環境，限制因工程施工產生的廢物、污染物、噪音及其他危害對公眾及物業造成的有害影響。該等供應商須遵守《中華人民共和國勞動法》及《中華人民共和國勞動合同法》的適用規定，根據有關法律為其工人提供充足的社會保障及福利。本集團密切關注工程施工並可能不時委聘第三方監理，確保工程符合適用國家工程規格及標準，滿足環保要求。

4.5 Anti-bribery and corruption risks

The PRC government has recently enhanced its anti-bribery efforts to prevent improper payments and other benefits received by doctors, staff and hospital administrators in connection with the procurement of pharmaceutical and medical supplies and the provision of healthcare services. In addition, Grade A Class III hospitals in the PRC, such as the Group's Kanghua Hospital, are subject to particularly stringent requirements, including as part of the criteria for such ratings, requiring all such hospitals to (i) implement internal controls and risk management measures addressing bribery and corruption risks; and (ii) undergo annual inspections from relevant regulatory authorities as to their anti-bribery and corruption status. The Group has implemented the following policies and procedures to address potential bribery and corruption incidents:

- an anti-bribery function at the Group level led by the chief financial officer of the Company. This function is in charge of developing the overall framework of anti-bribery and corruption policies and procedures and providing guidance and supervision towards implementing them across every aspect of the Group's operations. Each of the Group's hospitals will immediately report any suspected incidents of bribery and corruption to the chief financial officer of the Company, who will then carry out any further investigations if necessary and determine the appropriate course of action. From time to time, the Group provides training to its staff and updates on recent anti-bribery and corruption issues and practices as they arise;

4.5 反賄賂及腐敗風險

中國政府近期已增強其反賄賂力度，防止醫生、員工及醫院行政人員在採購藥品和醫療用品及提供醫療服務時收取不正當款項及其他利益。此外，中國的三級甲等醫院（如本集團的康華醫院）須遵守的要求尤為嚴格，包括（作為有關評級標準的一部分）要求所有相關醫院(i)實施防範賄賂及腐敗風險的內部控制及風險管理措施；及(ii)接受相關監管機構就其反賄賂及腐敗狀況進行的年度檢查。本集團已實施以下政策及程序，防範潛在賄賂及腐敗事件：

- 本集團層面設有反賄賂職能，由本公司首席財務官領導。該職能負責制定反賄賂及腐敗政策及程序的整體框架，對在本集團經營各個方面的政策及程序實施進行指導及監管。本集團各醫院將即時向本公司首席財務官報告任何疑似賄賂及腐敗事件，首席財務官其後將於必要時進行任何進一步調查並確定合適的行動方案。本集團會不時向員工提供培訓及提供最近出現的反賄賂及反腐敗問題及實踐的最新情況；

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- the Group has in place a robust whistle blower programme accessible by staff and business partners, including a dedicated hotline and an email address, to receive reports of alleged corruption on a no repercussion basis, with the option of anonymity. The Group has established a zero-tolerance policy towards staff accepting any form of bribes. Such policy is included in the staff handbook and code of conduct. Any of the staff found in breach of anti-bribery and corruption policy will be dismissed. The Group also takes appropriate measures to discourage patients from offering any form of payment or gift to staff for better or priority services, including displaying the relevant policies and laws in prominent places in the hospital premises;
- the Group has close oversight over every aspect of the procurement processes. The Group has established a systematic multi-tier approval process involving various departments, dedicated governance committees and management for different categories of procurement. The procurement processes are segregated and no particular individual or department has excessive authority, control or influence, thereby minimising the risk of corruption or abuse. Before engaging in any business relationship with a new supplier, the Group conducts due diligence to obtain reasonable understanding of its background and its connection with the Group, including how such supplier was referred to the Group in the first place. The Group requires its suppliers to agree to anti-bribery and corruption provisions in the supply agreements. In particular, suppliers are prohibited from soliciting business with the hospital staff directly. Any violation will result in the Group's immediate business termination with such suppliers; and
- 本集團設立穩健的舉報制度，員工及業務夥伴均可透過專線及電郵地址舉報，我們按無彈回基準接獲指稱腐敗的報告，舉報者可匿名。本集團對員工收取任何形式的賄賂採取零容忍政策。該政策載於員工手冊及行為準則。任何員工一經發現違反本集團的反賄賂及反腐敗政策將會被解僱。本集團亦採取適當的措施勸阻病人為獲得更好或優先服務而向本集團的員工提供任何形式的付款或禮品，包括在醫院顯眼位置展示相關政策及法律；
- 本集團密切監察採購流程的各個方面。本集團已設立涉及多個部門、專責管理委員會及各類採購管理的系統性多層審批流程。我們的採購流程為分離式，不會出現個別人士或部門的權力、控制權或影響過大，因此可最大限度降低腐敗或濫用職權的風險。與新供應商建立任何業務關係前，本集團進行盡職調查，以合理掌握其背景及其與本集團的關係，包括該供應商首次引薦給本集團的方式。本集團要求供應商同意我們供應協議中的反賄賂及反腐敗條文。尤其是，禁止供應商直接向我們的醫院員工招攬業務。一旦違反，本集團將立即終止與該等供應商的業務；及

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- as part of the Group's key clinical governance, the Pharmaceutical Administration and Therapeutics Committee at each of the Group's hospitals regularly reviews drug prescription patterns. Any unreasonable or inexplicable irregularities or red flags indicative of a deliberate attempt to substantially increase the prescription of certain drugs will be promptly reported and investigated.

In line with requirements under applicable PRC laws and regulations, the Group has established a strict "no red packet policy" for medical professionals not to personally accept any form of payment or advantages from patients in return for more favourable treatments. The Group requires all healthcare professionals to report to management of all instances of red packets offered by patients. The table below sets forth the number and monetary amount of red packets rejected by the healthcare professionals for the years indicated:

		Change 變動	2020 二零二零年	2019 二零一九年
Number of red packets rejected	拒收紅包數目	-44.9%	145	263
Total monetary amount involved (RMB)	所涉總金額 (人民幣元)	-38.5%	133,132	216,478

For the year ended 31 December 2020, the Group had, in all material respects, complied with applicable laws and regulations that have a significant impact on the Group relating to bribery and corruption.

- 作為本集團臨床管理的一個關鍵部分，本集團各家醫院的藥事管理與藥物治療學委員會將定期審查藥物處方模式。任何不合理或無法解釋的違規行為或危險信號表示蓄意試圖在處方中大幅增加若干藥物將被立即上報及接受調查。

根據適用中國法律及法規的規定，本集團已為我們的醫務人員制定嚴格的「拒收紅包政策」，不得私下收取患者為換取更為有利治療而提供的任何形式的款項或好處。本集團規定所有醫務人員須向管理層報告患者提供紅包的一切情況。下表載列所示年度我們醫務人員拒收的紅包數目及金額：

截至二零二零年十二月三十一日止年度，本集團已於貪污與腐化的所有重大方面，符合及採取適用法律法規。

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5. COMMUNITY BENEFIT PROGRAMMES

As encompassed in the motto “Empathic • Virtuous Medical Practice” (蒼生為念 • 厚德載醫), the Group regards social contribution as one of its core values. The Group prides itself on being a socially responsible private hospital operator. The Group demonstrates its commitment to community service through organized and sustainable community benefit programmes primarily providing: (i) free and discounted care to those unable to afford healthcare; and (ii) services or education designed to improve community health and increase access to healthcare. These programmes are purposely designed to create meaningful impact by responding to identified community needs, as opposed to being random acts of kindness.

The Group has implemented a comprehensive framework for planning, delivering and reporting its community benefit efforts, including the following elements:

- sustainable infrastructure – the Groups has fostered a culture that supports its community benefit initiatives and has in place operational elements that sustain the community benefit programmes, such as clinical resources, staff, budget and supporting policies and procedures;
- plan for community benefit – through regular communication with public health organizations and the community, the Group continuously assesses and prioritizes community health needs and develops community benefit programmes accordingly;
- account for community benefit – the Group has established effective administrative and accounting processes to account for and report community benefit to its stakeholders; and
- evaluate community benefit programmes – the Group assesses the quality, effectiveness and impact of the relevant programmes and activities.

5. 社區福利計劃

誠如我們的辦院宗旨「蒼生為念 • 厚德載醫」所包含者，本集團將社會貢獻視為其核心價值觀之一。本集團以作為對社會負責的民營醫院運營商而感到自豪。本集團透過有組織及可持續的社區福利計劃致力於社區服務，主要提供：(i)向無力支付醫療費用的群體提供免費及優惠保健服務；及(ii)旨在改善社區健康及增強醫療便利的服務或教育。該等計劃的設計目的在於滿足經識別的社區需求而非隨意行善來實現更具意義的影響。

本集團已實施一個規劃、履行及報告其社區福利工作的綜合框架，當中包括以下要素：

- 可持續基礎設施—本集團已營造出支持其社區福利倡議的文化並已配備可持續發展社區福利計劃的作業要素，如臨床資源、人員、預算以及支持政策及程序；
- 社區福利計劃—透過與公眾衛生機構及社區的定期溝通，本集團持續評估醫療需求並確立其優先次序，制定相應社區福利計劃；
- 社區福利問責—本集團已制定有效的管理及問責程序，對其持份者負責並向其報告社區福利事宜；及
- 社區福利計劃評估—本集團評估相關計劃及活動的質量、效果及影響。

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In 2020, the Group organized numerous volunteer programmes and free clinics, with a focus primarily on children and elderly people with limited health awareness and/or access to affordable and adequate healthcare. The free clinics also penetrated remote areas where basic healthcare resources are scarce. The table below sets forth certain data of the Relevant Operations community benefit efforts for the years indicated:

二零二零年，本集團組織大量志願者項目及免費會診，重點對象是健康意識較差及／或難以享受支付得起的醫療服務或其醫療服務不足的兒童及長者。免費會診亦深入基本醫療資源匱乏的偏遠山區。下表載列於所示年度有關經營業務社區福利工作的若干數據：

		Change 變動	2020 二零二零年	2019 二零一九年
Volunteer activities	參與義工活動			
Number of volunteer activities	義工活動次數	-46.2%	183	340
Number of staff participants	參與員工人次	-31.8%	504	739
Total number of volunteer man-hours	參與義工活動人員時數	-36.4%	2,427	3,814
Free clinics	免費會診			
Number of free clinics	免費會診次數	-40.3%	184	308
Number of staff participants	參與員工人次	-35.3%	509	787
Estimated number of patients served	所服務患者估計人次	-40.3%	14,036	23,492
Total number of free clinic man-hours	免費會診總工時	-39.2%	1,491	2,454
Total amount of compensation provided to staff for participating in free clinics (RMB)	向參與免費會診的員工提供的報酬總額 (人民幣元)	-2.0%	24,500	25,000

The decrease in all aspects of volunteer activities and free clinics was primarily due to the restrictions imposed, decrease in patients served at Kanghua Hospital and Renkang Hospital and reduction of our non-essential activities during the COVID-19 pandemic in 2020.

於二零二零年，所有各方面的義工活動及免費會診減少，主要由於COVID-19疫情期間在康華醫院及仁康醫院施加的限制措施，服務的患者減少以及我們的非必要活動減少。

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THE STOCK EXCHANGE'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

聯交所《環境、社會及管治報告指引》內容索引

A. Environmental

A. 環境

KPI 關鍵績效指標

Aspect A1: Emissions

層面 A1：排放物

Types of emissions and respective emissions data

排放物種類及相關排放數據

The Relevant Operations are not a significant source of greenhouse gas emission

有關經營業務並非溫室氣體排放的重大來源

A1.1
A1.2

Greenhouse gas emission in total

溫室氣體總排放量

Total hazardous and non-hazardous waste produced and intensity

所產生有害及無害廢棄物總量及密度

Wastewaters produced: 317,053 tons (2019: 318,692 tons)

所產生廢水：317,053 噸（二零一九年：318,692 噸）

A1.3
A1.4

Hazardous solid wastes produced: 515,121 kg (2019: 588,721 kg)

所產生有害固體廢棄物：515,121 公斤

（二零一九年：588,721 公斤）

Domestic wastes produced: 2,160,406 kg

(2019: 2,943,221 kg)

所產生生活廢棄物：2,160,406 公斤

（二零一九年：2,943,221 公斤）

Measures to mitigate emissions and results achieved

減低排放量的措施及所得成果

The Relevant Operations are not a significant source of greenhouse gas emission

有關經營業務並非溫室氣體排放的重大來源

A1.5

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KPI
關鍵績效指標

Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved

描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果

Handling 處理

Wastewaters and hazardous solid wastes: handled by qualified contractors licensed by environmental authorities
廢水及有害固體廢棄物：由獲環境部門許可的合資格承包商處理

Domestic wastes: handled by eligible contractors through tendering

生活廢棄物：由中標的合格承包商處理

Reduction initiatives

減低產生量的措施

Domestic wastes: segregation and recycling; promoting staff awareness and paper-less office initiatives; reuse of components in decommissioned equipment and furniture

生活廢棄物：分離及回收；提高員工意識及省紙辦公措施；重複利用退役設備及裝置的組件

Wastewaters and hazardous wastes: production of these wastes is integral to clinical activities and maintaining a high clinical standard and environment sanitation. The Group currently considers it is not feasible to excessively reduce the production of these wastes without compromising clinical standards, which are of overriding importance

廢水及有害廢棄物：進行診療工作必定會產生廢棄物，我們保持高臨床標準及環境衛生標準。本集團目前認為過度減少該等廢棄物生產量不可避免令診療標準打折，而診療標準至為重要，故減排並不切實可行

A1.6

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KPI
關鍵績效指標

Aspect A2: Use of Resources

層面 A2：資源使用

Direct and/or indirect energy consumption by type 按類型劃分的直接及／或間接能源耗量	Electricity: 38,761,263 kw/hr (2019: 39,291,865 kw/hr) 電：38,761,263 千瓦時(二零一九年：39,291,865 千瓦時)	A2.1
Water consumption in total 總耗水量	Water consumption: 713,872 tons (2019: 774,110 tons) 耗水量：713,872 噸(二零一九年：774,110 噸)	A2.2
Energy use efficiency initiatives and results achieved 能源使用效益計劃及所得成果	<p><i>Efficiency improving initiatives</i> 效益提升計劃</p> <p>Use of energy efficient light source, water heating, air-conditioning and equipment; staff awareness; regular audit of energy usage and inspection of energy demanding processes 使用能效高的光源、水暖、空調及設備；提高員工意識；定期審核能源使用及檢查能源需求程序</p> <p><i>Results achieved</i> 所得成果</p> <p>Energy consumption per gross floor area was decreased by 9.0% primarily because of the decrease in energy consumption during the year, however, there was an increase in gross floor space occupied at our Relevant Operations in 2020 每建築面積的能源耗量減少 9.0%，主要由於年內的能源消耗減少，然而，於二零二零年有關經營業務的佔地面積有所增加</p> <p>The Group will continue to monitor the effectiveness of the initiatives on a long term basis 本集團將繼續長期監控計劃的成效</p>	A2.3 A2.4

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關鍵績效指標

Water efficiency improving initiatives and results achieved 提升用水效益計劃及所得成果	<p><i>Efficiency improving initiatives</i> 效益提升計劃</p> <p>Leak detection and repair; use of efficient and low flow plumbing fixtures; motion sensor-activated faucets and flow control, waterless medical vacuum pumps; use full loads in sanitizers, sterilisers and laundry washing machines 洩漏檢測及維修；使用高效、低流量管道裝置；自動感應水龍頭及流量控制、醫療無水真空泵；在滿載時使用消毒器、殺菌器及洗衣機</p> <p><i>Results achieved</i> 所得成果</p> <p>Water consumption intensity decreased by 14.5% primarily because of the decrease in water consumption during the year, however, there was an increase in gross floor space occupied at our Relevant Operations in 2020. The Group will continue to monitor the effectiveness of the initiatives on a long term basis 水量消耗強度減少14.5%，主要由於年內的水量消耗減少，然而，於二零二零年有關經營業務的佔地面積有所增加。本集團將繼續長期監控計劃的成效</p>	
Total packaging material used for finished products 製成品所用包裝材料的總量	The Relevant Operations do not involve significant use of packaging materials 本集團的有關經營業務並不涉及大量使用包裝材料	A2.5
Aspect A3: The Environment and Natural Resources 層面A3：環境及天然資源		
The significant impacts of activities on the environment and natural resources and the actions taken to manage them 業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動	The Relevant Operations had no significant impact on the environment and natural resources during 2020 有關經營業務於二零二零年對環境及天然資源並無重大影響	A3.1

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B. Social

B. 社會

Employment and Labour Practices 僱傭及勞工常規

KPI 關鍵績效指標

Aspect B1: Employment 層面B1：僱傭

Total workforce by gender, employment type and age group
按性別、僱傭類型及年齡組別劃分的僱員總數

As of 31 December 2020:
截至二零二零年十二月三十一日：

B1.1

Total of number of staff of the Group: 3,777 (2019: 3,838)
本集團的員工總數：3,777人(二零一九年：3,838人)

– by nature of work
– 按工作性質劃分

Doctors: 873 (2019: 904)
醫生：873人(二零一九年：904人)

Other medical, administrative and support staff: 2,904
(2019: 2,934)
其他醫療、行政及支援的員工：2,904人
(二零一九年：2,934人)

– by gender
– 按性別劃分

Male: 962 (2019: 1,060)
男性：962人(二零一九年：1,060人)

Female: 2,815 (2019: 2,778)
女性：2,815人(二零一九年：2,778人)

–by age group
– 按年齡組別劃分

Age 51 or above: 274 (2019: 298)
51歲或以上：274人(二零一九年：298人)

Age between 31 to 50: 1,507 (2019: 1,538)
31至50歲：1,507人(二零一九年：1,538人)

Age below 30: 1,996 (2019: 2,002)
30歲或以下：1,996人(二零一九年：2,002人)

Employee attrition rate
僱員流失比率

Attrition rate: 12.2% (2019: 11.7%)
流失比率：12.2%(二零一九年：11.7%)

B1.2

Employment and Labour Practices
僱傭及勞工常規

KPI
關鍵績效指標

Aspect B2: Health and Safety
層面 B2：健康與安全

Relating to providing a safe working environment and protecting employees from occupational hazards

有關提供安全工作環境及保障僱員避免職業性危害

In 2020:
二零二零年：

B2

Number of staff contracting infections due to occupation: 0 (2019: 19)
因職業接觸感染的員工數目：0人(二零一九年：19人)

Number of staff deaths: 0 (2019: 0)
員工死亡數目：0人(二零一九年：0人)

Number of staff disabilities due to occupation: 0 (2019: 0)
因職業殘疾的員工數目：0人(二零一九年：0人)

Number of man-days lost due to occupation related injuries or illness: 0 (2019: 0)
因職業相關傷害或疾病導致的工傷誤工天數：0天(二零一九年：0天)

Health and safety measures adopted:
已採納的健康與安全措施：

Regular audit and inspection of operating premises;
定期審核及檢查經營處所；
proactive risk reporting culture among staff;
在員工間形成主動報告氛圍；
continuous learning from health and safety incidents and improvement of processes;
持續從健康與安全事故中學習經驗並改善程序；
regular staff health and exposure assessment;
定期進行員工健康及風險評估；
provision of adequate protective gears;
提供足夠的護具；
third party inspection and assessment; and
第三方檢查及評估；及
adequate support to handle incidents of medical violence
給予足夠支持以處理醫療暴力事件

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KPI 關鍵績效指標

Aspect B3: Development and Training 層面 B3：發展及培訓

Policies on improving employees' knowledge and skills for discharging duties at work
有關提升僱員履行工作職責的知識及技能的政策

In 2020:
二零二零年：

B3

Number of participants in training and development programmes: 18,880 (2019: 30,360)
參加培訓及發展項目的員工人次：18,880 人
(二零一九年：30,360 人)

Total number of training man-hours: 236,300 (2019: 388,120)
培訓總工時：236,300 小時 (二零一九年：388,120 小時)

Description of training activities
描述培訓活動

The Group has a comprehensive Continuing Education and Training Management Policy
本集團設有全面的繼續教育培訓管理制度

Training activities include training on clinical skills; nursing and patient caretaking skills; and comprehensive training on staff management capability, cultural values and technical skills
培訓活動包括臨床技能、護理及病人看護技能的培訓；以及對員工管理能力、文化價值及技術技能的全面培訓

Aspect B4: Labour Standards 層面 B4：勞工準則

Employment practices to avoid child and forced labour
防止童工及強制勞工的招聘慣例

The Group stringently complies with all national and local laws, including the Labor Law of the PRC and the Labor Contract Law of the PRC;
本集團嚴格遵守一切國家及地方法律，包括《中華人民共和國勞動法》及《中華人民共和國勞動合同法》；

B4.1

The Group conducts background checks and reasonable due diligence on job applicants; and
本集團對職位申請人進行背景調查及合理盡職審查；及

labour unions are established to protect the rights and interests of staff
設立工會以保障員工權利及利益

Steps taken to eliminate such practices when discovered
在發現違規情況時消除有關情況所採取的步驟

During 2020, the Group had no non-compliance in this respect
於二零二零年，本集團並無此方面的不合規情況

B4.2

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Aspect B5: Supply Chain Management 層面 B5：供應鏈管理

Policies on managing environmental and social risks of the supply chain 管理供應鏈的環境及社會風險政策	The Relevant Operations do not have a supply chain business 有關經營業務並無設有供應鏈業務	B5
	It has a stringent criteria in selecting suppliers and conducts reasonable due diligence to ensure that its suppliers are appropriately qualified and licensed 其在篩選供應商方面設有嚴格標準並進行合理盡職審查以確保供應商擁有適當的資格及牌照	
	The Group will continuously assess the feasibility of “environmentally preferable purchasing” (EPP) 本集團將持續評估「環保採購」(EPP)的可行性	

Aspect B6: Product Responsibility 層面 B6：產品責任

Percentage of total products sold or shipped subject to recalls for safety and health reasons 已售或已運送產品總數中因安全與健康理由而須回收的百分比	Not applicable to the Relevant Operations 不適用於有關經營業務	B6.1
Number of products and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法	In 2020: 二零二零年： Number of critical complains: 15 (2019: 16) 關鍵投訴數目：15次(二零一九年：16次) Number of regular complaints: 50 (2019: 67) 定期投訴數目：50次(二零一九年：67次) Number of immaterial complaints: 333 (2019: 337) 非重要投訴數目：333次(二零一九年：337次) The Group’s hospitals have a comprehensive complaint management system. In 2020, most of the complaints were resolved amicably with only a few of them escalated into medical disputes. 本集團的醫院設有全面的投訴管理系統。二零二零年，大部分投訴已獲和解，僅有少數升級為醫療糾紛。	B6.2
Practices relating to observing and protecting intellectual property rights 與維護及保障知識產權有關的慣例	The Relevant Operations do not involve a significant degree of intellectual property rights 有關經營業務並無涉及重大程度的知識產權	B6.3

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KPI 關鍵績效指標

Quality assurance process and recall procedures 質量檢定過程及產品回收程序

The Group has a comprehensive service quality management system consisting of structure, process and outcome. It has a wide scope covering every aspect of operations. Dedicated customer service department collects and gauges patient feedback and ensures that patient experience is positive through proactive outreach and responsive communication

本集團設有包括架構、程序及結果在內的全面服務質量管理系統，其範圍廣闊，涵蓋營運的每個方面。專責客戶服務部門收集及計量患者反饋，並透過主動拓展及積極溝通確保患者有良好體驗

B6.4

Consumer data protection and privacy policies, how they are implemented and monitored 消費者資料保障及私隱政策，以及相關執行及監察方法

Patient medical records are kept in strict compliance with applicable laws and regulations. The Group has stringent protocols on accessing these records. The medical administration department is responsible for overseeing and auditing medical records management

患者醫療記錄乃嚴格遵守適用法律法規來保存。本集團設有獲取該等記錄的嚴格規程。醫務部負責監察及審核醫療記錄管理

B6.5

The Group's hospitals maintain a certain level of information security infrastructure and implement strong access controls to information. Regular audits on the infrastructure are carried out to ensure relevant standards are met

本集團醫院維持一定程度的信息安全基礎設施及實施對獲取資料的嚴格控制。將會對基礎設施進行定期審核以確保符合相關標準

Staff are trained to be vigilant and sensitive about patient privacy. Policies and guidelines are implemented to create working processes that safeguard patient privacy

員工獲培訓須對患者隱私保持警惕及敏感。已實施政策及指引以設立保障患者隱私的工作流程

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KPI
關鍵績效指標

Aspect B7: Anti-corruption
層面 B7：反貪污

Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering
有關防止賄賂、勒索、欺詐及洗黑錢的政策及遵守對發行人有重大影響的相關法律及規例

Policies and procedures include:

- anti-bribery function at Group level;
- whistle blower programmes;
- close oversight over procurement processes;
- drug prescription patterns; and
- no red packet policy

政策及程序包括：

- 本集團層面的反賄賂職能；
- 舉報制度；
- 密切監察採購流程；
- 藥物處方模式；及
- 拒收紅包政策

B7

Aspect B8: Community Investment
層面 B8：社區投資

Focus areas of contribution
專注貢獻範疇

In 2020, the Group has organised volunteer programmes and free clinics, with a focus primarily on children and elderly people with limited health awareness and/or access to affordable and adequate healthcare. The free clinics also penetrated remote areas where basic healthcare resources are scarce

二零二零年，本集團組織義工項目及免費會診，主要集中於健康意識薄弱及／或難以獲得可負擔及足夠醫療保健的兒童及老人。免費會診亦深入到基礎醫療資源稀缺的偏遠地區

B8.1

Resources contributed
所動用資源

In 2020:
二零二零年：

Number of volunteer man-hours: 2,427 (2019: 3,814)
參與義工活動人員時數：2,427小時
(二零一九年：3,814小時)

Number of free clinic man-hours: 1,491 (2019: 2,454)
免費會診工時數目：1,491小時(二零一九年：2,454小時)

Total amount of compensation provided to staff for participating in free clinics: RMB24,500 (2019: RMB25,000)
向參與免費會診的員工提供的報酬總額：人民幣 24,500 元
(二零一九年：人民幣 25,000 元)

B8.2

Directors, Supervisors and Senior Management

董事、監事及高級管理層

DIRECTORS

Executive Directors

Mr. WANG Junyang, aged 38, is an executive Director and chairman of the Board. He is primarily responsible for the overall business operation and strategic planning of the Group. Mr. Wang was appointed as the executive Director in December 2015 after the Company was converted into a joint stock limited liability company. Mr. Wang has approximately 14 years of industry and management experience, and is familiar with modern enterprise management, capital operations and marketing. Mr. Wang joined Kanghua Hospital in August 2007 and has held various positions since then, including assistant to general manager responsible for hospital operations from August 2007 to July 2009, manager of the business department responsible for business development from August 2009 to November 2012 and vice general manager of the business department responsible for business management and overall strategic development of the hospital since December 2012. Mr. Wang has also served as director and general manager responsible for business management and overall strategic development of Kanghua Group since August 2007 and Xingye Group since December 2008. Mr. Wang has served on the fourth council of Dongguan City Houjie Chamber of Commerce (東莞市厚街商會第四屆理事會理事) since December 2009. In 2012, Mr. Wang served as the president of the fifth council of Dongguan Young Entrepreneurs Association (東莞市青年企業家協會第五屆理事會會長). In June 2014, Mr. Wang was awarded Outstanding Young Dongguan Businessman (優秀青年莞商) by the World Dongguan Entrepreneurs Convention Organising Committee (世界莞商大會組織委員會). Mr. Wang is a member of the Wang Family and is the cousin of Mr. Wong Wai Hung Simon and nephew of Mr. Chen Wangzhi and Ms. Wang Ai Qin.

Mr. CHEN Wangzhi, aged 50, is an executive Director and the chief executive officer of the Company. Mr. Chen is primarily responsible for the overall hospital operations and management of the Group. Mr. Chen was appointed as the executive Director in December 2015 after the Company was converted into a joint stock limited liability company. Mr. Chen has over 14 years of experience in the healthcare industry. Mr. Chen joined Renkang Hospital in August 2005 when it was established as a limited liability company in the PRC and has since served as the chairman responsible for hospital operations and development. Mr. Chen joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and has since served as the chairman and general manager responsible for hospital operations and development. He was principally responsible for supervising the construction and development of Kanghua Hospital and Renkang Hospital from which he had gained extensive experience in hospital management and development. Under the leadership of Mr. Chen, Kanghua Hospital and Renkang Hospital have developed a management style reflective of the values and characteristics of the "Kanghua" brand and obtained many prestigious accreditations and recognitions. Mr. Chen obtained an executive master's degree in business administration (高級管理人員工商管理) from Sun Yat-sen University (中山大學) in December 2014. Mr. Chen is a member of the Wang Family and is uncle-in-law of Mr. Wang Junyang and spouse of Ms. Wang Ai Qin.

董事

執行董事

王君揚先生，38歲，為執行董事兼董事會主席。彼主要負責本集團整體業務營運及策略規劃。當本公司轉為股份有限責任公司後，王先生於二零一五年十二月獲委任為執行董事。王先生擁有約14年的業內及管理經驗，並熟悉現代企業管理、資本運營及市場推廣。王先生於二零零七年八月加入康華醫院，並自此一直擔任多個職務（包括自二零零七年八月至二零零九年七月擔任總經理助理（負責醫院營運）、自二零零九年八月至二零一二年十一月擔任業務部經理（負責業務發展）以及自二零一二年十二月起擔任業務部副總經理（負責醫院的業務管理及整體策略發展）。王先生自二零零七年八月起及自二零零八年十二月起亦分別擔任康華集團及興業集團的董事兼總經理，負責康華集團及興業集團的業務管理及整體策略發展。王先生自二零零九年十二月起一直擔任東莞市厚街商會第四屆理事會理事。於二零一二年，王先生擔任東莞市青年企業家協會第五屆理事會會長。二零一四年六月，王先生獲世界莞商大會組織委員會評為「優秀青年莞商」。王先生為王氏家族成員，是王偉雄先生的堂兄及陳旺枝先生和王愛勤女士的姪兒。

陳旺枝先生，50歲，為執行董事兼本公司行政總裁。陳先生主要負責本集團整體醫院營運及管理。當本公司轉為股份有限責任公司後，陳先生於二零一五年十二月獲委任為執行董事。陳先生擁有逾14年的醫療行業經驗，陳先生於二零零五年八月仁康醫院在中國成立為有限公司之時加入，並自此一直擔任主席，負責醫院營運及發展。陳先生於二零零五年九月在康華醫院於中國成立為有限公司之時加入康華醫院，並自此擔任主席兼總經理，負責醫院營運及發展。彼主要負責監督康華醫院及仁康醫院的建設及發展，累積了醫院管理及發展的豐富經驗。在陳先生的領導下，康華醫院及仁康醫院形成了反映「康華」品牌價值及特色的管理風格，並獲得了多項知名認證及榮譽。陳先生於二零一四年十二月取得中山大學的高級管理人員工商管理碩士學位。陳先生為王氏家族成員，是王君揚先生的姑丈及王愛勤女士的配偶。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. WONG Wai Hung Simon, aged 32, is an executive Director and vice chairman of the Board. He is primarily responsible for the overall business operations and strategic planning of the Group. Mr. Wong was appointed as the executive Director in December 2015 after the Company was converted into a joint stock limited liability company. Mr. Wong has approximately 10 years of hospital management experience. Mr. Wong joined Kanghua Hospital in July 2010 and has since served various roles, including assistant to chairman responsible for implementing and executing chairman's decisions from July 2010 to April 2012, manager of the finance department responsible for the overall supervision of the financial affairs of the hospital from May 2012 to June 2013, and vice general manager of the business department responsible for hospital administration management since July 2013. Mr. Wong actively participates in the business communities in Dongguan. He has served as the vice chairman of the Hong Kong Houjie Clansmen Association (香港厚街同鄉會) since January 2016. Mr. Wong obtained a bachelor's degree in management from the California State University, Northridge in December 2010. Mr. Wong is a member of the Wang Family and is the cousin of Mr. Wang Junyang and nephew of Mr. Chen Wangzhi and Ms. Wang Ai Qin.

Ms. WANG Ai Qin, aged 50, is an executive Director. Ms. Wang is primarily responsible for the overall financial management and capital investment of the Group. Ms. Wang has approximately 23 years of group management experience, in particular group financial management. Ms. Wang joined Renkang Hospital in August 2005 when it was established as a limited liability company in the PRC and has since served as a supervisor and a vice general manager of the finance department responsible for financial management. Ms. Wang joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and has since served as a vice general manager of the finance department responsible for financial management. She was also substantially involved in the construction and development of Kanghua Hospital and Renkang Hospital. Ms. Wang has also served as a director and vice general manager of Kanghua Group since June 2002 and Xingye Group since June 1997, and has obtained significant experience in implementing and executing group control systems in financial management, human resources management, risk management, audit management and cultural management. Ms. Wang is a member of the Wang Family and is the aunt of Mr. Wang Junyang and Mr. Wong Wai Hung Simon, and spouse of Mr. Chen Wangzhi.

王偉雄先生，32歲，為執行董事兼董事會副主席。彼主要負責本集團整體業務營運及策略規劃。當本公司轉為股份有限責任公司後，王先生於二零一五年十二月獲委任為執行董事。王先生擁有約10年的醫院管理經驗。王先生於二零一零年七月加入康華醫院並自此擔任多個職務，包括自二零一零年七月至二零一二年四月擔任主席助理（負責實施及執行主席決策）、自二零一二年五月至二零一三年六月擔任財務部經理（負責醫院財務事宜的總體監督）以及自二零一三年七月起擔任業務部的副總經理（負責醫院的行政管理）。王先生積極參與東莞的商業社群。彼自二零一六年一月起擔任香港厚街同鄉會副會長。王先生於二零一零年十二月自加利福尼亞州立大學北嶺分校(Northridge)獲得管理學學士學位。王先生為王氏家族成員，是王君揚先生的堂弟及陳旺枝先生和王愛勤女士的姪兒。

王愛勤女士，50歲，為執行董事。王女士主要負責本集團的整體財務管理及資本投資。王女士擁有約23年的集團管理尤其是集團財務管理經驗。王女士於二零零五年八月（仁康醫院於中國成立為有限責任公司時）加入仁康醫院，並自此擔任監事兼財務部副總經理，負責財務管理。王女士於二零零五年九月（康華醫院於中國成立為有限責任公司時）加入康華醫院，並自此擔任財務部副總經理，負責財務管理。彼亦主要參與康華醫院及仁康醫院的建設及發展。王女士自二零零二年六月起亦擔任康華集團的董事兼副總經理及自一九九七年六月起在興業集團擔任上述職務，並在實施及執行有關財務管理、人力資源管理、風險管理、審計管理及文化管理的集團控制系統方面積累了豐富的經驗。王女士為王氏家族成員，及為王君揚先生及王偉雄先生的姑母以及陳旺枝先生的配偶。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Non-executive Director

Mr. LV Yubo, aged 70, is a non-executive Director. He is primarily responsible for overseeing the corporate development and strategic planning of the Group. Mr. Lv joined the Group in June 2016 and was appointed as non-executive Director in June 2016. Mr. Lv has more than 44 years of extensive experience in hospital management. Since October 1974, Mr. Lv has played an instrumental role in the development of Guangdong Provincial Hospital of Traditional Chinese Medicine (廣東省中醫院), which has now become one of the largest hospitals of traditional Chinese medicine in the PRC. Mr. Lv is currently a lifetime honorary director (終身名譽院長) of Guangdong Provincial Hospital of Traditional Chinese Medicine. Before such appointment, Mr. Lv had served numerous managerial roles at Guangdong Provincial Hospital of Traditional Chinese Medicine, including vice director (副院長) and director (院長). Mr. Lv has served in a number of healthcare associations in the PRC, including deputy chairman (副會長) of the China Hospital Association (中國醫院協會) since February 2006, chairman (會長) of the Guangdong Provincial Association of Chinese Medicine (廣東省中醫藥學會) since August 2010 and chairman (主任委員) of the Chinese Medicine Hospital Division of the China Hospital Association (中國醫院協會中醫醫院分會) since August 2015. Mr. Lv is well regarded in the medical profession in the PRC and has received numerous awards, including Outstanding Contribution to Chinese Hospitals (中國醫院突出貢獻) from the China Hospital Association (中國醫院協會) in 2006, National Outstanding Director of the Chinese Medicine Hospital (全國中醫醫院優秀院長) from the China Association of Chinese Medicine (中華中醫藥學會) in September 2007, Outstanding Management Personnel (優秀管理人才) from the China Association of Chinese Medicine (中華中醫藥學會) in 2014 and the First Class Sci-Tech Advancement Award of Guangdong Province (廣東省科技進步一等獎) from the People's Government of Guangdong Province (廣東省人民政府) in 2015. Mr. Lv graduated from Guangdong Provincial University of Continuing Technology Education (廣東業餘科技大學) in July 1981 majoring in English, and Guangdong Economics Management Cadre College (廣東省經濟管理幹部學院) in July 1988 majoring in organisation management (組織管理). Mr. Lv obtained an executive master's degree in business administration (高級管理人員工商管理) from Lingnan (University) College of Sun Yat-sen University (中山大學嶺南學院) in December 2005.

非執行董事

呂玉波先生，70歲，為非執行董事。彼主要負責監督本集團的企業發展及策略規劃。呂先生於二零一六年六月加入本集團，並於二零一六年六月獲委任為非執行董事。呂先生擁有逾44年的豐富醫院管理經驗。自一九七四年十月起，呂先生在廣東省中醫院的發展過程中扮演重要角色，該醫院現已成為中國最大的中醫院之一。呂先生現任廣東省中醫院的終身名譽院長。於該項委任之前，呂先生曾在廣東省中醫院出任多個管理職務，包括副院長及院長。呂先生在中國的多個醫療協會任職，包括自二零零六年二月起擔任中國醫院協會副會長，自二零一零年八月起擔任廣東省中醫藥學會會長，並自二零一五年八月起擔任中國醫院協會中醫醫院分會的主任委員。呂先生在中國醫學界廣受認可及已獲眾多獎項，包括於二零零六年中國醫院協會頒發的中國醫院突出貢獻獎，二零零七年九月中華中醫藥學會頒發的全國中醫醫院優秀院長獎，二零一四年中華中醫藥學會頒發的優秀管理人才獎及於二零一五年廣東省人民政府頒發的廣東省科技進步一等獎。呂先生於一九八一年七月畢業於廣東業餘科技大學英語專業及於一九八八年七月畢業於廣東省經濟管理幹部學院組織管理專業。呂先生於二零零五年十二月獲得中山大學嶺南學院的高級管理人員工商管理碩士學位。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Independent non-executive Directors

Mr. YEUNG Ming Lai, aged 72, is an independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Yeung joined the Group in June 2016 and was appointed as independent non-executive Director in June 2016. Mr. Yeung has approximately 36 years of hospital operation experience, particularly in financial management, personnel management, human relations and marketing. He dedicated much of his career to the Adventist Hospitals in Hong Kong. Mr. Yeung started as an assistant accountant at Hong Kong Adventist Hospital (香港港安醫院) in July 1968. He became the vice president for finance of Hong Kong Adventist Hospital in April 1977. He left Hong Kong in October 1979 to pursue advanced training in hospital administration under sponsorship from the Hong Kong Adventist Hospital. Mr. Yeung had also served as an administrative residency at hospital administration at the Kettering Medical Center in Kettering, Ohio, the United States from March 1981 to March 1982. He returned to Hong Kong and became senior vice president of both Hong Kong Adventist Hospital and Tsuen Wan Adventist Hospital (荃灣港安醫院) in April 1982. Shortly after, Mr. Yeung was appointed as president of Tsuen Wan Adventist Hospital in July 1983. Under the leadership of Mr. Yeung, Tsuen Wan Adventist Hospital developed into a modern healthcare institution providing advanced multi-disciplinary healthcare services. He left the hospital in April 1992 and later emigrated to Canada to pursue other interests. Mr. Yeung returned to Hong Kong and had served as president and chief executive officer of both Adventist Hospitals from January 2006 to December 2015. Mr. Yeung left his positions at both Adventist Hospitals in December 2015.

Mr. Yeung obtained a diploma in business administration from the South China Union College in Hong Kong in June 1979 and a master's degree in hospital administration from Loma Linda University in California, the United States in March 1982. In recognition of his remarkable contributions to the Adventist Hospitals in Hong Kong, the Adventist University of Philippines bestowed a doctorate degree in humanities upon Mr. Yeung in March 2009.

獨立非執行董事

楊銘灃先生，72歲，為獨立非執行董事。彼主要負責監督董事會及向董事會提供獨立判斷。楊先生於二零一六年六月加入本集團，並於二零一六年六月獲委任為獨立非執行董事。楊先生擁有約36年醫院營運經驗，尤其精通財務管理、人事管理、人際關係以及市場推廣。彼將其過半職業生涯奉獻於香港的港安醫院。楊先生於一九六八年七月在香港港安醫院任助理會計。彼於一九七七年四月成為香港港安醫院的財務副總裁。彼於一九七九年十月離開香港，在香港港安醫院的資助下謀求醫院管理方面的進修培訓。楊先生自一九八一年三月至一九八二年三月亦曾於美國俄亥俄州Kettering的Kettering Medical Center擔任醫院管理方面的管理實習生。彼於一九八二年四月返回香港並同時成為香港港安醫院及荃灣港安醫院的高級副總裁。不久後，楊先生於一九八三年七月獲委任為荃灣港安醫院的總裁。在楊先生的領導下，荃灣港安醫院發展為現代醫療機構，提供先進的多學科醫療服務。彼於一九九二年四月離開該醫院，隨後因私人理由移民加拿大。楊先生返回香港並自二零零六年一月至二零一五年十二月擔任兩家港安醫院的總裁及行政總裁。楊先生於二零一五年十二月辭去其於兩家港安醫院的職位。

楊先生於一九七九年六月在香港華南三育書院獲得工商管理文憑，並於一九八二年三月在美國加利福尼亞羅馬琳達大學(Loma Linda University)獲得醫院管理碩士學位。為表彰其為香港港安醫院作出的傑出貢獻，菲律賓亞德溫斯特大學(the Adventist University of Philippines)於二零零九年三月向楊先生授予了人文學博士學位。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Dr. CHEN Keji, aged 90, is an independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to the Board. Dr. Chen joined the Group in June 2016 and was appointed as independent non-executive Director in June 2016. Dr. Chen is a renowned cardiologist in the PRC with over 64 years of experience in the medical industry. Dr. Chen has played a pivotal role in the development of the Xiyuan Hospital of China Academy of Chinese Medical Sciences (中國中醫科學院西苑醫院), where he currently serves as chief researcher (首席研究員) and the lifetime researcher (終身研究員) of the China Academy of Traditional Chinese Medicine (中國中醫研究院). Dr. Chen has worked at the Chinese Medical Science Xiyuan Hospital (中國科學院西苑醫院) since April 1956, and has served various roles, including resident doctor (住院醫師), attending doctor (主治醫師), associate chief doctor (副主任醫師), associate researcher (副研究員), department head (科主任), chief doctor (主任醫師), researcher (研究員), tutor for doctor of philosophy students (博士生導師) and vice director (副院長). Dr. Chen has made significant contributions to the medical profession in the PRC. He was elected as the fellow of Chinese Academy of Sciences (中國科學院院士) in 1991. He received the First Lifu Academic Award (第一屆立夫中醫藥學術獎) for Chinese Medicine from the Lifu Medical Research Foundation (立夫醫藥研究文教基金會) in Taiwan in 1994. He was awarded the Wu Jieping Medicine Prize (吳階平醫學獎) by the Wu Jieping Medicine Prize Committee (吳階平醫學獎評審委員會) in 2009. He received a First Class National Science and Technology Progress Award (國家科技進步獎一等獎) from the State Council (國務院) in 2004. He also received an honorary doctorate of science from Hong Kong Baptist University in 2004, and an honorary doctorate of medicine (榮譽博士) from the Macau University of Science and Technology in 2010. He received a Lifetime Achievement Award (終身成就獎) from the China Association of Chinese Medicine (中華中醫藥學會) in 2014 for his contribution to the academic development of TCM. He became the honorary president (名譽會長) of the Hong Kong Association for Integration of Chinese-Western Medicine (香港中西醫結合醫師會) in 2009, the honorary academic advisor (榮譽學術顧問) of the Hong Kong Association of Traditional Chinese Medicine (香港中醫學會) in 2011, and the director of the academic committee (學術委員會主任) of the State Key Laboratories of Quality Research in Chinese Medicines (中藥質量研究國家重點實驗室) of the University of Macau (澳門大學) and the Macau University of Science and Technology (澳門科技大學) in 2011 and the honorary president (名譽會長) of the Chinese Association of Integrative Medicine (中國中西醫結合學會) in 2015. Dr. Chen graduated from Fujian Medical University (福建醫科大學) (formerly Fujian Medical College (福建醫學院)) in July 1954, majoring in medicine (醫療系).

陳可冀醫生，90歲，為獨立非執行董事。彼主要負責監察及向董事會提供獨立意見。陳醫生於二零一六年六月加入本集團，並於二零一六年六月獲委任為獨立非執行董事。陳醫生是中國著名心血管病專家，擁有超過64年的醫療行業經驗。陳醫生在中國中醫科學院西苑醫院的發展過程中發揮著舉足輕重的作用，彼現任其首席研究員及中國中醫研究院終身研究員。自一九五六年四月起，陳醫生任職中國科學院西苑醫院並擔任多項職務，包括住院醫師、主治醫師、副主任醫師、副研究員、科主任、主任醫師、研究員、博士生導師及副院長。陳醫生對中國醫學界作出重大貢獻。彼於一九九一年當選中國科學院院士。彼於一九九四年獲得台灣立夫醫藥研究文教基金會頒發的第一屆立夫中醫藥學術獎。彼於二零零九年獲得吳階平醫學獎評審委員會頒發的吳階平醫學獎。彼於二零零四年獲國務院頒發國家科技進步獎一等獎。彼亦於二零零四年獲香港浸會大學理學榮譽博士稱號，於二零一零年獲澳門科技大學醫學榮譽博士稱號。彼於二零一四年因其對中醫學術發展的貢獻而獲得中華中醫藥學會頒發的終身成就獎。彼於二零零九年成為香港中西醫結合醫師會名譽會長，於二零一一年成為香港中醫學會榮譽學術顧問，於二零一一年成為澳門大學及澳門科技大學中藥質量研究國家重點實驗室學術委員會主任，及於二零一五年成為中國中西醫結合學會名譽會長。陳醫生於一九五四年七月畢業於福建醫科大學(前稱福建醫學院)，主修醫療系。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. CHAN Sing Nun, aged 46, is an independent non-executive Director. He is primarily responsible for supervising and providing independent judgment to the Board. Mr. Chan was appointed as a Director in December 2015; his appointment as independent non-executive Director was officially confirmed in June 2016. Mr. Chan has approximately 22 years of experience in auditing, accounting and financial management. From 1998 to 2002, Mr. Chan was a senior audit associate at K.L. Wong & Co., an audit firm. From January 2003 to January 2019, Mr. Chan has been the financial manager of Brandwell Limited, a consulting services company. Since March 2019, Mr. Chan has been the Financial controller of Muse Group Holdings Limited. Since September 2009, Mr. Chan has been the audit principal of Qing Lan C.P.A. Limited, mainly responsible for audit planning and supervision, internal control assessment, tax advisory, corporate secretarial services and business development. Mr. Chan has served as an independent non-executive director of Differ Group Holding Company Limited (a company formerly listed on the GEM board with stock code 8056 and currently listed on the Main Board of the Hong Kong Stock Exchange with stock code 6878) since November 2013. In January 2021 resigned as an independent non-executive director of Fameglow Holdings Limited (Stock code: 8603). Mr. Chan also is the director of A2Z Hotel Equipment Limited, a company that is principally engaged in tableware trading. Mr. Chan is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. Mr. Chan graduated from the City University of Hong Kong in 1998, and obtained a higher diploma in professional accounting.

陳星能先生，46歲，為獨立非執行董事。彼主要負責監察及向董事會提供獨立意見。陳先生於二零一五年十二月獲委任為董事，並於二零一六年六月正式獲確認為獨立非執行董事。陳先生在審核、會計及財務管理方面擁有約22年經驗。於一九九八年至二零零二年，陳先生在K.L. Wong & Co. (一家會計師事務所)擔任高級審核助理。自二零零三年一月至二零一九年一月，陳先生一直擔任奔威有限公司(一家諮詢服務公司)的財務經理。自二零一九年三月起，陳先生擔任妙思集團控股有限公司的財務總監。自二零零九年九月起，陳先生一直擔任青藍會計師事務所有限公司的核數部主管，主要負責審計規劃及監督、內部控制評估、稅務顧問、公司秘書服務及業務發展。陳先生自二零一三年十一月起擔任鼎豐集團控股有限公司(一家曾於香港聯交所GEM上市的公司(股份代號：8056)而目前於主板上市(股份代號：6878)的獨立非執行董事。於二零二一年一月辭任亮晴控股有限公司(股份代號：8603)的獨立非執行董事。陳先生亦為A2Z Hotel Equipment Limited(一家主要從事餐具貿易的公司)的董事。陳先生是香港會計師公會執業會計師及英國特許公認會計師公會會員。陳先生於一九九八年自香港城市大學畢業，獲專業會計高級文憑。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

SUPERVISORS

Mr. CHEN Shaoming, aged 42, is the chairman of the Supervisory Committee. He is primarily responsible for supervising the daily operations and management of the Group. Mr. Chen joined the Group in September 2005 and was appointed as our Supervisor and the chairman of the supervisory committee in December 2015. Mr. Chen has more than 14 years of financial management experience in the healthcare industry. Mr. Chen joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and has since served various roles, including manager of the finance department from September 2005 to April 2007, financial controller of the finance department from May 2007 to December 2013 and supervisor since March 2013. Mr. Chen participated in the construction and development of Kanghua Hospital from which he gained valuable hospital management experience. Mr. Chen has also served as a supervisor of Dongguan Houjie Huaye Village Bank (東莞厚街華業村鎮銀行) since March 2012 and a financial controller of the finance department of Kanghua Group since November 2012. Mr. Chen graduated from Guangdong Economic Management College (廣東省經濟管理幹部學院) and obtained a diploma in accounting in July 2003.

Mr. Yue Chunyang, aged 46, is a supervisor and is currently the general manager of Kanghua Hospital primarily responsible for managing its overall information technology system, administrative and ancillary functions. Mr. Yue Chunyang has approximately 17 years of hospital management experience. Mr. Yue joined the Group in February 2003 and participated in the establishment of Kanghua Hospital. Since the commencement of operations of Kanghua Hospital in November 2006, he has assumed various managerial roles at Kanghua Hospital primarily to develop and manage its information technology system, administrative and ancillary functions. Prior to joining the Group, Mr. Yue had gained his industry experience from Qintai General Labour Union Computer School (琴台總工會計算機學校) in Lushan County of Henan Province (河南省魯山縣) as a teacher from August 1997 to October 1999, and Lushan County Communication Administration (魯山縣電信局) as a staff member from July 1999 to January 2003. Mr. Yue graduated from Zhengzhou University (鄭州大學) and obtained a bachelor's degree in computer science and technology in August 1997.

監事

陳少明先生，42歲，為監事會主席。彼主要負責監察本集團的日常營運及管理。陳先生於二零零五年九月加入本集團，並於二零一五年十二月獲委任為我們的監事及監事會主席。陳先生於醫療保健行業擁有逾14年財務管理經驗。陳先生於二零零五年九月(康華醫院於中國成立為有限責任公司時)加入康華醫院，自此擔任多項職務，包括自二零零五年九月至二零零七年四月擔任財務部經理、自二零零七年五月至二零一三年十二月擔任財務部的財務總監，以及自二零一三年三月起擔任監事。陳先生曾參與康華醫院的建設及發展，從中獲得寶貴的醫院管理經驗。陳先生自二零一二年三月起亦擔任東莞厚街華業村鎮銀行的監事，並自二零一二年十一月起擔任康華集團財務部的財務總監。陳先生於二零零三年七月畢業於廣東省經濟管理幹部學院，獲得會計文憑。

岳春陽先生，46歲，為監事及目前為康華醫院總經理，主要負責管理其整體信息技術系統、行政及配套職能。岳春陽先生擁有約17年醫院管理經驗。岳先生於二零零三年二月加入本集團並參與成立康華醫院。自康華醫院於二零零六年十一月開始營運起，岳先生在康華醫院擔任各種管理職務，主要開發及管理其信息技術系統、行政及配套職能。加入本集團前，岳先生於一九九七年八月至一九九九年十月在河南省魯山縣琴台總工會計算機學校擔任老師一職，及於一九九九年七月至二零零三年一月在魯山縣電信局任職。岳先生於一九九七年八月畢業於鄭州大學，取得計算機科學與技術學士學位。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. WANG Shaofeng, aged 37, is a Supervisor. He is primarily responsible for supervising the daily operations and management of the Group. Mr. Wang joined the Group in October 2006 and was appointed as our Supervisor and employee representative of the Supervisory Committee in December 2015. Mr. Wang has approximately 13 years of human resources experience in the healthcare industry. Mr. Wang joined Renkang Hospital in October 2006. From October 2006 to February 2007, Mr. Wang worked at Renkang Hospital as a network engineer in the information department. From March 2007 to August 2007, Mr. Wang was seconded to Kanghua Hospital to receive on-the-job training in the procurement department and the human resources department. In September 2007, Mr. Wang became formally employed by Kanghua Hospital and has since served as head of the human resources department responsible for recruitment, payroll, performance, training and employee relations. Mr. Wang graduated from Dongguan University of Technology (東莞理工學院) with a bachelor's degree in computer science and technology in June 2006. In August 2018, Mr. Wang acquired the occupational qualification of Enterprises Human Resource Management (Second Level), awarded by the Ministry of Human Resources and Social Security of the PRC.

SENIOR MANAGEMENT

Dr. TIAN Kege, aged 66, is a clinical vice general manager of the Company since June 2016. She is primarily responsible for overseeing the clinical operations of the Group's hospitals. Dr. Tian has more than 29 years of experience in the medical industry. Dr. Tian joined Kanghua Hospital in January 2008 and headed the development of its O&G practice, in particular endoscopic techniques, minimally invasive procedures, standardised treatment of malignant tumours, management of high-risk pregnancies and newborn deliveries and reproductive medicine. Dr. Tian currently serves as a vice director of Kanghua Hospital and the head of the O&G Medical Center of Kanghua Hospital. Before joining the Group, from May 1991 to January 2008, Dr. Tian had worked at the 301 Military Hospital (301醫院) as an attending doctor (主治醫師), associate chief doctor (副主任醫師) and chief doctor (主任醫師) with a focus on O&G practice. Dr. Tian has made significant contributions to the development of O&G practice in the PRC. She was awarded two Third Class Prizes for outstanding contributions in medical care (醫療護理傑出貢獻三等獎) by the 301 Military Hospital in 1993 for successfully rescuing a patient from HELLP syndrome with multiple organ failure (HELLP's 綜合症併發多器官功能衰竭一例搶救成功) and resuscitating 37 newborns with asphyxia (新生兒窒息復蘇成功37例), respectively. She was also appointed as an expert in health science (健康科普專家) by the Guangdong Provincial Health Education Centre (廣東省健康教育中心) in May 2015. She was awarded as "Heroic and Excellent Doctor in Southern Guangdong" (南粵巾幗好醫師) by the Guangdong Provincial Female Doctors Association (廣東省女醫師協會) in 2015. Dr. Tian graduated from the Second Military Medical University (第二軍醫大學) and obtained a bachelor's degree in medicine in August 1983, and a master's degree in medicine in July 1998. She obtained the chief doctor qualification in O&G in September 2005.

王少鋒先生，37歲，為監事。彼主要負責監察本集團的日常營運及管理。王先生於二零零六年十月加入本集團，並於二零一五年十二月獲委任為我們的監事及監事會職工代表。王先生在醫療保健行業擁有約13年的人力資源經驗。王先生於二零零六年十月加入仁康醫院。於二零零六年十月至二零零七年二月，王先生擔任仁康醫院信息部的網絡工程師。於二零零七年三月至二零零七年八月，王先生被調往康華醫院接受採購部及人力資源部的在職培訓。於二零零七年九月，王先生正式受聘於康華醫院，並自此擔任人力資源部門主管，負責招聘、工資單、績效、培訓及僱員關係。王先生於二零零六年六月畢業於東莞理工學院，並獲得計算機科學與技術學士學位。二零一八年八月，王先生獲得了由中華人民共和國人力資源和社會保障部授予的企業人力資源管理管理師(二級)之職業資格。

高級管理層

田可歌醫生，66歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責監督本集團醫院的臨床營運。田醫生於醫療行業擁有逾29年經驗。田醫生於二零零八年一月加入康華醫院，主管婦產科的發展，尤其是在內窺鏡技術、微創手術、惡性腫瘤規範化治療、高危妊娠及新生兒分娩管理及生殖醫學等方面。田醫生目前為康華醫院副院長兼康華醫院婦產醫學中心主任。加入本集團前，於一九九一年五月至二零零八年一月，田醫生在301醫院任主治醫師、副主任醫師及主任醫師，專攻婦產科。田醫生已為中國婦產科的發展作出重大貢獻。彼因HELLP's綜合症併發多器官功能衰竭一例搶救成功及新生兒窒息復蘇成功37例而於一九九三年獲301醫院頒發兩項醫療護理傑出貢獻三等獎。彼亦於二零一五年五月獲廣東省健康教育中心委任為健康科普專家。於二零一五年，彼獲廣東省女醫師協會評為「南粵巾幗好醫師」。田醫生於一九八三年八月畢業於第二軍醫大學及取得醫學學士學位，及於一九九八年七月取得醫學碩士學位。彼於二零零五年九月取得婦產科主任醫師資格。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Dr. JIA Guoliang, aged 77, is a clinical vice general manager of the Company since June 2016. He is primarily responsible for overseeing the clinical operations of the Group's hospitals. Dr. Jia is a renowned cardiologist in the PRC with more than 51 years of experience in the medical industry. He joined Kanghua Hospital in March 2008 and currently serves as a vice director of Kanghua Hospital and the head of the Cardiovascular Center. Before joining the Group, from August 1968 to December 1974, Dr. Jia had worked at the Xinjiang Military Region Sixth Division Hospital (新疆軍區六師醫院) as a military surgeon. From January 1975 to October 2005, Dr. Jia had worked at the First Affiliated Hospital of the Fourth Military Medical University (第四軍醫大學附屬一院) as an attending physician in cardiology (心內科主任醫生), associate director (副主任) and director (主任), where he undertook clinical, teaching and operational responsibilities. From October 2005 to February 2008, Dr. Jia had worked at the Cardiovascular Hospital of Xi An No. 1 Hospital as a director (院長). Dr. Jia has made substantial contributions to cardiovascular healthcare, particularly in military medicine, in the PRC. He has served as a committee member of numerous medical associations and editorial board of medical journals. In addition to a Third Class Prize in Technology Improvement (三等科技進步獎) awarded by the National Commission for Scientific and Technological Research (國家科學技術委員會) in December 1996, Dr. Jia had received more than 18 awards from the General Logistics Department of the Chinese People's Liberation Army (中國人民解放軍總後勤部) for the contribution of his research projects in military medicine (軍隊醫學). Dr. Jia received a Life-time Award in Interventional Cardiology in the PRC (中國介入心臟病學終生成就獎) and a Distinctive Contribution Award (特別貢獻獎) from the Chinese Medical Association (中華醫學會), respectively, in March 2005. Dr. Jia continues to actively pursue his endeavours in cardiovascular healthcare. His recent appointments include consultant for the interventional cardiovascular diseases branch of the Chinese Medical Association (中華醫學會心血管病學分會) in 2013, committee member for the cardiologist branch of the Chinese Medical Doctor Association (中國醫師協會心血管內科醫師分會) in 2014 and consultant for the editorial board of Chinese Journal of Geriatric Heart Brain and Vessel Diseases (中華老年心腦血管病雜誌) in 2016. Dr. Jia possesses the chief doctor qualification.

賈國良醫生，77歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責監督本集團醫院的臨床營運。賈醫生為中國著名心血管病專家，於醫療行業擁有逾51年經驗。彼於二零零八年三月加入康華醫院，現任康華醫院副院長兼心血管病醫學中心主任。加入本集團前，於一九六八年八月至一九七四年十二月，賈醫生在新疆軍區六師醫院任軍醫。於一九七五年一月至二零零五年十月，賈醫生在第四軍醫大學附屬一院歷任心內科主任醫生、副主任及主任，負責臨床、教學及營運。於二零零五年十月至二零零八年二月，賈醫生在西安市第一醫院的西安市心血管病醫院任院長。賈醫生為中國的心血管保健尤其在軍隊醫學方面作出巨大貢獻。彼擔任多家醫學協會會員及醫學期刊編輯部成員。除於一九九六年十二月獲國家科學技術委員會授予三等科技進步獎外，賈醫生就其在軍隊醫學研究項目上所作貢獻獲中國人民解放軍總後勤部授予超過18項獎項。賈醫生於二零零五年三月分別獲得中國介入心臟病學終生成就獎及中華醫學會所授予的特別貢獻獎。賈醫生持續積極推進其在心血管保健方面的工作。其近期聘用情況包括於二零一三年擔任中華醫學會心血管病學分會的顧問、於二零一四年擔任中國醫師協會心血管內科醫師分會的會員及於二零一六年擔任中華老年心腦血管病雜誌編輯部顧問。賈醫生具備主任醫師資格。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Dr. Li Zhiwei, aged 53, is a clinical vice general manager of the Company since June 2016. He is primarily responsible for overseeing the clinical operations of the Group's hospitals. Dr. Li is an industry leading general surgeon in the PRC with more than 29 years of experience in the medical industry. He joined Kanghua Hospital in February 2006 and currently serves as a vice director of Kanghua Hospital and the head of the Department of Hepatobiliary and Pancreatic Surgery. Dr. Li also participated in managing the development and operation of Kanghua Hospital from which he gained valuable hospital management experience. Before joining the Group, from August 1990 to December 2005, Dr. Li had focused his practice on hepatobiliary surgery at the 301 Military Hospital (301醫院), where he had served various roles, including resident doctor (住院醫師), chief resident doctor (總住院醫師), attending doctor (主治醫師), ward inspection chief attending doctor (查房總主治醫師) and associate chief doctor (副主任醫師). Dr. Li is substantially involved in the development of general surgery and medical associations in the PRC. He was complimented to be an advanced teaching individual (先進工作個人) twice by the PLA Postgraduate Medical School (軍醫進修學院) in 1997 and 2001, respectively, for his outstanding performance in teaching and teaching management. Dr. Li graduated from First Military Medical University (第一軍醫大學) with a medical bachelor's degree in July 1990. He obtained a master's degree in general surgery and doctoral degree in clinical medicine from the postgraduate medical school (軍醫進修學院) of 301 Military Hospital (301醫院) in July 1995 and July 2003, respectively. Dr. Li obtained the chief doctor qualification in hepatobiliary surgery in January 2009.

Ms. LIN Yan, aged 58, is a clinical vice general manager of the Company since June 2016. She is primarily responsible for the overall management of the nursing work of the Group's hospitals. Ms. Lin is a highly experienced nurse with more than 36 years of experience in the medical industry. Ms. Lin joined Kanghua Hospital in September 2010 and has since served as the head of the Nursing Department. Before joining the Group, from July 1983 to October 2010, Ms. Lin had served various roles at Second Affiliated Hospital of Sun Yat-sen University (中山大學附屬第二醫院), including nurse, head nurse of operating theatre, head of nursing department and deputy head of outpatient office. Ms. Lin has made distinguished contributions in the nursing profession in the PRC, with far-reaching influence in the field of operating room nursing within the PRC, in particular Guangdong Province. She participated in the publication of many professional practice guides in nursing, including main editor (主編) for Practical Surgical Nursing (實用手術護理學) published by the Sun Yat-sen University Press (中山大學出版社), which received a First Class Prize in Outstanding Teaching Materials (優秀教材一等獎) in Southern China universities from the China University Presses Association (中國大學出版協會), participating editor (參編) for Guide on Improving the Core Competence of Professional Nurse (專業護士核心能力建設指南) published by the Guangdong Provincial Publishing Group (廣東省出版集團), and participating editor (參編) for Clinical Care Document Specifications (臨床護理文書規範) published by the Guangdong Provincial Publishing Group. Ms. Lin obtained a diploma in advanced nursing from the Evening School of Sun Yat-sen University Zhongshan School of Medicine (中山醫科大學夜大學) in June 1989. Ms. Lin graduated from the Hunan University of Chinese Medicine (湖南中醫藥大學) in January 2010. She obtained the chief nurse qualification (主任護理師) in December 2007.

李志偉醫生，53歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責監督本集團醫院的臨床營運。李醫生在中國為業界領先的外科醫生，於醫療行業擁有逾29年經驗。彼於二零零六年二月加入康華醫院，現任康華醫院副院長兼肝膽胰外科主任。李醫生亦參與管理康華醫院的發展及營運，並因此獲得寶貴的醫院管理經驗。加入本集團前，自一九九零年八月至二零零五年十二月，李醫生一直於301醫院專注肝膽手術臨床實踐，擔任多個職務，包括住院醫師、總住院醫師、主治醫師、查房總主治醫師及副主任醫師。李醫生一直投身於中國普通外科及醫學會的發展。彼由於在教學及教學管理方面的傑出表現分別於一九九七年及二零零一年獲中國人民解放軍軍醫進修學院兩次評為先進工作個人。李醫生於一九九零年七月畢業於第一軍醫大學，取得醫學學士學位。彼分別於一九九五年七月及二零零三年七月自301醫院軍醫進修學院取得普外科碩士學位及臨床醫學博士學位。李醫生於二零零九年一月取得肝膽外科主任醫師資格。

林岩女士，58歲，自二零一六年六月起為本公司的臨床副總經理。彼主要負責本集團醫院護理工作的整體管理。林女士為一名經驗豐富的護士，於醫療行業擁有逾36年經驗。林女士於二零一零年九月加入康華醫院，並自此擔任護理部主任。加入本集團前，林女士於一九八三年七月至二零一零年十月期間在中山大學附屬第二醫院擔任多個職務，包括護士、手術室護士長、護理部主任及門診辦公室副主任。林女士在中國護理行業作出突出貢獻，在全國、特別在廣東省手術室護理專業領域具有很大影響力。彼參與出版護理方面的眾多專業操作指引，包括中山大學出版社出版的《實用手術護理學》主編，榮獲中國大學出版協會評比華南地區大學優秀教材一等獎，廣東省出版集團出版的《專業護士核心能力建設指南》參編及廣東省出版集團出版的《臨床護理文書規範》的參編。林女士於一九八九年六月自中山醫科大學夜大學取得高級護理文憑。林女士於二零一零年一月畢業於湖南中醫藥大學。彼於二零零七年十二月獲得主任護理師資格。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. WANG Baizhi, aged 45, is an operation vice general manager of the Company since June 2016. He is responsible for the overall administrative and ancillary operations of the Group's hospitals as well as overseeing the Group's hospital management business. Mr. Wang has approximately 15 years of hospital management experience. Mr. Wang joined Renkang Hospital in August 2005 when it was established as a limited liability company in the PRC and has since served as the vice general manager of Renkang Hospital, and as the general manager of Renkang Hospital since November 2015, primarily responsible for the hospital's administrative and ancillary operations. Mr. Wang also participated in the construction and development of Renkang Hospital. Before joining the Group, from March 1998 to July 2003, Mr. Wang had worked at China Construction Bank responsible for auditing and loan management. Mr. Wang obtained a diploma in mechanical manufacturing engineering and design from the Dongguan University of Technology (東莞理工學院) in June 1998.

Ms. WANG Yingda, aged 46, is the secretary to the Board since June 2016. She is primarily responsible for overseeing public affairs, administrative and daily operations of the Group. Ms. Wang has 16 years of management experience in the medical industry, particularly in financial management, hospital administration, support and assurances, service excellence, brand promotion and corporate culture. Ms. Wang joined Kanghua Hospital in June 2006, served as a senior manager of the finance department and currently serves as an assistant to chairman responsible for operation control, external and internal liaisons, implementation of action plans, monitoring key performance indicators, assessing patient satisfaction levels and organising hospital branding events. Ms. Wang had worked as a manager of the finance department of Kanghua Group primarily responsible for financial and audit matters from February 2004 to May 2006, during which she had been involved in the construction and development of Kanghua Hospital from which she gained valuable hospital management experience. Ms. Wang currently serves as a standing committee member (常務委員) of the Guangdong Provincial Health Economics Association (廣東省衛生經濟學會委員會) and the deputy chairman (副會長) of the Dongguan Hospital Association (東莞市醫院協會). Ms. Wang graduated from Xi'an Technological University (西安工業大學) and obtained a diploma in financial accounting in July 1995. Ms. Wang obtained the qualification of accountant in the PRC in May 2002. Ms. Wang obtained a master's degree in business administration from Northwest University (西北大學) in the PRC in December 2013.

王柏枝先生，45歲，自二零一六年六月起為本公司的營運副總經理。彼負責本集團醫院的整體行政及配套營運事宜並監督本集團的醫院管理業務。王先生擁有約15年醫院管理經驗。王先生於二零零五年八月(仁康醫院在中國成立為有限公司時)加入仁康醫院，彼自此擔任仁康醫院副總經理，於二零一五年十一月任仁康醫院總經理，主要負責醫院的行政及配套營運事宜。王先生亦參與仁康醫院的建設及發展。加入本集團前，於一九九八年三月至二零零三年七月，王先生任職中國建設銀行，負責審核及貸款管理事宜。王先生於一九九八年六月取得東莞理工學院機械製造工程及設計專業文憑。

王櫻達女士，46歲，自二零一六年六月起為董事會秘書。彼主要負責監督本集團的公共事務、行政管理及日常營運。王女士於醫療行業擁有16年管理經驗，尤其是在財務管理、醫院管理、支援及保障、優質服務、品牌提升及企業文化方面。王女士於二零零六年六月加入康華醫院擔任財務部高級經理，現時任職主席助理，負責營運控制、內外部聯絡、實施行動計劃、監測關鍵績效指標、評估患者滿意度及組織醫院品牌推廣活動。王女士自二零零四年二月至二零零六年五月曾擔任康華集團的財務部經理，主要負責財務及審計事宜，其間亦曾參與康華醫院的建設及發展，從中獲得寶貴的醫院管理經驗。王女士目前為廣東省衛生經濟學會委員會常務委員及東莞市醫院協會副會長。王女士於一九九五年七月畢業於西安工業大學，獲得財務會計文憑。於二零零二年五月，王女士取得中國會計師資格。王女士於二零一三年十二月自中國西北大學取得工商管理碩士學位。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

Mr. WONG Wai Hang Ricky, aged 42, is a chief financial officer and a joint company secretary of the Company. Mr. Wong has more than 18 years of experience in accounting and finance. He is primarily responsible for the overall financial management, capital investment, investor relations and corporate finance of the Group. Mr. Wong joined the Company as chief financial officer in December 2015. Before joining the Group, from December 2002 to November 2015, Mr. Wong had worked at Deloitte Touche Tohmatsu, where he was responsible for leading, managing and supervising audits for listed and multi-national companies. Mr. Wong has also cultivated transactional experience in his previous roles, including acquisitions, debt offerings and initial public offerings. Mr. Wong was a senior manager at Deloitte Touche Tohmatsu before he joined the Group. Mr. Wong is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and CPA Australia. Mr. Wong obtained a bachelor's degree of commerce majoring in accounting and finance with merit from the University of New South Wales in April 2000, and a master's degree of commerce majoring in advanced information systems and management from the University of New South Wales in May 2003.

Ms. CHEN Li, aged 49, is a financial controller of the Company since June 2016. She is primarily responsible for the overall financial management of the Group's hospitals. Ms. Chen has more than 27 years of experience in financial management. Ms. Chen joined Kanghua Hospital in September 2005 when it was established as a limited liability company in the PRC and is currently serving as financial controller in the finance department. Ms. Chen also participated in managing the financial operations of Kanghua Hospital during its construction and development phase from which she gained valuable hospital financial management experience. Before joining the Group, from September 1992 to March 2004, she had served various roles at Dongguan City Guangcai Hotel (東莞市廣彩城酒店), a subsidiary of Guangdong Fortune Colour Picture Tube Co., Ltd. (廣東福地彩色顯像管公司), including accountant, accounting supervisor, cost supervisor and project manager. She has also served as the vice chairman (副會長) of the Dongguan Social Insurance Association (東莞市社會保險協會) since January 2016. Ms. Chen obtained a diploma in financial accounting from Changsha University of Workers (長沙職工大學) in June 1992. She graduated from Dongguan Party School (東莞黨校) in December 1998.

黃偉恒先生，42歲，為本公司的首席財務官及聯席公司秘書。黃先生在會計及財務方面累積逾18年經驗。彼主要負責本集團的整體財務管理、資本投資、投資者關係及企業融資。黃先生於二零一五年十二月加入本公司任首席財務官。加入本集團前，於二零零二年十二月至二零一五年十一月，黃先生任職於德勤•關黃陳方會計師行，在此負責領導、管理及監督上市及跨國公司的審計工作。黃先生亦於其先前職務中積累交易經驗，包括收購、債券發行及首次公開發售。黃先生於加入本集團前曾任德勤•關黃陳方會計師行的高級經理。黃先生是香港會計師公會執業會計師及澳洲執業會計師。黃先生於二零零零年四月以優異成績自新南威爾士大學取得商學學士學位（主修會計及財務），並於二零零三年五月自新南威爾士大學取得商學碩士學位（主修高級信息系統與管理）。

陳莉女士，49歲，自二零一六年六月起為本公司的財務總監。彼主要負責本集團醫院的整體財務管理。陳女士於財務管理方面擁有逾27年經驗。陳女士於二零零五年九月（康華醫院在中國成立為有限公司時）加入康華醫院，目前在財務部任財務總監。在康華醫院的建設及發展階段，陳女士亦參與管理康華醫院的財務營運事宜，從中累積了寶貴的醫院財務管理經驗。加入本集團前，彼於一九九二年九月至二零零四年三月期間在廣東福地彩色顯像管公司屬下東莞市廣彩城酒店擔任多個職務，包括會計、會計主管、成本主管及項目經理。自二零一六年一月起，彼亦擔任東莞市社會保險協會副會長。陳女士於一九九二年六月自長沙職工大學取得財務會計文憑。彼於一九九八年十二月於東莞黨校畢業。

Directors, Supervisors and Senior Management

董事、監事及高級管理層

JOINT COMPANY SECRETARIES

Mr. WONG Wai Hang Ricky, one of the joint company secretaries of the Company, is also a senior management member of the Company. Please refer to “Senior Management” in this section for his biography.

Ms. CHAU Hing Ling was appointed as a joint company secretary of the Company since 27 June 2016. She joined Vistra Corporate Services (HK) Limited since June 2013 and currently serves as a director of Corporate Services of Vistra Corporate Services (HK) Limited, where she leads a team of professional staff to provide a full range of company secretary services. Ms. Chau has over 18 years of experience in the corporate services industry.

Ms. Chau is currently the company secretary of several companies listed on the Hong Kong Stock Exchange. Ms. Chau received a master of laws majoring in corporate and finance law from the University of Hong Kong in November 2007. She has been a fellow member of The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) and the Hong Kong Institute of Chartered Secretaries since May 2013.

聯席公司秘書

黃偉恒先生為本公司的聯席公司秘書之一，亦為本公司的高級管理層成員。其履歷請參閱本節「高級管理層」。

周慶齡女士自二零一六年六月二十七日獲委任為本公司的聯席公司秘書。彼自二零一三年六月起加入 Vistra Corporate Services (HK) Limited，現於該公司出任企業服務董事並領導一支由專業人員組成的團隊，提供全方位的公司秘書服務。周女士在企業服務行業擁有逾18年經驗。

周女士現時為數家於香港聯交所上市的公司之公司秘書。周女士於二零零七年十一月取得香港大學法學碩士學位，主修公司及金融法，並自二零一三年五月起一直為英國特許公司治理公會（前稱英國特許秘書及行政人員公會）及香港特許秘書公會資深會員。



TO THE SHAREHOLDERS OF
GUANGDONG KANGHUA HEALTHCARE CO., LTD.
廣東康華醫療股份有限公司

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

OPINION

We have audited the consolidated financial statements of Guangdong Kanghua Healthcare Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 168 to 273, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



致廣東康華醫療股份有限公司股東

(於中華人民共和國註冊成立的股份有限公司)

意見

本行已審計第168頁至第273頁所載廣東康華醫療股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表。此綜合財務報表包括於二零二零年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及包括主要會計政策概要在内的綜合財務報表附註。

本行認為，綜合財務報表已根據國際會計準則委員會頒佈的《國際財務報告準則》(「國際財務報告準則」)真實而公平地反映貴集團於二零二零年十二月三十一日的綜合財務狀況及截至該日止年度貴集團的綜合財務表現及其綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

意見的基礎

本行已根據香港會計師公會(「香港會計師公會」)頒佈的《香港審計準則》(「香港審計準則」)進行審計。本行在該等準則下的責任已於本報告「核數師就審計綜合財務報表的責任」一節中詳述。根據香港會計師公會的「專業會計師道德守則」(「守則」)，本行獨立於貴集團，並已遵循守則履行其他道德責任。本行相信，本行所獲得的審計憑證足夠及能適當地為本行的意見提供基礎。

關鍵審計事項

關鍵審計事項為本行的專業判斷，認為對本期間綜合財務報表中最重要的事項。該等事項於本行審計整體綜合財務報表及出具意見時處理，而本行不會就此等事項單獨發表意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

關鍵審計事項 (續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

本行於審計時如何處理關鍵審計事項

Impairment assessment of goodwill

商譽的減值評估

We identified the impairment assessment of goodwill arising from acquisitions of 安徽樺霖醫療投資有限公司 (Anhui Hualin Medical Investment Co., Ltd.) ("Anhui Hualin") and its subsidiaries (collectively referred to as "Anhui Hualin Group") and 重慶康華眾聯心血管病醫院有限公司 (Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd.) ("Kangxin Hospital") as a key audit matter due to significant level of management judgement involved in determining the recoverable amount of the cash-generating unit ("CGU") of Anhui Hualin Group ("Anhui Hualin CGU") and CGU of Kangxin Hospital ("Kangxin Hospital CGU") to which goodwill is allocated for the impairment assessment on the goodwill in relation to acquisition of Anhui Hualin Group ("Hualin's Goodwill") and in relation to acquisition of Kangxin Hospital ("Kangxin's Goodwill") respectively.

As set out in Notes 4 and 18 to the consolidated financial statements, impairment of Hualin's Goodwill and Kangxin's Goodwill is assessed by comparing the recoverable amount of the Anhui Hualin CGU and Kangxin Hospital CGU to their respective carrying value at the end of the reporting period. The recoverable amount of their respective CGU is the higher of the value in use or fair value less costs of disposal. The value in use of their respective CGU is determined by the directors of the Company based on the present value of estimated future cash flows to be generated from their respective CGU and with reference to the valuation reports prepared by an independent professional valuer, which was approved by the directors of the Company. Significant judgements and assumptions are adopted by the management in the value in use calculation for estimation of recoverable amount of their respective CGU, the key assumptions including growth rates and pre-tax discount rates.

本行將收購安徽樺霖醫療投資有限公司(「安徽樺霖」)及其附屬公司(統稱「安徽樺霖集團」)以及重慶康華眾聯心血管病醫院有限公司(「康心醫院」)產生的商譽減值評估確定為關鍵審計事項，原因為在釐定商譽被分配分別與收購安徽樺霖集團(「樺霖商譽」)及收購康心醫院(「康心商譽」)有關的商譽減值評估的安徽樺霖集團現金產生單位(「現金產生單位」)(「安徽樺霖現金產生單位」)及康心醫院現金產生單位(「康心醫院現金產生單位」)的可收回金額時所涉及的重大管理層判斷。

誠如載於綜合財務報表附註4及18，樺霖商譽及康心商譽之減值乃透過比較安徽樺霖現金產生單位及康心醫院現金產生單位的可收回金額與報告期末彼等各自的賬面值而評估。彼等各自的現金產生單位的可收回金額為使用價值或公平值減出售成本中兩者中的較高者。彼等各自的現金產生單位的使用價值乃根據彼等各自的現金產生單位所得估計未來現金流量現值及參考由貴公司董事所批准的獨立專業估值師所編製估值報告由貴公司董事釐定。管理層就估計彼等各自的現金產生單位的可收回金額、主要假設(包括增長率及稅前折讓率)的使用價值計算採納重大判斷及假設。

Our procedures in relation to the Group's impairment assessment of goodwill included:

- Obtaining an understanding of the impairment assessment process used by the management and involvement of the independent professional valuer engaged by the Company to estimate the recoverable amounts based on a value in use calculation;
- Assessing the competence, capabilities and objectivity of the independent professional valuer;
- Assessing the reasonableness of the valuation methodology and key assumptions adopted by the management in determining the recoverable amount of the Anhui Hualin CGU and Kangxin Hospital CGU respectively, including growth rates and pre-tax discount rates, with the involvement of our internal valuation specialist;
- Evaluating the historical accuracy and reasonableness of the value in use calculation by comparing the historical cash flow forecasts with the actual performance of the Anhui Hualin CGU and Kangxin Hospital CGU respectively; and
- Evaluating the sensitivity analysis of the forecasts for reasonably possible change in the key assumptions.

本行對貴集團涉及商譽的減值評估的程序包括：

- 瞭解管理層及貴公司委聘的獨立專業估值師就根據使用價值計算估計可收回金額所採用的減值評估程序；
- 評估獨立專業估值師的素質、能力及客觀性；
- 在本行內部估值專家參與下，評估管理層分別釐定安徽樺霖現金產生單位及康心醫院現金產生單位可收回金額所採納估值方法及主要假設的合理性，包括增長率及稅前折讓率；
- 分別透過比較歷史現金流量預測與安徽樺霖現金產生單位及康心醫院現金產生單位實際表現，評估歷史準確性及使用價值計算的合理性；及
- 評估關鍵假設中合理可變動的預測敏感性分析。

KEY AUDIT MATTERS (Cont'd)

關鍵審計事項 (續)

Key audit matter

How our audit addressed the key audit matter

關鍵審計事項

本行於審計時如何處理關鍵審計事項

Impairment assessment of goodwill (Cont'd)

商譽的減值評估 (續)

Kangxin's Goodwill was impaired by RMB49,900,000 during the year ended 31 December 2020 and its net carrying amount was RMB15,512,000 as at 31 December 2020. Hualin's Goodwill was impaired by RMB27,500,000 during the year ended 31 December 2020 and its net carrying amount was RMB29,101,000 as at 31 December 2020.

截至二零二零年十二月三十一日止年度，康心商譽減值人民幣49,900,000元，而於二零二零年十二月三十一日的賬面淨值為人民幣15,512,000元。截至二零二零年十二月三十一日止年度，樺霖商譽減值人民幣27,500,000元，而於二零二零年十二月三十一日的賬面淨值為人民幣29,101,000元。

Contingent liabilities arising from medical disputes

醫療糾紛引起的或然負債

We have identified the contingent liabilities arising from medical disputes as a key audit matter because there are inherent risks of medical disputes in the healthcare business, and the estimation of their financial impact involves significant degree of management judgment as disclosed in Note 4 to the consolidated financial statements.

There are inherent risks associated with the Group's clinical activities which may result in unfavourable medical outcomes not caused by clinical decisions. The Group may be subject to legal proceedings and claims that arise in the ordinary course of business, which primarily include medical dispute claims brought by the former patients.

本行將醫療糾紛引起的或然負債確定為關鍵審計事項，因為醫療業務的醫療糾紛存在固有風險，而其財務影響的估計涉及重大程度的管理層判斷在綜合財務報表附註4所披露。

貴集團的臨床活動存在固有風險，可能導致並非臨床決策引起的不利醫療結果。貴集團可能會在日常業務過程中產生的法律訴訟和索賠，主要包括前病人提出的醫療糾紛索賠。

Our procedures in relation to the Group's contingent liabilities arising from medical disputes included:

- Understanding management's process in developing the estimation on the outflow of economic benefit;
- Obtaining the list of medical disputes from the management;
- Arranging litigation search to check for the status of the medical disputes and the completeness for the list of medical disputes;

本行對貴集團涉及醫療糾紛造成的或然負債採取的程序包括：

- 瞭解管理層對經濟利益流出的估計；
- 從管理層獲取醫療糾紛清單；
- 安排訴訟搜索以檢查醫療糾紛的狀況及醫療糾紛名單的完整性；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

關鍵審計事項 (續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

本行於審計時如何處理關鍵審計事項

Contingent liabilities arising from medical disputes (Cont'd)

醫療糾紛引起的或然負債(續)

Provision for medical dispute claims is made based on the status of potential and active claims outstanding at the end of each year, and taking into consideration the assessment and analysis of external experts and the total claim exposure. However, where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Except for those disputes with provision of RMB2,956,000 made as disclosed in Note 23 to the consolidated financial statements, the management of the Group believes that the final result of other medical disputes with total claims of RMB6,792,000 as at 31 December 2020 will not have a material impact on the financial position or operations of the Group and the amount of outflow, if any, cannot be determined with sufficient reliability prior to judicial appraisals. Accordingly, no provision is made in this regard and disclosed as contingent liabilities in Note 30 to the consolidated financial statements.

醫療糾紛索賠撥備是根據每年年底潛在和未了結索賠作出，並考慮到外部專家的評估和分析以及索賠總額。但是，如果可能不需要經濟利益流出，或者無法可靠地估計該金額，則將之披露為或然負債，除非經濟利益流出的可能性極低。

除綜合財務報表附註23所披露就該等糾紛作出的撥備為人民幣2,956,000元外，貴集團管理層認為，於二零二零年十二月三十一日，總索賠額為人民幣6,792,000元的其他醫療糾紛的最終結果，將不會對貴集團的財務狀況或經營造成重大影響，在司法判定之前，不能以足夠的可靠性確定流出的金額(如有)。因此，沒有就這方面作出撥備而作為或然負債在綜合財務報表附註30披露。

- Obtaining and reading legal proceeding letters, judicial appraisal reports, expert opinion letters, judgment letters and medical records, if any, relevant to the medical disputes;
 - Discussing with the management of the Group and the Group's legal counsel on the estimated outcome of the pending medical disputes, with reference to legal precedents of any similar cases; and
 - Evaluating the adequacy of provision and the disclosure under contingent liabilities.
-
- 獲得和閱讀與醫療糾紛相關的法律程序函件、司法評估報告、專家意見函件、判決書和醫療記錄(倘有)；
 - 參照類似案件的先例，與貴集團管理層及貴集團法律顧問討論尚未了結的醫療糾紛的估計結果；及
 - 評估或然負債的撥備及披露的充分性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事需要負責其他信息。其他信息包括年報所載資料，但不包括綜合財務報表及本行之核數師報告。

本行對綜合財務報表的意見並不涵蓋其他信息，本行亦不對其他信息發表任何形式的鑒證結論。

當審計綜合財務報表時，本行的責任為閱讀其他信息，於此過程中，考慮其他信息是否與綜合財務報表或本行於審計過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於本行已執行的工作，倘本行認為其他信息有重大錯誤陳述，本行須報告該事實。於此方面，本行沒有任何報告。

董事及治理層對綜合財務報表需承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露規定編製並真實兼公允地呈列的綜合財務報表，並為其認為必須為使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部控制負責。

編製綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層履行監督 貴集團財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計綜合財務報表的責任

本行的目標為合理鑒證整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有本行意見的核數師報告，按照協定的委任條款僅向閣下（作為整體）報告，除此之外本報告別無其他目的。本行不會就本報告內容向任何其他人士負上或承擔任何責任。合理鑒證屬高層次鑒證，但不能擔保根據香港審計準則進行的審計工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港審計準則進行審計時，本行運用專業判斷，於整個審計過程中抱持專業懷疑態度。本行亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審計程序，獲得充足及適當審計憑證為本行的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 了解與審計有關的內部控制，以設計恰當的審計程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露的合理性。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審計憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘本行總結認為存在重大不確定因素，本行需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂本行的意見。本行的結論以截至核數師報告日期所獲得的審計憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance 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, actions taken to eliminate threat or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe this matter 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.

The engagement partner on the audit resulting in the independent auditor's report is Del Rosario, Faith Corazon.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 March 2021

核數師就審計綜合財務報表的責任 (續)

- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容,以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的審計憑證,以就綜合財務報表發表意見。本行須負責指導、監督及執行集團的審計工作。本行須為審計意見承擔全部責任。

本行與治理層就審計工作的計劃範圍及時間安排及重大審計發現,包括本行於審計期間識別出內部控制的任何重大缺陷溝通。

本行亦向治理層提交聲明,說明本行已遵守有關獨立性的道德要求,並就所有被合理認為可能影響本行的獨立性的關係及其他事宜,以及在適用的情況下為消除對獨立性的威脅所採取的行動或防範措施。

本行從與治理層溝通的事項中,決定哪些事項對本期綜合財務報表的審計工作最為重要,因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項,或於極罕有的情況下,本行認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露,否則本行會於核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目合夥人是羅雅媛。

德勤•關黃陳方會計師行
執業會計師
香港
二零二一年三月二十九日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

		Notes	2020	2019
		附註	二零二零年 RMB'000 人民幣千元	二零一九年 RMB'000 人民幣千元
Revenue	收益	5	1,745,023	1,955,525
Cost of revenue	收益成本		(1,481,868)	(1,566,106)
Gross profit	毛利		263,155	389,419
Other income	其他收入	7	41,201	29,591
Other expenses, gains and losses	其他開支、收益及虧損	8	(5,123)	8,594
Net reversal (net provision) of impairment losses under expected credit loss model	預期信貸虧損模式項下之減值虧損，撥回淨額（撥備淨額）		1,847	(596)
Impairment loss on goodwill	商譽減值虧損	18	(77,400)	(60,000)
Administrative expenses	行政開支		(227,774)	(232,282)
Finance costs	融資成本	9	(21,995)	(17,241)
(Loss) profit before taxation	除稅前（虧損）溢利	10	(26,089)	117,485
Income tax expenses	所得稅開支	13	(23,967)	(68,797)
(Loss) profit and total comprehensive (expense) income for the year	本年度（虧損）溢利及全面（開支）收入總額		(50,056)	48,688
(Loss) profit and total comprehensive (expense) income for the year attributable to:	下列各項應佔本年度（虧損）溢利及全面（開支）收入總額：			
– owners of the Company	– 本公司擁有人		(25,372)	74,264
– non-controlling interests	– 非控股權益		(24,684)	(25,576)
			(50,056)	48,688
(Loss) earnings per share, basic (RMB cents)	每股基本（虧損）盈利（人民幣分）	15	(7.6)	22.2

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020
於二零二零年十二月三十一日

		Notes	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	976,272	917,670
Right-of-use assets	使用權資產	17	382,845	323,102
Goodwill	商譽	18	44,613	122,013
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備 已付按金		91,218	109,645
Financial assets at fair value through profit or loss	按公平值計入損益的 金融資產	22	67,663	–
Fixed bank deposits	定期銀行存款	19	–	37,000
			1,562,611	1,509,430
Current assets	流動資產			
Inventories	存貨	20	56,756	69,768
Accounts and other receivables	應收賬款及其他應收款項	21	248,679	300,588
Financial assets at fair value through profit or loss	按公平值計入損益的 金融資產	22	400,000	477,150
Restricted bank balances	受限制銀行結餘	19	1,182	2,345
Fixed bank deposits	定期銀行存款	19	5,000	–
Bank balances and cash	銀行結餘及現金	19	179,673	223,880
			891,290	1,073,731
Current liabilities	流動負債			
Accounts and other payables and provision	應付賬款及其他應付款項及 撥備	23	516,868	488,534
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司的非控股股東 款項	24	18,856	138,854
Tax payables	應付稅項		22,907	34,401
Bank loans – due within one year	銀行貸款—一年內到期	25	7,574	7,468
Lease liabilities	租賃負債	26	30,685	26,294
			596,890	695,551
Net current assets	流動資產淨值		294,400	378,180
Total assets less current liabilities	總資產減流動負債		1,857,011	1,887,610

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2020
於二零二零年十二月三十一日

			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
		Notes 附註		
Non-current liabilities	非流動負債			
Bank loans – due after one year	銀行貸款 – 一年後到期	25	250,256	208,785
Deferred tax liabilities	遞延稅項負債	27	21,945	21,383
Lease liabilities	租賃負債	26	177,308	199,884
			449,509	430,052
Net assets	資產淨值		1,407,502	1,457,558
Capital and reserves	資本及儲備			
Share capital	股本	28	334,394	334,394
Reserves	儲備		998,136	1,022,031
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,332,530	1,356,425
Non-controlling interests	非控股權益		74,972	101,133
Total equity	權益總額		1,407,502	1,457,558

The consolidated financial statements on pages 168 to 273 were approved and authorised for issue by the board of directors on 29 March 2021 and are signed on its behalf by:

第168至273頁的綜合財務報表已於二零二一年三月二十九日獲董事會批准及授權刊發，並由以下董事代表簽署：

Wang Junyang
王君揚

Director
董事

Wong Wai Hung Simon
王偉雄

Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Statutory reserve 法定儲備	Other reserve 其他儲備	Retained earnings 保留盈利	Sub-total 小計	controlling interests 控股權益	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
				(note (i)) (附註(i))	(note (iii)) (附註(iii))	(note (iii)) (附註(iii))	(note (iv)) (附註(iv))			
At 1 January 2019	於二零一九年一月一日	334,394	698,214	53,394	62,584	-	186,938	1,335,524	126,659	1,462,183
Profit (loss) and total comprehensive income (expense) for the year	年內溢利(虧損)及全面收入(開支)總額	-	-	-	-	-	74,264	74,264	(25,576)	48,688
Dividends (Note 14)	股息(附註14)	-	-	-	-	-	(53,363)	(53,363)	-	(53,363)
Appropriation to reserve	提取儲備金	-	-	-	26,343	-	(26,343)	-	-	-
Capital contribution by non-controlling interests of a subsidiary	一間附屬公司非控股權益的出資	-	-	-	-	-	-	-	50	50
At 31 December 2019	於二零一九年十二月三十一日	334,394	698,214	53,394	88,927	-	181,496	1,356,425	101,133	1,457,558
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	-	-	(25,372)	(25,372)	(24,684)	(50,056)
Appropriation to reserve	提取儲備金	-	-	-	7,895	-	(7,895)	-	-	-
Deemed partial disposal of a subsidiary	視作部分出售一間附屬公司	-	-	-	-	1,477	-	1,477	(1,477)	-
At 31 December 2020	於二零二零年十二月三十一日	334,394	698,214	53,394	96,822	1,477	148,229	1,332,530	74,972	1,407,502

Notes:

- (i) The capital reserve of the Group represents the different between the net asset value of the subsidiaries and the nominal amount of the Company's shares which were issued as consideration for the subsidiaries at the time of the group reorganisation in preparation for the listing of the Company's shares.
- (ii) According to the relevant laws in the People's Republic of China (the "PRC"), the Company and its subsidiaries which were established in the PRC are required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of the respective registered capital. The transfer to this reserve must be made before the distribution of dividends to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.
- (iii) The other reserve of the Group arose from a group restructuring that was accounted for as deemed disposal of interests in a wholly-owned subsidiary, which was fully acquired by a non-wholly owned subsidiary, from owners of the Company to non-controlling shareholder of a subsidiary.
- (iv) Included in the retained earnings, an amount of RMB5,633,000 (2019: RMB4,035,000) belongs to restricted retained earnings from Anhui Hualin Group (defined in Note 4) which is non-distributable other than upon liquidation.

附註:

- (i) 本集團的資本儲備指附屬公司的資產淨值與本公司為準備本公司股份上市而進行集團重組時作為收購附屬公司的代價而發行的股份面值的差額。
- (ii) 根據中華人民共和國(「中國」)相關法律，本公司及其於中國成立的附屬公司須按中國會計法則規定提取其稅後純利至少10%列入不可分派儲備金，直至儲備結餘達各自註冊資本的50%。於向擁有人分派股息前須對儲備劃撥資金。該儲備金可用於抵銷過往年度虧損(如有)，除非清盤，否則不可分派。
- (iii) 本集團的其他儲備來自一項被視為出售全資附屬公司權益的集團重組，該附屬公司已由一間非全資附屬公司全數收購。
- (iv) 納入保留盈利中，人民幣5,633,000元(二零一九年：人民幣4,035,000元)金額屬於安徽樺霖集團(定義見附註4)的受限制保留盈利，除非清盤，否則不可分派。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Operating activities	經營活動		
(Loss) profit before taxation	除稅前(虧損)溢利	(26,089)	117,485
Adjustments for:	就以下項目所作調整：		
Net reversal (net provision) of impairment losses under expected credit loss model	預期信貸虧損模式項下之減值虧損，撥回淨額(撥備淨額)	(1,847)	596
Bank and other interest income	銀行及其他利息收入	(4,038)	(2,789)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	109,266	91,200
Depreciation of right-of-use assets	使用權資產折舊	33,622	31,404
Fair value gain on financial assets at fair value through profit or loss	按公平值計入損益的金融資產的公平值收益	(4,130)	(8,701)
Loss on disposals/write-off of property, plant and equipment	出售/撇銷物業、廠房及設備的虧損	1,513	246
Impairment loss on goodwill	商譽減值虧損	77,400	60,000
Investment income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產的投資收入	(16,439)	(14,508)
Interest expenses	利息開支	21,995	17,241
Unrealised exchange loss (gain)	未變現的匯兌虧損(收益)	1,792	(1,307)
Provision of medical dispute claims	醫療糾紛索償撥備	4,558	597
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	197,603	291,464
Decrease (increase) in inventories	存貨減少(增加)	13,012	(24,410)
Decrease (increase) in accounts and other receivables	應收賬款及其他應收款項減少(增加)	53,355	(94,221)
Increase (decrease) in accounts and other payables	應付賬款及其他應付款項增加(減少)	46,221	(2,789)
Cash generated from operations	經營所得現金	310,191	170,044
PRC Enterprise Income Tax paid	已付中國企業所得稅	(34,899)	(71,866)
Net cash generated from operating activities	經營活動所得現金淨額	275,292	98,178
Investing activities	投資活動		
Placement of restricted bank balances	存放受限制銀行結餘	(1,645,528)	(1,690,944)
Purchase of property, plant and equipment	購買物業、廠房及設備	(128,653)	(142,425)
Payments of rights-of-use assets	使用權資產付款	(85,068)	-
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益的金融資產	(1,600,000)	(1,639,855)
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備已付按金	(33,817)	(76,568)
Placement of fixed bank deposits	存放定期銀行存款	(5,000)	(37,000)
Net cash outflow on acquisitions of subsidiaries	收購附屬公司的現金流出淨額	-	(21,000)
Withdrawal of restricted bank balances	提取受限制銀行結餘	1,646,691	1,709,697
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產所得款項	1,610,957	1,651,632
Withdrawal of fixed bank deposits	提取定期銀行存款	37,000	16,000
Investment income received from financial assets at fair value through profit or loss	按公平值計入損益的金融資產收取的投資收入	16,439	14,508
Interest received	已收利息	4,439	2,842
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備所得款項	388	181
Net cash used in investing activities	投資活動所用現金淨額	(182,152)	(212,932)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financing activities	融資活動		
New bank loans raised	所籌借新銀行貸款	50,000	235,350
Advances from non-controlling shareholders of subsidiaries	附屬公司的非控股股東墊款	67,500	228,000
Repayments to non-controlling shareholders of subsidiaries	還款予附屬公司的非控股股東	(187,498)	(220,350)
Dividends paid	已付利息	-	(53,363)
Repayments of lease liabilities	償還租賃負債	(26,483)	(21,973)
Interest paid	已付利息	(25,503)	(17,217)
Payment of bank loans arrangement fee	支付銀行貸款安排費用	(7,980)	(12,598)
Repayment of bank loans	還款予銀行貸款	(8,251)	(2,062)
Repayment to a shareholder	還款予一名股東	-	(682)
Capital contribution by non-controlling interests of a subsidiary	一間附屬公司非控股權益的出資	-	50
Net cash (used in) generated from financing activities	融資活動(所用)所得現金淨額	(138,215)	135,155
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	(45,075)	20,401
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	223,880	203,256
Effect of foreign exchange rate changes	匯率變動影響	868	223
Cash and cash equivalents at 31 December, representing bank balances and cash	於十二月三十一日的現金及現金等價物，即銀行結餘及現金	179,673	223,880

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

1. GENERAL

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

The Company and its subsidiaries (collectively referred as the “Group”) are principally engaged in provision of hospital services, provision of rehabilitation and other healthcare services, provision of hospital management services, sale of pharmaceutical products and provision of other services (represents elderly healthcare services) in the PRC. Details of the Company’s subsidiaries are set out in Note 39.

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

Significant event and transactions during the year

The outbreak of a novel coronavirus disease (“COVID-19”) and the subsequent quarantine measures as well as the travel restrictions imposed by the PRC government have had negative impacts to the economy and business environment, and have affected the operations of the Group mainly during the first half of the year ended 31 December 2020. In view of mandatory government quarantine measures in an effort to contain the spread of the pandemic, the number of patients decreased and certain of non-critical surgeries and medical treatments were deferred, while the Group’s overall fixed costs remained at a relatively high level as there was no material lay off of staff members and reduction of the relevant expenses. As such, the financial positions and performance of the Group were affected in different aspects during the first half of the year, including decline in revenue and reduction in profit generated from hospital services and rehabilitation and other healthcare services segments.

1. 一般資料

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

本公司及其附屬公司(統稱「本集團」)主要在中國從事提供醫院服務，提供康復及其他醫療服務、提供醫院管理服務、銷售藥品及提供其他服務(即老年護理服務)。本公司附屬公司詳情載於附註39。

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司的功能貨幣。

於本年內的重大事件及交易

由於新型冠狀病毒(「COVID-19」)爆發及中國政府後續採取的隔離措施和旅遊限制對經濟及業務環境造成負面影響並影響本集團截至二零二零年十二月三十一日止年度上半年的營運。鑒於政府為遏制疫情蔓延採取強制性檢疫措施，患者人數有所減少，若干非關鍵性手術及醫療護理亦被推遲，而由於並無重大裁員及相關開支並無減少，本集團整體固定成本仍維持於較高水平。因此，本年度上半年本集團的財務狀況及表現受到不同方面的影響，包括醫院服務、康復及其他醫療服務分部產生的收入和利潤減少。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

1. GENERAL (Cont'd)

Significant event and transactions during the year (Cont'd)

During the year ended 31 December 2020, the goodwill allocated to the cash-generating unit ("CGU") of 安徽樺霖醫療投資有限公司 (Anhui Hualin Medical Investment Co., Ltd.) ("Anhui Hualin") (the "Anhui Hualin CGU") ("Hualin's Goodwill") and 重慶康華眾聯心血管病醫院有限公司 (Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd.) ("Kangxin Hospital") (the "Kangxin Hospital CGU") ("Kangxin's Goodwill") are impaired by RMB27,500,000 and RMB49,900,000 respectively in view of the estimated future growth in revenue from the rehabilitation and other healthcare services business relating to the operations of Anhui Hualin and the hospital services business relating to the operations of Kangxin Hospital will be lower than previously expected. Details are set out in Note 18.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in IFRS Standards* and the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8

國際會計準則第1號及國際會計準則第8號(修訂本)

Amendments to IFRS 3

國際財務報告準則第3號(修訂本)

Amendments to IFRS 9, IAS 39 and IFRS 7

國際財務報告準則第9號、國際會計準則第39號及
國際財務報告準則第7號(修訂本)

The application of the *Amendments to References to the Conceptual Framework in IFRS Standards* and the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1. 一般資料(續)

於本年內的重大事件及交易(續)

截至二零二零年十二月三十一日止年度，分配至安徽樺霖醫療投資有限公司(「安徽樺霖」)現金產生單位(「安徽樺霖現金產生單位」)的商譽(「樺霖商譽」)及重慶康華眾聯心血管病醫院有限公司(「康心醫院」)現金產生單位(「康心醫院現金產生單位」)的商譽(「康心商譽」)分別減值人民幣27,500,000元及人民幣49,900,000元，原因是與安徽樺霖業務有關的康復及其他醫療服務業務及與康心醫院業務有關的醫院服務業務的估計未來收入增長將低於先前預期。詳情載於附註18。

2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂本

於本年度強制生效的國際財務報告準則之修訂本

於本年度，本集團已首次採納於二零二零年一月一日或之後開始之年度期間強制生效的國際財務報告準則之概念框架之提述之修訂本及由國際會計準則委員會(「國際會計準則委員會」)頒佈的下列國際財務報告準則的修訂本，以編製綜合財務報表：

Definition of Material

重大的定義

Definition of a Business

業務的定義

Interest Rate Benchmark Reform

利率基準改革

於本年度應用國際財務報告準則之概念框架之提述之修訂本及國際財務報告準則的修訂本，對本集團本年度及過往年度的財務狀況及表現及／或該等綜合財務報表所載披露事項並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (Cont’d)

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17

國際財務報告準則第17號

Amendment to IFRS 16

國際財務報告準則第16號(修訂本)

Amendments to IFRS 3

國際財務報告準則第3號(修訂本)

Amendments to IFRS 9, IAS 39, IFRS 7,

IFRS 4 and IFRS 16

國際財務報告準則第9號、國際會計準則第39號、

國際財務報告準則第7號、國際財務報告準則第

4號及國際財務報告準則第16號(修訂本)

Amendments to IFRS 10 and IAS 28

國際財務報告準則第10號及國際會計準則第28號
(修訂本)

Amendments to IAS 1

國際會計準則第1號(修訂本)

Amendments to IAS 1 and IFRS Practice Statement 2

國際會計準則第1號及國際財務報告準則

實務聲明第2號(修訂本)

Amendments to IAS 8

國際會計準則第8號(修訂本)

Amendments to IAS 16

國際會計準則第16號(修訂本)

Amendments to IAS 37

國際會計準則第37號(修訂本)

Amendments to IFRS Standards

國際財務報告準則(修訂本)

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 June 2020

⁵ Effective for annual periods beginning on or after 1 January 2021

Except for the new and amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂本(續)

已頒佈但尚未生效的新訂國際財務報告準則及其修訂本

本集團並無提早採納以下已頒佈但尚未生效的新訂國際財務報告準則及其修訂本：

Insurance Contracts and the related Amendments¹

保險合約及相關修訂本¹

COVID-19-Related Rent Concessions⁴

COVID-19 相關租金寬減⁴

Reference to the Conceptual Framework²

概念框架之提述²

Interest Rate Benchmark Reform – Phase 2⁵

利率基準改革 – 第二階段⁵

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³

投資者與其聯營公司或合資企業之間的資產出售或注入³

Classification of Liabilities as Current or Non-current¹

將負債分類為流動或非流動¹

Disclosure of Accounting Policies¹

會計政策披露¹

Definition of Accounting Estimates¹

會計估計的定義¹

Property, Plant and Equipment: Proceeds before Intended Use²

物業、廠房及設備：擬定用途前之所得款項²

Onerous Contracts – Cost of Fulfilling a Contract²

虧損合約 – 達成合約之成本²

Annual Improvements to IFRS Standards 2018 – 2020²

國際財務報告準則二零一八年至二零二零年之年度改進²

¹ 於二零二三年一月一日或之後開始的年度期間生效

² 於二零二二年一月一日或之後開始的年度期間生效

³ 於將確定的日期或之後開始的年度期間生效

⁴ 於二零二零年六月一日或之後開始的年度期間生效

⁵ 於二零二一年一月一日或之後開始的年度期間生效

除下文所述的新訂國際財務報告準則及其修訂本外，本公司董事預計應用所有新訂國際財務報告準則及其修訂本將不會對可預見未來的綜合財務報表產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as non-current rights that are in existence at the end of the reporting period. Specifically the amendment classify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) clarify that if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

Based on the Group's outstanding liabilities as at 31 December 2020, the application of the amendments will not result in reclassification of the Group's liabilities.

2. 應用新訂國際財務報告準則(「國際財務報告準則」)及其修訂本(續)

國際會計準則第1號(修訂本)將負債分類為流動或非流動

該等修訂為延期結算權利評估提供澄清及補充指導，自報告日期起至少十二個月內將負債分類為流動負債或非流動負債，其中：

- 指定將負債分類為於報告期末已存在的非流動權利。具體而言，該等修訂澄清：
 - (i) 分類不應受到管理層意圖或期望在12個月內清償債務的影響；及
 - (ii) 如權利以遵守契約為條件，即使貸款人於其後日期方測試是否符合條件，倘於報告期末達成條件，則視作權利存在；及
- 闡明倘負債之條款可以由交易方選擇，則可以通過轉讓實體自身之權益工具來結算，僅當該實體將選擇權單獨確認為適用於國際會計準則第32號金融工具：呈報下之權益工具時，該等條款才不會影響負債分類為流動或非流動。

根據本集團於二零二零年十二月三十一日的未償還負債，應用修訂本將不會導致本集團負債的重新分類。

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綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Cont'd)

Amendment to IFRS 16 *COVID-19-Related Rent Concessions*

The amendment is effective for annual reporting periods beginning on or after 1 June 2020.

The amendment introduces a new practical expedient for lessees to elect not to assess whether a COVID-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 Leases if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application is not expected to have impact on the Group's financial position and performance as the Group does not intend to apply the practical expedient.

2. 應用新訂國際財務報告準則（「國際財務報告準則」）及其修訂本（續）

國際財務報告準則第16號（修訂本） *COVID-19相關租金寬減*

有關修訂於二零二零年六月一日或之後開始的年度報告期間生效。

有關修訂為承租人引進新的可行權宜方法使其可選擇不評估COVID-19相關租金寬減是否為一項租賃修訂。該可行權宜方法僅適用於滿足以下所有條件由COVID-19直接產生的租金減免：

- 租賃付款變動導致的租賃的經修訂代價與緊接變動前的租賃代價基本相同或低於該代價；
- 租賃付款的減少僅影響原定於二零二一年六月三十日或之前到期的付款；及
- 租賃的其他條款及條件並無實質性變動。

應用可行權宜方法將租金減免導致的租賃付款變動列賬的承租人將以同一方式將應用國際財務報告準則第16號租賃的變動入賬（倘變動並非租賃修訂）。租賃付款的寬免或豁免入賬列作可變租賃付款。相關租賃負債獲調整以反映寬免或豁免的金額，並於該事項發生的期間內在損益中確認相應調整。

由於本集團不擬應用可行權宜方法，故預計應用有關修訂將不會對本集團的財務狀況及表現造成影響。

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綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of consolidation financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements are determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 "Lease", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. 綜合財務報表之編製基準及重大會計政策

3.1 綜合財務報表之編製基準

綜合財務報表乃根據由國際會計準則委員會頒佈國際財務報告準則編製。就編製綜合財務報表而言，倘可合理預計資料會影響主要使用者作出的決策，則有關資料被認為屬重大。此外，綜合財務報表載有香港聯交所證券上市規則及香港公司條例規定的適用披露詳情。

除若干金融工具按各報告期末之公平值計量外，本綜合財務報表乃以歷史成本基準編製（詳情見下文所載會計政策）。

歷史成本一般基於交換貨品及服務所提供代價的公平值計算。

公平值為市場參與者於計量日期進行的有序交易中出售資產所收取或轉讓負債所支付的價格，而不論該價格是否可直接觀察或利用其他估值法估計得出。估計一項資產或負債的公平值時，本集團計及該資產或負債的特徵，前提是市場參與者於計量日期為資產或負債定價時計及該等特徵。該等綜合財務報表內作計量及／或披露目的之公平值按該基準釐定，惟國際財務報告準則第16號（「租賃」）範圍內的租賃交易以及與公平值有相似之處但並非公平值的計量（如國際會計準則第2號存貨內的可變現淨值或國際會計準則第36號資產減值內的使用價值）等除外。

非金融資產之公平值計量乃考慮市場參與者通過使用其資產之最高及最佳用途，或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.1 Basis of preparation of consolidation financial statements (Cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.1 綜合財務報表之編製基準 (續)

此外，就財務報告而言，公平值計量根據公平值計量輸入數據可觀察程度及輸入數據對公平值計量的整體重要程度分類為第一級、第二級或第三級，載述如下：

- 第一級輸入數據為實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第二級輸入數據為就資產或負債可直接或間接觀察的輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

3.2 重大會計政策

綜合入賬基準

綜合財務報表包括本公司以及本公司及其附屬公司控制的實體（包括結構實體）的財務報表。本公司達成下列條件時取得控制權：

- 對投資對象行使權力；
- 因參與投資對象的業務而可或有權獲得可變回報；及
- 有能力行使其權力以影響其回報。

倘事實及情況表明以上所列控制權三項要素的一項或多項有所變動，本集團重估其是否控制投資對象。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Basis of consolidation (Cont'd)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

綜合入賬基準(續)

附屬公司綜合入賬於本集團取得對附屬公司的控制權時開始，並於本集團喪失對附屬公司的控制權時終止。特別是，年內收購或出售附屬公司的收入及開支自本集團取得附屬公司控制權的日期起直至本集團不再控制該附屬公司之日止於綜合損益及其他全面收益表內列賬。

損益及其他全面收益各項目乃歸屬於本公司擁有人及非控股權益。附屬公司的全面收入總額歸屬於本公司擁有人及非控股權益，即使這會使非控股權益產生虧損結餘。

必要時，附屬公司財務報表會予以調整，以使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、權益、收入、開支及有關本集團成員公司之間交易的現金流量均於綜合入賬時悉數對銷。

附屬公司的非控股權益與本集團的權益分開呈列，而該等權益代表其持有人於清盤時有權按相關附屬公司的淨資產比例分配的現有所有權權益。

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綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Business combinations or asset acquisitions

Optional concentration test

Effective from 1 January 2020, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

業務合併或資產收購

可選集中度測試

自二零二零年一月一日起，本集團可以選擇在逐筆交易的基礎上進行可選的集中度測試，其允許簡化對所收購的一系列活動和資產是否屬於業務的評估。若購入總資產的所有公平值大部分集中在單個可識別資產或一組類似可識別資產中，則符合集中度測試。評估中的總資產不包括現金和現金等價物，遞延所得稅資產和因遞延所得稅負債的影響而產生的商譽。若符合集中度測試，則確定該組活動和資產不屬於業務而不需要進一步評估。

資產收購

當本集團收購一組不構成業務的資產及負債時，本集團透過首先將購買價按各自的公平值分配予金融資產／金融負債，以識別和確認所收購的個別可識別資產及所承擔的負債，然後將購買價的餘下部分按其在購買日期的相對公平值分配予其他可識別資產及負債。有關交易不會產生商譽或議價收購收益。

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Business combinations or asset acquisitions (Cont'd)

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the International Accounting Standards Committee's *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting* issued in September 2010).

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

業務合併或資產收購(續)

業務合併

收購業務使用收購法列賬。業務合併轉讓之代價乃按公平值計量，公平值乃按本集團為交換被收購者之控制權而轉移之資產、對被收購方之前擁有人產生之負債及發行之股本權益於收購日之公平值總額計算。相關收購成本一般於產生時在損益確認。

除若干確認豁免外，所收購可識別資產及所承擔負債必須符合國際會計準則理事會的財務報表編製及呈報框架中的資產及負債定義（由二零一零年九月頒佈之財務報告概念框架取代）。

於收購日，收購之可識別資產及承擔之負債按公平值確認，惟下列除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債，分別按國際會計準則第12號所得稅及國際會計準則第19號僱員福利確認及計量；
- 與被收購者以股份付款安排或以本集團股份形式付款安排以取代被收購者股份形式付款安排有關之負債或股本工具，於收購日根據國際財務報告準則第2號以股份為基礎付款計量（見下文會計政策）；
- 按照國際財務報告準則第5號持作出售非流動資產及已終止經營業務歸類為持作出售資產（或出售組別）者，則按該準則計量；及

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Business combinations or asset acquisitions (Cont'd)

Business combination (Cont'd)

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low-value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

業務合併或資產收購 (續)

業務合併 (續)

- 視同租賃在購買日為新簽訂，租賃負債按剩餘租賃付款額的現值（按照國際財務報告準則第16號的定義）確認及計量。但以下情況除外：(a)租賃期在收購日12個月內結束；或(b)低價值相關資產。使用權資產的確認及計量與相關租賃負債的金額相同，並進行調整以反映與市場條件相比租賃的有利或不利條件。

商譽乃按所支付代價、於被收購者所佔任何非控股性權益額及收購者過往持有之被收購者股本權益之公平值（如有）之總額超逾於收購日收購之可識別資產及承擔之負債淨額之差額計量。倘經重新評估後，收購之可識別資產及承擔之負債於收購日之淨額超逾支付代價、於被收購者之任何非控股性權益額及收購者過往持有之被收購者權益之公平值（如有）之總額，則差額即時於損益確認為優惠收購收益。

現時為權益擁有者且持有人可於清盤時就此按比例獲得附屬公司淨資產之非控股性權益，可被收購者之可識別淨資產已確認金額之按比例應佔部份或按公平值初始計量。

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU (or group of CGUs), the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation disposed of and the portion of the CGU (or group of CGUs) retained.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

商譽

收購業務所產生商譽於收購業務(見上文會計政策)當日按成本減任何累計減值虧損(如有)列賬。

就減值檢測而言，商譽須分配予預期會受惠於合併協同效益之本集團現金產生單位(「現金產生單位」)(或現金產生單位組別)，即商譽為內部管理目的而進行監察之最低水平及不大於營運分部。

獲分配商譽之現金產生單位(或現金產生單位組別)會按年及倘有跡象顯示有關單位可能出現減值時進行更頻密測檢。就報告期間進行收購所產生商譽而言，獲分配商譽之現金產生單位(或現金產生單位組別)會於該報告期結束前進行減值檢測。當可收回金額少於其賬面值時，減值虧損會首先分配至減少該單位獲分配之任何商譽賬面值，繼而以該單位內各資產之賬面值為基準按比例分配至該單位內(或現金產生單位組別)其他資產。

在處置相關現金產生單位(或現金產生單位組別)時，所佔分攤商譽均計入處置損益中。當本集團處置現金產生單位(或現金產生單位組別)內的一項經營時，處置的商譽金額基於處置的經營相關價值和留存的現金產生單位(或現金產生單位組別)部分進行計量。

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綜合財務報表附註

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截至二零二零年十二月三十一日止年度

3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

客戶合約收益

本集團於完成履約責任時(即當特定之履約責任下之相關貨品或服務「控制權」轉移至客戶時)(或就此)確認收益。

履約責任指一項明確的貨品及服務(或一組貨品或服務)或一系列大致相同而屬明確的貨品或服務。

倘符合以下任何一項條件,控制權及收益將分別在一段時間內參照完成相關履約責任的進度而轉移及確認:

- 客戶於本集團履約時同時收取及消耗本集團履約所提供之利益;
- 本集團之履約創建或增強客戶於本集團履約時控制之資產;或
- 本集團之履約並未創建對本集團具有替代用途之資產,而本集團有強制執行權收取至今已履約部分之款項。

否則,於客戶獲得明確貨品或服務控制權時確認收入。

應收款項指本集團收取代價的無條件權利,即支付代價到期前僅需隨時間流逝。

隨時間確認收入:履約義務完成進度的計量

產出法

完成履約義務的進度按產出法計量,即根據直接計量迄今轉移至客戶的商品或服務價值相對於合約項下承諾的剩餘貨品或服務來確認收入,其最能說明本集團在轉移貨品或服務控制權方面的表現。

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綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the provision of services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the land and buildings are in the course of development for provision of services or for administrative purposes, the leasehold land component is classified as right-of-use assets. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of construction in progress. Construction in progress is carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are ready for their intended use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Depreciation is recognised so as to write off the cost of assets, other than construction in progress, less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

物業、廠房及設備

為提供服務或行政管理目的而持有的物業、廠房及設備(包括樓宇)(下文所述在建物業除外)按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

當作提供服務或行政用途的土地及樓宇處於發展過程中，租賃土地成份分類為使用權資產。於興建期間，租賃土地之攤銷費用列作在建項目的部分成本。在建項目按成本減任何已識別減值虧損入賬。樓宇於其可作擬作用途(即其處於適當的位置及狀況而能按管理層擬定的方式經營)時開始折舊。

折舊乃予以確認，以採用直線法於估計可使用年期內經扣減剩餘價值後撇減資產(在建工程除外)的成本。估計可使用年期、剩餘價值及折舊法於各年末予以檢討，而估計的任何變動影響按預期基準列賬。

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或棄置物業、廠房及設備項目產生的任何損益乃按該資產的出售所得款項與賬面值之間的差額釐定，並於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of leasehold land and buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight line basis or another systematic basis over the lease term.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃

租賃的定義

倘合約賦予以代價換取於一段時間內控制可識別資產的使用權利，則該合約為租賃或包含租賃。

就首次應用當日或之後訂立或修訂或業務合併產生的合約而言，本集團會於開始、修訂日期或收購日(如適用)根據國際財務報告準則第16號項下的定義評估合約是否為租賃或包含租賃。有關合約將不會被重新評估，除非合約中的條款與條件隨後被改動。

本集團作為承租人

將代價分配至合約組成部分

就包含租賃組成部分以及一項或多項額外租賃或非租賃組成部分的合約而言，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的合計獨立價格基準將合約代價分配至各項租賃組成部分，包括收購物業(包括租賃土地及非租賃樓宇部分)所有權益的合約，除非有關分配無法可靠作出。

短期租賃

本集團對於租期自開始日期起計為12個月或以內且並無包含購買選擇權的租賃土地及樓宇的租賃應用短期租賃確認豁免。短期租賃的租賃付款按直線基準或其他系統基準於租期內確認為開支。

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* ("IFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃獎勵；
- 本集團產生的任何初始直接成本；及
- 本集團於拆除及拆遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況而產生的成本估計。

使用權資產按成本減去任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

使用權資產於其估計使用年期及租期內(以較短者為準)按直線基準計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。

可退回租賃按金

已付可退回租賃按金乃根據國際財務報告準則第9號金融工具(「國際財務報告準則第9號」)入賬，初步按公平值計量。首次確認時對公平值作出的調整被視為額外租賃付款且計入使用權資產成本。

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款的現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借款利率計算。

租賃付款包括：

- 固定付款 (包括實質性的固定付款) 減任何應收租賃獎勵；
- 視乎指數或比率而定的可變租賃付款，於開始日期使用指數或比率初始計量；及
- 倘租期反映本集團會行使選擇權終止租賃，則計入終止租賃的罰款。

並不視乎指數或比率而定的可變租賃付款不計入租賃負債及使用權資產計量，而於觸發付款的事件或條件發生期間確認為開支。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

Lease liabilities (Cont'd)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

租賃(續)

本集團作為承租人(續)

租賃負債(續)

倘出現以下情況，本集團重新計量租賃負債(並就相關使用權資產作出相應調整)：

- 租賃期有所變動或行使購買選擇權的評估發生變動，在該情況下，相關租賃負債於重新評估日期透過使用經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因市場租金率於市場租金審核後有所變動而發生變化，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

本集團於綜合財務狀況表內將租賃負債呈列為單獨項目。

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綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessee (Cont'd)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃修訂

倘出現以下情況，本集團將租賃修訂作為一項單獨的租賃入賬：

- 該項修訂通過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 租賃代價的增加金額相當於範圍擴大對應的單獨價格及為反映特定合約情況而對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修訂而言，本集團透過使用修訂生效日期的經修訂貼現率貼現經修訂租賃付款，按經修訂租賃的租賃期重新計量租賃負債。

本集團透過對相關使用權資產進行相應調整，對出租人的租賃負債的重新計量進行會計處理。當經修訂合約包含租賃部分和一個或多個其他租賃或非租賃部分時，本集團會根據租賃部分的相對單獨價格及非租賃組成部分的單獨價格綜合將經修訂合約中的代價分配至各租賃部分。

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綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") to assess whether sale and leaseback transaction constitutes a sale by the Group.

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee accounts for the transfer proceeds as bank loans within the scope of IFRS 9.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

租賃(續)

本集團作為出租人

租賃之分類及計量

本集團為出租人之租賃乃分類為融資或經營租賃。當租賃條款將相關資產擁有權附帶的絕大部分風險及回報轉移至承租人時，該合約乃分類為融資租賃，所有其他租賃乃分類為經營租賃。

經營租賃所得租金收入按相關租期以直線基準確認。

售後租回交易

本集團根據國際財務報告準則第15號來自客戶合約的收益(「國際財務報告準則第15號」)的規定，評估售後租回交易是否構成本集團的銷售。

對於不符合銷售規定的轉讓，本集團作為賣方—承租人按照國際財務報告準則第9號將轉讓所得款項作為銀行貸款進行核算。

存貨

存貨按成本與可變現淨值的較低者列值。存貨成本按先入先出法釐定。可變現淨值指存貨的估計售價減進行銷售所需成本。

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綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for accounts receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具

集團實體成為有關工具合約條文的訂約方時，於綜合財務狀況表內確認金融資產及金融負債。所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。日常買賣乃指須根據市場規則或慣例訂定之時限內交付資產之金融資產買賣。

除客戶合約產生的應收貿易款項根據國際財務報告準則第15號進行初步計量外，金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債（而非按公平值計入損益（「按公平值計入損益」）的金融資產）直接應佔的交易成本，於初始確認時在金融資產或金融負債（如適用）的公平值計入或扣除。收購按公平值計入損益之金融資產或金融負債直接應佔交易成本，即時於損益確認。

實際利率法乃計算金融資產或金融負債攤銷成本及於有關期間內分配利息收益及利息支出的方法。實際利率為將估計未來現金收入及付款（包括構成實際利率組成部分的所有已付或已收費用及點數、交易成本及其他溢價或折讓），按金融資產或金融負債的預期年期或較短期間（倘適用）準確貼現至初始確認時賬面淨值的利率。

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綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or financial assets at fair value through other comprehensive income ("FVTOCI") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量

符合以下條件的金融資產其後按攤銷成本計量：

- 持有金融資產的業務模式目的是收取合約現金流量；及
- 合約條款在指定日期產生現金流量，而該現金流量僅為未償還本金金額的本金及利息付款。

所有其他金融資產其後按公平值計入損益計量，惟在初步確認金融資產之日，倘股本投資並非持作買賣亦非收購方在國際財務報告準則第3號業務合併適用的業務合併中確認的或然代價，則本集團可不可撤銷地選擇於其他全面收益呈列股本投資公平值的其後變動。

下列情況下金融資產乃持作買賣：

- 其主要為於不久將來出售而購買；或
- 在初步確認時，其為本集團所集中管理，並擁有短期獲利之近期實際模式之已識別金融工具組合的一部分；或
- 其為並非指定及有效作對沖工具的衍生工具。

此外，本集團可以不可撤銷地將須按攤銷成本或按公平值列入其他全面收益(「按公平值列入其他全面收益」)計量的金融資產指定為按公平值列入損益計量(倘如此行事可消除或顯著減少會計錯配)。

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (Cont'd)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other expenses, gains and losses" line item.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

(i) 攤銷成本及利息收益

其後按攤銷成本計量的金融資產的利息收益乃使用實際利率法確認，而利息收益以金融資產賬面總值應用實際利率計算，除非金融資產其後出現信貸減值(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再存在信貸減值，於釐定資產不再存在信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

(iii) 按公平值計入損益的金融資產

不符合使用攤銷成本、按公平值計入其他全面收益、指定按公平值計入其他全面收益條件計量的金融資產，會使用按公平值計入損益的方法計量。

按公平值計入損益的金融資產，在各報告期末會使用公平值計量，如有任何公平值收益或虧損，則會在損益中確認。在損益中確認的淨收益或淨虧損不包括金融資產賺取的任何股息或利息，並會包含在「其他開支、收益及虧損」項目下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") on financial assets (including accounts and other receivables, fixed bank deposits, restricted bank balances and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12 months ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for accounts receivables. The ECL on these assets are assessed individually for accounts receivables with significant balances and/or collectively based on internal credit rating.

For all other instruments, the Group measures the loss allowance equal to 12m ECL under general approach. Unless when there has been a significant increase in credit risk since initial recognition, in which case, the Group recognises lifetime ECL. The assessment of whether ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

本集團根據預期信貸虧損(「預期信貸虧損」)對金融資產(包括應收賬款及其他應收款項、定期銀行存款、受限制銀行結餘以及銀行結餘)進行減值評估,該等金融資產乃根據國際財務報告準則第9號進行減值評估。預期信貸虧損的金額於各報告日期更新,以反映自初步確認以來的信貸風險變動。

全期預期信貸虧損為相關工具於預計年內可能發生的所有違約事件而導致的預期信貸虧損。相反,12個月預期信貸虧損(「12個月預期信貸虧損」)為於報告日期後12個月內可能發生的違約事件而導致的預期信貸虧損,是全期預期信貸虧損的一部分。有關評估乃根據本集團的過往信貸虧損經驗作出,並就債務人特定因素、整體經濟狀況及於報告日期對現況及預測未來狀況的評估而作出調整。

本集團始終確認應收賬款的全期預期信貸虧損。有關該等資產的預期信貸虧損將單獨評估具有重大結餘的應收賬款及/或根據內部信貸評級進行統一評估。

對於所有其他工具,本集團按相等於12個月預期信貸虧損的金額計量虧損撥備,除非自初步確認以來信貸風險顯著增加,則在此情況下本集團會確認全期預期信貸虧損。評估是否確認預期信貸虧損乃基於自初步確認以來出現違約事件的可能性或風險是否出現顯著增加。

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(i) 信貸風險顯著增加

於評估信貸風險自初步確認以來是否有顯著增加時，本集團將報告日期金融工具出現違約事件的風險與初步確認日期金融工具出現違約事件的風險進行比較。於作出此項評估時，本集團會考慮合理可靠的定量及定性資料，包括過往經驗及無需付出過多成本或努力即可取得的前瞻性資料。

具體而言，於評估信貸風險是否有顯著增加時，會考慮以下資料：

- 金融工具實際或預期的外部(如有)或內部信貸評級的顯著惡化；
- 業務、財務或經濟狀況現時或預期會出現不利變動，導致債務人履行其債務責任的能力遭到大幅削弱；
- 債務人實際或預期的經營業績顯著惡化；
- 債務人的監管、經濟或技術環境實際或預期出現重大不利的變動，導致債務人履行其債務責任的能力遭到大幅削弱。

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(i) Significant increase in credit risk (Cont'd)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(iii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(ii) 信貸風險顯著增加(續)

不論上述評估的結果，倘合約付款逾期超過30日，則本集團會假定信貸風險自初步確認以來已顯著增加，除非本集團另有合理可靠的資料證明並無顯著增加則作別論。

本集團定期監察用以識別信貸風險是否已顯著增加的標準的成效，並於適當時候作出修訂，以確保有關標準能夠於款項逾期之前識別信貸風險顯著增加。

(iii) 違約的定義

就內部信貸風險管理而言，倘內部編製或從外部來源獲得的資料顯示債務人不大可能向其債權人(包括本集團)全額還款(不考慮本集團持有的任何抵押品)，則本集團認為發生違約事件。

無論上述如何，本集團認為，倘工具逾期超過90日，即發生違約事件，除非本集團具有更為合適的合理可靠資料說明滯後的違約標準，則作別論。

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(iii) 出現信貸減值的金融資產

當發生一項或多項事件而對金融資產的估計未來現金流量產生不利影響時，該金融資產即為出現信貸減值。金融資產出現信貸減值的證據包括以下事件的可觀察數據：

- (a) 發行人或借款人陷入重大財務困難；
- (b) 違反合約，例如違約或逾期事件；
- (c) 借款人的貸款人出於與借款人財務困難有關的經濟或合約原因，而向借款人授予貸款人原本不會考慮的優惠；
- (d) 借款人甚有可能破產或進行其他財務重組；或
- (e) 由於財政困難，該金融資產的活躍市場消失。

(iv) 撇銷政策

當有資料顯示對手方陷入嚴重財務困難，且並無實際收回款項的可能時(例如對手方被清盤或進入破產程序)，本集團會撇銷金融資產。根據本集團收回款項的程序，已撇銷的金融資產仍可能受到執法活動的影響，在適當情況下考慮法律意見。撇銷構成終止確認事件。任何其後收回的款項於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for account receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information:

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約虧損率(即違約造成損失的幅度)及違約風險的函數。違約概率及違約虧損率乃根據過往的數據進行評估，並就前瞻性資料作出調整。預期信貸虧損的估計反映無偏頗及概率加權金額，有關金額乃根據發生相應違約風險的金額作為加權數值而釐定。

一般而言，預期信貸虧損為根據合約本集團應收的所有合約現金流量與本集團預期將收到的所有現金流量之間的差額，並按初始確認時釐定的實際利率折現。

應收賬款的存續期預期信貸虧損乃經考慮逾期資料及相關信貸資料(如前瞻性宏觀經濟資料)後按集體基準考慮。

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綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

(v) Measurement and recognition of ECL (Cont'd)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- nature of financial instruments (i.e. the Group's accounts and other receivables except for accounts receivables from the PRC government's social insurance schemes and certain credit-impaired debtors, fixed bank deposits, restricted bank balances and bank balances are each assessed as a separate group. Accounts receivables from the PRC government's social insurance schemes and certain credit-impaired debtors are assessed for ECL on an individual basis);
- past-due status;
- nature, size and industry of receivables; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

就集體評估而言，本集團於制定歸類工作時考慮以下特徵：

- 金融工具性質(即本集團賬目及其他應收款項(中國政府社會保險計劃及若干信貸減值債務人的應收賬款除外)、定期銀行存款、受限制銀行結餘及銀行結餘評為獨立組別。中國政府社會保險計劃及若干信貸減值債務人的應收賬款按個別基準就預期信貸虧損估計)；
- 逾期狀況；
- 應收款項的性質、規模及行業；及
- 外部信貸評級(倘有)。

管理層定期檢討分組，以確保各組別成份繼續擁有類似的信貸風險特徵。

利息收益按金融資產的總賬面值計算，除非該金融資產出現信貸減值，則利息收益按金融資產的攤銷成本計算。

本集團透過調整賬面值於損益確認所有金融工具的減值收益或虧損，惟應收賬款除外，其相關調整乃透過虧損撥備賬確認。

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綜合財務報表附註

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截至二零二零年十二月三十一日止年度

3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset at amortised cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivables is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

金融工具(續)

金融資產(續)

終止確認金融資產

僅當從資產收取現金流量的合約權利已屆滿，或轉讓金融資產及其擁有權的絕大部份風險及回報給另一方時，本集團方會終止確認金融資產。

於按攤銷成本終止確認其全部金融資產時，資產賬面值與已收代價及應收款項總和之間的差額於損益中確認。

金融負債及股本工具

分類為債務或股權

債務及股本工具乃根據所訂立合約安排的內容及金融負債與股本工具的定義分類為金融負債或股權。

股本工具

股本工具是證明扣除所有負債後本集團資產剩餘權益的任何合約。本公司發行的股本工具按已收所得款項扣除直接發行成本確認。

永久性工具(不包括本集團交付現金或其他金融資產的合約責任或本集團可全權酌情無限期延遲支付分派及贖回本金金額)分類為權益工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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截至二零二零年十二月三十一日止年度

3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

Financial liabilities at amortised costs

Financial liabilities, including accounts and other payables, amounts due to non-controlling shareholders of subsidiaries and bank loans, are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

按攤銷成本列賬的金融負債

金融負債(包括應付賬款及其他應付款項、應付附屬公司的一名非控股股東款項及銀行貸款)其後以實際利率法按攤銷成本計量。

終止確認金融負債

僅當本集團的責任獲解除、註銷或已屆滿時，本集團方會終止確認金融負債。終止確認金融負債的賬面值與已付及應付代價之間的差額於損益確認。

撥備

若本集團須就過往事件而承擔現時責任(法定或推定)，及本集團有可能須履行該項責任，而對責任的金額可作出可靠估計時，則會確認撥備。

確認為撥備的金額是在報告期末結算現時義務所需代價的最佳估計，同時考慮到該義務的風險及不確定性。當使用估計結算現時義務的現金流量計量撥備時，其賬面值為該等現金流量的現值(倘貨幣時間價值影響屬重大)。

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綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Impairment on property, plant and equipment and right-of-use assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs. In addition, the Group assesses whether there is indication that corporate assets may be impaired.

In testing a CGU for impairment, corporate assets are allocated to individual CGUs when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, the recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or the CGU) for which the estimates of future cash flows have not been adjusted.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

物業、廠房及設備以及使用權資產(而非商譽)的減值

於報告期末，本集團檢討其物業、廠房及設備以及使用權資產的賬面值，以釐定有否任何跡象顯示該等資產遭受減值虧損。如有任何該等跡象，則會估計資產的可收回金額，以釐定減值虧損(如有)的程度。

物業、廠房及設備以及使用權資產的可收回金額進行單獨估計，倘無法單獨估計可收回金額，本集團會估計該資產所屬現金產生單位的可收回金額。此外，本集團對是否有跡象顯示企業資產可能出現減值進行評估。

測試現金產生單位的減值時，如有合理及一致的分配方法，公司資產亦會分配到個別的現金產生單位，或以該合理及一致的分配方法將其分配給最小組別的現金產生單位。本集團評估是否有跡象顯示公司資產可能出現減值。倘存在有關跡象，則就該公司資產所屬現金產生單位或現金產生單位組別釐定可收回金額，並與相關現金產生單位或現金產生單位組別的賬面值作比較。

可收回金額乃公平值減出售成本與使用價值的較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映對貨幣時間價值的當前市場評價及未來現金流量估計未經調整的資產(或現金產生單位)所特有的風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Impairment on property, plant and equipment and right-of-use assets other than goodwill (Cont'd)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房及設備以及使用權資產(而非商譽)的減值(續)

倘估計資產(或現金產生單位)的可收回金額低於其賬面值,則資產(或現金產生單位)的賬面值將調減至其可收回金額。就未能按合理一致的基準分配至現金產生單位的企業資產或部分企業資產,本集團會比較一組現金產生單位賬面值(包括已分配至該組現金產生單位的企業資產或部分企業資產的賬面值)與該組現金產生單位的可收回金額。於分配減值虧損時,減值虧損會首先分配至減少該單位獲分配之任何商譽賬面值,繼而以該單位內各資產之賬面值為基準按比例分配至該單位內(或現金產生單位組別)其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高值。已另行分配至資產的減值虧損金額按比例分配至該單位或一組現金產生單位的其他資產。減值虧損即時於損益確認。

倘減值虧損其後撥回,該資產(或現金產生單位或現金產生單位組別)的賬面值將增加至可收回金額的經修訂估計,惟所增加的賬面值不得超過假設該資產(或現金產生單位或現金產生單位組別)過往年度未確認減值虧損原應釐定的賬面值。減值虧損撥回即時於損益確認。

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綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributed to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are accrued.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

外幣

於編製各個別集團實體之財務報表時，以實體之功能貨幣以外之貨幣(外幣)進行之交易以交易日之現行匯率確認。於報告期末，以外幣列值之貨幣項目按當日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

由結算貨幣項目及重新換算貨幣項目產生之匯兌差額於其產生之期間於損益中確認。

借貸成本

收購、建設或生產合資格資產(指需要大量時間方能投入擬定用途或出售的資產)直接應佔的借貸成本乃計入該等資產的成本，直至該等資產大致上備妥投入擬定用途或出售為止。

任何於相關資產備妥投入其擬定用途或出售後仍未償還的特定借貸會計入一般借貸組別，以計算一般借貸的資本化比率。

所有其他借貸成本於其產生期間於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the subsidies will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable such grants are presented under "other income".

Retirement benefit costs

Payments to defined contribution retirement benefit plans, including Mandatory Provident Fund Scheme (the "MPF Scheme") in Hong Kong and government-managed retirement benefit schemes in the PRC, are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

Research expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

政府補貼

政府補貼直至有合理保證本集團將會符合補貼所附條件及補助金將獲收取時才予以確認。

作為已產生的開支或損失補償而可收取或為了給予本集團即時財務支持而無日後相關成本的政府補貼在其應收取期間於損益確認。該等補貼於「其他收入」項下呈列。

退休福利成本

界定供款退休福利計劃(包括香港強制性公積金計劃(「強積金計劃」)及中國政府管理的退休福利計劃)的付款於僱員已提供使其有權享受供款的服務時確認為開支。

短期僱員福利

短期僱員福利按僱員提供服務時預期支付的未折現金額確認。除非另一項國際財務報告準則要求或允許將福利納入資產成本，否則所有短期僱員福利均確認為費用。

研究支出

研究活動的支出於產生期間確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss) profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. 綜合財務報表之編製基準及重大會計政策(續)

3.2 重大會計政策(續)

稅項

所得稅開支指當期應付稅項及遞延稅項的總和。

應付即期稅項按年內的應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣減的收支項目，亦不包括毋須課稅或不可扣減的項目，故應課稅溢利與除稅前(虧損)溢利不同。本集團按報告期末已實行或實質已實行的稅率計算即期稅項負債。

遞延稅項按綜合財務報表中資產及負債賬面值與計算應課稅溢利所採用相應稅基兩者的暫時差額確認。一般就所有應課稅暫時差額確認遞延稅項負債。倘可能有應課稅溢利可用以抵銷可動用的可扣減暫時差額，則通常就所有可扣減暫時差額確認遞延稅項資產。倘暫時差額因初步確認一項既不影響應課稅溢利亦不影響會計溢利的交易的資產及負債而產生，則有關遞延稅項資產及負債不予確認。此外，倘暫時性差異來自初始確認商譽，則遞延稅項負債不予以確認。

遞延稅項負債就與附屬公司的投資相關的應課稅暫時差額予以確認，惟倘本集團可控制其撥回及暫時差額有可能不會於可見將來撥回則除外。因與有關投資及權益相關的可扣減暫時差額而產生的遞延稅項資產僅於可能產生足夠應課稅溢利以動用暫時差額溢利並預期可於可見將來撥回時確認。

遞延稅項資產的賬面值於報告期末檢討，並在可能不再有足夠應課稅溢利可收回全部或部分資產時調減。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

3. BASIC OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.2 Significant accounting policies (Cont'd)

Taxation (Cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss. Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

稅項 (續)

遞延稅項資產及負債按預期清償負債或變現資產期間適用的稅率，基於報告期末已實行或實質已實行的稅率（及税法）計量。

遞延稅項負債及資產的計量反映本集團預期於報告期末收回或清算資產及負債賬面值的方式所產生的稅務影響。

就租賃交易中租賃負債應佔的減稅而言，本集團將國際會計準則第12號*所得稅*的規定獨立應用於使用權資產及租賃負債。與使用權資產及租賃負債相關的暫時性差異於初始確認時及適用初始確認豁免的租賃期內不予確認。因重新計量租賃負債及租賃變更引起的使用權資產及租賃負債的賬面價值差異，不予初始確認豁免，在重新計量或變更之日予以確認。

倘有法定可行使權利將即期稅項資產及即期稅項負債抵銷，且兩者與同一稅務機構對同一應課稅實體徵收之所得稅有關，則可抵銷遞延稅項資產及負債。

即期與遞延稅項於損益中確認。倘業務合併的初始會計處理產生即期稅項，則稅務影響包含在業務合併的會計處理中。

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綜合財務報表附註

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截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The following are the critical judgement, apart from those involving estimations (see below), that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Determination of incremental borrowing rates of lease contracts

In determining incremental borrowing rates of lease contracts, the Group applies judgement to determine the applicable rates, taking into account the nature of the underlying assets, the terms and condition of the leases, creditworthiness of the relevant group entities and economic environment, at both the commencement date and the effective date of the modification to calculate the present value of lease payments. The incremental borrowing rates of the Group applied significantly affect the amounts of lease liabilities and right-of-use assets recognised.

4. 重大會計判斷及估計不確定因素的主要來源

應用本集團會計政策(載於附註3)時,本公司董事須就未能從其他資料來源確定之資產及負債的賬面值作出估計及假設。估計及有關假設乃按過往經驗及其他視為有關之因素作出。實際結果或有別於該等估計值。

估計及有關假設乃按持續基準檢討。倘修訂僅影響當前期間,則會計估計之修訂會於修訂期間確認,倘修訂同時影響當前期間及日後期間,則修訂會於修訂期間及日後期間確認。

應用會計政策時作出的關鍵判斷

以下為董事於應用本集團會計政策過程中所作出且對綜合財務報表內確認的金額具最大影響的關鍵判斷(不包括涉及估計者(見下文))。

釐定租賃合約的增量借款利率

於釐定租賃合約的增量借款利率時,本集團於租賃開始日期及修改生效日期,經計及相關資產的性質、租賃條款及條件、相關集團實體信譽以及經濟環境,就釐定計算租賃款項的現值的適用比率運用判斷。本集團採用的增量借款利率對所確認的租賃負債及使用權資產金額有重大影響。

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綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of goodwill

Impairment of goodwill in relation to the acquisitions of 安徽樺霖醫療投資有限公司(Anhui Hualin Medical Investment Co. Ltd.) ("Anhui Hualin") and its subsidiaries (collectively referred as "Anhui Hualin Group") and 重慶康華眾聯心血管病醫院有限公司(Chongqing Kanghua Zhonglian Cardiovascular Hospital Co. Ltd.) ("Kangxin Hospital") is assessed by comparing the recoverable amount of the CGU of Anhui Hualin Group ("Anhui Hualin CGU") and CGU of Kangxin Hospital ("Kangxin Hospital CGU") to which goodwill has been allocated in relation to acquisition of Anhui Hualin Group ("Hualin's Goodwill") and in relation to acquisition of Kangxin Hospital ("Kangxin's Goodwill"), which is the higher of the value in use or fair value less costs of disposal, to their respective carrying value at the end of the reporting period.

The value in use of their respective CGU is determined by the directors of the Company based on the present value of estimated future cash flows to be generated from their respective CGU and with reference to the valuation reports prepared by an independent professional valuer, which was approved by the directors of the Company. Where the actual future cash flows are less than expected, or changes in facts and circumstances which results in downward revision of future cash flows, a material impairment loss may arise. Significant judgements and assumptions are adopted by the management in the value in use calculation for estimation of the recoverable amount of the CGUs, the key assumptions including growth rates and pre-tax discount rates. During the year ended 31 December 2020, Hualin's Goodwill and Kangxin's Goodwill were impaired RMB27,500,000 (2019: nil) and RMB49,900,000 (2019: RMB60,000,000) respectively in view of the recoverable amounts of Anhui Hualin CGU and Kangxin Hospital CGU were less than their carrying amounts. The situation will be closely monitored, and adjustments will be made in future periods, should future market activity indicate that such adjustments are required.

4. 重大會計判斷及估計不確定因素的主要來源(續)

估計不確定因素的主要來源

以下為於報告期末具有可能對下個財政年度內資產及負債的賬面值造成重大調整的重大風險的有關未來的關鍵假設及估計不確定因素的其他主要來源。

商譽的估計減值

與收購安徽樺霖醫療投資有限公司(「安徽樺霖」)及其附屬公司(統稱「安徽樺霖集團」)以及重慶康華眾聯心血管病醫院有限公司(「康心醫院」)有關的商譽減值通過比較已獲分配與收購安徽樺霖集團(「樺霖商譽」)及收購康心醫院(「康心商譽」)有關商譽的安徽樺霖集團現金產生單位(「安徽樺霖現金產生單位」)及康心醫院現金產生單位(「康心醫院現金產生單位」)的可收回金額(使用價值或公平值減出售成本較高者)及彼等於報告期末的各自賬面值進行評估。

彼等各自現金產生單位的使用價值由本公司董事根據彼等各自現金產生單位產生的估計未來現金流量的現值釐定並參考由本公司董事批准的獨立專業估值師編製的估值報告。倘實際未來現金流量低於預期，或導致未來現金流量向下修訂的事實及情況變動，則可能產生重大減值虧損。管理層就估計現金產生單位可收回金額的使用價值計算採納重大判斷及假設，主要假設包括增長率及稅前貼現率。截至二零二零年十二月三十一日止年度，鑒於安徽樺霖現金產生單位及康心醫院現金產生單位的可收回金額低於其賬面值，樺霖商譽及康心商譽分別減值人民幣27,500,000元(二零一九年：無)及人民幣49,900,000元(二零一九年：人民幣60,000,000元)。本集團將密切檢測情況，且倘未來市場活動表明需要進行此類調整，則將在未來期間進行調整。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Estimated impairment of goodwill (Cont'd)

As at 31 December 2020, the net carrying amount of Kangxin's Goodwill is RMB15,512,000 (2019: RMB65,412,000) (net of accumulated impairment loss of RMB109,900,000 (2019: RMB60,000,000)). As at 31 December 2020, the net carrying amount of Hualin's Goodwill is RMB29,101,000 (2019: RMB56,601,000) (net of accumulated impairment loss of RMB27,500,000 (2019: nil)). Details of their respective recoverable amount calculation is disclosed in Note 18.

Provision for medical dispute claims

The Group may be subject to legal proceedings and claims that arise in the ordinary course of business, which primarily include medical dispute claims brought by the former patients. Provision for medical dispute claims is made based on the status of potential and active claims outstanding at the end of each year, and taking into consideration the assessment and analysis of external experts and the total claim exposure. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Based on the assessment, the provision for certain medical dispute claims existed of approximately RMB2,956,000 (2019: RMB375,000) has been provided and included in accounts and other payables by the Group as at 31 December 2020. The situation is closely monitored by the directors of the Company and provision will be made as appropriate. Where the final actual claims are greater than expected, a material dispute claims expense may arise, which would be recognised in profit or loss for the period in which such a claim takes place.

4. 重大會計判斷及估計不確定因素的主要來源(續)

估計不確定因素的主要來源(續)

商譽的估計減值(續)

於二零二零年十二月三十一日，康心商譽的賬面淨值為人民幣15,512,000元(二零一九年：人民幣65,412,000元)，扣除累計減值虧損人民幣109,900,000元(二零一九年：人民幣60,000,000元)。於二零二零年十二月三十一日，樺霖商譽的賬面淨值為人民幣29,101,000元(二零一九年：人民幣56,601,000元)，扣除累計減值虧損人民幣27,500,000元(二零一九年：零)。彼等各自可收回金額計算詳情於附註18披露。

醫療糾紛索賠撥備

本集團可能面臨日常業務過程中產生的法律訴訟及索賠，主要包括前病人提出的醫療糾紛索賠。醫療糾紛索賠的撥備是根據每年年底潛在及未了結索賠而作出，並考慮到外聘專家的評估和分析及索賠總額。如果可能不需要經濟利益流出或無法靠估計該金額，則將之披露為或然負債，除非經濟利益流出的可能性極低。或然負債為過往事件產生的可能責任，或然負債是否存在將僅透過發生或不發生並非全部屬於本集團控制範圍內的一項或更多不確定的未來事件所確認。

根據評估，本集團於二零二零年十二月三十一日已撥備及計入應付賬款及其他應付款項的有關若干已存在的醫療糾紛索賠的撥備為約人民幣2,956,000元(二零一九年：人民幣375,000元)。本公司董事密切監控相關情況及將會適時作出撥備。倘最終實際索賠高於預期，則可能產生重大糾紛索賠開支，而這可能於有關索賠發生期間的損益內確認。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Estimated allowance for inventories

Inventories are valued at the lower of cost and net realisable value. The Group regularly reviews its inventory levels in order to identify slow-moving and obsolete inventories. When the Group identifies items of inventories which have a net realisable value that is lower than its carrying amount, the Group estimates the amount of write-down of inventories as allowance for inventories. If the net realisable value of inventories of the Group becomes lower than its carrying amount subsequently, additional allowance may be required. The carrying amount of inventories was approximately RMB56,756,000 (2019: RMB69,768,000) as at 31 December 2020. No impairment loss on the above amount was recognised during the year. Details of the Group's inventories are set out in Note 20.

Provision of ECL for accounts receivables

The Group collectively assesses ECL for the accounts receivables, except for accounts receivables from the PRC government's social insurance scheme and certain credit-impaired debtors which are assessed for ECL individually. The provision rates are based on internal credit ratings as groupings of various receivables that have similar loss patterns. The collective assessment is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's accounts receivables is disclosed in Note 35(b)(iii).

4. 重大會計判斷及估計不確定因素的主要來源(續)

估計不確定因素的主要來源(續)

存貨的估計撥備

存貨按成本與可變現淨值兩者較低者計價。本集團定期檢討其存貨水平，以辨別滯銷及陳舊存貨。當本集團發現存貨項目的可變現淨值低於其賬面值時，本集團估計減值存貨的數目以作出存貨撥備。倘其後本集團的存貨可變現淨值低於其賬面值，可能須計提額外撥備。於二零二零年十二月三十一日，存貨的賬面值為約人民幣56,756,000元（二零一九年：人民幣69,768,000元）。年內未就上述金額確認減值虧損。本集團存貨的詳情載於附註20。

應收賬款的預期信貸虧損撥備

本集團統一評估應收款項的預期信貸虧損，惟中國政府的社會保險計劃的應收款項以及單獨評估預期信貸虧損的若干信用減值債務人除外。撥備率以內部信貸評級為基礎，作為具有類似虧損模式的各種應收款項的分組。統一評估基於本集團的歷史違約率，並考慮到合理且可支持性的前瞻性資料，而無需不必要的成本或努力。在各報告日期，重新評估歷史可觀察的違約率，並考慮前瞻性資料的變動。

預期信貸虧損撥備對估計變動敏感。有關預期信貸虧損及本集團應收款項的資料於附註35(b)(iii)披露。

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5. REVENUE

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

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Recognised over time – output method:	按產出法隨時間確認：		
Hospital services:	醫院服務：		
– Inpatient healthcare services	– 住院醫療服務	977,929	1,135,867
– Outpatient healthcare services	– 門診醫療服務	528,826	609,740
– Physical examination services	– 體檢服務	113,697	102,561
Rehabilitation and other healthcare services:	康復及其他醫療服務：		
– Rehabilitation hospital services	– 康復醫院服務	64,210	53,345
– Rehabilitation centre services and other healthcare services	– 康復中心服務及其他醫療服務	36,201	33,770
Others	其他	6,622	1,665
		1,727,485	1,936,948
Recognised at a point in time:	於某一時間點確認：		
Sale of pharmaceutical products	藥品銷售	17,538	18,577
		1,745,023	1,955,525

5. 收益

本集團年內收益分析如下：

Performance obligations for contracts with customers

Provision of hospital services, provision of rehabilitation and other healthcare services and provision of other services

The Group provides hospital services, rehabilitation and other healthcare services and others (represents elderly healthcare services to patients). The directors of the Company considered the performance obligation represents provision of these services, which are satisfied when these services are rendered. Such services are recognised as a performance obligation satisfied over time as the Group is entitled to receive its service income according to the relevant operating performance from the patients and the patients simultaneously receive and consume the benefits provided by the Group's performance as the Group performs.

All hospital services, rehabilitation and other healthcare services, and others are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

客戶合約履行義務

提供醫院服務、提供康復及其他醫療服務及提供其他服務

本集團提供醫院服務、康復及其他醫療服務及其他（指向病患提供老年醫療服務）。本公司董事認為履行義務指提供該等服務，並於提供該等服務時予以滿足。由於本集團有權根據相關經營表現向病患收取其服務收入，而病患同時收取及消耗本集團履行本集團表現所提供的利益，故此等服務確認為履行義務。

所有醫院服務、康復及其他醫療服務及其他的期限為一年或更短。根據國際財務報告準則第15號的規定，未披露分配至該等未履行合約的交易價格。

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截至二零二零年十二月三十一日止年度

5. REVENUE (Cont'd)

Performance obligations for contracts with customers (Cont'd)

Sale of pharmaceutical products

The Group sells pharmaceutical products to customers and includes single element as delivery of pharmaceutical products. The directors of the Company considered no other separate performance obligation is identified except for delivery of goods. The revenue on sale of pharmaceutical products is recognised as sales of goods when the goods are delivered and titles have been passed.

6. SEGMENT INFORMATION

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

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

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

5. 收益 (續)

客戶合約履行義務 (續)

藥品銷售

本集團向客戶銷售藥品並包括單一元素作為藥品交付。除交付貨品外，本公司董事認為並無識別任何其他獨立履約義務。銷售藥品收益在交付貨品及所有權通過後確認為銷售貨品。

6. 分部資料

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

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

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

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截至二零二零年十二月三十一日止年度

6. SEGMENT INFORMATION (Cont'd)

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

Segment revenues and results

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

For the year ended 31 December 2020

6. 分部資料(續)

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

分部收益及業績

以下為按經營分部劃分的本集團收益及業績分析：

截至二零二零年十二月三十一日止年度

		Hospital services 醫院服務 RMB'000 人民幣千元 (note) (附註)	Rehabilitation and other healthcare services 康復及其他醫療服務 RMB'000 人民幣千元 (note) (附註)	Sale of pharmaceutical products 藥品銷售 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
SEGMENT REVENUE	分部收益					
External revenue	外部銷售	1,620,452	100,411	17,538	6,622	1,745,023
Segment profit (loss)	分部溢利(虧損)	179,323	3,141	3,523	(232)	185,755
Other income	其他收入					41,201
Other expenses, gains and losses	其他開支、收益及虧損					(5,123)
Net reversal of impairment losses under expected credit loss model	預期信貸虧損模式下之減值虧損，撥回淨額					1,847
Administrative expenses	行政開支					(227,774)
Finance costs	融資成本					(21,995)
Loss before taxation	除稅前虧損					(26,089)

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截至二零二零年十二月三十一日止年度

6. SEGMENT INFORMATION (Cont'd)

Segment revenues and results (Cont'd)

For the year ended 31 December 2019

		Hospital services 醫院服務 RMB'000 人民幣千元 (note) (附註)	Rehabilitation and other healthcare services 康復及其他醫療服務 RMB'000 人民幣千元 (note) (附註)	Sale of pharmaceutical products 藥品銷售 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
SEGMENT REVENUE	分部收益					
External revenue	外部銷售	1,848,168	87,115	18,577	1,665	1,955,525
Segment profit	分部溢利	304,688	19,549	4,164	1,018	329,419
Other income	其他收入					29,591
Other expenses, gains and losses	其他開支、收益及虧損					8,594
Net provision of impairment losses under expected credit loss model	預期信貸虧損模式項下之減值虧損，撥備淨額					(596)
Administrative expenses	行政開支					(232,282)
Finance costs	融資成本					(17,241)
Profit before taxation	除稅前溢利					117,485

Note: During the year ended 31 December 2020, impairment losses on goodwill of RMB49,900,000 and RMB27,500,000 are allocated to hospital services segment and rehabilitation and other healthcare services segment respectively (2019: RMB60,000,000 allocated to hospital services segment).

There were no inter-segment sales during both years.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment profit (loss) represents the (loss incurred) profit earned by each segment without allocation of other income, other expenses, gains and losses, net reversal (net provision) of impairment losses under expected credit loss model, administrative expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

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

6. 分部資料 (續)

分部收益及業績 (續)

截至二零一九年十二月三十一日止年度

附註：截至二零二零年十二月三十一日止年度，商譽減值虧損人民幣49,900,000元及人民幣27,500,000元分別分配至醫院服務分部以及康復及其他醫療服務分部（二零一九年：人民幣60,000,000元分配至醫院服務分部）。

於兩個年度並無分部間銷售。

經營分部的會計政策與附註3所述本集團會計政策相同。分部溢利（虧損）指各分部所（招致的虧損）賺取的溢利，而並無分配其他收入、其他開支、收益及虧損、預期信貸虧損模式項下之減值虧損、撥回淨額／（撥備淨額）、行政開支及融資成本。此乃本集團就資源分配及表現評估而呈報予主要經營決策者的計量方式。

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

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綜合財務報表附註

For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

6. SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Geographical information and information about major customers

All revenue are generated in the PRC where almost all of the non-current assets of the Group are also located in the PRC. The Group has a highly diversified patient portfolio. No single patient contributed over 10% of the Group's total revenue during both years.

7. OTHER INCOME

6. 分部資料(續)

分部資產及負債

主要經營決策者根據各分部的經營業績作出決策。並無呈列分部資產及分部負債分析，因為主要經營決策者就資源分配及表現評估而言並不定期審閱該等資料。因此，僅呈列分部收益及分部業績。

地理資料及有關主要客戶的資料

所有收益均來自中國，而本集團幾乎所有非流動資產同樣位於中國。本集團的病人組合高度分散。並無單一病人類別於兩個年度對本集團總收益貢獻10%以上。

7. 其他收入

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Investment income from financial assets at FVTPL (note (i))	按公平值計入損益的金融資產的投資收入(附註(i))	16,439	14,508
Fixed operating lease income	固定經營租賃收入	5,426	6,235
Bank and other interest income	銀行及其他利息收入	4,038	2,789
Clinical trial and related income	臨床試驗及相關收入	3,088	848
Government subsidies (note (iii))	政府補貼(附註(iii))	6,345	739
Others	其他	5,865	4,472
		41,201	29,591

Notes:

- (i) The amount represents investment income mainly in the form of dividend income or interest income from financial assets at FVTPL.
- (ii) The government subsidies mainly represent the subsidies on costs incurred for operation of rehabilitation centres and hospitals, research and development projects, medical related seminars and other COVID-19-related subsidies in 2020 with no special and unfulfilled conditions attached.

附註：

- (i) 該金額指主要以按公平值計入損益的金融資產的股息收入或利息收入形式的投資收入。
- (ii) 政府補貼主要指無附帶特殊及未履行條件的康復中心及醫院的運營、研發項目、醫療相關講座產生的成本的補貼以及其他於二零二零年內COVID-19相關補貼。

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8. OTHER EXPENSES, GAINS AND LOSSES

8. 其他開支、收益及虧損

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Fair value gain on financial assets at FVTPL (note)	按公平值計入損益的金融資產的公平值收益(附註)	4,130	8,701
Loss on disposals/write-off of property, plant and equipment	出售/撇銷物業、廠房及設備的虧損	(1,513)	(246)
Net exchange (loss) gain	匯兌(虧損)收益淨額	(4,906)	2,152
Donations	捐款	(2,834)	(2,013)
		(5,123)	8,594

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

附註：該金額的可比較數字自其他收入中重新分類，以符合本年度呈列方式。

9. FINANCE COSTS

9. 融資成本

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest on bank loans	銀行貸款利息	15,332	5,387
Interest on lease liabilities	租賃負債利息	12,493	13,343
		27,825	18,730
Less: Amount capitalised in property, plant and equipment	減：於物業、廠房及設備資本化的金額	(5,830)	(1,489)
		21,995	17,241

The capitalised borrowing costs represent the borrowing costs incurred by a subsidiary on borrowings raised specifically for the construction in progress during the year.

資本化借貸成本指附屬公司於年內專門就在建工程所籌集的借款產生的借貸成本。

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10. (LOSS) PROFIT BEFORE TAXATION

10. 除稅前(虧損)溢利

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
(Loss) profit before taxation has been arrived at after charging:	除稅前(虧損)溢利經扣除下列項目後達致：		
Directors' emoluments (Note 11)	董事酬金(附註11)	3,068	3,910
Other staff costs:	其他員工成本：		
Supervisors' emoluments (Note 11)	監事酬金(附註11)	820	861
Other salaries and allowances	其他薪金及津貼	532,428	527,599
Retirement benefit schemes contributions	退休福利計劃供款	12,744	26,511
Total staff costs	員工總成本	549,060	558,881
Depreciation of property, plant and equipment	物業、廠房及設備折舊	109,266	91,200
Depreciation of right-of-use assets	使用權資產折舊	33,622	31,404
Research and development expenditure	研發開支	1,595	1,030
Short-term lease rentals in respect of rehabilitation centres and staff quarters	與康復中心及員工宿舍有關的短期租賃租金	276	813
Variable lease rentals in respect of hospitals	與醫院有關的可變租賃租金	6,569	6,078
Auditor's remuneration	核數師酬金	2,366	2,694
Cost of inventories recognised as expenses (representing pharmaceutical products, consumables and others used, included in cost of revenue)	確認為開支的存貨成本(指所用藥品、耗材及其他，計入收益成本內)	805,426	919,463

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11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS

Mr. Wang Junyang, Mr. Chen Wangzhi, Mr. Wong Wai Hung Simon, Ms. Wang Aiqin and Mr. Lv Yubo are the directors of the Company for both years. Mr. Chen Wangzhi is also the chief executive of the Group and his emoluments disclosed below include those for services rendered by him as the chief executive.

Mr. Yeung Ming Lai, Dr. Chen Keji and Mr. Chan Sing Nun are the independent non-executive directors of the Company for both years.

Details of the emoluments paid or payable to the directors, chief executive and supervisors of the Company during the year are as follows:

		Fees 袍金 RMB'000 人民幣千元	Salaries and allowances 薪金及 津貼 RMB'000 人民幣千元	Retirement benefit schemes contributions 退休福利 計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
For the year ended 31 December 2020	截至二零二零年十二月 三十一日止年度				
Executive directors:	執行董事：				
Mr. Wang Junyang	王君揚先生	225	–	–	225
Mr. Chen Wangzhi	陳旺枝先生	225	1,588	6	1,819
Mr. Wong Wai Hung Simon	王偉雄先生	225	–	–	225
Ms. Wang Aiqin	王愛勤女士	225	120	4	349
Non-executive director:	非執行董事：				
Mr. Lv Yubo	呂玉波先生	–	–	–	–
Independent non-executive directors:	獨立非執行董事：				
Mr. Yeung Ming Lai	楊銘澧先生	150	–	–	150
Dr. Chen Keji	陳可冀醫生	150	–	–	150
Mr. Chan Sing Nun	陳星能先生	150	–	–	150
Directors' emoluments (Note 10)	董事酬金(附註10)	1,350	1,708	10	3,068
Supervisors:	監事：				
Mr. Chen Shaoming	陳少明先生	–	–	–	–
Mr. Wang Shaofeng	王少鋒先生	–	225	7	232
Mr. Yue Chunyang	岳春陽先生	–	580	8	588
Supervisors' emoluments (Note 10)	監事酬金(附註10)	–	805	15	820
		1,350	2,513	25	3,888

11. 董事、行政總裁及監事酬金

於兩個年度王君揚先生、陳旺枝先生、王偉雄先生、王愛勤女士及呂玉波先生為本公司董事。陳旺枝先生亦為本集團的行政總裁，下文所披露彼の酬金包括彼作為行政總裁所提供服務的酬金。

於兩個年度楊銘澧先生、陳可冀醫生及陳星能先生為本公司獨立非執行董事。

年內已付或應付本公司董事、行政總裁及監事的酬金詳情如下：

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11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (Cont'd)

11. 董事、行政總裁及監事酬金(續)

		Fees 袍金 RMB'000 人民幣千元	Salaries and allowances 薪金及 津貼 RMB'000 人民幣千元	Retirement benefit schemes contributions 退休福利 計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
For the year ended 31 December 2019	截至二零一九年十二月 三十一日止年度				
Executive directors:	執行董事：				
Mr. Wang Junyang	王君揚先生	360	–	–	360
Mr. Chen Wangzhi	陳旺枝先生	360	1,587	25	1,972
Mr. Wong Wai Hung Simon	王偉雄先生	360	–	–	360
Ms. Wang Aiqin	王愛勤女士	360	120	18	498
Non-executive director:	非執行董事：				
Mr. Lv Yubo	呂玉波先生	–	–	–	–
Independent non-executive directors:	獨立非執行董事：				
Mr. Yeung Ming Lai	楊銘灃先生	240	–	–	240
Dr. Chen Keji	陳可冀醫生	240	–	–	240
Mr. Chan Sing Nun	陳星能先生	240	–	–	240
Directors' emoluments (Note 10)	董事酬金(附註10)	2,160	1,707	43	3,910
Supervisors:	監事：				
Mr. Chen Shaoming	陳少明先生	–	–	–	–
Mr. Wang Shaofeng	王少鋒先生	–	210	14	224
Mr. Yue Chunyang	岳春陽先生	–	618	19	637
Supervisors' emoluments (Note 10)	監事酬金(附註10)	–	828	33	861
		2,160	2,535	76	4,771

The executive directors' emoluments shown above are for their services in connection with the management of the affairs of the Company and the Group.

上文所示執行董事的酬金乃就其管理本公司及本集團事務提供的服務而支付。

The non-executive director's and independent non-executive directors' emoluments shown above are for their services as directors of the Company.

上文所示非執行董事及獨立非執行董事的酬金乃就其作為本公司董事提供的服務而支付。

Mr. Lv Yubo has waived emoluments in acting as a non-executive director of the Company. No other director of the Company has waived or agreed to waive any emoluments during both years.

呂玉波先生已放棄作為本公司非執行董事的酬金。於兩個年度本公司無其他董事放棄或同意放棄任何酬金的安排。

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12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one (2019: one) director, details of whose remuneration are set out in Note 11 above. Details of the remuneration for the year of the remaining four (2019: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	2,817	2,904
Performance related incentive payments	表現相關獎勵付款	2,922	2,891
Retirement benefit schemes contributions	退休福利計劃供款	4	9
		5,743	5,804

Their emoluments were within the following bands:

		Number of employees 僱員人數	
		2020 二零二零年	2019 二零一九年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2	2

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

12. 五名最高薪酬僱員

年內，本集團五名最高薪酬僱員包括一名(二零一九年：一名)董事，其薪酬詳情載於上文附註11。年內，餘下四名(二零一九年：四名)既不是本公司董事亦非最高行政人員的最高薪酬僱員的薪酬詳情如下：

彼等的酬金介乎以下範圍：

於兩個年度本集團並無向本公司董事或五名最高薪酬人士(包括董事及僱員)支付酬金作為吸引彼等加入本集團或加入本集團時的報酬或作為離職補償。

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13. INCOME TAX EXPENSES

13. 所得稅開支

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
PRC Enterprise Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)		
Current tax	即期稅項	23,109	67,795
(Over)underprovision of EIT in prior years	過往年度企業所得稅 (超額撥備)撥備不足	(160)	32
		22,949	67,827
Hong Kong Profits Tax	香港利得稅		
Current tax	即期稅項	167	72
Underprovision of Hong Kong Profits Tax in prior years	過往年度香港利得稅撥備不足	289	-
		23,405	67,899
Deferred tax charge (Note 27)	遞延稅項支出(附註27)	562	898
		23,967	68,797

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

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

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

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

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

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

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13. INCOME TAX EXPENSES (Cont'd)

The income tax expenses for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
(Loss) profit before taxation	除稅前(虧損)溢利	(26,089)	117,485
Tax (credit) charge at EIT rate of 25%	按25%的中國企業所得稅率(抵免)徵收稅項	(6,522)	29,371
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	22,970	19,100
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(2,788)	(2,597)
Tax effect of tax losses not recognised	未確認的稅項虧損的稅務影響	23,628	21,572
Utilisation of deductible temporary difference previously not recognised	動用先前未確認的可扣減暫時差額	(11,425)	-
Utilisation of tax losses previously not recognised	動用過往未確認的稅項虧損	(15)	-
(Over)underprovision of EIT in prior years	過往年度企業所得稅(超額撥備)撥備不足	(160)	32
Underprovision of Hong Kong Profits Tax in prior years	過往年度香港利得稅撥備不足	289	-
Effect of different tax rate of a subsidiary operating in other jurisdiction	在其他司法權區經營的附屬公司不同稅率之稅務影響	(1,091)	(146)
Others	其他	(919)	1,465
Income tax expenses	所得稅開支	23,967	68,797

14. DIVIDENDS

Final dividend for the year ended 31 December 2018 of RMB16 cents per share amounting to approximately RMB53,363,000 in aggregate was declared and paid by the Company during the year ended 31 December 2019.

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2020, nor has any dividend been proposed since 31 December 2020.

13. 所得稅開支(續)

年內的所得稅開支可與綜合損益及其他全面收益表的除稅前(虧損)溢利對賬如下：

14. 股息

於截至二零一九年十二月三十一日止年度，本公司宣派及派付截至二零一八年十二月三十一日止年度的末期股息每股人民幣16分，合共約人民幣53,363,000元。

截至二零二零年十二月三十一日止年度並無對本公司普通股股東派付或建議派付股息，自二零二零年十二月三十一日起亦無建議派付任何股息。

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15. (LOSS) EARNINGS PER SHARE

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

15. 每股(虧損)盈利

本公司擁有人應佔每股基本(虧損)盈利基於以下數據計算：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
(Loss) earnings:	(虧損) 盈利：		
(Loss) profit for the year attributable to owners of the Company for the purpose of calculating (loss) earnings per share	用於計算每股(虧損)盈利的本公司擁有人應佔本年度(虧損)溢利	(25,372)	74,264
		2020 二零二零年	2019 二零一九年
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share	用於計算每股基本(虧損)盈利的普通股加權平均數	334,394,000	334,394,000

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

由於在兩個年度內並無發行潛在普通股，故並無呈列每股攤薄(虧損)盈利。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Leasehold improvement 租賃裝修 RMB'000 人民幣千元	Medical equipment 醫療設備 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本							
At 1 January 2019	於二零一九年一月一日	205,100	264,381	525,847	116,067	13,722	123,464	1,248,581
Additions	添置	-	384	56,461	15,791	3,926	118,345	194,907
Disposals	出售	-	-	(16,065)	(1,929)	(826)	-	(18,820)
Transfer	轉讓	-	7,634	-	-	-	(7,634)	-
At 31 December 2019	於二零一九年十二月三十一日	205,100	272,399	566,243	129,929	16,822	234,175	1,424,668
Additions	添置	-	1,017	70,251	10,065	1,539	86,897	169,769
Disposals/write-off	出售/撤銷	-	(1,490)	(23,224)	(2,400)	(1,746)	-	(28,860)
Transfer	轉讓	-	138,151	1,380	-	-	(139,531)	-
At 31 December 2020	於二零二零年十二月三十一日	205,100	410,077	614,650	137,594	16,615	181,541	1,565,577
DEPRECIATION	折舊							
At 1 January 2019	於二零一九年一月一日	2,215	81,536	280,746	60,398	9,296	-	434,191
Provided for the year	年內撥備	5,316	15,132	56,515	12,678	1,559	-	91,200
Eliminated on disposals	出售時對銷	-	-	(15,724)	(1,845)	(824)	-	(18,393)
At 31 December 2019	於二零一九年十二月三十一日	7,531	96,668	321,537	71,231	10,031	-	506,998
Provided for the year	年內撥備	5,316	24,429	64,270	13,585	1,666	-	109,266
Eliminated on disposals/write-off	出售時對銷/撤銷	-	(568)	(22,502)	(2,329)	(1,560)	-	(26,959)
At 31 December 2020	於二零二零年十二月三十一日	12,847	120,529	363,305	82,487	10,137	-	589,305
CARRYING VALUES	賬面值							
At 31 December 2020	於二零二零年十二月三十一日	192,253	289,548	251,345	55,107	6,478	181,541	976,272
At 31 December 2019	於二零一九年十二月三十一日	197,569	175,731	244,706	58,698	6,791	234,175	917,670

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight line basis at the following rates per annum:

上述物業、廠房及設備(在建工程除外)項目採用直線法按下列年率計提折舊:

Buildings	Over the shorter of the term of the lease, or 50 years	樓宇	租期或50年兩者中較短時間
Leasehold improvement	10 – 20 years	租賃裝修	10至20年
Medical equipment	5 – 10 years	醫療設備	5至10年
Office equipment	5 – 10 years	辦公設備	5至10年
Motor vehicles	5 years	汽車	5年

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17. RIGHT-OF-USE ASSETS

17. 使用權資產

		Leasehold lands 租賃土地 RMB'000 人民幣千元	Leasehold land and buildings 租賃土地 及樓宇 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本			
At 1 January 2019	於二零一九年一月一日	153,646	192,433	346,079
Additions	添置	–	8,427	8,427
At 31 December 2019	於二零一九年十二月三十一日	153,646	200,860	354,506
Additions	添置	85,068	8,297	93,365
At 31 December 2020	於二零二零年十二月三十一日	238,714	209,157	447,871
DEPRECIATION	折舊			
At 1 January 2019	於二零一九年一月一日	–	–	–
Provided for the year	年內撥備	3,248	28,156	31,404
At 31 December 2019	於二零一九年十二月三十一日	3,248	28,156	31,404
Provided for the year	年內撥備	3,957	29,665	33,622
At 31 December 2020	於二零二零年十二月三十一日	7,205	57,821	65,026
CARRYING VALUES	賬面值			
At 31 December 2020	於二零二零年十二月三十一日	231,509	151,336	382,845
At 31 December 2019	於二零一九年十二月三十一日	150,398	172,704	323,102
			2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Total cash outflow for leases	租賃現金流出總額		45,819	42,207

The Group leases leasehold lands, and leasehold land and buildings for its operations. Lease contracts are entered into for fixed term of one to twelve years, but may have variable lease payments as described below.

本集團租賃租賃土地以及租賃土地及樓宇用於運營。租約以固定租期1至12年訂立，但可能有下述的可變租賃付款。

The Group regularly entered into short-term leases for rehabilitation centres and staff quarters. As at 31 December 2020 and 2019, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in Note 10.

本集團定期為康復中心及員工宿舍訂立短期租賃。於二零二零年及二零一九年十二月三十一日，短期租賃組合類似於附註10中披露的短期租賃開支的短期租賃組合。

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17. RIGHT-OF-USE ASSETS (Cont'd)

Variable lease payments

Leases of leasehold land and buildings are either with only fixed payments or contain variable lease payments that are based on the gross floor area occupied and minimum annual lease payment that are fixed over the lease term. The amounts of fixed and variable lease payments paid/payable to relevant lessors are as follows:

		Fixed payments 固定付款 RMB'000 人民幣千元	Variable payments 可變付款 RMB'000 人民幣千元	Total payments 付款總額 RMB'000 人民幣千元
For the year ended 31 December 2020	截至二零二零年 十二月三十一日止年度			
Leasehold land and buildings	租賃土地及樓宇			
– without variable lease payments	– 無可變租賃付款	3,874	–	3,874
– with variable lease payments	– 有可變租賃付款	35,100	6,569	41,669
		38,974	6,569	45,543

		Fixed payments 固定付款 RMB'000 人民幣千元	Variable payments 可變付款 RMB'000 人民幣千元	Total payments 付款總額 RMB'000 人民幣千元
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度			
Leasehold land and buildings	租賃土地及樓宇			
– without variable lease payments	– 無可變租賃付款	2,510	–	2,510
– with variable lease payments	– 有可變租賃付款	32,806	6,078	38,884
		35,316	6,078	41,394

The overall financial effect of using variable payment terms is that higher rental costs are incurred by increasing occupation of gross floor area of relevant properties. Variable rental expenses are expected to continue to represent a similar proportion of gross floor area of relevant properties occupied in future years.

17. 使用權資產 (續)

可變租賃付款

租賃土地及樓宇的租賃僅具有固定租賃付款或包含基於所佔用總建築面積的可變租賃付款以及在租賃期內固定的最低年度租賃付款。已付／應付予有關出租人的固定及可變租賃付款如下：

		Fixed payments 固定付款 RMB'000 人民幣千元	Variable payments 可變付款 RMB'000 人民幣千元	Total payments 付款總額 RMB'000 人民幣千元
For the year ended 31 December 2020	截至二零二零年 十二月三十一日止年度			
Leasehold land and buildings	租賃土地及樓宇			
– without variable lease payments	– 無可變租賃付款	3,874	–	3,874
– with variable lease payments	– 有可變租賃付款	35,100	6,569	41,669
		38,974	6,569	45,543

		Fixed payments 固定付款 RMB'000 人民幣千元	Variable payments 可變付款 RMB'000 人民幣千元	Total payments 付款總額 RMB'000 人民幣千元
For the year ended 31 December 2019	截至二零一九年 十二月三十一日止年度			
Leasehold land and buildings	租賃土地及樓宇			
– without variable lease payments	– 無可變租賃付款	2,510	–	2,510
– with variable lease payments	– 有可變租賃付款	32,806	6,078	38,884
		35,316	6,078	41,394

使用可變付款條款的整體財務影響為相關物業總建築面積的佔用增加產生更高的租金成本。於未來年度，預期可變租金開支佔所佔用相關物業總建築面積的比例類似。

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17. RIGHT-OF-USE ASSETS (Cont'd)

Restrictions or covenants on leases

In addition, lease liabilities of RMB207,993,000 (2019: RMB226,178,000) are recognised with related right-of-use assets of RMB151,336,000 (2019: RMB172,704,000) as at 31 December 2020. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

As at 31 December 2020, the lease liabilities are secured by rental deposits with carrying values of RMB582,000 (2019: RMB170,000).

17. 使用權資產(續)

租賃限制或契諾

此外，於二零二零年十二月三十一日，確認租賃負債人民幣207,993,000元(二零一九年：人民幣226,178,000元)，相關使用權資產為人民幣151,336,000元(二零一九年：人民幣172,704,000元)。除出租人持有的於租賃資產的抵押權益外，租賃協議不施加任何契諾。租賃資產不得用作借款抵押。

於二零二零年十二月三十一日，租賃負債以賬面值為人民幣582,000元的租金按金作抵押(二零一九年：人民幣170,000元)。

18. GOODWILL

18. 商譽

		RMB'000 人民幣千元
COST		
At 1 January 2019, 31 December 2019 and 31 December 2020	成本 於二零一九年一月一日、二零一九年十二月三十一日及二零二零年十二月三十一日	182,013
IMPAIRMENT		
At 1 January 2019	減值 於二零一九年一月一日	-
Impairment loss recognised for the year	年內已確認減值虧損	60,000
At 31 December 2019	於二零一九年十二月三十一日	60,000
Impairment loss recognised for the year	年內已確認減值虧損	77,400
At 31 December 2020	於二零二零年十二月三十一日	137,400
CARRYING VALUES		
At 31 December 2020	賬面值 於二零二零年十二月三十一日	44,613
At 31 December 2019	於二零一九年十二月三十一日	122,013

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18. GOODWILL (Cont'd)

During the year ended 31 December 2020, Hualin's Goodwill and Kangxin's Goodwill are impaired by RMB27,500,000 (2019: nil) and RMB49,900,000 (2019: RMB60,000,000) respectively, in view of the recoverable amounts of the two CGUs being less than their own carrying amounts. As at 31 December 2020, the carrying amounts of Hualin's Goodwill and Kangxin's Goodwill are RMB29,101,000 (2019: RMB56,601,000) and RMB15,512,000 (2019: RMB65,412,000) respectively.

The recoverable amount of the Anhui Hualin CGU has been determined based on a value in use calculation by reference to a valuation report prepared by an independent professional valuer. The calculation uses cash flow projections based on financial budgets approved by the management for the next five (2019: five) years. Cash flows beyond the five-year (2019: five-year) period are extrapolated using growth rate of 3.0% (2019: 3.0%). A pre-tax discount rate of 17.46% (2019: 14.6%) is used for this CGU and derived using risk-free rate, the market return and CGU specific factors.

The recoverable amount of the Kangxin Hospital CGU has been determined based on a value in use calculation by reference to a valuation report prepared by an independent professional valuer. The calculation uses cash flow projections based on financial budgets approved by the management for the next seven (2019: seven) years. Cash flows beyond the seven-year (2019: seven-year) period are extrapolated using growth rate of 3.0% (2019: 3.0%). A pre-tax discount rate of 15.4% (2019: 14.6%) is used for this CGU and derived using risk-free rate, the market return and CGU specific factors.

18. 商譽 (續)

截至二零二零年十二月三十一日止年度，樺霖商譽及康心商譽分別減值人民幣27,500,000元(二零一九年：零)及人民幣49,900,000元(二零一九年：人民幣60,000,000元)，乃由於兩個現金產生單位的可收回金額低於其賬面值。於二零二零年十二月三十一日，樺霖商譽及康心商譽的賬面值分別為人民幣29,101,000元(二零一九年：人民幣56,601,000元)及人民幣15,512,000元(二零一九年：人民幣65,412,000元)。

安徽樺霖現金產生單位的可收回金額已根據使用價值計算，並參考獨立專業估值師編製的估值報告釐定。該計算使用基於管理層批准的未來五年(二零一九年：五年)財務預算的現金流量預測。超過五年(二零一九年：五年)期的現金流量使用3.0%(二零一九年：3.0%)的增長率推斷。該現金產生單位使用17.46%(二零一九年：14.6%)的稅前折現率，並使用無風險利率、市場回報及現金產生單位的特定因素得出。

康心醫院現金產生單位的可收回金額已根據使用價值計算，並參考獨立專業估值師編製的估值報告釐定。該計算使用基於管理層批准的未來七年(二零一九年：七年)財務預算的現金流量預測。超過七年(二零一九年：七年)期的現金流量使用3.0%(二零一九年：3.0%)的增長率推斷。該現金產生單位使用15.4%(二零一九年：14.6%)的稅前折現率，並使用無風險利率、市場回報及現金產生單位的特定因素得出。

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18. GOODWILL (Cont'd)

The key assumptions are growth rates and pre-tax discount rates which are estimated based on past practices and expectations of future changes in the market. After taken into consideration of the historical performance and most recent actual performance of the Anhui Hualin CGU and Kangxin Hospital CGU, the directors of the Company consider that the estimated future growth in revenue from the rehabilitation and other healthcare services business relating to the operations of Anhui Hualin and the hospital services business relating to the operations of Kangxin Hospital will be lower than previously expected for the periods of approved financial budgets. In view of the aggregate recoverable amounts of these CGUs are below their aggregate carrying amounts, impairment losses of RMB27,500,000 (2019: nil) and RMB49,900,000 (2019: RMB60,000,000) are recognised during the year for Hualin's Goodwill and Kangxin's Goodwill respectively.

19. FIXED BANK DEPOSITS/RESTRICTED BANK BALANCES/BANK BALANCES AND CASH

At 31 December 2020, the fixed bank deposits carried fixed interest rates at 3.10% per annum with original maturity at 3 months and is classified as current assets since their remaining maturity is less than 3 months from the end of the reporting period (2019: the fixed bank deposits carried fixed interest rates rating from 4.13% to 4.26% per annum with original maturity at 3 years and is classified as non-current assets since their remaining maturity is over 12 months from the end of the reporting period).

Restricted bank balances represented (i) deposits required by Dongguan Social Insurance Bureau which are based on annual assessment on the medical service quality of the hospitals, such deposits will be discharged upon completion of the annual assessment; and (ii) proceeds from the initial public offering of the Company's H Shares remitted to PRC banks, the usage of which is subject to relevant approval. The restricted bank balances carried fixed interest rates ranging from 0.30% to 0.35% (2019: 0.30% to 0.35%) per annum as at 31 December 2020.

Bank balances carried prevailing market rates ranging from 0.00% to 1.05% (2019: 0.00% to 1.05%) per annum as at 31 December 2020.

18. 商譽(續)

主要假設是增長率及稅前貼現率，該等比率是根據過往慣例及市場未來變化的預期估算。經考慮到安徽樺霖現金產生單位及康心醫院現金產生單位的歷史表現及最近期實際表現後，本公司董事認為，與安徽樺霖營運有關的康復及其他醫療服務業務及與康心醫院營運有關的醫院服務業務於批准財務預算期間的收益的估計未來增長將低於先前的預期。鑒於該等現金產生單位的可收回金額總額低於其賬面總值，於年內分別就樺霖商譽及康心商譽確認減值虧損人民幣27,500,000元(二零一九年：無)及人民幣49,900,000元(二零一九年：人民幣60,000,000元)。

19. 定期銀行存款／受限制銀行結餘／銀行結餘及現金

於二零二零年十二月三十一日，定期銀行存款的固定年利率為3.10%，原到期日為3個月，由於彼等的餘下到期日自報告期間末起計不足3個月，故分類為流動資產(二零一九年：定期銀行存款的固定年利率介乎4.13%至4.26%，原到期日為3年，及由於彼等的餘下到期日為自報告期末起計12個月以上，故分類為非流動資產)。

受限制銀行結餘指(i)根據東莞社會保障局的規定，存款金額基於年度醫院醫療服務質素評估所釐定，該存款將於完成年度評估後解除；以及(ii)匯入中國銀行須經相關批核用於特定用途的首次公開發售本公司H股所得款項。於二零二零年十二月三十一日，受限制銀行結餘按介乎0.30%至0.35%(二零一九年：年利率介乎0.30%至0.35%)的固定年利率計息。

銀行結餘按市場現行利率計息，於二零二零年十二月三十一日，年利率介乎0.00%至1.05%(二零一九年：年利率介乎0.00%至1.05%)。

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20. INVENTORIES

20. 存貨

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Pharmaceutical products	藥品	37,788	48,898
Consumables and others	耗材及其他	18,968	20,870
		56,756	69,768

21. ACCOUNTS AND OTHER RECEIVABLES

21. 應收賬款及其他應收款項

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Accounts receivables	應收賬款	212,400	273,928
Less: Allowance for credit loss	減：信貸虧損撥備	(7,694)	(9,769)
		204,706	264,159
Prepayments to suppliers	預付供應商款項	16,442	9,935
Interest receivables	應收利息	594	995
Others	其他	26,937	25,499
Total accounts and other receivables	應收賬款及其他應收款項總額	248,679	300,588

At 1 January 2019, the carrying amount of accounts receivables from contracts with customer was RMB186,063,000, net of impairment allowance of RMB9,573,000.

於二零一九年一月一日，來自客戶合約的應收款項的賬面值為人民幣186,063,000元，扣除減值撥備人民幣9,573,000元。

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

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

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21. ACCOUNTS AND OTHER RECEIVABLES (Cont'd)

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

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 30 days	30天以內	121,199	128,564
31 to 90 days	31至90天	36,124	67,041
91 to 180 days	91至180天	43,012	41,195
181 to 365 days	181至365天	2,992	25,821
Over 365 days	超過365天	1,379	1,538
		204,706	264,159

The management of the Group closely monitors the credit quality of accounts receivables and considers the debts that are neither past due nor impaired to be of a good credit quality. Receivables that were neither past due nor impaired related to the customers for whom there was no history of default.

As at 31 December 2020, included in the Group's accounts receivables balance are receivables with aggregate carrying amount of RMB47,383,000 (2019: RMB68,554,000) which are past due as at the reporting date. Out of the past due balances, RMB4,371,000 (2019: RMB27,359,000) has been past due 90 days or more and is not considered as in default.

As part of the Group's credit risk management, the Group assessed accounts receivables collectively based on internal credit rating except for accounts receivables from the PRC government's social insurance schemes and certain credit-impaired debtors of which ECL are assessed individually. These receivables consist of a large number of small patients with common risk characteristics that are representative of the patients' abilities to pay all amounts due in accordance with the contractual terms.

Details of impairment assessment of accounts and other receivables for the year ended 31 December 2020 and 2019 are set out in Note 35(b)(iii).

21. 應收賬款及其他應收款項(續)

基於報告期末收益確認日期呈列的應收賬款(扣除信貸虧損撥備)的賬齡分析如下:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 30 days	121,199	128,564
31 to 90 days	36,124	67,041
91 to 180 days	43,012	41,195
181 to 365 days	2,992	25,821
Over 365 days	1,379	1,538
	204,706	264,159

本集團管理層會密切監察應收賬款的信貸質素，並認為無逾期亦無減值的債務具有良好的信貸質素。無逾期亦無減值的應收款項與眾多並無欠款紀錄的客戶有關。

於二零二零年十二月三十一日，納入本集團的應收賬款結餘中的應收賬款總賬面金額為人民幣47,383,000元(二零一九年：人民幣68,554,000元)，於報告日期已到期。在過往到期結餘中，人民幣4,371,000元(二零一九年：人民幣27,359,000元)已逾期90天或以上，並不被視為違約。

作為本集團信貸風險管理的一部分，本集團根據內部信用評級集體評估應收賬款，惟中國政府的社會保險計劃應收賬款及若干預期信貸虧損單獨評估的信用減值應收賬款除外。該等應收賬款由大量具有共同風險特徵的小病患組成，該等病患代表病患按照合約條款支付所有應付金額的能力。

截至二零二零年及二零一九年十二月三十一日止年度的應收賬款及其他應收款項減值評估詳情載於附註35(b)(iii)。

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22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

22. 按公平值計入損益的金融資產

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Portfolio investment fund (note (i))	投資組合基金(附註(i))	67,663	77,150
Structured bank deposits (note (iii))	結構性銀行存款(附註(iii))	400,000	400,000
		467,663	477,150
Analysed for reporting purpose as:	就報告目的分析如下：		
Current assets	流動資產	400,000	477,150
Non-current assets	非流動資產	67,663	-
		467,663	477,150

Notes:

- (i) As part of the Group's cash management activities, the Group has a portfolio investment fund, the underlying portfolio of which includes a mixture of cash and shares that are primarily listed in Hong Kong. As at 31 December 2019, the portfolio investment fund was maintained by a discretionary fund manager and measured at fair value. During the year ended 31 December 2020, such portfolio investment fund was disposed of and part of the proceeds were rolled over to a new portfolio investment fund. At 31 December 2020, the Group currently does not expect any immediate use of the new portfolio investment fund in the short term and thus, the new portfolio investment fund is classified as non-current assets. The Group may at its discretion redeem the new fund subject to the relevant procedures, requirements and restrictions.
- (ii) The Group invested into structured deposits with a bank in the PRC for guaranteed principal and variable investment returns. Majority of these structured deposits are with maturities of less than six months and the principal is generally renewed when matured.

附註：

- (i) 作為本集團現金管理活動的一部分，本集團設有投資組合基金，其相關投資組合包括現金及主要在香港上市之股份。於二零一九年十二月三十一日，投資組合投資基金由全權委託基金經理維持，按公平值計量。截至二零二零年十二月三十一日止年度，該投資組合基金已被出售，部分所得款項已轉至新投資組合基金。於二零二零年十二月三十一日，本集團目前預期短期內不會即時使用新投資組合基金，因此，新投資組合基金被分類為非流動資產。本集團可酌情贖回新基金，惟須遵守相關程序、規定及限制。
- (ii) 本集團投資於一家中國銀行的結構性存款以保本及賺取可變投資回報。大部份結構性存款的到期日少於六個月，本金一般於到期時重續。

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23. ACCOUNTS AND OTHER PAYABLES AND PROVISION

23. 應付賬款及其他應付款項及撥備

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Accounts payables	應付賬款	256,802	262,040
Accrued expenses	應計開支	94,045	83,062
Receipts in advance (note)	預收款項(附註)	100,659	61,017
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備應付款項	41,681	57,397
Other tax payables	其他應付稅項	3,070	3,796
Others	其他	17,655	20,847
Other payables	其他應付款項	257,110	226,119
Sub-total accounts and other payables	應付賬款及其他應付款項小計	513,912	488,159
Provision for medical dispute claims	醫療糾紛索償撥備	2,956	375
Total accounts and other payables and provision	應付賬款及其他應付款項 總額及撥備	516,868	488,534

Note: Included in the balance are advances from the PRC social insurance which represent operating cash of RMB52,533,000 (2019: RMB20,667,000) advanced from the PRC government for the daily operations of the hospitals operated by the Group.

附註：納入結餘包括中國社會保險墊款，相當於中國政府為本集團營運醫院的日常營運提供經營現金人民幣52,533,000元（二零一九年：人民幣20,667,000元）。

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

應付賬款的信貸期自發票日期起計介乎30至90天。

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

基於收貨日期的應付賬款的賬齡分析如下：

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within 30 days	30天以內	72,662	99,938
31 to 90 days	31至90天	108,215	100,364
91 to 180 days	91至180天	42,749	31,467
181 to 365 days	181至365天	15,473	10,793
Over 365 days	超過365天	17,703	19,478
		256,802	262,040

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23. ACCOUNTS AND OTHER PAYABLES AND PROVISION (Cont'd)

Included in other payables is provision for medical dispute claims which the Group is involved as defendants in certain medical disputes arising from its ordinary course of business. The following is the movement in provision for medical dispute claims:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
At the beginning of the year	於年初	375	1,280
Provision for the year	年內撥備	4,558	597
Utilisation of the provision	動用撥備	(1,977)	(1,502)
At the end of the year	於年末	2,956	375

24. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

At 31 December 2020, the amounts due to non-controlling shareholders of subsidiaries represent amount due to 東莞嘉德醫療投資有限公司, the non-controlling shareholder of Kangxin Hospital and amount due to 合肥海樺企業管理諮詢合夥企業(有限合夥), the non-controlling shareholder of Anhui Hualin (2019: due to 東莞嘉德醫療投資有限公司, the non-controlling shareholder of Kangxin Hospital). The amounts are non-trade nature, unsecured, interest-free and repayable on demand.

23. 應付賬款及其他應付款項及撥備 (續)

計入其他應付款項的醫療糾紛索償撥備，為本集團作為被告而牽涉於日常業務過程中產生的若干醫療糾紛而作出之相應撥備。以下為醫療糾紛索償撥備的變動：

24. 應付附屬公司非控股股東款項

於二零二零年十二月三十一日，應付附屬公司的非控股股東款項為應付康心醫院的非控股股東東莞嘉德醫療投資有限公司款項及應付安徽樺霖的非控股股東合肥海樺企業管理諮詢合夥企業(有限合夥)款項(二零一九年：應付康心醫院的非控股股東東莞嘉德醫療投資有限公司)。該等款項為非貿易性質、無抵押、免息及按要求償還。

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25. BANK LOANS

25. 銀行貸款

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Variable rate secured bank loan (note (a))	有抵押銀行貸款(浮動利率)(附註(a))	204,647	155,601
Fixed-rate secured loan (note (b))	有抵押貸款(固定利率)(附註(b))	53,183	60,652
		257,830	216,253
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
The carrying amounts of the loans are repayable*:	貸款賬面值於以下時間償還*：		
Within one year	一年內	7,574	7,468
Within a period of more than one year but not exceeding two years	一至兩年的期間內	21,897	7,574
Within a period of more than two years but not exceeding five years	兩至五年的期間內	73,549	57,818
Within a period of more than five years	超過五年的期間內	154,810	143,393
		257,830	216,253
Less: Amounts due within one year shown under current liabilities	減：流動負債項下所示於一年內到期的款項	(7,574)	(7,468)
Amounts shown under non-current liabilities	非流動負債項下所示款項	250,256	208,785

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

• 到期款項乃以貸款協議所載計劃還款日期。

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25. BANK LOANS (Cont'd)

Notes:

- (a) At 31 December 2020 and 2019, the bank loan carried interest at the benchmark interest rate for loan offered by the People's Bank of China adjusted annually from the drawn down date. The effective interest rate of the secured bank loan is 5.84% (2019: 5.90%) per annum. The main purpose of the loan is to finance the payment of phase 2 medical facility development of Kangxin Hospital and to settle certain amount due to a non-controlling shareholder of a subsidiary.

At 31 December 2020 and 2019, the bank loan was secured with the key terms and securities pledged as follows:

- (i) financial guarantees provided by the Company, Mr. Wang Junyang, chairman of the Group, 東莞市東成石材有限公司, a company controlled by Dongguan Xingye Group Co., Ltd. ("Xingye Group"), and 東莞嘉德醫療投資有限公司 (collectively referred as the "Guarantors") with respective maximum amount of RMB500,000,000 (2019: RMB500,000,000); and
- (ii) share pledges over the equity shares in Kangxin Hospital held by the Company and 東莞嘉德醫療投資有限公司.
- (b) The fixed rate secured loan represents a financing arrangement with Industrial and Commercial Bank of China Leasing Co., Ltd., an independent third party. Pursuant to the arrangement, the Group has transferred legal title of certain medical equipment to Industrial and Commercial Bank of China Leasing Co., Ltd., and shall then be leased back for use by the Group. Upon expiry of the lease term, the Group has an option to repurchase these medical equipment at a cash consideration of RMB1. As at 31 December 2020, the carrying amount of these medical equipment is approximately RMB45,517,000 (2019: RMB58,816,000), and is guaranteed by the Guarantors.

The transfers of these medical equipment do not satisfy the requirements of IFRS 15 to be accounted for as a sale of assets. The Group continued to recognise the transferred assets and initially recognised a secured loan equal to the transfer proceeds. As at 31 December 2020, the carrying amount of the borrowings in respect of such arrangements amounted to RMB53,183,000 (2019: RMB60,652,000). The loan carried effective interest rate of 6.74% (2019: 6.74%) per annum and would be settled with quarterly instalments until September 2027.

25. 銀行貸款 (續)

附註：

- (a) 於二零二零年及二零一九年十二月三十一日，銀行貸款按自提取之日起每年調整的中國人民銀行提供的貸款基準利率計息。已抵押銀行貸款的實際年利率為5.84%（二零一九年：5.90%）。貸款主要用於支付康心醫院第二階段醫療設施的開發，並結清若干應付一間附屬公司的一名非控股股東的款項。

於二零二零年及二零一九年十二月三十一日，銀行貸款有擔保，主要條款及已抵押證券如下：

- (i) 由本公司、本集團主席王君揚先生、東莞市東成石材有限公司（一間由東莞市興業集團有限公司（「興業集團」）控制的公司）及東莞嘉德醫療投資有限公司（統稱「擔保人」）提供的財務擔保，各自最高金額為人民幣500,000,000元（二零一九年：人民幣500,000,000元）；及
- (ii) 對本公司及東莞嘉德醫療投資有限公司持有康心醫院的股權的股份質押。
- (b) 固定利率的有抵押貸款指與獨立第三方工銀金融租賃有限公司訂立的融資安排。根據該安排，本集團已將若干醫療設備的合法所有權轉讓予工銀金融租賃有限公司，其後將其租回以供本集團使用。租期屆滿後，本集團有權以現金代價人民幣1元購回該等醫療設備。於二零二零年十二月三十一日，該等醫療設備的賬面值約為人民幣45,517,000元（二零一九年：人民幣58,816,000元），並由擔保人提供擔保。

該等醫療設備轉讓不符合國際財務報告準則第15號規定以作為資產出售入賬。本集團繼續確認已轉讓資產，並初步確認一筆相等於轉讓所得款項的有抵押貸款。於二零二零年十二月三十一日，有關安排的借款賬面值為人民幣53,183,000元（二零一九年：人民幣60,652,000元）。貸款的實際年利率為6.74%（二零一九年：6.74%），直至二零二七年九月可按季度分期償還。

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26. LEASE LIABILITIES

26. 租賃負債

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	30,685	26,294
Within a period of more than one year but not more than two years	一至兩年的期間內	34,930	29,576
Within a period of more than two years but not more than five years	兩至五年的期間內	136,193	116,366
Within a period of more than five years	超過五年的期間內	6,185	53,942
		207,993	226,178
Less: Amount due for settlement with 12 months shown under current liabilities	減：流動負債項下所示於12個月內到期償還的款項	(30,685)	(26,294)
Amount due for settlement after 12 months shown under non-current liabilities	非流動負債項下所示於12個月後到期償還的款項	177,308	199,884

The weighted average incremental borrowing rates applied to lease liabilities ranged from 5.1% to 6.2% (2019: 5.1% to 5.9%)

適用於租賃負債的加權平均增量借款利率介乎5.1%至6.2%（二零一九年：5.1%至5.9%）。

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27. DEFERRED TAX LIABILITIES (ASSETS)

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the year:

		Accelerated tax depreciation 加速稅收 折舊 RMB'000 人民幣千元	Pre-operating expenses written off 撇銷營業前 開支 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	26,225	(5,740)	20,485
(Credit) charge to profit or loss (Note 13)	(計入)扣除自損益(附註13)	(193)	1,091	898
At 31 December 2019	於二零一九年十二月三十一日	26,032	(4,649)	21,383
(Credit) charge to profit or loss (Note 13)	(計入)扣除自損益(附註13)	(213)	775	562
At 31 December 2020	於二零二零年十二月三十一日	25,819	(3,874)	21,945

At 31 December 2020, the Group had unused tax losses of approximately RMB254,047,000 (2019: RMB159,595,000) available for offset against future profits. No deferred tax asset was recognised in respect of such tax losses. The unused tax losses can be carried forward up to five years from 2022 to 2025 (2019: 2021 to 2024), to offset future taxable profits.

At 31 December 2020, the Group has deductible temporary difference for pre-operating expenses written off amounted to approximately RMB15,496,000 (2019: RMB18,596,000). A deferred tax asset has been recognised in respect of such deductible temporary difference of RMB15,496,000 (2019: RMB18,596,000) at the end of the reporting period.

27. 遞延稅項負債(資產)

以下是年內確認的主要遞延稅項負債(資產)及其變動:

於二零二零年十二月三十一日，本集團有未使用稅項虧損約人民幣254,047,000元(二零一九年：人民幣159,595,000元)，可抵銷未來溢利。該等稅項虧損並無確認遞延稅項資產。未使用的稅項虧損可以於二零二二年至二零二五年(二零一九年：二零二一年至二零二四年)最多五年結轉，以抵銷未來的應納稅所得額。

於二零二零年十二月三十一日，本集團撇銷經營前開支的可抵扣暫時性差額約為人民幣15,496,000元(二零一九年：人民幣18,596,000元)。於報告期末，已就有關可抵扣暫時性差額人民幣15,496,000元(二零一九年：人民幣18,596,000元)確認遞延稅項資產。

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28. SHARE CAPITAL

	Number of domestic shares 內資股數目 '000 千股	Number of H shares H股數目 '000 千股	Share capital 股本 RMB'000 人民幣千元
At 1 January 2019, 31 December 2019 and 31 December 2020 於二零一九年一月一日、二零一九年十二月三十一日及二零二零年十二月三十一日	250,000	84,394	334,394

29. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2020, acquisition of property, plant and equipment was settled by utilising deposits paid for acquisition of property, plant and equipment of RMB52,244,000 (2019: RMB48,056,000) during the year.

During the year ended 31 December 2020, the Group entered into new lease agreements for the use of leased properties for period ranging from 3 to 7 (2019: 2 to 6) years. On the lease commencement, the Group approximately recognised RMB8,297,000 (2019: RMB8,427,000) of right-of-use assets and lease liabilities.

30. CONTINGENT LIABILITIES

The Group is involved as defendants in certain medical disputes arising from its normal business operations. Except for those disputes with provision made as disclosed in Note 23, the management of the Group believes that the final result of other medical disputes with total claims of RMB6,792,000 (2019: RMB5,789,000) as at 31 December 2020 will not have a material impact on the financial position or operations of the Group and the amount of outflow, if any, cannot be determined with sufficient reliability prior to judicial appraisals. Accordingly, no provision is made in this regard.

28. 股本

	Number of domestic shares 內資股數目 '000 千股	Number of H shares H股數目 '000 千股	Share capital 股本 RMB'000 人民幣千元
At 1 January 2019, 31 December 2019 and 31 December 2020 於二零一九年一月一日、二零一九年十二月三十一日及二零二零年十二月三十一日	250,000	84,394	334,394

29. 主要非現金交易

截至二零二零年十二月三十一日止年度，收購物業、廠房及設備乃於年內以收購物業、廠房及設備所支付的按金為人民幣52,244,000元（二零一九年：人民幣48,056,000元）已結算。

截至二零二零年十二月三十一日止年度，本集團訂立新租賃協議，以使用租賃物業，租期介乎3至7年（二零一九年：2至6年）。於租賃開始時，本集團確認使用權資產及租賃負債約人民幣8,297,000元（二零一九年：人民幣8,427,000元）。

30. 或然負債

本集團作為被告牽涉於其一般業務營運中產生的若干醫療糾紛。除附註23所披露就此等糾紛作出的撥備外，本集團管理層相信於二零二零年十二月三十一日，涉及人民幣6,792,000元（二零一九年：人民幣5,789,000元）的其他醫療糾紛的最終結果將不會對本集團的財務狀況或營運造成重大影響，而流出金額（如有）無法於司法鑒定前充分可靠地釐定。因此，本集團並無就此作出撥備。

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31. OPERATING LEASES

The Group as lessor

Fixed operating lease income earned during the year was as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Fixed operating lease income	固定經營租賃收入	5,426	6,235

Undiscounted lease payments receivable on leases are as follows:

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within one year	一年內	32	17
In the second to third year inclusive	第二年至第三年(包括首尾兩年)	53	-
		85	17

The leases of the properties with committed tenants are negotiated for terms ranging from one year to three years.

31. 經營租賃

本集團作為出租人

年內賺取的固定經營租賃收入如下：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Fixed operating lease income	5,426	6,235

租賃應收未貼現租賃付款如下：

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Within one year	32	17
In the second to third year inclusive	53	-
	85	17

與承諾租戶簽訂的物業租約經協商，租期為1年至3年。

32. CAPITAL COMMITMENTS

Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements

於綜合財務報表中已訂約但未撥備的物業、廠房及設備的資本開支

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Capital expenditure in respect of property, plant and equipment contracted for but not provided in the consolidated financial statements	於綜合財務報表中已訂約但未撥備的物業、廠房及設備的資本開支	255,496	311,631

32. 資本承擔

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33. RETIREMENT BENEFITS SCHEME

The Group operates the MPF Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by employees. For certain employees, the maximum monthly contribution is limited to HK\$1,500 per employee.

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which include amounts due to non-controlling shareholders of subsidiaries, bank loans and lease liabilities disclosed in Notes 24, 25 and 26 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost and the risks associates with each class of capital. Based on recommendation of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

33. 退休福利計劃

本集團於香港為所有合資格僱員成立強積金計劃。該計劃之資產與本集團資產分開處理，由託管人管理的基金持有。本集團須為強積金計劃的僱員作出相等於其薪金成本5%的金額作為供款。對於若干僱員，每月最高工資限額為各僱員1,500港元。

本集團的中國附屬公司僱員均為由中國政府營運的國家管理退休福利計劃的成員。該等附屬公司須向該退休福利計劃支付相當於工資成本若干百分比的款項，作為有關退休福利金。本集團對該項退休福利計劃的唯一責任是作出指定供款。

34. 資本風險管理

本集團管理其資本以確保本集團內的實體將能持續經營，同時透過優化債務及股本平衡盡可能提高股東回報。本集團的整體策略自去年保持不變。

本集團的資本架構包括債務，債務包括於附註24、25及26分別披露的應付附屬公司非控股股東款項、銀行貸款及租賃負債（扣除現金及現金等價物）以及本公司擁有人應佔權益（包括股本及儲備）。

本公司董事定期檢討資本架構。作為該檢討的一部分，本公司董事考慮各類資本相關的成本及風險。根據本公司董事的推薦意見，本集團將透過支付股息、發行新股以及發行新債務或贖回現有債務平衡其整體資本架構。

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35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at FVTPL	按公平值計入損益的金融資產	467,663	477,150
Financial assets at amortised cost	按攤銷成本計量的金融資產	406,973	547,734
Financial liabilities	金融負債		
Amortised cost	攤銷成本	592,819	695,386

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, accounts and other receivables, fixed bank deposits, restricted bank balances, bank balances and cash, accounts and other payables, amounts due to non-controlling shareholders of subsidiaries, bank loans and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Market risk

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank loan due to the fluctuation of the prevailing market interest rate. The Group is also exposed to fair value interest rate risk in relation to fixed-rate fixed bank deposits, restricted bank balances, fixed-rate bank loan and lease liabilities. The Group currently does not have a policy on hedging of interest rate risks. However, the management monitors interest rate exposures and will consider hedging significant interest rate risk should the need arise.

35. 金融工具

(a) 金融工具的類別

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at FVTPL	按公平值計入損益的金融資產	467,663	477,150
Financial assets at amortised cost	按攤銷成本計量的金融資產	406,973	547,734
Financial liabilities	金融負債		
Amortised cost	攤銷成本	592,819	695,386

(b) 金融風險管理目標及政策

本集團的主要金融工具包括按公平值計入損益的金融資產、應收賬款及其他應收款項、定期銀行存款、受限制銀行結餘、銀行結餘及現金、應付賬款及其他應付款項、應付附屬公司非控股股東款項、銀行貸款及租賃負債。該等金融工具的詳情披露於各自附註。該等金融工具的相關風險及有關如何減少該等風險的政策載列如下。管理層管理及監控該等風險，確保及時有效實施適當措施。

(i) 市場風險

利率風險

由於現行市場利率波動，本集團面對與可變利率銀行結餘及銀行貸款有關的現金流量利率風險。本集團亦面對與固定利率定期銀行存款、受限制銀行結餘、固定利率銀行貸款及租賃負債有關的公平值利率風險。本集團目前並無有關對沖利率風險的政策。然而，管理層監察利率風險及將於有需要時考慮對沖重大利率風險。

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35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Market risk (Cont'd)

Interest rate risk (Cont'd)

The Group's exposure to interest rate risk on financial liabilities is detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of benchmark interest rate for loan offered by the People's Bank of China arising from the bank loan.

The sensitivity analyses below have been determined based on the exposure to interest rates for bank loan and bank balances. The analyses were prepared assuming these balances outstanding at the end of the reporting period were outstanding for the whole year.

50 basis points (2019: 50 basis points) increase represents management's assessment of the reasonably possible change in interest rates. The management does not anticipate a decrease in interest rate for bank loan and bank balances in the next financial year having regard to the trends in benchmark interest rate for the loan offered by the People's Bank of China and global economic environment. Accordingly, sensitivity analysis on a decrease in interest rates is not presented.

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(i) 市場風險 (續)

利率風險 (續)

本集團承受的金融負債利率風險詳載於本附註流動資金風險管理一節。本集團現金流量利率風險主要集中於由銀行貸款引起的中國人民銀行提供的貸款基準利率的波動。

下文之敏感度分析乃根據銀行貸款及銀行結餘的利率風險而釐定。該分析乃假設於報告期末的該等未償還結餘乃於整年未償還而編製。

50個基點(二零一九年: 50個基點)的增加指管理層對於利率合理的可能變動的評估。考慮到中國人民銀行提供的貸款基準利率的趨勢及全球經濟環境,管理層並不預期銀行貸款及銀行結餘的利率會在下個財政年度下調,因此並無呈列利率減少的敏感度分析。

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綜合財務報表附註

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截至二零二零年十二月三十一日止年度

35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Market risk (Cont'd)

Interest rate risk (Cont'd)

If interest rates on bank loan and bank balances had been 50 basis points (2019: 50 basis points) higher and all other variables were held constant, the potential effect on loss/profit for the year:

	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Decrease in loss (2019: increase in profit) for the year	(110)	273

Foreign currency risk

The Group's exposure to currency risk attributable to monetary assets and liabilities (bank balances and cash, other receivables and other payables), which are denominated in currencies other than the functional currency of the entity to which they related. The Group considers its foreign currency exposure is mainly arising from the exposure of RMB against HK\$.

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(i) 市場風險 (續)

利率風險 (續)

倘銀行貸款及銀行結餘的利率上升50個基點(二零一九年: 50個基點)及所有其他變數保持不變, 對年內虧損/溢利的潛在影響如下表所示:

外匯風險

本集團面臨來自以相關實體功能貨幣以外貨幣列值的貨幣資產及負債(銀行結餘及現金、其他應收款項及其他應付款項)之貨幣風險。本集團認為, 其外匯風險主要來自人民幣兌港元的風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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截至二零二零年十二月三十一日止年度

35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Market risk (Cont'd)

Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at 31 December 2020 and 2019 are as follows:

		Assets 資產		Liabilities 負債	
		2020	2019	2020	2019
		二零二零年	二零一九年	二零二零年	二零一九年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
HK\$	港元	76,650	80,034	-	1,469

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2020, if HK\$ had strengthened/weakened against RMB by 5% (2019: 5%) with all other variables held constant, loss for the year would be lower/higher by approximately RMB3,197,000 (2019: profit for the year would have been higher/lower approximately RMB3,268,000) mainly as a result of increase/decrease in net foreign exchange gains on translation of bank balances and cash, other receivables and other payables denominated in non-functional currencies of the relevant group entities.

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(i) 市場風險 (續)

外匯風險 (續)

於二零二零年及二零一九年十二月三十一日，本集團以外幣計價的貨幣資產及負債賬面值如下：

本集團目前並無外幣對沖政策。然而，管理層監察外匯風險，並將於有需要時考慮對沖重大外幣風險。

於二零二零年十二月三十一日，倘港元兌人民幣升值／貶值5%（二零一九年：5%），而所有其他變數維持不變，年內虧損將減少／增加約人民幣3,197,000元（二零一九年：年內溢利將增加／減少約人民幣3,268,000元），主要由於換算以相關集團實體非功能貨幣列值的銀行結餘及現金、其他應收款項及其他應付款項之外匯收益淨額增加／減少。

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綜合財務報表附註

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截至二零二零年十二月三十一日止年度

35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Other price risk

The Group is exposed to equity price risk through portfolio investment fund classified as financial assets at FVTPL.

For investment in portfolio investment fund, the composition of the underlying investment mainly consists of listed equity securities, the management manages this exposure by maintaining a portfolio of investments with different risks. The Group has designated a special team to monitor the price risk and will consider hedging the risk exposure should the need arise. The Group's post-tax loss for the year would decrease/increase by RMB6,766,000 (2019: profit would increase/decrease by RMB7,715,000) if the price of the portfolio investment fund had been 10% higher/lower.

The management considered the remaining balance of financial assets at FVTPL, representing structured bank deposits, is not subjected to material price risk.

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(ii) 其他價格風險

本集團通過投資組合基金面臨權益價格風險，該基金被歸類為按公平值計入損益的金融資產。

對於投資組合基金的投資，相關投資的構成主要包括上市股本證券，管理層通過維持具有不同風險的投資組合來管理此風險。本集團已指定一個特別小組監察價格風險，並將會在有需要時考慮對沖風險。倘投資組合基金的價格上漲/下跌10%，本年度本集團的除稅後虧損將減少/增加人民幣6,766,000元（二零一九年：溢利將分別增加/減少人民幣7,715,000元）。

管理層認為按公平值計入損益的金融資產餘額指結構性銀行存款但不包括重大價格風險。

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截至二零二零年十二月三十一日止年度

35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Credit risk and impairment assessment

Accounts receivables

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of these assets as stated in the consolidated statement of financial position of the Group.

The Group collectively assessed the lifetime ECL based on internal credit rating for account receivables other than the PRC government's social insurance schemes of RMB161,289,000 (2019: RMB200,426,000) with allowance for credit loss of RMB48,000 (2019: RMB80,000) and certain credit-impaired debtors of RMB6,778,000 (2019: RMB8,038,000) which are assessed individually as at 31 December 2020 and 2019. The Group's internal credit rating for non credit-impaired accounts receivables comprises the following categories:

Low:	The customers have a low risk of default and do not have any past-due amounts
Medium:	The customers have a normal risk of default and regularly repay on time
High:	The customers frequently repay but usually settle after due date

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(iii) 信貸風險及減值評估

應收賬款

倘對手方未能履行其責任，則本集團於報告期末就各類已確認金融資產面臨的最大信貸風險為本集團綜合財務狀況表內所載該等資產的賬面值。

本集團基於應收賬款（而非中國政府的社會保險計劃人民幣161,289,000元（二零一九年：人民幣200,426,000元）、信貸虧損撥備人民幣48,000元（二零一九年：人民幣80,000元）及若干信用減值債務人人民幣6,778,000元（二零一九年：人民幣8,038,000元），於二零二零年及二零一九年十二月三十一日已對該等款項作出個別評估）的內部信貸等級共同評估全期預期信貸虧損。本集團的非信貸減值應收賬款的內部信貸等級包括以下類別：

低：	客戶違約風險低，且並無任何逾期款項
一般：	客戶違約風險一般，且定期按時還款
高：	客戶經常還款，惟通常於到期日後償還

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截至二零二零年十二月三十一日止年度

35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Credit risk and impairment assessment (Cont'd)

Accounts receivables (Cont'd)

The following table provides information about the exposure to credit risk for account receivables which are assessed based on internal credit rating as at 31 December 2020 and 2019 within lifetime ECL (not credit-impaired).

Internal credit rating 內部信貸等級		2020 二零二零年		2019 二零一九年	
		Average loss rate 平均虧損率	Gross carrying amount RMB'000 人民幣千元	Average loss rate 平均虧損率	Gross carrying amount RMB'000 人民幣千元
Low	低	0.03%	18,353	0.04%	12,973
Normal	一般	1.90%	12,287	2.32%	48,502
High	高	4.59%	13,693	13.09%	3,989

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(iii) 信貸風險及減值評估 (續)

應收賬款 (續)

下表提供有關於二零二零年及二零一九年十二月三十一日在全期預期信貸虧損 (非信貸減值) 內根據內部信貸等級評估的應收賬款的信貸風險的資料。

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35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Credit risk and impairment assessment (Cont'd)

Accounts receivables (Cont'd)

The following table shows the movement in lifetime ECL that has been recognised for account receivables under the simplified approach.

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(iii) 信貸風險及減值評估 (續)

應收賬款 (續)

下表列明根據簡化法確認應收賬款的全期預期信貸虧損的變動。

		Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (非信貸減值) RMB'000 人民幣千元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2019	於二零一九年一月一日	-	9,573	9,573
Changes due to financial instruments recognised as at 1 January 2019:	因於二零一九年一月一日確認金融工具而產生的變動：			
- Loss allowance recognised	- 已確認虧損撥備	1,731	(1,135)	596
- Write-off	- 撇銷	-	(400)	(400)
As at 31 December 2019	於二零一九年十二月三十一日	1,731	8,038	9,769
Changes due to financial instruments recognised as at 1 January 2020:	因於二零二零年一月一日確認金融工具而產生的變動：			
- Loss allowance recognised	- 已確認虧損撥備	595	1,157	1,752
- Loss allowance reversed	- 已撥回虧損撥備	(1,410)	(2,189)	(3,599)
- Write-off	- 撇銷	-	(228)	(228)
As at 31 December 2020	於二零二零年十二月三十一日	916	6,778	7,694

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截至二零二零年十二月三十一日止年度

35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Credit risk and impairment assessment (Cont'd)

Accounts receivables (Cont'd)

Movement in the allowance for credit loss (Cont'd)

As at 31 December 2020, the allowance for credit loss represents lifetime ECL recognised on non credit-impaired and credit-impaired accounts receivables with gross aggregated balance of RMB916,000 (2019: RMB1,731,000) and RMB6,778,000 (2019: RMB8,038,000) respectively. The Group does not hold collateral over all accounts receivables. For credit-impaired accounts receivables, the management considered these outstanding balances were uncollectible.

During the year ended 31 December 2020, the Group recognised loss allowance for accounts receivables with aggregated balance of RMB1,750,000 (2019: RMB596,000) and reversed loss allowance for accounts receivables with aggregated balance of RMB3,599,000 (2019: HK\$Nil).

No loss allowance is recognised for the remaining accounts receivables since the probability of default is not significantly increased based on historical credit loss experience. The management has also assessed all available forward-looking information, and concluded that there is no significant increase in credit risk.

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(iii) 信貸風險及減值評估 (續)

應收賬款 (續)

信貸虧損撥備的變動 (續)

於二零二零年十二月三十一日，信貸虧損撥備為就非信貸減值及信貸減值應收賬款確認的全期預期信貸虧損，總結餘分別為人民幣916,000元（二零一九年：人民幣1,731,000元）及人民幣6,778,000元（二零一九年：人民幣8,038,000元）。本集團並未就全部應收賬款持有抵押品。就信貸減值應收賬款而言，管理層認為該等未償還結餘無法收回。

於截至二零二零年十二月三十一日止年度，本集團就應收賬款確認虧損撥備，總結餘為人民幣1,750,000元（二零一九年：人民幣596,000元），以及就應收賬款撥回信虧損撥備，總結餘為人民幣3,599,000元（二零一九年：零港元）。

由於違約概率並未因歷史信貸損失經驗而顯著增加，故並無就剩餘應收賬款確認虧損撥備。管理層亦評估所有可用的前瞻性資料，並得出結論信貸風險並無顯著增加。

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35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Credit risk and impairment assessment (Cont'd)

Accounts receivables (Cont'd)

Movement in the allowance for credit loss (Cont'd)

In order to minimise the credit risk, management of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures over the customers to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each year to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 78.8% (2019: 78.6%) and 86.7% (2019: 83.7%) of the total accounts receivables was due from the Group's largest accounts receivable and the five largest accounts receivables, respectively.

Other receivables

No allowance for impairment was made for other receivables, mainly including refundable rental deposits, security deposits and payments on behalf of employees, of RMB15,817,000 (2019: RMB19,355,000) since the directors of the Company consider the probability of default is minimal after assessing the counterparties' financial background and creditability.

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(iii) 信貸風險及減值評估 (續)

應收賬款 (續)

信貸虧損撥備的變動 (續)

為盡可能降低信貸風險，本公司管理層已委派一個團隊負責釐定有關客戶的信貸上限、信貸審批及其他監控程序，確保採取跟進措施收回逾期債務。此外，本集團於各年末檢討各個別債務的可收回金額，確保就不可收回金額作出足夠虧損撥備。就此而言，本公司董事認為本集團的信貸風險已大幅減少。

本集團的信貸風險集中度為78.8%（二零一九年：78.6%），應收賬款總額的86.7%（二零一九年：83.7%）分別來自本集團最大的應收賬款及五大應收賬款。

其他應收款項

由於本公司董事在評估交易對手的財務背景及可信度後認為違約概率極低，故並無就其他應收款項（主要包括可退回租賃按金、保證金及代表僱員作出的付款）人民幣15,817,000元（二零一九年：人民幣19,355,000元）作出減值撥備。

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35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Credit risk and impairment assessment (Cont'd)

*Fixed bank deposits/restricted bank balances/bank balances/
interest receivables*

The credit risk on fixed bank deposits, restricted bank balances, bank balances and interest receivables are limited because the majority of the counter-parties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no other significant concentration of credit risk.

(iv) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that the undiscounted amount is derived from interest rate at the end of the reporting period.

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(iii) 信貸風險及減值評估 (續)

定期銀行存款／受限制銀行結餘／銀行結餘／應收利息

定期銀行存款、受限制銀行結餘、銀行結餘及應收利息的信貸風險有限，因為大多數交易對手是國際信用評級機構指定的信用評級較高的銀行。本集團並無其他重大信貸集中風險。

(iv) 流動資金風險

流動資金風險管理乃由管理層最終負責，並已建立適當的流動資金風險管理框架，以符合本集團管理短期、中期及長期資金及流動資金的規定。本集團的政策為通過持續監察預測及實際現金流量，就金融資產及負債的到期狀況進行配對，從而維持充足的儲備、銀行融資及借款融資，管理流動資金風險。

下表詳列本集團的金融負債的餘下合約到期狀況。此表按照金融負債未貼現現金流量編製，其中以本集團須付款的最早日期為基礎。其他非衍生金融負債的到期日以協定的還款日為基礎。

表格包含利息及本金現金流量。未貼現金額則源自報告期末的利率。

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35. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iv) Liquidity risk (Cont'd)

Liquidity tables

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 1 month 按要求或 少於1個月 RMB'000 人民幣千元	1-3 months 1至3個月 RMB'000 人民幣千元	3 months to 1 year 3個月至1年 RMB'000 人民幣千元	1-5 years 1至5年 RMB'000 人民幣千元	>5 years 超過5年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
At 31 December 2020	於二零二零年 十二月三十一日								
Accounts and other payables	應付賬款及其他應付款項	-	316,133	-	-	-	-	316,133	316,133
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司的 非控股股東款項	-	18,856	-	-	-	-	18,856	18,856
Bank loans	銀行貸款	6.01	1,098	4,748	18,695	155,238	196,736	376,515	257,830
Sub-total	小計		336,087	4,748	18,695	155,238	196,736	711,504	592,819
Lease liabilities	租賃負債	5.74	3,609	7,193	28,916	194,354	6,796	240,868	207,993
			339,696	11,941	47,611	349,592	203,532	952,372	800,812
At 31 December 2019	於二零一九年 十二月三十一日								
Accounts and other payables	應付賬款及其他應付款項	-	340,279	-	-	-	-	340,279	340,279
Amount due to a non-controlling shareholder of a subsidiary	應付一間附屬公司的一名 非控股股東款項	-	138,854	-	-	-	-	138,854	138,854
Bank loans	銀行貸款	6.11	574	3,840	13,173	106,697	174,294	298,578	216,253
Sub-total	小計		479,707	3,840	13,173	106,697	174,294	777,711	695,386
Lease liabilities	租賃負債	5.75	3,249	6,498	28,864	176,936	56,228	271,775	226,178
			482,956	10,338	42,037	283,633	230,522	1,049,486	921,564

35. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

(iv) 流動資金風險 (續)

流動資金表

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35. FINANCIAL INSTRUMENTS (Cont'd)

(c) Fair value

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

Financial assets	金融資產	Fair values	Fair values	Fair value hierarchy	Valuation techniques and key inputs
		as at 31 December 2020	as at 31 December 2019		
		於二零二零年十二月三十一日的公平值	於二零一九年十二月三十一日的公平值	公平值架構	估值技巧及主要輸入數據
		RMB'000	RMB'000		
		人民幣千元	人民幣千元		
Portfolio investment fund	投資組合基金	67,663	77,150	Level 2 第二級	Quoted price from a financial institution 報價來自金融機構
Structured bank deposits	結構性銀行存款	400,000	400,000	Level 2 第二級	Quoted price from a financial institution 報價來自金融機構

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

35. 金融工具 (續)

(c) 公平值

除下表所詳述按公平值列賬的金融資產外，本公司董事認為，按攤銷成本於綜合財務報表中入賬的其他金融工具的賬面值與其公平值相若。

於兩個年度內，第二級及其他級別之間並無轉撥。

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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

36. 融資活動產生的負債對賬

下表詳述本集團融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債為現金流量或未來現金流量將在本集團的綜合現金流量表中分類為融資活動現金流量的負債。

		Amounts due to non-controlling shareholders of subsidiaries	Amount due to a shareholder	Bank loans	Dividend payable	Payable of bank loan arrangement fee and interest	Lease liabilities	Total
		應付附屬公司非控股股東款項	應付一名股東款項	銀行貸款	應付股息	應付銀行貸款安排費用及利息	租賃負債	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 24)	(Note 24)	(Note 25)	(Note 14)	(Note 26)	(Note 26)	(Note 26)
		(附註24)	(附註24)	(附註25)	(附註14)	(附註26)	(附註26)	(附註26)
At 1 January 2019	於二零一九年一月一日	131,204	682	-	-	-	239,724	371,610
Financing cash flows (note)	融資現金流量(附註)	7,650	(682)	220,690	(53,363)	(3,874)	(35,316)	135,105
<i>Non-cash changes</i>	<i>非現金變動</i>							
New leases entered	已訂立新租賃	-	-	-	-	-	8,427	8,427
Interest expenses	利息開支	-	-	843	-	4,544	13,343	18,730
Dividend recognised	已確認股息	-	-	-	53,363	-	-	53,363
Recognition on payables of bank loan arrangement fee	確認銀行貸款安排費用的應付款項	-	-	(5,280)	-	5,280	-	-
At 31 December 2019	於二零一九年十二月三十一日	138,854	-	216,253	-	5,950	226,178	587,235
Financing cash flows (note)	融資現金流量(附註)	(119,998)	-	41,749	-	(20,991)	(38,975)	(138,215)
<i>Non-cash changes</i>	<i>非現金變動</i>							
New leases entered	已訂立新租賃	-	-	-	-	-	8,297	8,297
Interest expenses	利息開支	-	-	2,528	-	12,804	12,493	27,825
Recognition on payables on bank loan arrangement fee	確認銀行貸款安排費用的應付款項	-	-	(2,700)	-	2,700	-	-
At 31 December 2020	於二零二零年十二月三十一日	18,856	-	257,830	-	463	207,993	485,142

Note: The cash flows from amounts due to non-controlling shareholders of subsidiaries and bank loans make up the net amount of proceeds and repayments in the consolidated statement of cash flows.

附註：應付附屬公司的非控股股東款項及銀行貸款的現金流量構成綜合現金流量表的所得款項及還款淨額。

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37. RELATED PARTY DISCLOSURES

In addition to the amounts due to non-controlling shareholders of subsidiaries in Note 24, and transactions, balances and commitments disclosed elsewhere in the consolidated financial statements, the Group had entered into the following related party balances/transactions:

37. 關聯方披露

除附註24應付附屬公司的非控股股東款項以及綜合財務報表其他章節所披露的交易、結餘及承擔外，本集團已訂立以下關聯方結餘／交易：

Name of related companies 關聯公司名稱	Relationship 關係	Nature of balances/ transactions 結餘／交易性質	As at/ For the year ended 31.12.2020 於二零二零年 十二月 三十一日／ 截至該日 止年度 RMB'000 人民幣千元	As at/ For the year ended 31.12.2019 於二零一九年 十二月 三十一日／ 截至該日 止年度 RMB'000 人民幣千元
Kanghua Group 康華集團	Shareholder 股東	Addition of right-of-use assets recognised 添置已確認使用權資產	-	154,323
		Interest expenses on lease liabilities 租賃負債之利息開支	9,621	10,672
		Lease liabilities 租賃負債	155,904	175,739
		Lease payment 租賃付款	35,702	33,306
Dongguan Tongli Enterprise Co., Ltd. 東莞市同力實業有限公司	Non-controlling shareholder of Renkang Hospital 仁康醫院的非控股股東	Addition of right-of-use assets recognised 添置已確認使用權資產	-	28,246
		Interest expenses on lease liabilities 租賃負債之利息開支	1,844	2,045
		Lease liabilities 租賃負債	29,875	33,675
		Lease payment 租賃付款	5,967	5,578

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37. RELATED PARTY DISCLOSURES (Cont'd)

Save as disclosed in Note 25, in addition to the guarantee and securities provided by the Group to the relevant bank, the non-controlling shareholder of a subsidiary also provided guarantee and had pledged its equity shares to secure some of the bank loans of the Group. At the end of the reporting period, the key terms and securities pledged are set out as follows:

- (i) financial guarantee of a maximum amount of RMB500,000,000 (2019: RMB500,000,000); and
- (ii) pledged of the equity shares of Kangxin Hospital owned by the Company.

Compensation of key management personnel

Key management personnel includes directors and supervisors. The remuneration of the key management personnel during the year is disclosed in Note 11. The remuneration of directors and supervisors is determined by the remuneration committee having regard to the performance of individuals and market trends.

37. 關聯方披露 (續)

除附註25所披露者外，除本集團向相關銀行提供的擔保及證券外，一間附屬公司的非控股股東亦提供擔保並已抵押其股權，以為本集團的部分銀行貸款提供擔保。於報告期末，主要條款及已抵押證券如下：

- (i) 最高人民幣500,000,000元(二零一九年：人民幣500,000,000元)的財務擔保；及
- (ii) 抵押本公司擁有的康心醫院股權。

主要管理人員薪酬

主要管理層包括董事及監事。於本年度，主要管理層的薪酬披露於附註11。董事及監事的薪酬由薪酬委員會根據個人表現及市場趨勢釐定。

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38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

38. 本公司的財務狀況表

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investment in subsidiaries	投資於附屬公司	770,746	769,246
Fixed bank deposit	定期銀行存款	-	33,000
		770,746	802,246
Current assets	流動資產		
Other receivables	其他應收款項	1,167	66,185
Financial assets at FVTPL	按公平值計入損益的金融資產	400,000	400,000
Amount due from a subsidiary	應收一間附屬公司款項	131,089	55,715
Restricted bank balances	受限制銀行結餘	43	1,265
Bank balances and cash	銀行結餘及現金	30,257	15,374
		562,556	538,539
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	3,127	3,016
Amount due to a subsidiary	應付一間附屬公司款項	162,212	163,121
		165,339	166,137
Net current assets	流動資產淨值	397,217	372,402
Net assets	資產淨值	1,167,963	1,174,648
Capital and reserves	資本及儲備		
Share capital	股本	334,394	334,394
Reserves	儲備	833,569	840,254
Total equity	權益總額	1,167,963	1,174,648

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38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd) 38. 本公司的財務狀況表(續)

Movements in reserves:

儲備變動：

		Share premium 股份溢價 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元 (note (ii)) (附註(ii))	Statutory reserve 法定儲備 RMB'000 人民幣千元 (note (iii)) (附註(iii))	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	698,214	53,394	17,097	64,173	832,878
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	60,739	60,739
Dividend	股息	-	-	-	(53,363)	(53,363)
Appropriation to reserve	轉撥至儲備	-	-	6,074	(6,074)	-
At 31 December 2019	於二零一九年十二月三十一日	698,214	53,394	23,171	65,475	840,254
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	-	(6,685)	(6,685)
At 31 December 2020	於二零二零年十二月三十一日	698,214	53,394	23,171	58,790	833,569

Notes:

附註：

- (i) The capital reserve of the Group represents the different between the net asset value of the subsidiaries and the nominal amount of the Company's shares which were issued as consideration for the subsidiaries at the time of the group reorganisation in preparation for the listing of the Company's shares.
- (ii) 本集團的資本儲備指附屬公司的資產淨值與於為籌備本公司股份上市而進行集團重組時發行作為附屬公司代價的本公司股份面值之間的差額。
- (iii) According to the relevant laws in the PRC, the Company which was established in the PRC is required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before the distribution of dividends to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.
- (ii) 根據中國相關法律，於中國成立的本公司須按中國會計法則規定提取其稅後純利至少10%列入不可分派儲備金，直至儲備結餘達到註冊資本的50%。於向擁有人分派股息前須對儲備劃撥資金。該儲備金可用於抵銷過往年度虧損(如有)，除非清盤，否則不可分派。

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39. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2020 and 2019 are as follows:

(a) General information of subsidiaries

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment/ operations 註冊成立/成立/ 營運地點及日期	Issued and fully paid share capital/ registered/paid up capital 已發行及繳足 資本/註冊/實繳資本		Attributable equity interest to the Group 本集團應佔股權		Principal activities 主要業務
		2020	2019	2020	2019	
		二零二零年	二零一九年	二零二零年	二零一九年	
<i>Directly held</i> 直接持有						
Dongguan Kanghua Hospital Co., Ltd. 東莞康華醫院有限公司	The PRC 15 September 2005 中國 二零零五年九月十五日	Registered and paid up capital RMB350,000,000 註冊及實繳 資本人民幣 350,000,000元	Registered and paid up capital RMB350,000,000 註冊及實繳 資本人民幣 350,000,000元	100%	100%	Operating of hospital 經營醫院
Renkang Hospital 仁康醫院	The PRC 23 August 2005 中國 二零零五年八月二十三日	Registered and paid up capital RMB60,000,000 註冊及實繳 資本人民幣 60,000,000元	Registered and paid up capital RMB60,000,000 註冊及實繳 資本人民幣 60,000,000元	57%	57%	Operating of hospital 經營醫院
Kangxin Hospital 康心醫院	The PRC 10 June 2014 中國 二零一四年六月十日	Registered and paid up capital RMB270,000,000 註冊及實繳 資本人民幣 270,000,000元	Registered and paid up capital RMB270,000,000 註冊及實繳 資本人民幣 270,000,000元	60%	60%	Operating of hospital 經營醫院
Dongguan Kanghua Healthcare Management Co., Ltd. 東莞康華醫療管理有限公司	The PRC 1 February 2016 中國 二零一六年二月一日	Registered and paid up capital RMB11,000,000 註冊及實繳 資本人民幣 11,000,000元	Registered and paid up capital RMB11,000,000 註冊及實繳 資本人民幣 11,000,000元	100%	100%	Provision of hospital management services 提供醫院管理服務
Kanghua Healthcare Management (HK) Company Limited 康華醫療管理(香港)有限公司	Hong Kong 17 May 2016 香港 二零一六年五月十七日	Ordinary shares HK\$10,000 普通股 10,000港元	Ordinary shares HK\$10,000 普通股 10,000港元	100%	100%	Provision of management services 提供管理服務
Dongguan Kanghua Pharmaceutical Co., Ltd. 東莞市康華醫藥有限公司	The PRC 14 April 2017 中國 二零一七年四月十四日	Registered and paid up capital RMB5,000,000 註冊及實繳 資本人民幣 5,000,000元	Registered and paid up capital RMB5,000,000 註冊及實繳 資本人民幣 5,000,000元	100%	100%	Sale of pharmaceutical products 銷售醫藥產品

39. 附屬公司資料

本公司於二零二零年及二零一九年十二月三十一日的附屬公司資料如下：

(a) 附屬公司的一般資料

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39. PARTICULARS OF SUBSIDIARIES (Cont'd)

39. 附屬公司資料(續)

(a) General information of subsidiaries (Cont'd)

(a) 附屬公司的一般資料(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment/ operations 註冊成立/成立/ 營運地點及日期	Issued and fully paid share capital/ registered/paid up capital 已發行及繳足 股本/註冊/實繳資本		Attributable equity interest to the Group 本集團應佔股權		Principal activities 主要業務
		2020	2019	2020	2019	
		二零二零年	二零一九年	二零二零年	二零一九年	
Dongguan Kanghua Healthcare Industry Investment Fund Co., Ltd.	The PRC 15 June 2017	Registered capital RMB100,000,000/ paid up capital RMB200,000	Registered capital RMB100,000,000/ paid up capital RMB200,000	100%	100%	Inactive
東莞康華醫療產業投資基金有限公司	中國 二零一七年六月十五日	註冊資本人民幣 100,000,000元/ 實繳資本人民幣 200,000元	註冊資本人民幣 100,000,000元/ 實繳資本人民幣 200,000元			暫無業務
Dongguan Kanghua Elderly Care Services Management Co., Ltd.	The PRC 9 August 2017	Registered capital RMB10,000,000/ paid up capital RMB5,500,000	Registered capital RMB10,000,000/ paid up capital RMB5,000,000	100%	100%	Investment holding
東莞康華養老服務管理有限公司	中國 二零一七年八月九日	註冊資本人民幣 10,000,000元/ 實繳資本人民幣 5,500,000元	註冊資本人民幣 10,000,000元/ 實繳資本人民幣 5,000,000元			投資控股
Dongguan Kanghua Medical Rehabilitation Investment Co., Ltd.	The PRC 16 January 2018	Registered and paid up capital RMB80,000,000	Registered and paid up capital RMB80,000,000	100%	100%	Investment holding
東莞康華康復醫療投資有限公司	中國 二零一八年一月十六日	註冊及實繳 資本人民幣 80,000,000元	註冊及實繳 資本人民幣 80,000,000元			投資控股
Dongguan Kangrui Medical Investment Co., Ltd.	The PRC 20 June 2019	Registered capital RMB10,000,000/ paid up capital RMB500,000	Registered capital RMB10,000,000/ paid up capital RMB500,000	90%	90%	Inactive
東莞市康瑞醫療投資有限公司	中國 二零一九年六月二十日	註冊資本人民幣 10,000,000元/ 實繳資本人民幣 500,000元	註冊資本人民幣 10,000,000元/ 實繳資本人民幣 500,000元			暫無業務
Kanghua International Hospital Co., Ltd.	The PRC 2 August 2019	Registered capital RMB100,000,000/ paid up capital RMBnil	Registered capital RMB100,000,000/ paid up capital RMBnil	100%	100%	Inactive
康華國際醫院有限公司	中國 二零一九年八月二日	註冊資本人民幣 100,000,000元/ 實繳資本無	註冊資本人民幣 100,000,000元/ 實繳資本無			暫無業務
Dongguan Kanghua Healthcare Investment Co., Ltd.	The PRC 7 August 2020	Registered and paid up capital RMB1,000,000	N/A	100%	N/A	Investment/Property holding
東莞康華醫療投資有限公司	中國 二零二零年八月七日	註冊及實繳資本 人民幣1,000,000元	不適用			投資/物業控股

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39. PARTICULARS OF SUBSIDIARIES (Cont'd)

39. 附屬公司資料(續)

(a) General information of subsidiaries (Cont'd)

(a) 附屬公司的一般資料(續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/ establishment/ operations 註冊成立/成立/ 營運地點及日期	Issued and fully paid share capital/ registered/paid up capital 已發行及繳足 股本/註冊/實繳資本		Attributable equity interest to the Group 本集團應佔股權		Principal activities 主要業務
		2020	2019	2020	2019	
		二零二零年	二零一九年	二零二零年	二零一九年	
<i>Indirectly held</i> 間接持有						
Hefei Xingu Medical Rehabilitation Investment Co., Ltd. 合肥鑫谷康復醫療投資有限公司	The PRC 22 October 2014 中國 二零一四年十月二十二日	Registered and paid up capital RMB1,000,000 註冊及實繳資本人民幣1,000,000元	Registered and paid up capital RMB1,000,000 註冊及實繳資本人民幣1,000,000元	57%	57%	Provision of rehabilitation and other healthcare services 提供康復及其他醫療服務
Anhui Hualin 安徽樺霖	The PRC 19 December 2016 中國 二零一六年十二月十九日	Registered and paid up capital RMB23,390,000 註冊及實繳資本人民幣23,390,000元	Registered and paid up capital RMB23,390,000 註冊及實繳資本人民幣23,390,000元	57%	57%	Investment holding/provision of rehabilitation and other healthcare services 投資控股/提供康復及其他醫療服務
Dongguan Renkang Nursing Services Co., Ltd. ("Renkang Nursing Services") (formerly known as Dongguan Renkang Elderly Care Services Co., Ltd.)* 東莞仁康護理院有限公司(「仁康護理院」)(前名稱東莞仁康養老服務有限公司)*	The PRC 27 September 2017 中國 二零一七年九月二十七日	Registered and paid up capital RMB5,000,000 註冊及實繳資本人民幣5,000,000元	Registered capital RMB5,000,000/ paid up capital RMB2,000,000 註冊資本人民幣5,000,000元/ 實繳資本人民幣2,000,000元	57%	100%	Provision of elderly healthcare services 提供養老醫療服務
Dongguan Kanghua Jiankanggu Investment Development Co. Ltd. (formerly known as Dongguan Kanghua Elderly Care Services Co., Ltd.) 東莞康華健康谷投資發展有限公司(前名稱東莞康華養老服務有限公司)	The PRC 7 November 2017 中國 二零一七年十一月七日	Registered capital RMB5,000,000/ paid up capital RMB200,000 註冊資本人民幣5,000,000元/ 實繳資本人民幣200,000元	Registered capital RMB5,000,000/ paid up capital RMB200,000 註冊資本人民幣5,000,000元/ 實繳資本人民幣200,000元	100%	100%	Inactive 暫無業務

* During the year ended 31 December 2020, Renkang Hospital acquired 100% equity interest in Renkang Nursing Services, as a result, there is deemed disposal of equity interest to the non-controlling shareholder of Renkang Hospital.

* 截至二零二零年十二月三十一日止年度，仁康醫院收購仁康護理院100%股權，因此視為出售股權予仁康醫院非控股股東。

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For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

39. PARTICULARS OF SUBSIDIARIES (Cont'd)

(a) General information of subsidiaries (Cont'd)

Except for Kanghua Healthcare Management (HK) Company Limited, all other subsidiaries are wholly-domestic owned enterprise with limited liability established in the PRC.

None of the subsidiaries had issued any debt securities at the end of the year.

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non wholly-owned subsidiaries of the Group that have material non-controlling interests at the end of the reporting period:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要經營地點	Proportion of ownership and voting rights held by non-controlling interests 非控股權益所持擁有權及投票權比例		Profit (loss) allocated to non-controlling interests 分配至非控股權益的溢利(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2020 二零二零年	2019 二零一九年	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Renkang Hospital and its subsidiary, Renkang Nursing Services (2019: Renkang Hospital) 仁康醫院及其附屬公司 仁康護理院 (二零一九年: 仁康醫院)	The PRC 中國	43%	43%	4,532	5,876	33,408	30,353
Anhui Hualin Group 安徽樺霖集團	The PRC 中國	43%	43%	4,635	(1,885)	20,316	15,681
Kangxin Hospital 康心醫院	The PRC 中國	40%	40%	(33,851)	(29,567)	21,198	55,049
Other non-wholly owned subsidiary with immaterial non-controlling interests 擁有不重大非控股權益的其他非全資附屬公司		-	-	-	-	50	50
				(24,684)	(25,576)	74,972	101,133

39. 附屬公司資料(續)

(a) 附屬公司的一般資料(續)

除康華醫療管理(香港)有限公司外,所有其他附屬公司為於中國成立的有限責任境內全資企業。

概無附屬公司於年末已發行任何債務證券。

(b) 擁有重大非控股權益的非全資附屬公司的詳情

下表顯示本集團於報告期末擁有重大非控股權益的非全資附屬公司的詳情:

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綜合財務報表附註

For the year ended 31 December 2020

截至二零二零年十二月三十一日止年度

39. PARTICULARS OF SUBSIDIARIES (Cont'd)

- (b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Summarised financial information in respect of Renkang Hospital and its subsidiary, Renkang Nursing Services (2019: Renkang Hospital) that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

39. 附屬公司資料(續)

- (b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

有關擁有重大非控股權益的仁康醫院及其附屬公司仁康護理院(二零一九年:仁康醫院)的財務資料概要載列如下。以下財務資料概要指集團內公司間對銷前的金額。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current assets	流動資產	73,214	65,040
Non-current assets	非流動資產	149,016	151,979
Current liabilities	流動負債	(115,662)	(116,194)
Non-current liabilities	非流動負債	(25,443)	(30,236)
Equity attributable to owners of the Company	本公司擁有人應佔權益	46,240	40,236
Non-controlling interests of Renkang Hospital	仁康醫院非控股權益	34,885	30,353
Adjustment arising from change in Group's ownership accounted for as deemed disposal	因本集團擁有權變動入賬列為視作出售而產生的調整	(1,477)	-
Adjusted non-controlling interests of Renkang Hospital	經調整仁康醫院的非控股權益	33,408	30,353

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39. PARTICULARS OF SUBSIDIARIES (Cont'd)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收益	226,192	238,407
Other income	其他收入	1,801	857
Total expenses	總開支	(217,457)	(225,600)
Profit and total comprehensive income for the year	年內溢利及全面收入總額	10,536	13,664
Profit and total comprehensive income for the year attributable to:	以下各項應佔年內溢利及全面收入總額：		
– owners of the Company	– 本公司擁有人	6,004	7,788
– non-controlling interests	– 非控股權益	4,532	5,876
		10,536	13,664
Net cash inflow from operating activities	經營活動所得淨現金流入	48,130	25,895
Net cash outflow from investing activities	投資活動所得淨現金流出	(18,100)	(6,795)
Net cash outflow from financing activities	融資活動所得淨現金流出	(7,272)	(24,488)
Net cash inflow (outflow)	淨現金流入(流出)	22,758	(5,388)

39. 附屬公司資料(續)

(b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

Notes to the Consolidated Financial Statements

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截至二零二零年十二月三十一日止年度

39. PARTICULARS OF SUBSIDIARIES (Cont'd)

- (b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Summarised financial information in respect of Anhui Hualin Group that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current assets	流動資產	50,771	40,246
Non-current assets	非流動資產	41,879	39,779
Current liabilities	流動負債	(26,315)	(29,513)
Non-current liabilities	非流動負債	(19,088)	(14,044)
Equity attributable to owners of the Company	本公司擁有人應佔權益	26,931	20,787
Non-controlling interests of Anhui Hualin Group	安徽樺霖集團非控股權益	20,316	15,681

39. 附屬公司資料(續)

- (b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

有關擁有重大非控股權益的安徽樺霖集團的財務資料概要載列如下。以下財務資料概要指集團內公司間對銷前的金額。

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綜合財務報表附註

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截至二零二零年十二月三十一日止年度

39. PARTICULARS OF SUBSIDIARIES (Cont'd)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

39. 附屬公司資料(續)

(b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收益	100,411	87,115
Other income	其他收入	2,117	833
Total expenses	總開支	(91,749)	(92,333)
Profit (loss) and total comprehensive income (expense) for the year	年內溢利(虧損)及全面收入(開支)總額	10,779	(4,385)
Profit (loss) and total comprehensive income (expense) for the year attributable to:	以下各項應佔年內溢利(虧損)及全面收入(開支)總額:		
– owners of the Company	– 本公司擁有人	6,144	(2,500)
– non-controlling interests	– 非控股權益	4,635	(1,885)
		10,779	(4,385)
Net cash inflow (outflow) from operating activities	經營活動所得淨現金流入(流出)	19,584	(1,587)
Net cash outflow from investing activities	投資活動所得淨現金流出	(911)	(2,796)
Net cash (outflow) inflow from financing activities	融資活動所得淨現金(流出)流入	(14,427)	7,725
Net cash inflow	淨現金流入	4,246	3,342

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截至二零二零年十二月三十一日止年度

39. PARTICULARS OF SUBSIDIARIES (Cont'd)

- (b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Summarised financial information in respect of Kangxin Hospital that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

39. 附屬公司資料(續)

- (b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

有關擁有重大非控股權益的康心醫院的財務資料概要載列如下。以下財務資料概要指集團內公司間對銷前的金額。

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current assets	流動資產	17,840	30,798
Non-current assets	非流動資產	600,132	556,728
Current liabilities	流動負債	(289,604)	(215,387)
Non-current liabilities	非流動負債	(275,372)	(234,516)
Equity attributable to owners of the Company	本公司擁有人應佔權益	31,798	82,574
Non-controlling interests of Kangxin Hospital	康心醫院非控股權益	21,198	55,049

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For the year ended 31 December 2020
截至二零二零年十二月三十一日止年度

39. PARTICULARS OF SUBSIDIARIES (Cont'd)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Revenue	收益	38,588	54,830
Other income	其他收入	2,131	235
Total expenses	總開支	(125,346)	(128,981)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(84,627)	(73,916)
Loss and total comprehensive expense for the year attributable to:	以下各項應佔年內虧損及全面開支總額：		
– owners of the Company	– 本公司擁有人	(50,776)	(44,349)
– non-controlling interests	– 非控股權益	(33,851)	(29,567)
		(84,627)	(73,916)
Net cash outflow from operating activities	經營活動所得淨現金流出	(33,961)	(49,206)
Net cash outflow from investing activities	投資活動所得淨現金流出	(81,352)	(102,917)
Net cash inflow from financing activities	融資活動所得淨現金流入	107,687	153,370
Net cash (outflow) inflow	淨現金(流出)流入	(7,626)	1,247

39. 附屬公司資料(續)

(b) 擁有重大非控股權益的非全資附屬公司的詳情(續)

Financial Summary

財務概要

		For the year ended 31 December 截至十二月三十一日止年度				
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
RESULTS	業績					
Revenue	收益	1,745,023	1,955,525	1,639,287	1,389,169	1,240,390
(Loss) profit before taxation	除稅前(虧損)溢利	(26,089)	117,485	221,754	218,076	198,473
Income tax expenses	所得稅開支	(23,967)	(68,797)	(60,482)	(56,937)	(52,786)
(Loss) profit and total comprehensive (expense) income for the year	年內(虧損)溢利及全面(開支)收入總額	(50,056)	48,688	161,272	161,139	145,687
Attributable to:	以下人士應佔權益:					
Equity owners of the Company	本公司權益持有人	(25,372)	74,264	167,943	156,592	141,260
Non-controlling interests	非控股權益	(24,684)	(25,576)	(6,671)	4,547	4,427
		(50,056)	48,688	161,272	161,139	145,687

		As at 31 December 於十二月三十一日				
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	2,453,901	2,583,161	2,203,052	1,732,393	1,595,978
Total liabilities	總負債	(1,046,399)	(1,125,603)	(693,578)	(442,994)	(420,935)
		1,407,502	1,457,558	1,509,474	1,289,399	1,175,043
Equity attributable to:	以下人士應佔權益:					
Equity owners of the Company	本公司權益持有人	1,332,530	1,356,425	1,378,937	1,265,224	1,155,415
Non-controlling interests	非控股權益	74,972	101,133	130,537	24,175	19,628
		1,407,502	1,457,558	1,509,474	1,289,399	1,175,043

Notes:

附註:

- (i) The financial information set out above is prepared in accordance with International Financial Reporting Standards. (i) 上述財務資料按照國際財務報告準則編製。
- (ii) The financial summary does not form part of the consolidated financial statements. (ii) 財務概要並不構成綜合財務報表的一部份。

Adjusted EBITDA	the earnings before accounting for bank and other interest income, interest expenses, taxes, depreciation and amortisation, fair value gain/loss and investment income from financial assets at FVTPL and exchange gain/loss and impairment of goodwill
「經調整 EBITDA」	除銀行及其他利息收入、利息開支、稅項、折舊及攤銷、公平值收益／虧損及按公平值計入損益的金融資產投資收入及匯兌收益／虧損及商譽減值前的盈利
AGM	the annual general meeting of the Company for the year 2020 to be convened and held on 23 June 2021
「股東週年大會」	本公司將於二零二一年六月二十三日召開及舉行的二零二零年度股東週年大會
Anhui Hualin	Anhui Hualin Medical Investment Co., Ltd. (安徽樺霖醫療投資有限公司), a limited liability company established in the PRC on 19 December 2016 with 57% of its equity interest being held by Dongguan Kanghua Medical Rehabilitation Investment Company Limited (東莞康華康復醫療投資有限公司), a wholly-owned subsidiary of the Company and 43% held by Hefei Haihua Enterprises Management Consulting Partnership (Limited Partnership) (合肥海樺企業管理諮詢合夥企業(有限合夥)), an Independent Third Party
「安徽樺霖」	安徽樺霖醫療投資有限公司，於二零一六年十二月十九日在中國成立的有限公司，其股權分別由一間本公司全資附屬公司(東莞康華康復醫療投資有限公司)及獨立第三方(合肥海樺企業管理諮詢合夥企業(有限合夥))持有 57% 及 43%
Anhui Hualin Group	Anhui Hualin together with the entities the results of which are consolidated into its financial statements
「安徽樺霖集團」	安徽樺霖連同業績合併到其財務報表中的實體
Articles	the articles of association of the Company, as amended, modified or supplemented from time to time
「章程」	本公司經不時修訂、修改或補充的公司章程
Audit Committee	the audit committee of the Board
「審核委員會」	董事會審核委員會
Board of Directors or Board	the board of Directors of the Company
「董事會」	本公司董事會
CG Code	the Corporate Governance Code contained in Appendix 14 to the Hong Kong Listing Rules
「企業管治守則」	香港上市規則附錄十四所載的《企業管治守則》
Company	Guangdong Kanghua Healthcare Co., Ltd. (廣東康華醫療股份有限公司), a joint stock limited liability company established under the laws of the PRC, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 3689)
「本公司」	廣東康華醫療股份有限公司，一家根據中國法律成立的股份有限公司，其H股於香港聯交所主板上市(股份代號：3689)

Definitions

釋義

Controlling Shareholders 「控股股東」	has the meaning ascribed under the Hong Kong Listing Rules and unless the context otherwise requires, refers to Mr. Wang Junyang, Ms. Wang Aici, Kanghua Group, Xingye Group, Mr. Chen Wangzhi, Ms. Wang Aiqin and Xingda Property as a group of Controlling Shareholders of the Company, and each of them, a “Controlling Shareholder” 具香港上市規則所賦予的涵義，除非文義另有所指，指王君揚先生、王愛慈女士、康華集團、興業集團、陳旺枝先生、王愛勤女士及興達物業作為一組本公司控股股東，而彼等各自為一名「控股股東」
Director(s) 「董事」	the director(s) of the Company 本公司董事或任何一位董事
Domestic Share(s) 「內資股」	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange 本公司所發行每股面值為人民幣1.00元並以人民幣認購或入賬列為繳足股款的普通股，並且是目前未在任何證券交易所上市或交易的非上市股份
Group or we or our 「本集團」或「我們」	the Company and its subsidiaries 本公司及其附屬公司
H Share(s) 「H股」	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange 本公司普通股股本中每股面值人民幣1.00元的境外上市外資普通股，於香港聯交所主板上市
HK\$ or Hong Kong dollars 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 港元，香港法定貨幣
Hong Kong 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
Hong Kong Listing Rules 「香港上市規則」	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time 《香港聯合交易所有限公司證券上市規則》，經不時修訂、補充或以其他方式修改
Hong Kong Stock Exchange 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Huaxin Building 「華心樓」	refers to the complex (華心樓) at Kanghua Hospital which was commissioned to provide VIP healthcare services 康華醫院華心樓，獲分派提供貴賓醫療服務

Independent Third Party(ies) 「獨立第三方」	Any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Hong Kong Listing Rules 根據香港上市規則，歸因於香港上市規則賦予的涵義，並非本公司關連人士的任何實體或人士
Kangdi Enterprise 「康帝實業」	Dongguan Kangdi Enterprise Co., Ltd. (東莞市康帝實業有限公司), a limited liability company established in the PRC on 25 July 2014 with 50% of its equity interest held by Mr. Wang Zhengren (王政仁) and 50% by Ms. Wang Keying (王可瑩), all of whom are members of the Wang Family, being cousins of Mr. Wang Junyang. Kangdi Enterprise holds a 15% equity interest in Renkang Hospital 東莞市康帝實業有限公司，一家於二零一四年七月二十五日在中國成立的有限責任公司，其股權由王政仁先生及王可瑩女士各持有50%，彼等均為王氏家族的成員及王君揚先生的堂兄弟姐妹。康帝實業於仁康醫院持有15%的股權
Kanghua Group 「康華集團」	Dongguan Kanghua Investment Group Co., Ltd. (東莞市康華投資集團有限公司), a limited liability company established in the PRC on 29 March 2002 and one of the Controlling Shareholders holding approximately 59.06% interest in the Company. It is owned as to 97.46% by Mr. Wang Junyang and as to 2.54% by Ms. Wang Aici. Kanghua Group, Mr. Wang Junyang, Ms. Wang Aici, Xingye Group, Mr. Chen Wangzhi, Ms. Wang Aiqin and Xingda Property are acting together as a group of Controlling Shareholders 東莞市康華投資集團有限公司，一家於二零零二年三月二十九日在中國成立的有限責任公司及我們其中一名控股股東，持有本公司約59.06%權益，其分別由王君揚先生及王愛慈女士擁有97.46%及2.54%。康華集團、王君揚先生、王愛慈女士、興業集團、陳旺枝先生、王愛勤女士及興達物業作為一組控股股東一致行動
Kanghua Hospital 「康華醫院」	Dongguan Kanghua Hospital Co., Ltd. (東莞康華醫院有限公司), a limited liability company established in the PRC on 15 September 2005 and a wholly-owned subsidiary of the Company 東莞康華醫院有限公司，一家於二零零五年九月十五日在中國成立的有限責任公司，且為本公司的全資附屬公司
Kanghua Hospital Lease Agreement 「康華醫院租賃協議」	the lease agreement dated 10 April 2016 entered into between Kanghua Hospital and Kanghua Group with respect to the land and buildings underlying the operations of Kanghua Hospital 由康華醫院與康華集團就康華醫院營運相關的土地及建築物訂立的日期為二零一六年四月十日的租賃協議
Kangxin Hospital 「康心醫院」	Chongqing Kanghua Zhonglian Cardiovascular Hospital Co., Ltd. (重慶康華眾聯心血管病醫院有限公司), a limited liability company established in the PRC on 10 June 2014 and a non-wholly owned subsidiary of the Company 重慶康華眾聯心血管病醫院有限公司，於二零一四年六月十日在中國成立的有限公司，為一間本公司的非全資附屬公司
Model Code 「標準守則」	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Hong Kong Listing Rules 香港上市規則附錄十所載《上市發行人董事進行證券交易標準守則》

Definitions

釋義

Nomination Committee 「提名委員會」	the nomination committee of the Board 董事會提名委員會
Non-Competition Undertaking 「不競爭承諾」	the non-competition undertaking dated 11 October 2016 provided by the Controlling Shareholders in favour of the Company 控股股東以本公司為受益人提供的日期為二零一六年十月十一日的不競爭承諾
O&G 「婦產科」	obstetrics and gynaecology 婦產科
PRC or China 「中國」	the People's Republic of China 中華人民共和國
PRC Company Law 「中國公司法」	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended and adopted by the Standing Committee of the Twelfth National People's Congress on 28 December 2013 and effective on 1 March 2014, as amended, supplemented and otherwise modified from time to time 《中華人民共和國公司法》，由第十二屆全國人民代表大會常務委員會於二零一三年十二月二十八日修訂並通過，自二零一四年三月一日起生效，經不時修訂、補充及以其他方式修改
Prospectus 「招股章程」	the prospectus of the Company dated 27 October 2016 本公司日期為二零一六年十月二十七日的招股章程
Remuneration Committee 「薪酬委員會」	the remuneration committee of the Board 董事會薪酬委員會
Renkang Hospital 「仁康醫院」	Dongguan Renkang Hospital Co., Ltd. (東莞仁康醫院有限公司), a limited liability company established in the PRC on 23 August 2005 with 57% of its equity interest being held by the Company, 15% by Kangdi Enterprise, 15% by Ms. Zhang Dandan and 13% by Ms. Wang Aier, respectively 東莞仁康醫院有限公司，一家於二零零五年八月二十三日在中國成立的有限責任公司，其股權分別由本公司、康帝實業、張丹丹女士及王愛兒女士持有57%、15%、15%及13%
Renkang Hospital Lease Agreement 「仁康醫院租賃協議」	the lease agreement dated 10 April 2016 entered into between Renkang Hospital and Tongli Enterprise with respect to the land and buildings underlying the operations of Renkang Hospital 由仁康醫院與同力實業就仁康醫院營運相關的土地及建築物訂立的日期為二零一六年四月十日的租賃協議
Reporting Period 「報告期間」	the year ended 31 December 2020 截至二零二零年十二月三十一日止年度
RMB 「人民幣」	the lawful currency of the PRC 中國法定貨幣

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

Definitions

釋義

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



廣東康華醫療股份有限公司*

Guangdong Kanghua Healthcare Co., Ltd.