*H K E L T E H K L*

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*w w w*

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溫州 院股份有限

enz u Kangning Hospital Co., Ltd.

(A joint stock limited liability company incorporated in the Peo )

S

## 2 FINANCIAL HIGHLIGHTS

### 2.1 Principal Financial Data and Indicators

| | **For the year ended December 31, 2022** | |
|---|---|---|
| | **2022** | 2021 |
| | ***(RMB'000)*** | *( B'000)* |
| | | *( )* |
| | **1,484,903** | 1,2 7,[illegible]30 |
| | **15,605** | 5, 6 1 |
| I | **26,574** | 5[illegible],831 |
| | **-10,969** | [illegible]0,8 60 |
| | **-24,221** | [illegible][illegible],03 6 |
| - | **13,252** | -3,17 6 |

| | **As of December 31, 2022** | D 31, 2021 | J 1, 2021 |
|---|---|---|---|
| | ***(RMB'000)*** | *( B'000)* | *( B'000)* |
| | | *( )* | *( )* |
| T | **2,637,787** | 2,377, 55 | 2,1 61,2 62 |
| T | **1,311,885** | 1,0 7, 67 6 | [illegible] 6,3[illegible] |
| T | **1,325,903** | 1,280,27 | 1,21[illegible], 13 |
| E | | | |
| | **1,201,585** | 1,208,2 6[illegible] | 1,122,2[illegible]8 |
| - | **124,318** | 72,015 | 2, 635 |

| | **For the year ended December 31,** | |
|---|---|---|
| | **2022** | 2021 |
| | ***(RMB'000)*** | *( B'000)* |
| | **227,221** | 1 3,8 6 |
| | **-273,615** | -23 ,0[illegible] |
| | **116,178** | 33,833 |
| | **69,861** | -11,358 |

## 3 BUSINESS REVIEW AND OUTLOOK

### 3.1 Business Review

I 2022, w w ’
w , 
H I . w
ID-1 ( **Pandemic** ), w -
, , ,

,
w

T ’ w w
2022. D , ’ K
H , K H , K H , K
H K H w w . I ,
K H , K H K H ,
w w , w
, w . I ,
’ w ,
w H , ’ K H ,
H , H H K
H w w , w
T , w
, w w . H w , w
w w . T
H , H K H , H
H , H H w
w w, w w .
I , B
H H H ,
w
. D 31, 2022, ’ w
2 (D 31, 2021 27),
( I H ),
, 88 (D 31, 2021 8,728).

I 2022,
. T
, w
, w w

, ,

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, w

. I 2022, 1,107 ,
12,172 , w 3.2 66 .
I , w
, -
- , , w
, ID-1
w ID-1 ,
ID-1 , w w w
.

I 2022,
, - w
,
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w
, , w ,
, w
.

## 3.2 Business Highlights

I 2022, ' I.T. w
. ,
, J H
H E w H - &D 2022. D 31, 2022,
2 w 3 . ,
- - ,
I H 20 0.171 T050 -1.-(B 18 67 T

0

## 4 MANAGEMENT DISCUSSION AND ANALYSIS

### 4.1 Financial Review

T B1,8. , 1.% w 2021. , w B1,3 66.8 , 13.6% w 2021. D , w w 23. % (2021 25.%). T B352. , 7.3% w 2021. D , w B-2.2 , w w - 2022. T B1.1 . D , B227.2 (2021 B1 3. ), 17.2% w 2021.

#### *4.1.1 Revenue and Cost of Revenue*

T w w ( ) w , ( ) , ( ) .

T w w

| | For the year ended December 31, 2022 (RMB'000) | 2021 ( B'000) |
|---|---|---|
| w | **1,366,817** | 1,202,77 |
| | **110,018** | 71,0 7 |
| | **8,068** | 23,55 |
| **Total revenue** | **1,484,903** | 1,2 7,30 |

*w*

w ( **Billing Revenue** ) ' , w , w ,

. T .

T w w B ' w

| | For the year ended December 31, | |
|---|---|---|
| | **2022** | 2021 |
| | ***(RMB'000)*** | *( B'000)* |
| B w | **1,425,005** | 1,22 , 6 |
| L | **43,545** | -18 |
| (1) | **14,643** | 27,2 0 |
| w | **1,366,817** | 1,202,77 |

(1) L , w- w w , ( **Patients in Need** ) .

F , ' B w B1, 25.0 , 15. % 2021, w w

. D , B 3.5 , w 2021.

T w 2023. D , B1 . 6 , B12. 6 w 2021, - .

T w w B ,
[illegible] ’ w

| | For the year ended December 31, 2022 (RMB’000) | 2021 ( B’000) |
|---|---|---|
| **Treatment and general healthcare services** | | |
| B | **1,119,887** | 62,[illegible]08 |
| | **770,287** | 658,1 [illegible] |
| [illegible] | **349,600** | 30[illegible],21[illegible] |
| **Pharmaceutical sales** | | |
| B | **305,118** | 2 67,588 |
| | **269,828** | 238, 18 |
| [illegible] | **35,290** | 28, 670 |
| **Billing Revenue from owned hospitals** | **1,425,005** | 1,22 , 6 |
| | **1,040,115** | 8 7,112 |
| [illegible] | **384,890** | 332,88[illegible] |

D , B [illegible] ’ w B1,[illegible]25.0 , B1 5.0 w 2021, B K H [illegible] K H , K H , T K H , [illegible] H H H J H , w . D , [illegible] ’ w B 15. 6% w 2021, - - .

T w w B ' w
, w

| | For the year ended December 31, 2022 | 2021 |
|---|---|---|
| **Inpatients** | | |
| I | **9,688** | 8,728 |
| E - | **3,536,120** | 3,185,720 |
| *(%)* | **88.7** | 87.1 |
| T - | **3,134,950** | 2,773, [illegible] |
| T | | |
| *( B'000)* | **1,061,798** | 08,337 |
| - *( B)* | **339** | 327 |
| *( B'000)* | **156,512** | 1[illegible]5,3[illegible] |
| - *( B)* | **50** | 52 |
| **Total inpatient revenue *(RMB'000)*** | **1,218,310** | 1,053, [illegible]8 6 |
| **Total average inpatient spending per bed-day *(RMB)*** | **389** | 380 |
| **Outpatients** | | |
| | **527,050** | [illegible]02, 666 |
| T | | |
| *( B'000)* | **58,089** | 5[illegible],071 |
| *( B)* | **110** | 13[illegible] |
| *( B'000)* | **148,606** | 122,23 |
| *( B)* | **282** | 30[illegible] |
| **Total outpatient revenue *(RMB'000)*** | **206,695** | 17 [illegible],310 |
| **Total average outpatient spending per visit *(RMB)*** | **392** | [illegible]38 |
| **Total treatment and general healthcare services revenue *(RMB'000)*** | **1,119,887** | [illegible]2,[illegible]08 |
| **Total pharmaceutical sales revenue *(RMB'000)*** | **305,118** | 2 [illegible]7,588 |

D , B B1,218.3 , 15. [illegible]% w 2021, ( ) ' - 13.0%, w w - K H K H , T K H , H , H , H , H J H . ( ) - ' w 2.[illegible]%. T B B w w 85.5% (2021 85.7%).

D , B B20 67 , 17.2% w 2021, 30. % 10.5%. T B B w w 1M.5% (2021 1M.3%).

D , , B 1 6M% w 2021, 78. 6% (2021 78.2%) B w , B 1M.0% w 2021, 21.M% (2021 21.8%) B w , w B 12.8% (2021 13.8%), B 71. % (2021 6 .3%).

' w , , - - , , . T w w ' w

| | For the year ended December 31, | |
|---|---|---|
| | **2022** | 2021 |
| | ***(RMB'000)*** | *( B'000)* |
| | **339,777** | 310,0 0 |
| E | **390,107** | 321,207 |
| D - - | **33,584** | M2,283 |
| D | **99,553** | 75,38 6 |
| | **63,747** | 53,M70 |
| T | **27,588** | 25,5 5 |
| | **85,759** | 6 ,081 |
| **Cost of revenue of owned hospitals** | **1,040,115** | 8 7,112 |

D , ' w B1,0M0.1 , 15. % w 2021. I w ( ) . 6% , ( ) 21.5% w , ( ) - - 32.1% w 2021.

,

w 32.7%

(2021 3ᴹ. 6%).

w 37.5% (2021 35.8%).

\- - w

w 12.8% (2021 13.1%).

*1%).*

### *4.1.3 Tax and Surcharge*

D , B5.0 (2021 B5.8 ).

### *4.1.4 Selling Expenses*

D , B15.0 (2021 B10.3 ). T 1.1% w (2021 0. %).

### *4.1.5 Administrative Expenses*

D , , , , . T w w

| | For the year ended December 31, | |
|---|---|---|
| | **2022** | 2021 |
| | ***(RMB*** | |

### *4.1.6 Research and Development Expenses*

D , ’
, w
I . T w w ’

| | For the year ended December 31, | |
|---|---|---|
| | **2022** | 2021 |
| | ***(RMB’000)*** | *( B’000)* |
| | **18,899** | 1 [illegible],[illegible]87 |
| D w | **9,803** | 8,05 |
| I | **4,053** | 3,11[illegible] |
| | **273** | 302 |
| **Total** | **33,028** | 27, [illegible]2 |

D , ’
B33.0 (2021 B28.0 ), 18.1%
w 2021. T
w w 2.[illegible]% (2021 2.3%), w
w
w , I
.

*4.1.7 Finance Expenses – Net*

, / , w . T w w

| | For the year ended December 31, | |
| --- | --- | --- |
| | **2022** | 2021 |
| | ***(RMB'000)*** | *( B'000)* |
| I | **-2,762** | -1, 6 1 |
| F / | **-78** | 3 |
| B w | **33,214** | 21, 78 |
| I | **11,936** | 1 ,2 0 |
| | **2,000** | 3,0 2 |
| **Finance expenses – net** | **44,310** | 37, 658 |

D , B .3 , B 67 w 2021, w , w 51.1% w 2021, . I B2. w 2021.

### *4.1.8 Investment Income*

, -

. T w w

| | For the year ended December 31, | |
|---|---|---|
| | **2022** | 2021 |
| | ***(RMB'000)*** | *( B'000)* |
| | | *( )* |
| | **-15,927** | - 6,5 66 |
| - | | |
| | **18,063** | 7,075 |
| D | **714** | 6,2 |
| | **2,850** | 6, 38 |

D , B2. ,
H
H . , w B-15.
w
H H H I
T ., L .

### *4.1.9 Credit Impairment Losses*

D , B25.2
(2021 B2.1 ), ,
w H H B15. .

### *4.1.10 Asset Impairment Losses*

D , B10.3 ,
w w w B
H .

### *4.1.11 Non-Operating Income and Non-Operating Expenses*

- , , - - , , . T w w - -

| | For the year ended December 31, | |
|---|---|---|
| | **2022** | 2021 |
| | ***(RMB'000)*** | *( B'000)* |
| | **55** | 2 66 |
| D | **7,436** | ,70 |
| D | **–** | 1,800 |
| - | **1,063** | 300 |
| **Non-operating income** | **8,554** | 11,836 |
| L - | **1,588** | 1 66 |
| D | **3,928** | 3,333 |
| E | **1,754** | 1,3 |
| E | **–** | 2,000 |
| - | **2,071** | 1,73 |
| **Non-operating expenses** | **9,341** | 8,637 |

D , - B8.6 , B3.3 w 2021, . D , - B .3 , - B1. w 2021.

### *4.1.12 Income Tax Expense*

D , B2 6.6 (2021 B5 .8 ), 51.5% w 2021. I 2022 2021, w 170.3% 57.3%, .

## 4.2 Financial Position

### *4.2.1 Inventory*

D 31, 2022, B58.3 (
D 31, 2021 B5 6.5 ),
.

### *4.2.2 Accounts Receivables*

D 31, 2022, B382.8
(D 31, 2021 B311.8 ), 22.8%
w D 31, 2021,
, w .

D , , w
w 2 (2021 37 ).

#### 4.2.3 Other Receivables and Prepayments

D 31, 2022, B6 .
( D 31, 2021 ( ) B 1.8 ).

#### 4.2.4 Other Non-current Financial Assets

D 31, 2022, - w
B 63.1 ( D 31, 2021 B 65.8 ). D
, - B2.7
, w w ,
J F .

#### 4.2.5 Construction in progress

D 31, 2022, w B152.5
( D 31, 2021 w B 3.8
), w w w
L H , w L
H , H
J H .

#### 4.2.6 Right-of-use Assets

D 31, 2022, - - B1 0. (
D 31, 2021 B257. ), - -
B5 .2 H
H .

#### 4.2.7 Accounts Payables

D 31, 2022, B85.8 (
D 31, 2021 B 6 .2 ).

#### 4.2.8 Receipts in Advance and Contract Liabilities

D 31, 2022, B
2 . ( D 31, 2021 B1 63 ).

#### 4.2.9 Other Payables

D 31, 2022, B72.2 (
D 31, 2021 ( ) B57.3 ),
B17.0 L
H .

## 4.3 Liquidity and Capital Resources

T w w

| | For the year ended December 31, | |
|---|---|---|
| | **2022** | 2021 |
| | ***(RMB'000)*** | *( B'000)* |
| | **227,221** | 1 3,8 6 |
| | **-273,615** | -23 ,0 |
| | **116,178** | 33,833 |
| | **69,861** | -11,358 |

### *4.3.1 Net Cash Generated from Operating Activities*

D , B227.2 , B-2 .2 , B35.5 B1 0. 6 . w w B11. 6 .

### *4.3.2 Net Cash Used in Investing Activities*

D , B273. 6 , B23 6 , ,

L H , H , L H J H , E H H .

### *4.3.3 Net Cash Generated from Financing Activities*

D , B11 62 .

### *4.3.4 Significant Investment, Acquisition and Disposal*

T , .

, w B .

## 4.4 Indebtedness

### *4.4.1 Bank Borrowings*

D 31, 2022, w B 1 .5 ( D 31, 2021 B553.2 ), w B33 . w B 02.7 .

### *4.4.2 Contingent Liability*

D 31, 2022, w .

### *4.4.3 Asset Pledge*

T , K H w , L D . 82 751, L D . 82 750, (201 ) E . 00101 , (201 ) F . 00101 2, (2021) E . 0081 28, (2015) . 1-1183 (2015) . 1-11833, ITI B - . D 31, 2022, w B1 5.0 .

### *4.4.4 Lease Liabilities*

T . D 31, 2022, - , B25.5 w w , w B171. .

### *4.4.5 Financial Instruments*

F , - , , , , w , . T , .

### *4.4.6 Exposure to Fluctuation in Exchange Rates*

T , w HKD B. T .

D 31, 2022, . T , w

### *4.4.7 Gearing Ratio*

D 31, 2022, ' (
) .7% ( D 31, 2021 ( ) .2%),
w .

### *4.4.8 Employees and Remuneration Policy*

D 31, 2022, ,1 - (
D 31, 2021 3, 1 - ). D ,
' ( )
B52 . (2021 B 3.3 ). T
' B12 .3 (
). T
w ,
.

*.8.1 I*

I
, E I
2018 K H ., L . ( **Equity Incentive Scheme** ), w w
2017 w J 13, 2018 (
**2017 AGM** ). I
' , B
, ,
E I
' I
E I , J 2 ,
2021. w , w

2 , 2018, 30, 2018,
1 , 2021, J 18, 2021 J
25, 2021.

I E I ,
1 5 , w 1,818,52 .
T
23 , w 180,51 . T (
)
13 , w 5 0,22 .
, 8 , 7 ,27
. ,
E I 1 3 , 2, 0,000
. T
3.2 7 %
. T w
8 , w B10. 7/
.

## 5 SIGNIFICANT EVENTS

### 5.1 Dividend

T B
D 31, 2022.

### 5.2 Independent investigation related matters

T ' 1, 2022, w ( )
,

w T LL
( **PwC** ), , , ( ) BD
L LL ( **BDO** ), , ,
w- w
D 31, 2021.

T w , ,
(1) w
, (2)
w w
, (3) w
.

1, 2022,
- (
**Investigation Firm** )
w , (1) w (
**Alleged Area I** ), (2) w
w ( **Alleged Area II** ), (3) w
( **Alleged Area III** ). D 1, 2022 23, 2022, I
F w ,
1, 2022. I

,
I F
. ,
, w
w .

T D 31,
2021 2021 27, 2022 15, 2022, .

T I J
30, 2022 I J 30, 2022 J 10, 2023
J 16, 2023, .

T w
. T B
w .

I w , , B w

1. B ,

2. . H
III, w
,

3. ,

## 5.3 Correction of previous accounting errors

5.2 , , 2020 2021, , 38 3 B D 11 3 w E , w 2021 w w

### *5.3.1 Reasons for and details of the correction of previous accounting errors*

*5.3.1.1 B .18 2020 -*

B , I F , B1.3 201 2020 w , B .18 w . 30 3 B 8 3 w E D F 2020 , - B .18 , w - w ,

B . T 2020 w w B12,878 B ,203,71 , w - w B ,1 0,8 63. 2021 w , w B12,878, B12,878 B ,203,71 , w w B ,1 0,8 63.

### 5.3.2 *The cumulative impact of the correction of previous accounting errors in the financial statements for 2020 and 2021*

*(1) I 2020*

*( B, w )*

| Items | After restatement | Cumulative effect of error correction | Before restatement |
|---|---|---|---|
| - | 12,987,640 | 9,190,863 | 3,796,777 |
| | 83,509,118 | 9,190,863 | 74,318,255 |
| | 52,846,923 | 9,190,863 | 43,656,060 |
| w | 64,961,025 | 9,190,863 | 55,770,162 |

*(2) B 2020*

*( B, w )*

| Items | After restatement | Cumulative effect of error correction | Before restatement |
|---|---|---|---|
| | 63,465,824 | -12,878 | 63,478,702 |
| | 542,683,617 | -12,878 | 542,696,495 |
| | 2,191,261,775 | -12,878 | 2,191,274,653 |
| | 76,603,400 | -9,203,741 | 85,807,141 |
| | 606,077,103 | -9,203,741 | 615,280,844 |
| | 46,349,216 | -9,203,741 | 55,552,957 |
| | 214,856,099 | 9,190,863 | 205,665,236 |
| w | 1,122,247,550 | 9,190,863 | 1,113,056,687 |
| w , | 1,214,912,558 | 9,190,863 | 1,205,721,695 |
| w , | 2,191,261,775 | -12,878 | 2,191,274,653 |

( B, w )

| Items | After restatement | Cumulative effect of error correction | Before restatement |
|---|---|---|---|
| | 2 , 25,[illegible]88 | -12,878 | 2 , 38,366 |
| T | 60 , 602,623 | -12,878 | 60 , 615,501 |
| T | 2,377, 5[illegible], 8 | -12,878 | 2,377, 67,867 |
| | 57,31 ,52[illegible] | - ,203,7[illegible]1 | 66,523,265 |
| T | 535,77[illegible],635 | - ,203,7[illegible]1 | 5[illegible], 78,376 |
| T | 1,0 7,675,868 | - ,203,7[illegible]1 | 1,10 6,87 ,60 |
| I | 6, 37,8[illegible]5 | -12,878 | 6, 50,723 |
| T w | 257,0 8,62[illegible] | ,1 0,863 | 2[illegible]7, 07,761 |
| | 1,208,263,8 7 | ,1 0,863 | 1,1 ,073,03[illegible] |
| T w , | 1,280,27 ,120 | ,1 0,863 | 1,271,088,257 |
| T w , | 2,377, 5[illegible], 8 | -12,878 | 2,377, 67,867 |

*Opinions of the Independent Non-executive Directors*

T -

, w . T w

B E . T , w . T , - .

*Opinions of the Board*

T B w w w , , w w , , . T B .

*Opinions of the Supervisory Committee*

T w w , , , . T .

*Opinions of the Audit Committee*

T

w B E

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## 6 PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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# 9 COMPLIANCE WITH THE MODEL CODE

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D , D
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, w

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w

## 10 EVENTS AFTER THE REPORTING PERIOD

## 11 AUDITORS AND WORKING SCOPE

# 12 FINANCIAL REPORT

## 12.1 Accounting Policies

T w
B E B ,
F F 15, 2006
( **the Accounting Standards for Business Enterprises**
**CAS** ).

T .

## 12.2 Annual Consolidated Financial Information

T w B E w

### *12.2.1 Annual Consolidated Income Statement*

( B w )

| Items | | Year ended December 31, 2022 | 2021 ( ) |
|---|---|---|---|
| **I.** | **Total revenue** | **1,484,903,042** | 1,2[illegible]7,[illegible]30,370 |
| | I | **1,484,903,042** | 1,2[illegible]7,[illegible]30,370 |
| | I | – | |
| | | – | |
| | F | – | |
| **II.** | **Total cost of sales** | **1,435,161,134** | 1,22[illegible],51[illegible],55[illegible] |
| | I | **1,131,971,943** | [illegible]8,[illegible]32,[illegible]5[illegible] |
| | I | – | |
| | F | – | |
| | | – | |
| | | – | |
| | | – | |
| | I | – | |
| | | – | |
| | T | **4,960,286** | 5,75[illegible],21 |
| | | **15,004,028** | 10,335,3[illegible]3 |
| | | **205,887,172** | 17[illegible],371,88 |
| | | **33,027,988** | 27,[illegible]2,173 |
| | F | **44,309,717** | 37,[illegible]58,[illegible]2[illegible] |
| | I I | **45,149,998** | 3[illegible],2[illegible]7,757 |
| | I | **2,761,765** | 1,[illegible]1,3[illegible]7 |

| Items | Year ended December 31, 2022 | 2021 |
|---|---|---|
| | | ( ) |
| | **14,907,711** | 13, 61 , 635 |
| I ( w - ) | **2,850,458** | 6, 37,8 5 |
| I I | **-15,926,847** | - 6,5 65,720 |
| D | | |
| | **–** | |
| ( w - ) | **–** | |
| ( w - ) | **–** | |
| ( w - ) | **-15,977,326** | , 17,3 1 |
| ( w - ) | **-25,191,541** | -2,1 0,1 6 |
| ( w - ) | **-10,345,461** | - 617 ,2 0 |
| ( w - ) | **406,185** | -7 , 0 |
| **III. Operating profit (losses represented with "–" signs)** | **16,391,934** | 2, 1,7 5 |
| - | **8,553,978** | 11,835, 32 |
| L - | **9,341,039** | 8, 63 658 |
| **IV. Total profit (total losses represented with "-" signs)** | **15,604,873** | 5, 6 1,1 3 |
| L I | **26,573,712** | 5 ,830, 13 |
| **V. Net profit (net losses represented with "-" signs)** | **-10,968,839** | 0,8 60,230 |
| (I) | | |
| 1. ( w - ) | **-10,968,839** | 0,8 60,230 |
| 2. ( w - ) | **–** | |
| (II) w | | |
| 1. ( w - ) | **-24,220,782** | ,035, 5 |
| 2. - ( w - ) | **13,251,944** | -3,175,7 65 |

| Items | Year ended December 31, 2022 | 2021 |
|---|---|---|
| | | ( ) |
| **VI. Other comprehensive income, net of tax** | | |
| , | | |
| (I) | | |
| 1. | – | |
| 2. | – | |
| 3. | – | |
| 4. , | – | |
| w | – | |
| (II) | | |
| 1. | – | |
| 2. | – | |
| 3. | – | |
| 4. | – | |
| 5. w | – | |
| 6. E | – | |
| 7. | – | |
| - | | |
| , | – | |
| **VII. Total comprehensive income** | **-10,968,838** | 40,860,230 |
| | **-24,220,782** | 44,035, 5 |
| - | **13,251,944** | -3,175,765 |
| **VIII. Earnings per share:** | | |
| (I) B ( B ) | **-0.32** | 0.61 |
| (II) D ( B ) | **-0.32** | 0.5 |

### 12.2.2 Annual Consolidated Balance Sheets

( B w )

| ASSETS | December 31, 2022 | D 31, 2021 | J 1, 2021 |
|---|---|---|---|
| **Current assets:** | | | |
| | **271,094,963** | 188,734,846 | 206,4[illegible],564 |
| | **–** | | |
| w | | | |
| | **–** | | |
| | **10,641,026** | 10,000,000 | |
| D | **–** | | |
| | **–** | | |
| | **382,836,691** | 311,757,875 | 225,300,247 |
| | **–** | | |
| | **32,201,224** | 11,858,427 | [illegible],[illegible]0[illegible],510 |
| | **–** | | |
| | **–** | | |
| | **–** | | |
| | **37,195,220** | 2[illegible],[illegible]25,488 | 63,465,824 |
| | **–** | | |
| I | **58,331,397** | 56,51[illegible],301 | 37,508,472 |
| | **–** | | |
| | **–** | | |
| | **–** | | |
| | **752,325** | 806,686 | |
| **Total current assets** | **793,052,846** | 60[illegible],602,623 | 542,683,617 |

| ASSETS | December 31, 2022 | D 31, 2021 ( ) | J 1, 2021 ( ) |
|---|---|---|---|
| **Non-current assets:** | | | |
| [illegible] | – | | |
| D | – | | |
| [illegible] | – | | |
| L - | **14,000,000** | | |
| L - | **143,546,246** | 12[illegible],8[illegible]7,77[illegible] | 7,816,[illegible]3[illegible] |
| I | | | |
| | – | | |
| - | **63,116,852** | 65,812,275 | 57,[illegible]0[illegible],[illegible]18 |
| I | – | | 107,80[illegible],[illegible]36 |
| F | **695,020,441** | 721,8[illegible]6,772 | 533,7[illegible]3,38[illegible] |
| | **152,497,400** | [illegible]3,7[illegible]5,718 | 13[illegible],[illegible]1,286 |
| | | | |
| - - | **190,403,752** | 257,[illegible]12,270 | 232,612,[illegible]1 |
| I | **254,684,348** | 227,[illegible]1,785 | 162,536,728 |
| D | | | |
| w | **107,655,738** | 135,7[illegible]1,377 | 7[illegible],1[illegible],853 |
| L - | **189,586,339** | 150,501,038 | 153,550,8[illegible]0 |
| D | **20,682,398** | 1[illegible],336,[illegible]65 | [illegible]0,258,388 |
| - | **13,541,047** | 21,066,387 | 18,708,[illegible]51 |
| **Total non-current assets** | **1,844,734,561** | 1,768,352,366 | 1,618,578,158 |
| **TOTAL ASSETS** | **2,637,787,407** | 2,377,[illegible]5[illegible],[illegible]8 | 2,161,261,775 |

| LIABILITIES AND SHAREHOLDERS' EQUITY | December 31, 2022 | D 31, 2021 ( ) | J 1, 2021 ( ) |
|---|---|---|---|
| **Current liabilities:** | | | |
| - w | **203,000,000** | 25[illegible],050,000 | 312,500,000 |
| B w | **–** | | |
| | **–** | | |
| F | **13,922,929** | | |
| D | **–** | | |
| | **997,944** | | 3 6,080 |
| | **85,773,062** | 6 ,1 62,002 | 71, 55,8[illegible] |
| | **29,894,837** | 16,275, 603 | [illegible], [illegible],278 |
| | **–** | 3,2[illegible]1 | 12, 65,175 |
| F | | | |
| | **–** | | |
| | **–** | | |
| F | | | |
| | **–** | | |
| F w | **–** | | |
| E | **70,588,350** | 60,[illegible]88,18[illegible] | [illegible]2,785,133 |
| T | **33,507,164** | 30,235,32 | [illegible] ,0[illegible] 6,555 |
| | **72,193,730** | 57,31 ,52[illegible] | 7 6, 603,[illegible]00 |
| F | **–** | | |
| | **–** | | |
| L | **–** | | |
| - | | | |
| | **147,598,324** | [illegible]8,2[illegible]0,752 | 35,5[illegible]0, 617 |
| | **–** | | |
| **Total current liabilities** | **657,446,340** | 535,77[illegible], 635 | 60 6,077,103 |

| LIABILITIES AND SHAREHOLDERS' EQUITY | **December 31, 2022** | D 31, 2021 ( ) | J 1, 2021 ( ) |
|---|---|---|---|
| **Non-current liabilities:** | | | |
| | – | | |
| L - w | **391,010,000** | 280, 50,000 | 110, 2, 70 |
| B | – | | |
| I | – | | |
| | – | | |
| L | **171,437,740** | 231,733,7 60 | 1 , 601,230 |
| L - | **42,404,938** | | |
| L - | | | |
| | – | | |
| | – | | |
| D | **9,037,891** | ,3 1, 683 | , 6 5, 75 |
| D | **40,547,879** | 3 ,875,7 0 | 25,032, 38 |
| - | – | | |
| **Total non-current liabilities** | **654,438,448** | 5 61, 01,233 | 3 0,272,113 |
| **Total liabilities** | **1,311,884,788** | 1,0 7, 675,8 68 | 63 ,21 6 |
| **Shareholders' equity:** | | | |
| | **74,600,300** | 7 , 600,300 | 7 , 600,300 |
| | – | | |
| I | – | | |
| | – | | |
| | **855,078,533** | 838,1 65,3 6 | 81 ,30 ,0 66 |
| L T | – | | 23,311,1 |
| | – | | |
| | – | | |
| | **38,399,577** | 38,3 ,577 | 3 65 3,22 |
| | – | | |
| | **233,506,534** | 257,0 8, 62 | 21 ,85 60 |
| T | | | |
| | **1,201,584,945** | 1,208,2 63,8 7 | 1,122,2 7,550 |
| - | **124,317,674** | 72,015,22 | 2, 665,0 |
| **Total shareholders' equity** | **1,325,902,619** | 1,280,27 ,120 | 1,21 , 12,55 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | **2,637,787,407** | 2,377, 5 , 8 | 2,1 61,2 61,775 |

*12.2.3* ***Annual Consolidated Statements of Cash Flow***

( B w )

| Items | Year ended December 31, 2022 | 2021 |
|---|---|---|
| **I. Cash flows from operating activities** | | |
| | **1,452,028,763** | 1,211,11[illegible],151 |
| | – | |
| w | – | |
| | – | |
| | – | |
| | – | |
| | – | |
| , | – | |
| | – | |
| | – | |
| | – | |
| | – | |
| | **100,857,821** | [illegible]220,7[illegible]5 |
| **Sub-total of cash inflows of operating activities** | **1,552,886,584** | 1,307,33[illegible],8[illegible]6 |
| | **613,477,475** | 553,8[illegible]0,[illegible]86 |
| | – | |
| w | | |
| | – | |
| | – | |
| w | | |
| | – | |
| , , | – | |
| | – | |
| | **525,082,523** | [illegible]25,383,[illegible]22 |
| | **51,200,498** | [illegible],017,853 |
| | **135,905,523** | [illegible]0,175,[illegible]6 |
| **Sub-total of cash outflows of operating activities** | **1,325,666,020** | 1,113,[illegible]38,3[illegible]7 |
| **Net cash flows from operating activities** | **227,220,564** | 1[illegible]3,8[illegible] |

| Items | Year ended December 31, 2022 | 2021 |
|---|---|---|
| **II. Cash flows from investing activities** | | |
| | **–** | 52,11 ,17 6 |
| | **1,650,804** | 7,777,18 |
| , | | |
| - | **24,100,367** | 8,755,311 |
| | **–** | I |

| Items | Year ended December 31, 2022 | 2021 |
|---|---|---|
| **III. Cash flows from financing activities** | | |
| | **9,153,084** | 2, 00,000 |
| I | | |
| - | **9,153,084** | 2, 00,000 |
| w | **387,500,000** | 550,250,000 |
| | **151,420,250** | |
| - w | **548,073,334** | 553,150,000 |
| w | **324,220,000** | [illegible]28,3[illegible]2, 70 |
| , | | |
| | **51,554,508** | 30,2 7,107 |
| I | | |
| - | | |
| | **–** | |
| | **56,121,295** | [illegible] |
| **Sub-total of cash outflows of financing activities** | **431,895,803** | 51 ,31 [illegible]3 |
| **Net cash flows from financing activities** | **116,177,531** | 33,833,357 |
| **IV. Effect of foreign exchange rate changes on cash and cash equivalents** | **78,463** | -38,70[illegible] |
| **V. Net increase in cash and cash equivalents** | **69,861,145** | -11,357,81 |
| | **188,734,846** | 200,0 2, [illegible] |
| **VI. Cash and cash equivalents at the end of the period** | **258,595,991** | 188,73[illegible],8[illegible] 6 |

## 12.2.4 *Consolidated Statement of Changes in Shareholders' Equity*

( B w )

Amount for the current period

| Items | Share capital | Preferred shares | Perpetual bonds | Others | Capital reserve | Less: Treasury stock | Other comprehensive income | Special reserve | Surplus reserve | Provision for general risk | Retained earnings | Subtotal | Non-controlling interests | Total owners' equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Other equity instruments | | | Equity attributable to owners of the parent company | | | | | | | | | |
| I. B | 74,600,300 | | | | 838,165,396 | | | | 38,399,577 | | 257,098,624 | 1,208,263,897 | 72,015,224 | 1,280,279,121 |
| B | | | | | | | | | | | | | | |
| ' | | | | | | | | | | | | | | |
| II. B | 74,600,300 | | | | 838,165,396 | | | | 38,399,577 | | 257,098,624 | 1,208,263,897 | 72,015,224 | 1,280,279,121 |
| III. I / ( ) | | | | | 16,913,137 | | | | | | -23,592,090 | -6,678,953 | 52,302,450 | 45,623,497 |
| (I) T | | | | | | | | | | | -24,220,782 | -24,220,782 | 13,251,943 | -10,968,839 |
| (II) ' w | | | | | 12,214,419 | | | | | | | 12,214,419 | 43,363,507 | 55,577,926 |
| 1. w | | | | | | | | | | | | | 43,363,507 | 43,363,507 |
| 2. | | | | | | | | | | | | | | |
| 3. - w ' | | | | | 12,214,419 | | | | | | | 12,214,419 | | 12,214,419 |
| 4. ' | | | | | | | | | | | | | | |

| Items | Share capital | Preferred shares | Perpetual bonds | Others | Capital reserve | Less: Treasury stock | Other comprehensive income | Special reserve | Surplus reserve | Provision for general risk | Retained earnings | Subtotal | Non-controlling interests | Total owners' equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Other equity instruments | | | | | | | | | | | | |
| | Amount for the current period | | | | | | | | | | | | | |
| | Equity attributable to owners of the parent company | | | | | | | | | | | | | |
| (III) D | | | | | | | | | | | | | -4,313,000 | -4,313,000 |
| 1. w | | | | | | | | | | | | | – | |
| 2. w | | | | | | | | | | | | | -4,313,000 | -4,313,000 |
| 3. w ( ) | | | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | | | |
| (I ) I - w w , | | | | | | | | | | | | | | |
| 1. - ( ) | | | | | | | | | | | | | | |
| 2. - ( ) | | | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | | | |
| 4. - w | | | | | | | | | | | | | | |
| 5. - w | | | | | | | | | | | | | | |
| 6. | | | | | | | | | | | | | | |

| Items | Amount for the current period | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Equity attributable to owners of the parent company | | | | | | | | | | | | | |
| | | Other equity instruments | | | | | | | | | | | | |
| | Share capital | Preferred shares | Perpetual bonds | Others | Capital reserve | Less: Treasury stock | Other comprehensive income | Special reserve | Surplus reserve | Provision for general risk | Retained earnings | Subtotal | Non-controlling interests | Total owners' equity |
| ( ) [illegible] | | | | | | | | | | | | | | |
| 1. [illegible] w | | | | | | | | | | | | | | |
| 2. | | | | | | | | | | | | | | |
| ( I) [illegible] | | | | | 4,698,718 | | | | | | 628,692 | 5,327,410 | | 5,327,410 |
| I . B | | | | | | | | | | | | | | |
| | 74,600,300 | | | | 855,078,533 | | | | 38,399,577 | | 233,506,534 | 1,201,584,944 | 124,317,674 | 1,325,902,618 |

E w

L

T - T

w ,

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| I. B | 7[illegible], [illegible]00,300 | 81 ,50 ,0 66 | 23,311,1[illegible] | 3 [illegible]5 3,22 | 205, 66[illegible],23 6 | 1,113,05 [illegible] [illegible]87 | 2, 66[illegible]5,00 | 1,205,721, 6 6 |
| | | | | | ,203,7[illegible]1 | ,203,7[illegible]1 | | ,203,7[illegible]1 |
| B | | | | | | | | |
| II. B | 7[illegible], [illegible]00,300 | 81 ,50 ,0 66 | 23,311,1[illegible] | 3 [illegible]5 3,22 | 21[illegible],8 [illegible]8, 77 | 1,122,2 [illegible][illegible]28 | 2, 66[illegible]5,00 | 1,21[illegible], 25,[illegible]37 |

E w

L - T

T w ,

I

| | | |
|---|---|---|
| (III) D | 1,806,348 | -1,806,348 |
| 1. w | 1,806,348 | -1,806,348 |
| 2. w | | |
| 3. | | |

w ( )

4.

(I ) I - w

w ,

1.

-

( )

2.

-

( )

3.

4. - w

E w

L - w ,

I

( )

1. w

2.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| ( I) | | -1,52 6,20 | -23,311,1 | | | 21,78 ,723 | | 21,78 ,723 |
| I . B | 7 , 00,300.00 | 838,1 5,3 6 | | 38,3 ,577 | 257,0 8, 2 | 1,208,2 3,8 7 | 72,015,22 | 1,280,27 ,121 |

## 12.3 Notes to the Consolidated Annual Financial Information prepared in accordance with the China Accounting Standard for Business Enterprises

### *12.3.1 Accounts receivable*

**The aging analysis of accounts receivables based on the billing date is as follows:**

| | **December 31, 2022** *RMB* | D 31, 2021 *B* |
|---|---|---|
| 1 | **388,961,193** | 303, 10,57 |
| 1 2 | **4,755,920** | ,812,85 |
| 2 3 | **3,941,367** | ,25 ,870 |
| 3 | **3,248,300** | 3,1 0, 07 |
| 5 | **1,932,594** | |
| | **402,839,374** | 321,123,710 |
| L | **20,002,683** | ,3 5,835 |
| T | **382,836,691** | 311,757,875 |

## Accounts receivable shown by classification of bad debt provisions

| | December 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Balance of carrying amount | | Provision for bad debts | | |
| | Amount | Proportion (%) | Amount | Percent of provision (%) | Book value |
| W | | | | | |
| | **18,221,976** | **4.52** | **12,514,143** | **68.68** | **5,707,833** |
| I | | | | | |
| | **18,221,976** | **4.52** | **12,514,143** | **68.68** | **5,707,833** |
| W | | | | | |
| | **384,617,398** | **95.48** | **7,488,540** | **1.95** | **377,128,858** |
| I | | | | | |
| | **384,617,398** | **95.48** | **7,488,540** | **1.95** | **377,128,858** |
| **T** | **402,839,374** | **100.00** | **20,002,683** | **5.0** | **382,836,691** |

| | D 31, 2021 ( ) | | | | |
|---|---|---|---|---|---|
| | B | | | | |
| | | (%) | | (%) | B |
| W | | | | | |
| | 7,2ᴹ7, 78 | 2.26 | ᴹ,5 0,286 | 63.33 | 2,657,62 |
| I | | | | | |
| | 7,2ᴹ7, 78 | 2.26 | ᴹ,5 0,286 | 63.33 | 2,657,62 |
| W | | | | | |
| | 313,875,732 | 7.7ᴹ | ᴹ,775,5ᴹ | 1.52 | 30 ,100,183 |
| I | | | | | |
| | 313,875,732 | 7.7ᴹ | ᴹ,775,5ᴹ | 1.52 | 30 ,100,183 |
| T | 321,123,710 | 100.00 | ,365,835 | | 311,757,875 |

*12.3.2 Accounts payable*

T w

| | December 31, 2022 RMB | D 31, 2021 B |
|---|---|---|
| | **84,193,739** | 65, 38,[illegible]75 |
| w | **1,161,389** | 2,767, 06 |
| Tw | **71,969** | 168,510 |
| | **345,965** | 287,111 |
| T | **85,773,062** | 6 ,162,002 |

*12.3.3 Revenue and cost of sales*

**Analysis of revenue and cost of sales**

| | Year ended December 31, 2022 Revenue | Year ended December 31, 2022 Cost | D 31, 2021 | |
|---|---|---|---|---|
| | **1,366,816,938** | **1,040,114,650** | 1,202,77[illegible],378 | 8 7,111,63 6 |
| | **118,086,104** | **91,857,293** | [illegible], 655, 2 | 71,320,820 |
| T | **1,484,903,042** | **1,131,971,943** | 1,2 7,[illegible]30,370 | 68,[illegible]32,[illegible]5 6 |

**Breakdown of revenue:**

| | Year ended December 31, 2022 Revenue | D 31, 2021 |
|---|---|---|
| | **1,366,816,938** | 1,202,77[illegible],378 |
| I | **305,118,303** | 267,588,282 |
| T | | |
| | **1,061,698,635** | 35,186,0 6 |
| W | **118,086,104** | [illegible], 655, 2 |
| I | | |
| | **85,464,736** | 51, 613,[illegible]2 |
| | **3,000,000** | 2, 70,2 7 |
| | **8,067,969** | 7,515,32 |
| | **–** | 160[illegible]3,5[illegible]8 |
| ' | **21,553,398** | 16,513,38 |
| T | **1,484,903,042** | 1,2 7,[illegible]30,370 |

### *12.3.4 Expenses by nature*

T , ,

w

| | Year ended December 31, 2022 | 2021 |
|---|---|---|
| E w | **538,910,495** | [illegible]35, 67,572 |
| | **417,971,255** | 353,105, 2 |
| | **–** | 15,20[illegible],373 |
| D | **53,029,785** | [illegible]5,173,131 |
| D - - | **38,189,336** | [illegible]5,[illegible]35,381 |
| | **22,991,164** | 15,010, 630 |
| - | **46,397,647** | 38,371, 18 |
| H | **17,904,619** | 15,[illegible]72,885 |
| | **66,553,544** | 57,050,[illegible] 66 |
| | **29,928,936** | 2[illegible],0 6,15 6 |
| T | **23,086,081** | 21,0[illegible]7,712 |
| T | **27,657,239** | 25, 603,83 6 |
| | **28,302,685** | 13,820,3 62 |
| , | **6,366,300** | 1,222, 00 |
| | **3,526,993** | 2, 0,33 |
| T | **5,332,488** | [illegible],[illegible]1 6,5[illegible]5 |
| ' | **8,492,201** | ,312,808 |
| - | **12,214,419** | 15, 32,752 |
| ' | **39,035,944** | [illegible]3,8 66,152 |
| T | **1,385,891,131** | 1,183,101, 10 |

### *12.3.7 Income tax expenses*

**Table of income tax expenses**

| | **Year ended December 31,** | |
|---|---|---|
| | **2022** | 2021 |
| | **40,192,565** | 2 [illegible] 1 ,820 |
| D | **-13,618,853** | 27, 11,0 3 |
| T | **26,573,172** | 5[illegible],830, 13 |

**Reconciliation between total profit and income tax expenses**

| | **Year ended December 31,** | |
|---|---|---|
| | **2022** | 2021 |
| | | ( ) |
| T | **15,604,874** | 5, [illegible] 1,1[illegible]3 |
| I | **3,028,480** | 21,7 [illegible]2, 7 [illegible] |
| I | **7,125,277** | 1,508,2 [illegible]7 |
| | **-3,896,947** | -2,5 1,[illegible]7[illegible] |
| I - | **-5,563,847** | -283,550 |
| I - , | **1,736,913** | [illegible],012,2 [illegible]8 |
| I | **137,339** | -3,0[illegible]7, 22 |
| I w | **31,726,873** | [illegible]0,7[illegible] ,555 |

0 [illegible]5 5 [illegible]3.5 8 T ( 13 1 17 5[illegible]0, . 38 w

*12.3.8* ***Dividend***

31, 2023, B D 31, 2022. T .

2 6, 2022, B D 31, 2021. T w 2021 D 1 6, 2022.

## 13 CONTINUED SUSPENSION OF TRADING

, H K
E w 00 . . 1, 2022.
w .

**Shareholders and potential investors of the Company are reminded to rationally deal with any information not officially released by the Company, and Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

## 14 DEFINITIONS

2022

B

B B H ., L . (北京怡寧醫院有限公司),
H w
17, 2015, ’ -w w

B

K K H ., L . (蒼南康寧醫院有限公司),
H w J
15, 2012, ’ w - w

’ K ’ K H H ., L . (淳安康寧黃鋒
H 醫院有限公司), w
1 , 2020, ’ -
w w

K H ., L .,
K w ,
H H w B
E H K L ( 2120)

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H K L

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B1.00 , w
B w

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