

Handwritten text in Chinese characters, likely bleed-through from the reverse side of the page.



康寧醫院股份有限公司

zhōng hōng níng yī yuàn gǔ fèn yǒu xiàn gōng sī

al Co., Ltd.

pany incorporated in the People's Republic of China)

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(i) Conduct an appropriate independent investigation into the issues raised by PwC, announce the findings and take appropriate remedial actions

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() **(Ms. Wang) (Alleged Area I)**

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() **Alleged Area II.**

() **Actual Controller.**

[Redacted text]

[Redacted text]

[Redacted text] (**Individuals of Interest.**)

[Redacted text] (**Former Shareholder.**)

[Redacted text] (**Indirect Investor.**)

[Redacted text] (**Renovation Supplier.**)-

[Redacted text]

[Redacted text]

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(a) carrying out necessary changes to the Board and the management of the Company

(Ms. Jin.) (Mr. Chan.) (Mr. Wang.)

(b) obtaining legal advice on the merits of commencing judicial proceedings for civil recovery against Ms. Wang regarding the personal interests she obtained under Alleged Area III

(Disgorged Gains.) (PRC Counsel.)

(c) strengthening the use of external expert support

(d) reassessing accounting treatments related to the arrears of the impoverished patients identified in the Independent Investigation as well as the recoverability of the historical arrears, making necessary corrections of prior accounting errors, if any

(e) relevant treatment of the Indirect Investor, the Renovation Supplier and the Actual Controller involved in Alleged Area I and Alleged Area III

(f) *strengthening the internal control system and compliance supervision of the Company*

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View of the Independent Investigation Committee

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(ii) *Demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence*

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1. The first part of the text discusses the importance of maintaining accurate records in a laboratory setting. It emphasizes that proper record-keeping is essential for ensuring the reliability and reproducibility of experimental results. This involves documenting all procedures, reagents used, and observations made during the experiment.

2. The second part of the text describes the various methods used to collect and analyze data. It highlights the need for precision and accuracy in measurements, as well as the importance of using appropriate statistical techniques to interpret the results. The text also discusses the role of quality control in ensuring the integrity of the data.

Handwritten musical notation on a five-line staff, featuring a treble clef, a key signature of one sharp (F#), and a 3/4 time signature. The notation includes various note values, rests, and dynamic markings.

Handwritten musical notation on a five-line staff, featuring a treble clef, a key signature of one sharp (F#), and a 3/4 time signature. The notation includes various note values, rests, and dynamic markings, with an ampersand (&) symbol appearing in the first measure.

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(iii) Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules

The Company has conducted an independent internal control review and demonstrated that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules. The review was conducted by an independent internal control reviewer who is not a member of the Company's management and is not involved in the Company's internal control system. The reviewer has reviewed the Company's internal control system and has concluded that the Company's internal control system is adequate to meet its obligations under the Listing Rules. The reviewer has also identified areas for improvement and has provided recommendations to the Company's management. The Company's management has accepted the reviewer's findings and recommendations and has implemented the necessary measures to improve the Company's internal control system.

The Company's internal control system is designed to ensure the accuracy and completeness of the Company's financial statements, to prevent and detect fraud, and to ensure compliance with applicable laws and regulations. The Company's internal control system is based on the principles of transparency, integrity, and accountability. The Company's management is responsible for the design, implementation, and maintenance of the Company's internal control system. The Company's internal control system is subject to regular monitoring and evaluation by the Company's internal control reviewer. The Company's internal control system is also subject to external audits by independent auditors. The Company's internal control system is designed to meet the requirements of the Listing Rules and to ensure the Company's compliance with applicable laws and regulations. The Company's internal control system is a key component of the Company's risk management framework and is essential for the Company's long-term success.

Key Internal Control Issues	Rectifications
Entity-Level Review by COSO Framework	
<p>Control Environment – Conflict of Interest Reporting Mechanism</p> <p>There is a conflict of interest reporting mechanism in place, but it is not clearly defined and lacks a formal policy. The mechanism is not widely known to all employees, and there is no clear process for reporting and handling such conflicts. The reporting mechanism is not integrated into the overall internal control system, and there is no clear responsibility for monitoring and reporting such conflicts.</p>	<p>The reporting mechanism is not clearly defined and lacks a formal policy. The mechanism is not widely known to all employees, and there is no clear process for reporting and handling such conflicts. The reporting mechanism is not integrated into the overall internal control system, and there is no clear responsibility for monitoring and reporting such conflicts.</p>

Key Internal Control Issues	Rectifications
Entity-Level Review by COSO Framework	
<p>Control Environment – Succession Plan</p> <p>The Board of Directors has approved a succession plan for the CEO and other key executives. The plan includes a process for identifying and developing potential successors, as well as a process for transitioning leadership. The plan is reviewed and updated annually.</p>	
<p>Risk Assessments – Anti-Money Laundering Mechanism</p> <p>The company has implemented a risk assessment process for anti-money laundering (AML) activities. The process includes identifying and assessing the risks of AML activities, as well as implementing controls to mitigate those risks. The risk assessment is reviewed and updated annually.</p>	
<p>Control Activities – Policies and Procedures</p> <p>The company has implemented a control activities framework that includes policies and procedures for all major business processes. The framework is designed to ensure that the company's internal controls are effective and efficient. The framework is reviewed and updated annually.</p>	

Key Internal Control Issues	Rectifications
Activity-level review	
<p>Revenue and Accounts Receivable Management – Bad Debt Provision</p> <p>Handwritten text describing internal control issues related to revenue and accounts receivable management, specifically focusing on the bad debt provision. The text is mostly illegible due to blurring.</p>	<p>Handwritten text describing rectifications for the issues identified. The text is mostly illegible due to blurring.</p>

Key Internal Control Issues	Rectifications
Activity-level review	
	<p> The audit identified several key internal control issues related to the activity-level review process. These issues were primarily centered around the effectiveness of the review procedures and the consistency of the findings. </p> <p> One of the main issues was the lack of clear, standardized criteria for evaluating the quality of the review work. This led to inconsistent results across different reviewers and over time. </p> <p> Another significant issue was the insufficient documentation of the review process. Reviewers often failed to provide detailed evidence of their work, making it difficult to verify the accuracy and reliability of the findings. </p> <p> The audit also noted a need for improved communication and reporting mechanisms. There was a lack of timely updates on the progress of the review, and the final reports often contained errors and omissions. </p> <p> In response to these findings, the management has implemented several rectification measures. These include the development of a comprehensive set of review criteria, the introduction of a standardized review checklist, and the implementation of a robust documentation system. </p> <p> Additionally, the management has organized training sessions for all reviewers to ensure they are fully aware of the updated procedures and standards. Regular communication and reporting meetings have also been established to monitor the progress and address any issues promptly. </p> <p> The management is confident that these measures will significantly improve the effectiveness and reliability of the activity-level review process. </p>

The audit also identified several key internal control issues related to the activity-level review process. These issues were primarily centered around the effectiveness of the review procedures and the consistency of the findings.

View of the Audit Committee

The audit identified several key internal control issues related to the activity-level review process. These issues were primarily centered around the effectiveness of the review procedures and the consistency of the findings.

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(iv) Publish all outstanding financial results required under the Listing Rules and address any audit modifications

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- () **Interim Results.** () **2022**
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- () **2022 Annual Results.** ()
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(c) [Illegible text]

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(c) [Illegible text]

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(v) Demonstrate the Company's compliance with Rule 13.24

[Illegible text]

(a) Sufficient Level of Operations

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author outlines the process of reconciling bank statements with the company's internal records. This involves comparing the dates and amounts of transactions to identify any discrepancies. If a difference is found, it is crucial to investigate the cause immediately to prevent further errors.

The third part of the document focuses on the use of spreadsheets for financial management. It provides a detailed guide on how to set up a budget, track expenses, and generate reports. The author stresses the importance of regular updates and backups to ensure the data is always current and secure.

Finally, the document concludes with a summary of key points and a call to action. It encourages the reader to adopt these practices as a standard part of their financial routine to ensure long-term success and stability.

Operating Expenses

	For the year ended December 31, 2022	For the year ended December 31, 2021
	(\$ millions)	(\$ millions)
Salaries and wages	\$ 1,127	\$ 1,087
Professional fees	100	100
Depreciation and amortization	100	100
Other operating expenses	100	100
Total	\$ 1,427	\$ 1,387

	For the year ended December 31, 2022	For the year ended December 31, 2021
	(\$ millions)	(\$ millions)

Inpatients

Number of inpatient days	1,127	1,087
Number of inpatient days per 100 occupied beds	112.7	108.7
Number of inpatient days per 100 occupied beds per 100 occupied beds	11.27	10.87

Outpatients

Number of outpatient visits	1,127	1,087
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(1) The number of inpatient days is calculated as the sum of the number of inpatient days for all patients, including patients who are discharged to a nursing home or other long-term care facility. The number of inpatient days per 100 occupied beds is calculated as the number of inpatient days divided by the number of occupied beds multiplied by 100. The number of inpatient days per 100 occupied beds per 100 occupied beds is calculated as the number of inpatient days per 100 occupied beds divided by 100.

(2) The number of outpatient visits is calculated as the sum of the number of outpatient visits for all patients, including patients who are discharged to a nursing home or other long-term care facility.

The Company's management has reviewed the financial statements and believes that the financial statements present a true and fair view of the Company's financial position and performance for the periods ended 31 December 2022 and 31 December 2021.

(b) Sufficient Assets

The Company's management has reviewed the financial statements and believes that the financial statements present a true and fair view of the Company's financial position and performance for the periods ended 31 December 2022 and 31 December 2021.

	For the year ended December 31, 2022	For the year ended December 31, 2021
Total assets Total liabilities Total equity	(1,111) (1,111) (1,111)	(1,111) (1,111) (1,111)
	As at December 31, 2022	As at December 31, 2021
Total assets Total liabilities Total equity	(1,111) (1,111) (1,111)	(1,111) (1,111) (1,111)
Total assets Total liabilities Total equity	(1,111) (1,111) (1,111)	(1,111) (1,111) (1,111)

(vi) Announce all material information for the Company's shareholders and investors to appraise its position

The Company's management has reviewed the financial statements and believes that the financial statements present a true and fair view of the Company's financial position and performance for the periods ended 31 December 2022 and 31 December 2021.

RESUMPTION OF TRADING

1. The Board of Directors has approved the resumption of trading of the Company's common stock on the New York Stock Exchange.