H K E L T S E H K L

W W W

溫州 院股份有限

enzh 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	2021
	(RMB'000)	*(B'000)* *( )*
	1,484,903	1,2[illegible]7,[illegible]30
[illegible]	**15,605**	5,6[illegible]1
I	**26,574**	5[illegible],831
	-10,969	[illegible]0,860
	-24,221	[illegible],036
-	**13,252**	-3,176

	As of December 31, 2022	D 31, 2021	J 1, 2021
	(RMB'000)	*(B'000)* *( )*	*(B'000)* *( )*
T	**2,637,787**	2,377,[illegible]55	2,161,262
T	**1,311,885**	1,0[illegible]7,676	[illegible]63[illegible]
T	**1,325,903**	1,280,27[illegible]	1,21[illegible],[illegible]13
E			
	1,201,585	1,208,26[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[illegible]3,8[illegible]6
	-273,615	-23[illegible],0[illegible]
	116,178	33,833
	69,861	-11,358

3 BUSINESS REVIEW AND OUTLOOK

3.1 Business Review

, ,
, 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
,
,
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 .171 050 -1.-(B 18

0

4 MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Financial Review

B1,[illegible]8[illegible]. , 1[illegible].[illegible]% w 2021. , w B1,3 66.8 , 13. 6% w 2021. D , w w 23. % (2021 25.[illegible]%). B352. , 7.3% w 2021. D , w B-2[illegible].2 , w w - 2022. B[illegible]1.1 . D , B227.2 (2021 B1 3.), 17.2% w 2021.

4.1.1 Revenue and Cost of Revenue

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

w w

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

w

w (**Billing Revenue**) , w , w , .

.

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

T w w B ,
, w

	For the year ended December 31, 2022 (RMB'000)	2021 (B'000)
Treatment and general healthcare services		
B	**1,119,887**	6[illegible]2,[illegible]08
	770,287	6[illegible]58,1 [illegible]
[illegible]	**349,600**	30[illegible],21[illegible]
Pharmaceutical sales		
B	**305,118**	2 6[illegible]7,588
	269,828	238, 18
[illegible]	**35,290**	28, 6[illegible]70
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 ' w
B1,[illegible]25.0 , B1 5.0
w 2021, B
K H , K H , K H , T
K H , H H
H J
H , w . D S
, ' 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
-	**3,134,950**	2,773,
T *(B’000)*	**1,061,798**	08,337
- *(B)*	**339**	327
(B’000)	**156,512**	1 5,3
- *(B)*	**50**	52
Total inpatient revenue *(RMB’000)*	**1,218,310**	1,053, 8 6
Total average inpatient spending per bed-day *(RMB)*	**389**	380
Outpatients		
	527,050	02, 66
T *(B’000)*	**58,089**	5 ,071
(B)	**110**	13
(B’000)	**148,606**	122,23
(B)	**282**	30
Total outpatient revenue *(RMB’000)*	**206,695**	17 ,310
Total average outpatient spending per visit *(RMB)*	**392**	38
Total treatment and general healthcare services revenue *(RMB’000)*	**1,119,887**	2, 08
Total pharmaceutical sales revenue *(RMB’000)*	**305,118**	2 7,588

D , B B1,218.3 , 15. % w 2021, ( ) ’ - 13.0%, w w - K H , K H , T K H , H , H , H , H J H . ( ) - , S w 2. %. T B B w w 85.5% (2021 85.7%).

D , B B20 7
, 17.2% w 2021,
30. %
10.5%. B B
w w 1 .5% (2021 1 .3%).

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

' w
, , - -
, , .
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**	2,283
D	**99,553**	75,38
	63,747	53, 70
	27,588	25,5 5
	85,759	,081
Cost of revenue of owned hospitals	**1,040,115**	8 7,112

D , ' w
B1,0 0.1 , 15. % w
2021. I w ( ) . %
, ( ) 21.5%
w
, ( ) - - 32.1%
w 2021.

F

,

w 32.7%

(2021 3ᴹ. 6%). T

w 37.5% (2021 35.8%). T

- - 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). 1.1% w (2021 0. %).

4.1.5 Administrative Expenses

D , , , , . w w

	For the year ended December 31,	
	2022	2021
	(RMB	

4.1.6 Research and Development Expenses

D [illegible] , [illegible] ’
, w
I . [illegible] w w ’

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

D [illegible] , ’
B33.0 (2021 B28.0), 18.1%
w 2021.
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[illegible],2 0
	2,000	3,0[illegible]2
Finance expenses – net	**44,310**	37,658

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

4.1.8 Investment Income

,　　　　　　　　-
. T　　　　w　　　　　　w

	For the year ended December 31, 2022 (RMB'000)	2021 (B'000) ( )
S	**-15,927**	- 6,5 66
-	**18,063**	7,075
D	**714**	6,[illegible]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

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

	For the year ended December 31,	
	2022	2021
	(RMB'000)	*(B'000)*
	55	266
D	**7,436**	,70
D	**–**	1,800
-	**1,063**	300
Non-operating income	**8,554**	11,836
L -	**1,588**	166
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 , B26.6 (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 ( ) B1.8).

4.2.4 Other Non-current Financial Assets

D 31, 2022, - w
B 3.1 (D 31, 2021 B 5.8). D
, - B2.7
, w w ,
J .

4.2.5 Construction in progress

D 31, 2022, w B152.5
(D 31, 2021 w B3.8
), w w w
L H , w L
H , H
J H .
S

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 .2).

4.2.8 Receipts in Advance and Contract Liabilities

D 31, 2022, B
2 . (D 31, 2021 B1 3).

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

	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

4.3.2 Net Cash Used in Investing Activities

4.3.3 Net Cash Generated from Financing Activities

4.3.4 Significant Investment, Acquisition and Disposal

4.4 Indebtedness

4.4.1 Bank Borrowings

D 31, 2022, w
B 6 1 6.5 (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

' K H w ,
L D . 82 6751,
L D . 82 6750, (201 6) E . 00101 ,
(201 6) E . 00101 2, (2021)
E . 0081 628, (2015) . 1-1183 6
(2015) . 1-11833, I I B -
. D 31, 2022, S w B1 5.0
.

4.4.4 Lease Liabilities

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

4.4.5 Financial Instruments

, -
, , , , w ,
. ,
.

4.4.6 Exposure to Fluctuation in Exchange Rates

, w
HKD B.
.

D 31, 2022,
.

, w

4.4.7 Gearing Ratio

D 31, 2022, ' ( ) .7% (D 31, 2021 ( ) .62%), w .

4.4.8 Employees and Remuneration Policy

D 31, 2022, ,1 6 - (D 31, 2021 3, 661 -). D , ' ( ) B52 . (2021 B 3.3). ' B12.3 ( ). w , .

8.1 I

S

I

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

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

I E I , 1 65 S , w 1,818,52 .

23 , w 180,51 6 . (

)

13 , w 5 0,22 . , 8 , 7 ,27 . , E I 1 3 , 2, 60,000 S . 3.2 7 6% . w 8 , w B10. 7/ .

5 SIGNIFICANT EVENTS

5.1 Dividend

T B
D 31, 2022. S

5.2 Independent investigation related matters

T ' 1, 2022, w ( )
,
P w T LLP
(**PwC**), , ( ) BD
S L P P LLP (**BDO**), ,
w- w
D 31, 2021.

T Pw , ,
(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 , S
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.
S

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
, B1 . 3
201 2020 w , B .18 w
. 30 3
B 8 3
w
E D 2020 ,
- B .18 , w
- w
,
B .
2020 w w
B12,878 B ,203,7 1 , w - w
B ,1 0,8 3. 2021
w , w
B12,878, B12,878 B ,203,7 1 , w
w B ,1 0,8 3.

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

(1) I S 2020

(B, w)

Items	After restatement	Cumulative effect of error correction	Before restatement
-	12, 87,6M0	,1 0,863	3,7 6,777
	83,50 ,118	,1 0,863	7M,318,255
	52,8M 6, 23	,1 0,863	M3,656,060
w	6M, 61,025	,1 0,863	55,770,162

(2) B S 2020

(B, w)

Items	After restatement	Cumulative effect of error correction	Before restatement
	63,M65,82M	-12,878	63,M78,702
	5M2,683,617	-12,878	5M2,6 6,M 5
	2,161,261,775	-12,878	2,161,27M,653
	7 6,603,M00	- ,203,7M1	85,807,1M1
	60 6,077,103	- ,203,7M1	615,280,8MM
	M 63M ,21 6	- ,203,7M1	55,552, 57
	21M,85 6,0	,1 0,863	205,665,23 6
w	1,122,2M7,550	,1 0,863	1,113,05 6,68 6
w ,	1,21M, 12,55	,1 0,863	1,205,721,6 5
w ,	2,161,261,775	-12,878	2,161,27M,653

(3) 2021

(B, w)

Items	After restatement	Cumulative effect of error correction	Before restatement
	2 , 25,[illegible]88	-12,878	2 , 38,3 66
	60 , 602, 623	-12,878	60 , 615,501
	2,377, 5[illegible], 8	-12,878	2,377, 67,8 67
	57,31 ,52[illegible]	- ,203,7[illegible]1	66,523,2 65
	535,77[illegible], 635	- ,203,7[illegible]1	5[illegible], 78,37 6
	1,0 7, 675,8 68	- ,203,7[illegible]1	1,10 6,87 , 60
I	6, 37,8[illegible]5	-12,878	6, 50,723
	257,0 8, 62[illegible]	,1 0,8 63	2[illegible]7, 07,7 61
w	1,208,2 63,8 7	,1 0,8 63	1,1 ,073,03[illegible]
w ,	1,280,27 ,120	,1 0,8 63	1,271,088,257
w ,	2,377, 5[illegible], 8	-12,878	2,377, 67,8 67

Opinions of the Independent Non-executive Directors

-

, w . B E w . , w . , - .

Opinions of the Board

B w w w , ' , w w , , . B .

Opinions of the Supervisory Committee

w w , , ' . .

Opinions of the Audit Committee

w B E

, w S

,

,

.

.

6 PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

D , ,

' D .

( )

. LI, ., , . H

(

,

S

86

S

,

9 COMPLIANCE WITH THE MODEL CODE

T
D , , . H
S
D , D
S w S
, w

.3 , ,
w

10 EVENTS AFTER THE REPORTING PERIOD

11 AUDITORS AND WORKING SCOPE

12 FINANCIAL REPORT

12.1 Accounting Policies

T w S
B E B
S F' F 15, 2006
(**the Accounting Standards for Business Enterprises**
CAS).

T .**poing .053 Td51T11 (Ac.1 -4.196 -2.3**

12.2 Annual Consolidated Financial Information

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 7,[illegible]30,370
I	**1,484,903,042**	1,2 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	–	
	–	
S	–	
	–	
I	–	
	–	
T	**4,960,286**	5,75[illegible],21
	15,004,028	10,335,3 3
S	**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]

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		
	–	
F (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.	–	
[illegible]. ,	–	
w	–	
(II)		
1.	–	
2.	–	
3.	–	
[illegible].	–	
5. w	–	
6. E	–	
7.	–	
-		
,	–	
VII. Total comprehensive income	**-10,968,838**	[illegible]0,860,230
	-24,220,782	[illegible],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	[illegible]	[illegible]
	–		
S w			
	–		
F	**10,641,026**	10,000,000	
D	**–**		
	–		
	382,836,691	311,757,875	[illegible]
	–		
	32,201,224	[illegible]	[illegible]
	–		
	–		
	–		
	37,195,220	[illegible]	[illegible]
F	**–**		
I	**58,331,397**	[illegible]	[illegible]
	–		
	–		
-	**–**		
	752,325	[illegible]	
Total current assets	**793,052,846**	[illegible]	[illegible]

ASSETS	December 31, 2022	D 31, 2021 ( )	J 1, 2021 ( )
Non-current assets:			
❦	**–**		
D	**–**		
	–		
L -	**14,000,000**		
L -	**143,546,246**	12 ,8[illegible]7,77	7,81 6, 3[illegible]
I			
	–		
-	**63,116,852**	65,812,275	57,[illegible]0[illegible], 18
I	**–**		107,80[illegible], 3 6
F	**695,020,441**	721,8[illegible] 6,772	533,7[illegible]3,38[illegible]
	152,497,400	[illegible]3,7 5,718	13[illegible], [illegible]1,28 6
⊠			
- -	**190,403,752**	257,[illegible]12,270	232, 612,[illegible][illegible]1
I	**254,684,348**	227, 1,785	1 62,53 6,728
D			
❦ w	**107,655,738**	135,7[illegible]1,377	7 ,1 ,853
L -	**189,586,339**	150,501,038	153,550,8[illegible]0
D	**20,682,398**	1[illegible],33 6, 65	[illegible]0,258,388
-	**13,541,047**	21,0 66,387	18,708,[illegible]51
Total non-current assets	**1,844,734,561**	1,7 68,352,3 66	1, 618,578,158
TOTAL ASSETS	**2,637,787,407**	2,377, 5[illegible], 8	2,1 61,2 61,775

LIABILITIES AND SHAREHOLDERS' EQUITY	**December 31, 2022**	D 31, 2021 ( )	J 1, 2021 ( )
Current liabilities:			
S - w	**203,000,000**	25[illegible],050,000	312,500,000
B w	**–**		
X			
	–		
F	**13,922,929**		
D	**–**		
	997,944		3[illegible],080
	85,773,062	[illegible],1[illegible]2,002	71,[illegible]55,8[illegible]
	29,894,837	1[illegible],275,[illegible]03	[illegible],[illegible],278
	–	3,2[illegible]1	12,[illegible]5,175
F			
	–		
	–		
F			
	–		
F w	**–**		
E	**70,588,350**	[illegible]0,[illegible]88,18[illegible]	[illegible]2,785,133
T	**33,507,164**	30,235,32	[illegible],0[illegible]555
	72,193,730	57,31[illegible],52[illegible]	7[illegible]03,[illegible]00
F	**–**		
	–		
L	**–**		
-			
	147,598,324	[illegible]8,2[illegible]0,752	35,5[illegible]0,[illegible]17
	–		
Total current liabilities	**657,446,340**	535,77[illegible],[illegible]35	[illegible]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**	231,733,760	1 [illegible], 601,230
L -	**42,404,938**		
L -			
	–		
	–		
D	**9,037,891**	,3[illegible]1, 683	, 6[illegible]5,[illegible]75
D	**40,547,879**	3 ,875,7 0	25,032,[illegible]38
-	–		
Total non-current liabilities	**654,438,448**	5 61, 01,233	3[illegible]0,272,113
Total liabilities	**1,311,884,788**	1,0 7, 675,8 68	[illegible] 63[illegible] ,21 6
Shareholders' equity:			
S	**74,600,300**	7[illegible], 600,300	7[illegible], 600,300
	–		
I	–		
	–		
	855,078,533	838,1 65,3 6	81 ,30 ,0 66
L T	–		23,311,1[illegible]
	–		
	–		
S	**38,399,577**	38,3 ,577	3 65 3,22
S	–		
	233,506,534	257,0 8, 62[illegible]	21[illegible],85 60
T			
	1,201,584,945	1,208,2 63,8 7	1,122,2[illegible]7,550
-	**124,317,674**	72,015,22[illegible]	2, 665,0
Total shareholders' equity	**1,325,902,619**	1,280,27 ,120	1,21[illegible], 12,55
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,637,787,407**	2,377, 5[illegible], 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	6,220,7[illegible]5
Sub-total of cash inflows of operating activities	**1,552,886,584**	1,307,33[illegible],8 6
	613,477,475	553,8 60, 8 6
	–	
w		
	–	
	–	
w		
	–	
,	**–**	
,	**–**	
	525,082,523	[illegible]25,383, 22
[illegible]	**51,200,498**	[illegible],017,853
	135,905,523	0,175, 63 6
Sub-total of cash outflows of operating activities	**1,325,666,020**	1,113,[illegible]38,3 7
Net cash flows from operating activities	**227,220,564**	1 3,8 6[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	
S - 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, 6[illegible]5
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)

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
	Amount for the current period													
	Equity attributable to owners of the parent company													
		Other equity instruments												
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
		Amount for the current period												
		Equity attributable to owners of the parent company												
		Other equity instruments												
(III) D													-4,313,000	-4,313,000
1. w													–	
2. w													-4,313,000	-4,313,000
3. w ( )														
4.														
(IV) I - w w ,														
1. - ( )														
2. - ( )														
3. S														
4. - w														
5. - w														
6.														

Items	Amount for the current period Equity attributable to owners of the parent company Share capital	Other equity instruments 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
( ) S														
1. W														
2.														
(I)					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

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

E w

L - ,
w ,
I

(III) D 1,80 6,3?8 -1,80 6,3?8

1. w 1,80 6,3?8 -1,80 6,3?8

2. w

3.
w (
)

?.

(I?) I - w
w ,

1.

-
( )

2.

-
( )

3.

?. - w

E w

L [illegible] - [illegible]
[illegible] [illegible] [illegible] w ,
I S S S S

S

(I) S
1. [illegible] w

2.

(II)		-1,52[illegible]20	-23,311,1[illegible]			21,78[illegible],723		21,78[illegible],723
III. B	7[illegible],[illegible]00,300.00	838,1[illegible]5,3[illegible]6		38,3[illegible],577	257,0[illegible]8,[illegible]2[illegible]	1,208,2[illegible]3,8[illegible]7	72,015,22[illegible]	1,280,27[illegible],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	D 31, 2021
	RMB	*B*
1	**388,961,193**	303,[illegible]10,574
1 2	**4,755,920**	[illegible],812,85[illegible]
2 3	**3,941,367**	4,25[illegible],870
3 4	**3,248,300**	3,140,407
4 5	**1,932,594**	
S	**402,839,374**	321,123,710
L	**20,002,683**	[illegible],365,835
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					
	7,2[illegible]7,[illegible]78	2.2[illegible]	[illegible],5[illegible]0,28[illegible]	[illegible]3.33	2,[illegible]57,[illegible]2
I					
	7,2[illegible]7,[illegible]78	2.2[illegible]	[illegible],5[illegible]0,28[illegible]	[illegible]3.33	2,[illegible]57,[illegible]2
W					
	313,875,732	7.7[illegible]	[illegible],775,5[illegible]	1.52	30[illegible],100,183
I					
	313,875,732	7.7[illegible]	[illegible],775,5[illegible]	1.52	30[illegible],100,183
T	321,123,710	100.00	[illegible],3[illegible]5,835		311,757,875

12.3.2 Accounts payable

	December 31, 2022 RMB	31, 2021
	84,193,739	[illegible]
	1,161,389	[illegible]
	71,969	[illegible]
	345,965	287,111
	85,773,062	[illegible]

12.3.3 Revenue and cost of sales

Analysis of revenue and cost of sales

	Year ended December 31, 2022		31, 2021	
	Revenue	Cost		
	1,366,816,938	1,040,114,650	[illegible]	[illegible]
	118,086,104	91,857,293	[illegible]	71,320,820
	1,484,903,042	1,131,971,943	[illegible]	[illegible]

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[illegible]6
	118,086,104	[illegible],655,[illegible]2
I		
	85,464,736	51,613,[illegible]2
	3,000,000	2,[illegible]70,2[illegible]7
	8,067,969	7,515,32
	–	1[illegible]0[illegible]3,5[illegible]8
	21,553,398	16,513,38
T	**1,484,903,042**	1,2[illegible]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,[illegible]67,572
	417,971,255	353,105,[illegible]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	15,010,680
-	**46,397,647**	38,371,[illegible]18
H	**17,904,619**	15,[illegible]72,885
	66,553,544	57,050,[illegible]66
	29,928,936	2[illegible],0[illegible]6156
	23,086,081	21,0[illegible]7,712
T	**27,657,239**	25,603,836
	28,302,685	13,820,362
,	**6,366,300**	1,222,[illegible]00
	3,526,993	2,[illegible]0,33
T	**5,332,488**	[illegible],[illegible]16,5[illegible]5
	8,492,201	[illegible],312,808
-	**12,214,419**	15,[illegible]32,752
S	**39,035,944**	[illegible]3,866,152
T	**1,385,891,131**	1,183,101,[illegible]10

12.3.7 *Income tax expenses*

Table of income tax expenses

	Year ended December 31,	
	2022	2021
	40,192,565	[illegible]
D	**-13,618,853**	[illegible]
T	**26,573,172**	[illegible]

Reconciliation between total profit and income tax expenses

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

0 [illegible] (13 1 17 [illegible] . 38 w

12.3.8 Dividend

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

2 6, 2022, B
D 31, 2021. T
S w
2021 D S 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 H — B H ., L . (北京怡寧醫院有限公司), w 17, 2015, ' -w w

B

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

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

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

— 1 H K L

D ( ) — ( )

D ( ) — ( ) , w B1.00 , w B w

w

H K H
H K H ., L . (淮南康寧醫院有限公司), w, 22, 2017, -w w

J H J H ., L . (浙江傑翎健康科技有限公司) (w H I ., L . (杭州耶利米信息科技有限公司)), w, D 27, 2018, w - w

J H J H ., L . (縉雲舒寧醫院有限公司), w, 15, 201 , -w w

J J H I E I (L.) (重慶金浦醫療健康服務產業股權投資基金合夥企業(有限合夥)), 22, 201 6 w, 3.5 61% J

L H L H ., L . (溫州鹿城怡寧醫院有限公司), w 2, 2020, - w w

L H L H ., L . (臨海慈寧醫院有限公司), w, D 11, 2020, w - w

D L I 10 H K L

H H ., L . (南京怡寧醫院有限公司), w J 22, 2018, -w w

H H ., L . (平陽長庚怡寧醫院有限公司), w, J 1, 2021, w - w

H H H ., L . (浦江怡寧黃峰醫院有限公司), w, 3, 2018, -w w

’ w ,
, H K ,
w

H H ., L . (衢州怡寧醫院有限公司),
w
20, 2015, -w
w

K K H ., L . (青田康寧醫院有限公司),
H w
1, 2011, ’ w - w

B w

( ) ( ) , w
B1.00 , D ( )
H ( )

( ) ( ) ( )

H (
H

H ., L . (溫嶺南方精神疾病專科醫院有限公司), J 20, 2018, -w w

E H E H ., L . (溫州甌海怡寧老年醫院有限公司), w 8, 2021, -w w

I H I H ( ) ., L .(怡寧心理互聯網醫院(溫州)有限公司), w 10, 2020, w - w

K H K H ., L . (永嘉康寧醫院有限公司), w D 12, 2012, w - w

K H K H ., L . (樂清康寧醫院有限公司), w 3, 2013, w - w

H I T H ., L . (樂清怡寧中西醫結合醫院有限公司), w , 2006, w - w , w B - & H L (樂清邦爾中西醫結合醫院有限公司)

%

B B
Wenzhou Kangning Hospital Co., Ltd.
GUAN Weili

1 , 2023

D . . L - D . I H . LI - D . H . LI .