溫州 院股份有限

en u Kangning Hospital Co., Ltd.

2 FINANCIAL HIGHLIGHTS

2.1 Principal Financial Data and Indicators

	For the year ended December 31, 2022 (RMB'000)	2021 ([illegible]B'000) ([illegible])
[illegible]		
[illegible]	**1,484,903**	[illegible]
[illegible]	**15,605**	[illegible]
I[illegible]	**26,574**	[illegible]
[illegible]	**-10,969**	[illegible]
[illegible]	**-24,221**	[illegible]
[illegible]	**13,252**	[illegible]

	As of December 31, 2022 (RMB'000)	[illegible] D[illegible]31, 2021 ([illegible]B'000) ([illegible])	[illegible] J[illegible]1, 2021 ([illegible]B'000) ([illegible])
[illegible]	**2,637,787**	[illegible]	[illegible]
[illegible]	**1,311,885**	[illegible]	[illegible]
[illegible]	**1,325,903**	[illegible]	[illegible]
E[illegible]	**1,201,585**	[illegible]	[illegible]
[illegible]	**124,318**	72,015	[illegible]

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

3 BUSINESS REVIEW AND OUTLOOK

3.1 Business Review

3.2 Business Highlights

4 MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Financial Review

[illegible] 2021. [illegible] 2021. [illegible] 2022. [illegible] (2021 [illegible]), [illegible] 17.2% [illegible] 2021.

4.1.1 Revenue and Cost of Revenue

[illegible]

[illegible]

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

[illegible]

[illegible] (**Billing Revenue**) [illegible]

[illegible]

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

(1) L[illegible] (**Patients in Need**) [illegible].

[illegible] B1,[illegible]25.0 [illegible], 15.[illegible]% [illegible] 2021, [illegible]. D[illegible] B[illegible]3.5 [illegible] 2021. [illegible] 2023. D[illegible] B1[illegible].6 [illegible], B12.6 [illegible] 2021, [illegible].

[illegible]

	For the year ended December 31,	
	2022	2021
	(RMB'000)	*([illegible]B'000)*
Treatment and general healthcare services		
[illegible]	**1,119,887**	[illegible]
[illegible]	**770,287**	[illegible]
[illegible]	**349,600**	[illegible]
Pharmaceutical sales		
[illegible]	**305,118**	[illegible]
[illegible]	**269,828**	[illegible]
[illegible]	**35,290**	[illegible]
Billing Revenue from owned hospitals	**1,425,005**	[illegible]
[illegible]	**1,040,115**	[illegible]
[illegible]	**384,890**	[illegible]

[illegible]

	For the year ended December 31, **2022**	2021
Inpatients		
I[illegible]	**9,688**	8,728
Eff[illegible]	**3,536,120**	3,185,720
[illegible] *(%)*	**88.7**	87.1
[illegible]	**3,134,950**	2,773,[illegible]
[illegible] *([illegible]B'000)*	**1,061,798**	[illegible]08,337
[illegible] *([illegible]B)*	**339**	327
[illegible] *([illegible]B'000)*	**156,512**	1[illegible]5,3[illegible]
[illegible] *([illegible]B)*	**50**	52
Total inpatient revenue *(RMB'000)*	**1,218,310**	1,053,[illegible]
Total average inpatient spending per bed-day *(RMB)*	**389**	380
Outpatients		
[illegible]	**527,050**	[illegible]02,[illegible]
[illegible] *([illegible]B'000)*	**58,089**	5[illegible],071
[illegible] *([illegible]B)*	**110**	13[illegible]
[illegible] *([illegible]B'000)*	**148,606**	122,23[illegible]
[illegible] *([illegible]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[illegible] B[illegible]B1,218.3 [illegible] 15.[illegible]% [illegible] 2021, [illegible] 13.0%, [illegible] K[illegible] H[illegible], K[illegible] H[illegible], K[illegible] H[illegible], [illegible] H[illegible], [illegible] H[illegible], [illegible] H[illegible], [illegible] H[illegible], [illegible] J[illegible] H[illegible] [illegible] 2.[illegible]%. [illegible] B[illegible] 85.5% (2021 85.7%).

[illegible] B20 6 7 [illegible] 17.2% [illegible] 2021, [illegible] 30. % [illegible] 10.5%. [illegible] 1 .5% (2021 1 .3%).

[illegible] 1 6 % [illegible] 2021, [illegible] 78. 6% (2021 78.2%) [illegible] 1 .0% [illegible] 2021, [illegible] 21. % (2021 21.8%) [illegible] 12.8% (2021 13.8%), [illegible] 71. % (2021 6 .3%).

[illegible]

	For the year ended December 31,	
	2022	2021
	(RMB'000)	*(B'000)*
[illegible]	**339,777**	310,0 0
E[illegible]	**390,107**	321,207
D[illegible]	**33,584**	2,283
D[illegible]	**99,553**	75,38 6
[illegible]	**63,747**	53, 70
[illegible]	**27,588**	25,5 5
[illegible]	**85,759**	6 ,081
Cost of revenue of owned hospitals	**1,040,115**	8 7,112

D[illegible] B1,0 0.1 [illegible] 15. % [illegible] 2021. I[illegible] ( ) [illegible] . 6% [illegible] ( ) [illegible] 21.5% [illegible] ( ) [illegible] 32.1% [illegible] 2021.

32.7% (2021 3[illegible].6%).

37.5% (2021 35.8%).

12.8% (2021 13.1%).

1%).

4.1.3 Tax and Surcharge

D[illegible] B5.0 [illegible] (2021 [illegible] B5.8 [illegible]).

4.1.4 Selling Expenses

D[illegible] B15.0 [illegible] (2021 [illegible] B10.3 [illegible]). [illegible] 1.1% [illegible] (2021 [illegible] 0. [illegible]%).

4.1.5 Administrative Expenses

D[illegible]

	For the year ended December 31,	
	2022	2021
	(RMB	

4.1.6 Research and Development Expenses

D[illegible]

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

D[illegible] B33.0 [illegible] (2021 [illegible] B28.0 [illegible]), [illegible] 18.1% [illegible] 2021. [illegible] 2.[illegible]% (2021 2.3%), [illegible].

4.1.7 Finance Expenses – Net

[illegible]

	For the year ended December 31,	
	2022	2021
	(RMB'000)	*([illegible]B'000)*
[illegible]	**-2,762**	[illegible]
[illegible]	**-78**	[illegible]
[illegible]	**33,214**	[illegible]
[illegible]	**11,936**	[illegible]
[illegible]	**2,000**	[illegible]
Finance expenses – net	**44,310**	[illegible]

[illegible] 2021, [illegible] 51.1% [illegible] 2021 [illegible] 2021.

4.1.8 Investment Income

[illegible]

	For the year ended December 31,	
	2022	2021
	(RMB'000)	*([illegible]B'000)*
		([illegible])
[illegible]	**-15,927**	[illegible]
[illegible]	**18,063**	7,075
[illegible]	**714**	[illegible]
	2,850	[illegible]

[illegible] B2. [illegible] B-15. [illegible]

4.1.9 Credit Impairment Losses

[illegible] B25.2 [illegible] (2021 [illegible] B2.1 [illegible]), [illegible] B15. [illegible]

4.1.10 Asset Impairment Losses

[illegible] B10.3 [illegible]

4.1.11 Non-Operating Income and Non-Operating Expenses

[illegible]

	For the year ended December 31,	
	2022	2021
	(RMB'000)	*(RMB'000)*
[illegible]	**55**	2 66
D[illegible]	**7,436**	,[illegible]70
D[illegible]	**–**	1,800
[illegible]	**1,063**	300
Non-operating income	**8,554**	11,83 6
L[illegible]	**1,588**	1 66
D[illegible]	**3,928**	3,333
E[illegible]	**1,754**	1,3
E[illegible]	**–**	2,000
[illegible]	**2,071**	1,73
Non-operating expenses	**9,341**	8, 687

[illegible] B8. 6 [illegible] B3.3 [illegible] 2021, [illegible] B 3 [illegible] B1.[illegible] 2021.

4.1.12 Income Tax Expense

[illegible] B2 6. 6 [illegible] (2021 [illegible] B5[illegible].8 [illegible]), [illegible] 51.5% [illegible] 2021. I[illegible] 2022 [illegible] 2021, [illegible] 170.3% [illegible] 57.3%, [illegible].

4.2 Financial Position

4.2.1 Inventory

31, 2022, B58.3 (31, 2021 B5 65), .

4.2.2 Accounts Receivables

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

, 2 (2021 37).

4.2.3 Other Receivables and Prepayments

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

4.2.4 Other Non-current Financial Assets

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

4.2.5 Construction in progress

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

4.2.6 Right-of-use Assets

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

4.2.7 Accounts Payables

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

4.2.8 Receipts in Advance and Contract Liabilities

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

4.2.9 Other Payables

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

4.3 Liquidity and Capital Resources

[illegible]

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

4.3.1 Net Cash Generated from Operating Activities

[illegible]

4.3.2 Net Cash Used in Investing Activities

[illegible]

4.3.3 Net Cash Generated from Financing Activities

[illegible]

4.3.4 Significant Investment, Acquisition and Disposal

[illegible]

[illegible]

4.4 Indebtedness

4.4.1 Bank Borrowings

[illegible]

4.4.2 Contingent Liability

[illegible]

4.4.3 Asset Pledge

[illegible]

4.4.4 Lease Liabilities

[illegible]

4.4.5 Financial Instruments

[illegible]

4.4.6 Exposure to Fluctuation in Exchange Rates

[illegible]

[illegible]

4.4.7 Gearing Ratio

[illegible] 31, 2022, [illegible] .7% ([illegible] 31, 2021 [illegible] 62%), [illegible]

4.4.8 Employees and Remuneration Policy

[illegible] 31, 2022, [illegible] 31, 2021 [illegible] B52 [illegible] (2021 [illegible] 3.3 [illegible]). [illegible] B12 [illegible] .3 [illegible]

[illegible]

[illegible] 2018 [illegible] **Equity Incentive Scheme** [illegible] 2017 [illegible] 13, 2018 [illegible] **2017 AGM** [illegible] 2021. [illegible] 2 [illegible], 2018, [illegible] 30, 2018, [illegible] 2021, [illegible] 18, 2021 [illegible] 25, 2021.

[illegible] 1,818,52 [illegible] 23 [illegible] 180,51 [illegible] 13 [illegible] 0,22 [illegible] 8 [illegible] 7 [illegible] ,27 [illegible] 1 3 [illegible] 2, [illegible] 0,000 [illegible] 3.2 [illegible] 7 [illegible] % [illegible] 8 [illegible] B10. [illegible] 7/ [illegible]

5 SIGNIFICANT EVENTS

5.1 Dividend

B … D … 31, 2022.

5.2 Independent investigation related matters

… 1, 2022, … ( ) … LL (**PwC**), … ( ) BD … L … LL (**BDO**), … D … 31, 2021.

… (1) … (2) … (3) …

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

… D … 31, 2021 … 2021 … 27, 2022 … 15, 2022, …

… I … J 30, 2022 … I … J 30, 2022 J … 10, 2023 J … 1 6, 2023, …

… B …

I f , B f

1. B f

2. H f
III, f f

3. f

5.3 Correction of previous accounting errors

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

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,)

Items	After restatement	Cumulative effect of error correction	Before restatement
	12, 87,640	,1 0,863	3,7 6,777
	83,50 ,118	,1 0,863	74,318,255
	52,84 6, 23	,1 0,863	43,65 6,0 60
	64, 61,025	,1 0,863	55,770,162

(2) B 2020

(B,)

Items	After restatement	Cumulative effect of error correction	Before restatement
	63,465,824	-12,878	63,478,702
	542,683,617	-12,878	542, 6 64 5
	2,161,261,775	-12,878	2,161,274,653
	7 6,603,400	- ,203,741	85,807,141
	606,077,103	- ,203,741	615,280,844
	4 634 ,216	- ,203,741	55,552, 57
	214,85 6,0	,1 0,863	205,665,236
	1,122,247,550	,1 0,863	1,113,05 6,686
	1,214, 12,55	,1 0,863	1,205,721, 6 5
	2,161,261,775	-12,878	2,161,274,653

(3) [illegible] 2021

([illegible] B, [illegible])

Items	After restatement	Cumulative effect of error correction	Before restatement
[illegible]	2[illegible],[illegible]25,[illegible]88	-12,878	2[illegible],[illegible]38,3[illegible]
[illegible]	[illegible],[illegible]02,[illegible]23	-12,878	[illegible],[illegible]15,501
[illegible]	2,377,[illegible]5[illegible],[illegible]8	-12,878	2,377,[illegible]7,8[illegible]
[illegible]	57,31[illegible],52[illegible]	-[illegible],203,7[illegible]1	[illegible],523,2[illegible]5
[illegible]	535,77[illegible],[illegible]35	-[illegible],203,7[illegible]1	5[illegible],[illegible]78,37[illegible]
[illegible]	1,0[illegible]7,[illegible]75,8[illegible]8	-[illegible],203,7[illegible]1	1,10[illegible]87[illegible],[illegible]
I [illegible]	[illegible]37,8[illegible]5	-12,878	[illegible]50,723
[illegible]	257,0[illegible]8,[illegible]2[illegible]	[illegible],1[illegible]0,8[illegible]3	2[illegible]7,[illegible]07,7[illegible]1
[illegible]	1,208,2[illegible]3,8[illegible]7	[illegible],1[illegible]0,8[illegible]3	1,1[illegible],073,03[illegible]
[illegible]	1,280,27[illegible],120	[illegible],1[illegible]0,8[illegible]3	1,271,088,257
[illegible]	2,377,[illegible]5[illegible],[illegible]8	-12,878	2,377,[illegible]7,8[illegible]

Opinions of the Independent Non-executive Directors

[illegible]

Opinions of the Board

[illegible]

Opinions of the Supervisory Committee

[illegible]

Opinions of the Audit Committee

6 PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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9 COMPLIANCE WITH THE MODEL CODE

10 EVENTS AFTER THE REPORTING PERIOD

11 AUDITORS AND WORKING SCOPE

12 FINANCIAL REPORT

12.1 Accounting Policies

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

.**Chang Baof Signcoun0.0ing Policies**)

12.2 Annual Consolidated Financial Information

[illegible]

12.2.1 Annual Consolidated Income Statement

([illegible])

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

Items	Year ended December 31, 2022	2021 ( )
[illegible]	**14,907,711**	[illegible]
I [illegible] ([illegible])	**2,850,458**	[illegible]
I [illegible] I [illegible]	**-15,926,847**	[illegible]
D [illegible]	**–**	
[illegible] ([illegible])	**–**	
[illegible] ([illegible])	**–**	
[illegible] ([illegible])	**-15,977,326**	[illegible]
[illegible] ([illegible])	**-25,191,541**	[illegible]
[illegible] ([illegible])	**-10,345,461**	[illegible]
[illegible] ([illegible])	**406,185**	[illegible]
III. Operating profit (losses represented with "–" signs)	**16,391,934**	[illegible]
[illegible]	**8,553,978**	[illegible]
L [illegible]	**9,341,039**	[illegible]
IV. Total profit (total losses represented with "-" signs)	**15,604,873**	[illegible]
L I [illegible]	**26,573,712**	[illegible]
V. Net profit (net losses represented with "-" signs)	**-10,968,839**	[illegible]
(I) [illegible]		
1. [illegible] ([illegible])	**-10,968,839**	[illegible]
2. [illegible] ([illegible])	**–**	
(II) [illegible]		
1. [illegible] ([illegible])	**-24,220,782**	[illegible]
2. [illegible] ([illegible])	**13,251,944**	[illegible]

Items	Year ended December 31, 2022	2021 ([illegible])
VI. Other comprehensive income, net of tax		
[illegible]		
(I) [illegible]		
1. [illegible]	–	
2. [illegible]	–	
3. [illegible]	–	
4. [illegible]	–	
(II) [illegible]		
1. [illegible]	–	
2. [illegible]	–	
3. [illegible]	–	
4. [illegible]	–	
5. [illegible]	–	
6. E[illegible]	–	
7. [illegible]	–	
[illegible] -		
[illegible]	–	
VII. Total comprehensive income	**-10,968,838**	[illegible]0,8[illegible]0,230
[illegible]	**-24,220,782**	[illegible],035, 5
[illegible]	**13,251,944**	-3,175,7[illegible]5
VIII. Earnings per share:		
(I) B[illegible] ([illegible] B[illegible])	**-0.32**	0.[illegible]1
(II) D[illegible] ([illegible] B[illegible])	**-0.32**	0.5

12.2.2 Annual Consolidated Balance Sheets

([illegible] B [illegible])

ASSETS	December 31, 2022	D[illegible] 31, 2021 ([illegible])	J[illegible] 1, 2021 ([illegible])
Current assets:			
	271,094,963	188,73[illegible],8[illegible]6	20[illegible],5[illegible]
	–		
	–		
	10,641,026	10,000,000	
D[illegible]	**–**		
	–		
	382,836,691	311,757,875	225,300,2[illegible]7
	–		
	32,201,224	11,858,[illegible]27	[illegible],0[illegible],510
	–		
	–		
	–		
	37,195,220	2[illegible],[illegible]25,[illegible]88	[illegible]3,[illegible]5,82[illegible]
	–		
I[illegible]	**58,331,397**	5[illegible]51[illegible],301	37,508,[illegible]72
	–		
	–		
	–		
	752,325	80[illegible]8[illegible]6	
Total current assets	**793,052,846**	[illegible]0[illegible],[illegible]02,[illegible]23	5[illegible]2,[illegible]83,[illegible]17

ASSETS	December 31, 2022	D[illegible] 31, 2021 ([illegible])	J[illegible] 1, 2021 ([illegible])
Non-current assets:			
[illegible]	**–**		
D[illegible]	**–**		
[illegible]	**–**		
L[illegible]	**14,000,000**		
L[illegible]	**143,546,246**	12[illegible],8[illegible]7,77	7,816,[illegible]3[illegible]
I[illegible]	**–**		
[illegible]	**63,116,852**	65,812,275	57,[illegible]0[illegible],[illegible]18
I[illegible]	**–**		107,80[illegible],[illegible]36
F[illegible]	**695,020,441**	721,8[illegible]6,772	533,7[illegible]3,38[illegible]
[illegible]	**152,497,400**	[illegible]3,7[illegible]5,718	13[illegible],[illegible]1,286
[illegible]	**190,403,752**	257,[illegible]12,270	232,612,[illegible]1
I[illegible]	**254,684,348**	227,[illegible]1,785	162,536,728
D[illegible]	**107,655,738**	135,7[illegible]1,377	7[illegible],1[illegible],853
L[illegible]	**189,586,339**	150,501,038	153,550,8[illegible]0
D[illegible]	**20,682,398**	1[illegible],336,[illegible]65	[illegible]0,258,388
[illegible]	**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[illegible] 31, 2021 ([illegible])	J[illegible] 1, 2021 ([illegible])
Current liabilities:			
[illegible]	**203,000,000**	25[illegible],050,000	312,500,000
B[illegible]	**–**		
[illegible]			
[illegible]	**–**		
F[illegible]	**13,922,929**		
D[illegible]	**–**		
[illegible]	**997,944**		3[illegible]080
[illegible]	**85,773,062**	6[illegible],1[illegible]2,002	71,[illegible]55,8[illegible]
[illegible]	**29,894,837**	1[illegible]275,[illegible]03	[illegible],[illegible],278
[illegible]	**–**	3,2[illegible]1	12,[illegible]5,175
F[illegible]			
[illegible]	**–**		
[illegible]			
[illegible]	**–**		
F[illegible]			
[illegible]	**–**		
F[illegible]	**–**		
E[illegible]	**70,588,350**	[illegible]0,[illegible]88,18[illegible]	[illegible]2,785,133
[illegible]	**33,507,164**	30,235,32[illegible]	[illegible],0[illegible]555
[illegible]	**72,193,730**	57,31[illegible],52[illegible]	7[illegible]03,[illegible]00
F[illegible]	**–**		
[illegible]	**–**		
L[illegible]	**–**		
[illegible]			
[illegible]	**147,598,324**	[illegible]8,2[illegible]0,752	35,5[illegible]0,[illegible]17
[illegible]	**–**		
Total current liabilities	**657,446,340**	535,77[illegible],[illegible]35	[illegible]0[illegible]077,103

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2022	D[illegible] 31, 2021 ([illegible])	J[illegible] 1, 2021 ([illegible])
Non-current liabilities:			
[illegible]	–		
L[illegible]	**391,010,000**	280,[illegible]50,000	110,[illegible]2,[illegible]70
B[illegible]	–		
I[illegible]	–		
[illegible]	–		
L[illegible]	**171,437,740**	231,733,7[illegible]0	1[illegible],[illegible]01,230
L[illegible]	**42,404,938**		
L[illegible]	–		
[illegible]	–		
D[illegible]	**9,037,891**	[illegible],3[illegible]1,[illegible]83	[illegible],[illegible]5,[illegible]75
D[illegible]	**40,547,879**	3[illegible],875,7[illegible]0	25,032,[illegible]38
[illegible]	–		
Total non-current liabilities	**654,438,448**	5[illegible]1,[illegible]01,233	3[illegible]0,272,113
Total liabilities	**1,311,884,788**	1,0[illegible]7,[illegible]75,8[illegible]8	[illegible],3[illegible],21[illegible]
Shareholders' equity:			
[illegible]	**74,600,300**	7[illegible],[illegible]00,300	7[illegible],[illegible]00,300
[illegible]	–		
I[illegible]	–		
[illegible]	–		
[illegible]	**855,078,533**	838,1[illegible]5,3[illegible]6	81[illegible],30[illegible],0[illegible]
L[illegible]	–		23,311,1[illegible]
[illegible]	–		
[illegible]	–		
[illegible]	**38,399,577**	38,3[illegible],577	3[illegible]5[illegible]3,22
[illegible]	–		
[illegible]	**233,506,534**	257,0[illegible]8,[illegible]2[illegible]	21[illegible],85[illegible]0
[illegible]	**1,201,584,945**	1,208,2[illegible]3,8[illegible]7	1,122,2[illegible]7,550
[illegible]	**124,317,674**	72,015,22[illegible]	2,[illegible]5,0
Total shareholders' equity	**1,325,902,619**	1,280,27[illegible],120	1,21[illegible],[illegible]12,55
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,637,787,407**	2,377,[illegible]5[illegible],[illegible]8	2,1[illegible]1,2[illegible]1,775

12.2.3 Annual Consolidated Statements of Cash Flow

(B)

Items	Year ended December 31, 2022	2021
I. Cash flows from operating activities		
	1,452,028,763	1,211,11[illegible],151
	–	
	–	
	–	
	–	
	–	
	–	
	–	
	–	
	–	
	–	
	–	
	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]8[illegible]6
	–	
	–	
	–	
	–	
	–	
	–	
	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		
[illegible]	**–**	52,11 ,176
[illegible]	**1,650,804**	7,777,18
[illegible], [illegible]	**24,100,367**	8,755,311
[illegible]		
[illegible]	**–**	[illegible]

Items	Year ended December 31, 2022	2021
III. Cash flows from financing activities		
[illegible]	**9,153,084**	2, 00,000
[illegible]		
[illegible]	**9,153,084**	2, 00,000
[illegible]	**387,500,000**	550,250,000
[illegible]	**151,420,250**	
[illegible]	**548,073,334**	553,150,000
[illegible]	**324,220,000**	[illegible]28,3[illegible]2, 70
[illegible]	**51,554,508**	30,2 7,107
[illegible]		
[illegible]	**–**	
[illegible]	**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
[illegible]	**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)

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 f	74,600,300				838,165,396				38,399,577		257,098,624	1,208,263,897	72,015,224	1,280,279,121
f														
B														
II. B f	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 (f)					16,913,137						-23,592,090	-6,678,953	52,302,450	45,623,497
(I)											-24,220,782	-24,220,782	13,251,943	-10,968,839
(II)					12,214,419							12,214,419	43,363,507	55,577,926
1.													43,363,507	43,363,507
2. f														
3. f					12,214,419							12,214,419		12,214,419
4.														

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
(III) [illegible]													-4,313,000	-4,313,000
1. [illegible]													–	
2. [illegible]													-4,313,000	-4,313,000
3. [illegible]														
4. [illegible]														
(IV) [illegible]														
1. [illegible]														
2. [illegible]														
3. [illegible]														
4. [illegible]														
5. [illegible]														
6. [illegible]														

Items	Share capital	Other equity instruments: Preferred shares	Other equity instruments: Perpetual bonds	Other equity instruments: 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														
[illegible]														
1. [illegible]														
2. [illegible]														
[illegible]					4,698,718						628,692	5,327,410		5,327,410
[illegible]	74,600,300				855,078,533				38,399,577		233,506,534	1,201,584,944	124,317,674	1,325,902,618

E

L

I. B f	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 f	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

(III) D[illegible]	1,806,3[illegible]8	-1,806,3[illegible]8
1. [illegible]	1,806,3[illegible]8	-1,806,3[illegible]8
2. [illegible]		
3. [illegible]		
[illegible]. [illegible]		
(I[illegible]) I [illegible]		
1. [illegible]		
2. [illegible]		
3. [illegible]		
[illegible]. [illegible]		

1.

2.

		-1,52 6,20	-23,311,1			21,78 ,723		21,78 ,723
	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**	3,10,07
5	**1,932,594**	
	402,839,374	321,123,710
L f	**20,002,683**	,365,835
	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
[illegible]	18,221,976	4.52	12,514,143	68.68	5,707,833
[illegible]	18,221,976	4.52	12,514,143	68.68	5,707,833
[illegible]	384,617,398	95.48	7,488,540	1.95	377,128,858
[illegible]	384,617,398	95.48	7,488,540	1.95	377,128,858
	402,839,374	100.00	20,002,683	5.0	382,836,691

	D[illegible] 31, 2021 ([illegible])				
	B[illegible]		[illegible]		
	[illegible]	[illegible] (%)	[illegible]	[illegible] (%)	B[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	313,875,732	[illegible]	[illegible]	1.52	[illegible]
[illegible]	313,875,732	[illegible]	[illegible]	1.52	[illegible]
	321,123,710	100.00	[illegible]		311,757,875

12.3.2 Accounts payable

	December 31, 2022 RMB	D[illegible] 31, 2021 [illegible]B
[illegible]	**84,193,739**	[illegible]
[illegible]	**1,161,389**	2,7[illegible]
[illegible]	**71,969**	1[illegible]8,510
[illegible]	**345,965**	287,111
	85,773,062	[illegible],1[illegible]2,002

12.3.3 Revenue and cost of sales

Analysis of revenue and cost of sales

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

Breakdown of revenue:

	Year ended December 31, 2022 Revenue	[illegible] 31, 2021 [illegible]
[illegible]		
[illegible]	**1,366,816,938**	[illegible]
[illegible]	**305,118,303**	[illegible]
[illegible]		
[illegible]	**1,061,698,635**	[illegible]
[illegible]	**118,086,104**	[illegible]
[illegible]		
[illegible]	**85,464,736**	[illegible]
[illegible]	**3,000,000**	[illegible]
[illegible]	**8,067,969**	[illegible]
[illegible]	**–**	[illegible]
[illegible]	**21,553,398**	[illegible]
	1,484,903,042	[illegible]

12.3.4 Expenses by nature

[illegible]

	Year ended December 31, 2022	2021
[illegible]	**538,910,495**	[illegible]
[illegible]	**417,971,255**	[illegible]
[illegible]	**–**	[illegible]
[illegible]	**53,029,785**	[illegible]
[illegible]	**38,189,336**	[illegible]
[illegible]	**22,991,164**	[illegible]
[illegible]	**46,397,647**	[illegible]
[illegible]	**17,904,619**	[illegible]
[illegible]	**66,553,544**	[illegible]
[illegible]	**29,928,936**	[illegible]
[illegible]	**23,086,081**	[illegible]
[illegible]	**27,657,239**	[illegible]
[illegible]	**28,302,685**	[illegible]
[illegible]	**6,366,300**	[illegible]
[illegible]	**3,526,993**	[illegible]
[illegible]	**5,332,488**	[illegible]
[illegible]	**8,492,201**	[illegible]
[illegible]	**12,214,419**	[illegible]
[illegible]	**39,035,944**	[illegible]
	1,385,891,131	[illegible]

12.3.7 Income tax expenses

Table of income tax expenses

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

Reconciliation between total profit and income tax expenses

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

[illegible]

12.3.8 Dividend

31, 2023, B D 31, 2022.

2 6, 2022, B D 31, 2021.

2021 D 1 6, 2022.

13 CONTINUED SUSPENSION OF TRADING

[illegible] H[illegible] K[illegible] E[illegible] 00 [illegible] 1, 2022. [illegible]

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

[illegible]	[illegible] 2022 [illegible]
[illegible]	[illegible] B[illegible]
B[illegible] H[illegible]	B[illegible] H[illegible] ., L[illegible]. (北京怡寧醫院有限公司), [illegible] 17, 2015, [illegible]
B[illegible]	[illegible]
[illegible] K[illegible] H[illegible]	[illegible] K[illegible] H[illegible] ., L[illegible]. (蒼南康寧醫院有限公司), [illegible] J[illegible] 15, 2012, [illegible]
[illegible] K[illegible] H[illegible]	[illegible] K[illegible] H[illegible] H[illegible] ., L[illegible]. (淳安康寧黃鋒醫院有限公司), [illegible] 1[illegible] 2020, [illegible]
[illegible] K[illegible] H[illegible]	[illegible] K[illegible] H[illegible] ., L[illegible]., [illegible] H[illegible] B[illegible] E[illegible] H[illegible] K[illegible] L[illegible] ([illegible] 2120)
[illegible]	[illegible] 1[illegible] H[illegible] K[illegible] L[illegible]
D[illegible] ( )	[illegible] ( ) [illegible]
D[illegible] ( )	[illegible] ( ) [illegible] B1.00 [illegible] B[illegible]
[illegible]	[illegible]

H K H	H K H ., L . (淮南康寧醫院有限公司), 22, 2017,
J H	J H ., L . (浙江傑翎健康科技有限公司) (H I ., L . (杭州耶利米信息科技有限公司)), D 27, 2018,
J H	J H ., L . (縉雲舒寧醫院有限公司), 15, 201 ,
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 3.5 1% J
L H	L H ., L . (溫州鹿城怡寧醫院有限公司), 2, 2020,
L H	L H ., L . (臨海慈寧醫院有限公司), D 11, 2020,
	D L I 10 H K L
H	H ., L . (南京怡寧醫院有限公司), J 22, 2018,
H	H ., L . (平陽長庚怡寧醫院有限公司), J 1 , 2021,
H	H H ., L . (浦江怡寧黃峰醫院有限公司), 3, 2018,

H K

H ., L (衢州怡寧醫院有限公司),
20, 2015,

K K H L . (青田康寧醫院有限公司),
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H ., L . (溫嶺南方精神疾病專科醫院有限公司), J 20, 2018,

E H ., L . (溫州甌海怡寧老年醫院有限公司), 8, 2021,

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

K H ., L (永嘉康寧醫院有限公司), D 12, 2012,

K H ., L (樂清康寧醫院有限公司), 3, 2013,

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

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Wenzhou Kangning Hospital Co., Ltd.
GUAN Weili

1, 2023

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