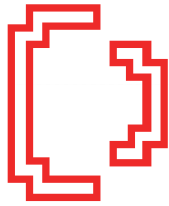


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院股份有限

Wenzhou Kangning Hospital Co., Ltd.

A joint stock limited liability company incorporated in the Peo)

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I 2022,

3.2 Business Highlights

I 2022, I. J H H E H &D 2022. D 31, 2022, 2 3 I H 20 0.171 050 -1.-(B, 18 67

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4 MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Financial Review

2022. 2021. D, B1,366.8 13.6% 2021. D, B352. 23. % (2021 25.4%). 7.3% 2021. D, B-24.2 2022. B41.1 D, B227.2 (2021 B1.3), 17.2% 2021.

4.1.1 Revenue and Cost of Revenue

() () ()

	For the year ended December 31,	
	2022	2021
	(RMB'000)	(B'000)
	1,366,817	1,202,774
	110,018	71,077
	8,068	23,55
Total revenue	1,484,903	1,277,300

(Billing Revenue)

	For the year ended December 31,	
	2022	2021
	(RMB'000)	(RMB'000)
Treatment and general healthcare services		
Billing Revenue	1,119,887	62,408
Cost of services	770,287	658,114
Depreciation	349,600	304,214
Pharmaceutical sales		
Billing Revenue	305,118	267,588
Cost of sales	269,828	238,118
Depreciation	35,290	28,670
Billing Revenue from owned hospitals	1,425,005	1,228,606
Cost of services	1,040,115	877,112
Depreciation	384,890	332,884
Depreciation of owned hospitals	B1,425.0	B1,500.0
2021, 15.6%		2021, 15.6%
Cost of services	K1,425.0	K1,500.0
Depreciation	K1,425.0	K1,500.0
2021, 15.6%		2021, 15.6%

	For the year ended December 31,	
	2022	2021
Inpatients		
Inpatient revenue	9,688	8,728
Expense	3,536,120	3,185,720
(%)	88.7	87.1
Inpatient revenue less expense	3,134,950	2,773,008
Depreciation and amortization	(1,061,798)	(88,337)
Provision for doubtful accounts	339	327
Change in allowance for doubtful accounts	(156,512)	(145,304)
Change in allowance for doubtful accounts	50	52
Total inpatient revenue (RMB'000)	1,218,310	1,053,686
Total average inpatient spending per bed-day (RMB)	389	380
Outpatients		
Outpatient revenue	527,050	402,666
Expense	(58,089)	(54,071)
(RMB)	110	134
Outpatient revenue less expense	148,606	122,231
Depreciation and amortization	(282)	(304)
Total outpatient revenue (RMB'000)	206,695	176,310
Total average outpatient spending per visit (RMB)	392	438
Total treatment and general healthcare services revenue (RMB'000)	1,119,887	624,088
Total pharmaceutical sales revenue (RMB'000)	305,118	267,588

During the year ended December 31, 2022, the Company's total revenue was RMB1,218.3 million, an increase of 15.6% from RMB1,053.7 million in 2021. The Company's total revenue was composed of 85.5% (2021: 85.7%) from inpatient services, 13.0% from outpatient services, and 1.5% from pharmaceutical sales revenue.

17.2% 2021, 30. % 10.5%. B. B. B. 1.5% (2021 1.3%).

16% 2021, 78.6% (2021 78.2%) B. 1.0% 2021, 21.4% (2021 21.8%) B. B. 12.8% (2021 13.8%), B. 71. % (2021 6.3%).

...

	For the year ended December 31,	
	2022	2021
	(RMB'000)	(RMB'000)
	339,777	310,000
E	390,107	321,207
D	33,584	42,283
D	99,553	75,386
	63,747	53,470
	27,588	25,555
	85,759	6,081
Cost of revenue of owned hospitals	<u>1,040,115</u>	<u>877,112</u>

B1,040.1 15. % 2021. I () .6% () 21.5% () 32.1% 2021.

▼ *Other* (2021 34.6%) 32.7%
▼ *Other* (2021 35.8%) 37.5%
▼ *Other* (2021 13.1%) 12.8%
▼ *Other* (2021 1%) 1%

4.1.3 Tax and Surcharge

During the year ended December 31, 2022, the Company incurred tax and surcharge expenses of RMB5.0 million (2021: RMB5.8 million).

4.1.4 Selling Expenses

During the year ended December 31, 2022, the Company incurred selling expenses of RMB15.0 million (2021: RMB10.3 million), an increase of 46.6% (2021: 0.1%) compared to the corresponding period of 2021, mainly due to an increase in advertising expenses of 1.1%.

4.1.5 Administrative Expenses

During the year ended December 31, 2022, the Company incurred administrative expenses of RMB10.0 million (2021: RMB10.0 million), an increase of 0.0% (2021: 0.0%) compared to the corresponding period of 2021, mainly due to an increase in depreciation and amortization expenses of 0.0%.

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

4.1.6 Research and Development Expenses

During the year ended December 31, 2022, the Company incurred research and development expenses of RMB33.0 million (2021: RMB27.0 million), an increase of 22.2% over 2021. The increase was primarily due to the increase in research and development expenses for the Company's products.

	For the year ended December 31,	
	2022 (RMB'000)	2021 (RMB'000)
Development of new products	18,899	16,887
Development of new technologies	9,803	8,051
Development of new materials	4,053	3,114
Development of new processes	273	302
Total	33,028	27,354

During the year ended December 31, 2022, the Company incurred research and development expenses of RMB33.0 million (2021: RMB28.0 million), an increase of 18.1% over 2021. The increase was primarily due to the increase in research and development expenses for the Company's products, which increased by 2.4% (2021: 2.3%), and the increase in research and development expenses for the Company's technologies, which increased by 1.1% (2021: 0.9%).

4.1.7 Finance Expenses – Net

The following table shows the components of finance expenses for the years ended 31 December 2022 and 2021:

	For the year ended December 31,	
	2022 (RMB'000)	2021 (RMB'000)
Interest expense	-2,762	-1,613
Finance charges	-78	3
Bank charges	33,214	21,780
Interest income	11,936	14,200
	<u>2,000</u>	<u>3,042</u>
Finance expenses – net	<u>44,310</u>	<u>37,658</u>

During the year ended 31 December 2022, the Group incurred net finance expenses of RMB44,310,000 (2021: RMB37,658,000). The Group's net finance expenses for 2022 were 51.1% of the net finance expenses for 2021.

4.1.8 Investment Income

Details of investment income are as follows:

	For the year ended December 31,	
	2022 (RMB'000)	2021 (B'000)
Interest income	-15,927	-65,66
Dividend income	18,063	7,075
Other income	714	642
	2,850	638

Details of investment income are as follows: B2. H B-15. H H H I, L.

4.1.9 Credit Impairment Losses

Details of credit impairment losses are as follows: B25.2 (2021 B2.1), H B15.

4.1.10 Asset Impairment Losses

Details of asset impairment losses are as follows: B10.3 B H

4.1.11 Non-Operating Income and Non-Operating Expenses

For the year ended December 31, 2022, the Company's non-operating income and non-operating expenses are as follows:

	For the year ended December 31,	
	2022 (RMB'000)	2021 (RMB'000)
Dividend income	55	266
Dividend income from equity-accounted investees	7,436	1,470
Dividend income from associates	-	1,800
Other non-operating income	1,063	300
Non-operating income	8,554	11,836
Loss on disposal of long-term equity investments	1,588	166
Dividend income from equity-accounted investees	3,928	3,333
Expense on disposal of long-term equity investments	1,754	13
Expense on disposal of long-term equity investments	-	2,000
Other non-operating expenses	2,071	173
Non-operating expenses	9,341	8,687

During the year ended December 31, 2022, the Company's non-operating income and non-operating expenses were RMB8.6 billion (2021: RMB11.8 billion). During the year ended December 31, 2022, the Company's non-operating income and non-operating expenses were RMB8.6 billion (2021: RMB11.8 billion).

4.1.12 Income Tax Expense

During the year ended December 31, 2022, the Company's income tax expense was RMB266 million (2021: RMB51.8 million), which is 51.5% of the Company's profit before income tax for 2022. In 2021, the Company's income tax expense was RMB170.3 million (57.3% of the Company's profit before income tax for 2021).

4.2 Financial Position

4.2.1 Inventory

At December 31, 2022, the Company's inventory was B58.3 million (December 31, 2021 B56.5 million), representing 22.8% of total assets.

4.2.2 Accounts Receivables

At December 31, 2022, the Company's accounts receivables were B382.8 million (December 31, 2021 B311.8 million), representing 22.8% of total assets.

At December 31, 2022, the Company's accounts payable were B277.1 million (2021 377.1 million).

4.2.3 Other Receivables and Prepayments

D 31, 2022, B 6.4
(D 31, 2021 () B 1.8).

4.2.4 Other Non-current Financial Assets

D 31, 2022, B 8.1
(D 31, 2021 B 5.8). D B 2.7
J, F.

4.2.5 Construction in progress

D 31, 2022, B 152.5
(D 31, 2021 B 13.8),
L, H, L,
H,
J, H.

4.2.6 Right-of-use Assets

D 31, 2022, B 10.4
(D 31, 2021 B 257.4),
B 5.2 H

4.2.7 Accounts Payables

D 31, 2022, B 85.8
(D 31, 2021 B 6.2).

4.2.8 Receipts in Advance and Contract Liabilities

D 31, 2022, B
(D 31, 2021 B 163).

4.2.9 Other Payables

D 31, 2022, B 72.2
(D 31, 2021 () B 57.3),
B 17.0 L,
H.

4.3 Liquidity and Capital Resources

The following table summarizes the cash flows from operating, investing and financing activities for the periods indicated:

	For the year ended December 31,	
	2022 (RMB'000)	2021 (RMB'000)
Cash generated from operating activities	227,221	1,386
Cash used in investing activities	(273,615)	(23,044)
Cash generated from financing activities	116,178	33,833
Change in cash and cash equivalents	69,861	(11,358)

4.3.1 Net Cash Generated from Operating Activities

	2022	2021
Operating profit	B227.2	B-24.2
Depreciation and amortization	B35.5	B10.6
Provision for doubtful debts		B11.6
Change in provisions		
Change in prepayments, receivables and payables		
Change in other non-current assets and liabilities		
Change in other current assets and liabilities		
Change in cash and cash equivalents		
Net cash generated from operating activities	B273.6	B23.6

4.3.2 Net Cash Used in Investing Activities

	2022	2021
Acquisition of property, plant and equipment	L1,000.0	L1,000.0
Acquisition of intangible assets	L1,000.0	L1,000.0
Disposal of property, plant and equipment	H1,000.0	H1,000.0
Disposal of intangible assets	H1,000.0	H1,000.0
Change in cash and cash equivalents	H1,000.0	H1,000.0
Net cash used in investing activities	L1,000.0	L1,000.0

4.3.3 Net Cash Generated from Financing Activities

	2022	2021
Change in cash and cash equivalents	B116.2	B33.8
Net cash generated from financing activities	B116.2	B33.8

4.3.4 Significant Investment, Acquisition and Disposal

During the year, the Group has acquired certain property, plant and equipment, which are summarized as follows:

	2022	2021
Acquisition of property, plant and equipment	B1,000.0	B1,000.0
Change in cash and cash equivalents	L1,000.0	L1,000.0
Net cash used in investing activities	L1,000.0	L1,000.0

4.4 Indebtedness

4.4.1 Bank Borrowings

As at December 31, 2022, the Company had bank borrowings of HK\$61.65 million (December 31, 2021: HK\$553.2 million), of which HK\$0.7 million was secured.

4.4.2 Contingent Liability

As at December 31, 2022, the Company had no contingent liability.

4.4.3 Asset Pledge

As at December 31, 2022, the Company had pledged bank deposits of HK\$82.675 million (December 31, 2021: HK\$82.675 million), bank deposits of HK\$0.00101 million (December 31, 2021: HK\$0.0081028 million), and bank deposits of HK\$1.11833 million (December 31, 2021: HK\$1.11833 million) as collateral for bank borrowings.

4.4.4 Lease Liabilities

As at December 31, 2022, the Company had lease liabilities of HK\$171 million (December 31, 2021: HK\$25.5 million).

4.4.5 Financial Instruments

The Company's financial instruments are primarily bank borrowings, bank deposits, and lease liabilities. The Company's financial instruments are classified as financial liabilities.

4.4.6 Exposure to Fluctuation in Exchange Rates

The Company's financial instruments are primarily denominated in HKD. The Company is exposed to exchange rate fluctuations.

As at December 31, 2022, the Company had no exposure to exchange rate fluctuations.

4.4.7 Gearing Ratio

As at 31, 2022, the Gearing Ratio (Debt to Capitalization) was 67% (As at 31, 2021 (Debt to Capitalization) was 62%),

4.4.8 Employees and Remuneration Policy

As at 31, 2022, the number of employees was 1,166 (As at 31, 2021 3,661). The remuneration policy is based on the company's performance (B52 (2021 B3.3)).

Equity Incentive Scheme (2017 AGM). In 2018, the company implemented the Equity Incentive Scheme. The scheme is based on the company's performance (2017 AGM). In 2021, the company implemented the Equity Incentive Scheme. The scheme is based on the company's performance (2021 AGM). In 2022, the company implemented the Equity Incentive Scheme. The scheme is based on the company's performance (2022 AGM).

The Equity Incentive Scheme is based on the company's performance (2022 AGM). The scheme is based on the company's performance (2022 AGM). The scheme is based on the company's performance (2022 AGM). The scheme is based on the company's performance (2022 AGM).

5 SIGNIFICANT EVENTS

5.1 Dividend

B. D. 31, 2022.

5.2 Independent investigation related matters

1, 2022, () LL (PwC-), () BD, LL (BDO-), D. 31, 2021.

(1) (2) (3)

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

I

2021 2021 27, 2022 15, 2022, D. 31, 30, 2022 I J. 30, 2022 J. 10, 2023 J. 16, 2023,

5.3 Correction of previous accounting errors

5.2
 2021, 38 3 B D
 11 3 E
 2021

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

5.3.1.1 B .18 2020
 B I F B12,878
 201 2020 B .18
 B 8 3 30
 E D F 2020-
 B .18
 B
 2020
 B12,878 B ,203,741
 B ,1 0,8 3 2021
 B12,878, B12,878 B ,203,741
 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) *Income Statement* 2020

(in B, rounded to the nearest million)

Items	After restatement	Cumulative effect of error correction	Before restatement
Revenue	12, 87, 040	,1 0,8 03	3,7 6777
Cost of sales	83,50 ,118	,1 0,8 03	74,318,255
Operating expenses	52,84 6 23	,1 0,8 03	43, 6 60 00
Operating income			
Other income			
Other expenses	6, 61,025	,1 0,8 03	55,770,1 02

(2) *Balance Sheet* 2020

(in B, rounded to the nearest million)

Items	After restatement	Cumulative effect of error correction	Before restatement
Assets			
Non-current assets	63,4 6,824	-12,878	63,478,702
Current assets	542, 63, 617	-12,878	542, 6 64 5
Total assets	2,1 61,2 61,775	-12,878	2,1 61,274, 63
Liabilities			
Current liabilities	7 6 03,400	- ,203,741	85,807,141
Other liabilities	6 6077,103	- ,203,741	615,280,844
Total liabilities	4 634 ,21 6	- ,203,741	55,552, 57
Equity			
Equity	214,85 60	,1 0,8 03	205, 66,23 6
Other equity			
Total equity			
Total equity and liabilities	1,122,247,550	,1 0,8 03	1,113,05 6 68 6
Other equity			
Total equity and liabilities	1,214, 12,55	,1 0,8 03	1,205,721, 6 5
Other equity			
Total equity and liabilities	2,1 61,2 61,775	-12,878	2,1 61,274, 63

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Items	After restatement	Cumulative effect of error correction	Before restatement
2,25,88	2,25,88	-12,878	2,38,366
0,02,03	0,02,03	-12,878	0,15,501
2,377,54,8	2,377,54,8	-12,878	2,377,67,867
57,31,52	57,31,52	-203,71	66,523,26
535,77,65	535,77,65	-203,71	535,78,376
1,07,675,86	1,07,675,86	-203,71	1,10,687,0
6,37,845	6,37,845	-12,878	6,50,723
257,08,02	257,08,02	10,86	267,07,76
1,208,26,87	1,208,26,87	10,86	1,208,27,73
1,280,27,120	1,280,27,120	10,86	1,280,28,026
2,377,54,8	2,377,54,8	-12,878	2,377,67,867

Opinions of the Independent Non-executive Directors

The Independent Non-executive Directors have reviewed the financial statements of the Company for the year ended 31st March 2021 and have found that the financial statements are true and fair and give a true and fair view of the financial position and performance of the Company. The Independent Non-executive Directors have also reviewed the financial statements of the Company for the year ended 31st March 2021 and have found that the financial statements are true and fair and give a true and fair view of the financial position and performance of the Company. The Independent Non-executive Directors have also reviewed the financial statements of the Company for the year ended 31st March 2021 and have found that the financial statements are true and fair and give a true and fair view of the financial position and performance of the Company.

Opinions of the Board

The Board of Directors of the Company has reviewed the financial statements of the Company for the year ended 31st March 2021 and has found that the financial statements are true and fair and give a true and fair view of the financial position and performance of the Company. The Board of Directors of the Company has also reviewed the financial statements of the Company for the year ended 31st March 2021 and has found that the financial statements are true and fair and give a true and fair view of the financial position and performance of the Company. The Board of Directors of the Company has also reviewed the financial statements of the Company for the year ended 31st March 2021 and has found that the financial statements are true and fair and give a true and fair view of the financial position and performance of the Company.

Opinions of the Supervisory Committee

The Supervisory Committee of the Company has reviewed the financial statements of the Company for the year ended 31st March 2021 and has found that the financial statements are true and fair and give a true and fair view of the financial position and performance of the Company. The Supervisory Committee of the Company has also reviewed the financial statements of the Company for the year ended 31st March 2021 and has found that the financial statements are true and fair and give a true and fair view of the financial position and performance of the Company. The Supervisory Committee of the Company has also reviewed the financial statements of the Company for the year ended 31st March 2021 and has found that the financial statements are true and fair and give a true and fair view of the financial position and performance of the Company.

9 COMPLIANCE WITH THE MODEL CODE

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10 EVENTS AFTER THE REPORTING PERIOD

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11 AUDITORS AND WORKING SCOPE

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BD...

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BD... 2022... BD...
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H... K... I...
BD...

12 FINANCIAL REPORT

12.1 Accounting Policies

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(..... **the Accounting Standards for Business Enterprises-**
..... **CAS-**).

Items	Year ended December 31,	
	2022	2021

VI. Other comprehensive income, net of tax

(I) Net unrealized gains on investments:		
1. Net unrealized gains on equity securities	-	-
2. Net unrealized gains on debt securities	-	-
3. Net unrealized gains on other investments	-	-
4. Net unrealized gains on investments	-	-
(II) Net unrealized gains on investments:		
1. Net unrealized gains on equity securities	-	-
2. Net unrealized gains on debt securities	-	-
3. Net unrealized gains on other investments	-	-
4. Net unrealized gains on investments	-	-
5. Net unrealized gains on investments	-	-
6. Net unrealized gains on investments	-	-
7. Net unrealized gains on investments	-	-

VII. Total comprehensive income

-10,968,838	₩0,8 0,230
-24,220,782	₩₩,035, 5
13,251,944	-3,175,7 ₩

VIII. Earnings per share:

(I) Basic	-0.32	0. 61
(II) Diluted	-0.32	0.5

12.2.2 Annual Consolidated Balance Sheets

(Amounts in Philippine Pesos)

ASSETS	December 31, 2022	December 31, 2021 (P=)	January 1, 2021 (P=)
Current assets:			
Cash and cash equivalents	271,094,963	188,734,846	206,556,400
Accounts receivable	-	-	-
Prepaid expenses	-	-	-
Financial investments	-	-	-
Financial investments	10,641,026	10,000,000	-
Due from related companies	-	-	-
Due from related companies	382,836,691	311,757,875	225,300,247
Due from related companies	-	-	-
Due from related companies	32,201,224	11,858,427	1,015,510
Due from related companies	-	-	-
Due from related companies	-	-	-
Due from related companies	-	-	-
Due from related companies	37,195,220	2,254,888	6,658,824
Due from related companies	-	-	-
Due from related companies	58,331,397	5,651,301	37,508,472
Due from related companies	-	-	-
Due from related companies	-	-	-
Due from related companies	-	-	-
Due from related companies	752,325	80,686	-
Total current assets	793,052,846	602,623	52,683,617

ASSETS	December 31, 2022	December 31, 2021 (P1,000,000)	January 1, 2021 (P1,000,000)
Non-current assets:			
Land	-	-	-
Debt investments	-	-	-
Prepaid expenses	-	-	-
Land held for sale	14,000,000	-	-
Land held for investment	143,546,246	12,817,777	7,816,311
Investment in equity securities	-	-	-
Investment in real estate	63,116,852	6,812,275	57,404,181
Investment in joint venture	-	-	107,804,366
Financial assets at fair value	695,020,441	721,866,772	533,713,381
Investment in real estate development	152,497,400	13,755,718	13,112,866
Investment in real estate	-	-	-
Investment in real estate	190,403,752	257,122,270	232,612,111
Investment in real estate	254,684,348	227,117,855	162,536,728
Debt investments	-	-	-
Equity investments	107,655,738	135,711,377	7,114,853
Land held for sale	189,586,339	150,501,038	153,550,810
Debt investments	20,682,398	1,336,665	10,258,388
Investment in real estate	13,541,047	21,066,387	18,708,151
Total non-current assets	<u>1,844,734,561</u>	<u>1,768,352,366</u>	<u>1,618,578,158</u>
TOTAL ASSETS	<u>2,637,787,407</u>	<u>2,377,514,818</u>	<u>2,161,261,775</u>

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2022	December 31, 2021 (P1,000,000)	January 1, 2021 (P1,000,000)
Current liabilities:			
Accounts payable	203,000,000	254,050,000	312,500,000
Bank overdrafts	-	-	-
Accrued interest	-	-	-
Income taxes payable	-	-	-
Deferred income taxes	13,922,929	-	-
Dividends payable	-	-	-
Other current liabilities	997,944	-	3,6080
Current portion of long-term debt	85,773,062	6,162,002	71,558,640
Contract liabilities	29,894,837	1,627,603	4,644,278
Other current liabilities	-	3,241	12,65,175
Deferred income taxes	-	-	-
Other current liabilities	-	-	-
Current portion of long-term debt	-	-	-
Other current liabilities	-	-	-
Current portion of long-term debt	70,588,350	6,488,184	42,785,133
Other current liabilities	33,507,164	30,235,320	4,046,555
Current portion of long-term debt	72,193,730	57,314,524	76,003,400
Other current liabilities	-	-	-
Other current liabilities	-	-	-
Long-term debt	-	-	-
Other long-term liabilities	147,598,324	48,240,752	35,540,617
Other long-term liabilities	-	-	-
Total current liabilities	<u>657,446,340</u>	<u>535,774,685</u>	<u>660,771,103</u>

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2022	December 31, 2021 (P1,000,000)	January 1, 2021 (P1,000,000)
Non-current liabilities:			
Long-term debt	391,010,000	280,500,000	110,220,700
Bank borrowings	-	-	-
Interest payable	-	-	-
Long-term payables	171,437,740	231,733,700	1,001,230
Long-term investments	42,404,938	-	-
Other non-current liabilities	-	-	-
Deferred income taxes	9,037,891	3,875,700	5,475,000
Deferred tax assets	40,547,879	-	25,032,438
Other non-current liabilities	-	-	-
Total non-current liabilities	654,438,448	516,101,233	3,027,211.3
Total liabilities	1,311,884,788	1,075,868	63,216
Shareholders' equity:			
Common stock	74,600,300	74,600,300	74,600,300
Interest payable	-	-	-
Long-term investments	855,078,533	838,163,360	81,300,660
Long-term payables	-	-	23,311,100
Other non-current liabilities	-	-	-
Retained earnings	38,399,577	38,399,577	365,322
Other shareholders' equity	233,506,534	257,086,000	21,856,000
Other shareholders' equity	-	-	-
Other shareholders' equity	1,201,584,945	1,208,268,870	1,122,277,550
Other shareholders' equity	124,317,674	72,015,220	2,660
Total shareholders' equity	1,325,902,619	1,280,271,120	1,214,125.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,637,787,407	2,377,518	2,161,261,775

Items	Year ended December 31,	
	2022	2021
II. Cash flows from investing activities		
Proceeds from the sale of investments	-	52,117,176
Proceeds from the sale of property and equipment	1,650,804	7,777,181
Proceeds from the sale of investments in subsidiaries, joint ventures, and associates	24,100,367	8,755,311
Proceeds from the sale of investments in real estate	-	1,111,111
Proceeds from the sale of investments in other companies	-	1,111,111

Items	Year ended December 31,	
	2022	2021
III. Cash flows from financing activities		
Interest on long-term debt	9,153,084	2,000,000
Interest on short-term debt	9,153,084	2,000,000
Interest on bank overdrafts	387,500,000	550,250,000
Interest on other financial liabilities	151,420,250	-
Interest on lease liabilities	548,073,334	553,150,000
Interest on other financial assets	324,220,000	28,32,70
Interest on other financial liabilities	51,554,508	30,27,107
Interest on other financial assets	-	-
Interest on other financial liabilities	56,121,295	6,676,66
Sub-total of cash outflows of financing activities	431,895,803	51,316,63
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	-38,704
V. Net increase in cash and cash equivalents	69,861,145	-11,357,81
Net increase in cash and cash equivalents	188,734,846	200,02,66
VI. Cash and cash equivalents at the end of the period	258,595,991	188,734,846

12.2.4 Consolidated Statement of Changes in Shareholders' Equity

(Continued from page 10)

Items	Other equity instruments				Amount for the current period Equity attributable to owners of the parent company							Subtotal	Non-controlling interests	Total owners' equity
	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			
I. Balance at the beginning of the period	74,600,300				838,165,396				38,399,577		257,098,624	1,208,263,897	72,015,224	1,280,279,121
II. Balance at the end of the period	74,600,300				838,165,396				38,399,577		257,098,624	1,208,263,897	72,015,224	1,280,279,121
III. Increase (decrease) during the period					16,913,137						-23,592,090	-6,678,953	52,302,450	45,623,497
(I) Issuance of shares											-24,220,782	-24,220,782	13,251,943	-10,968,839
(II) Other comprehensive income					12,214,419							12,214,419	43,363,507	55,577,926
1. Exchange difference on translation of foreign financial statements													43,363,507	43,363,507
2. Changes in fair value of financial assets and liabilities														
3. Changes in fair value of financial assets and liabilities														
(III) Other					12,214,419							12,214,419		12,214,419
IV. Decrease during the period														
M. Other														

Amount for the current period
Equity attributable to owners of the parent company

Items	Other equity instruments				Capital reserve	Amount for the current period				Surplus reserve	Provision for general risk	Retained earnings	Subtotal	Non-controlling interests	Total owners' equity
	Share capital	Preferred shares	Perpetual bonds	Others		Less: Treasury stock	Other comprehensive income	Special reserve							
(III) D. <i>Investment in subsidiaries</i>														-4,313,000	-4,313,000
1. <i>Investment in subsidiaries</i>														-	
2. <i>Investment in subsidiaries</i>															
3. <i>Investment in subsidiaries</i>														-4,313,000	-4,313,000
(I) I. <i>Investment in subsidiaries</i>															
1. <i>Investment in subsidiaries</i>															
2. <i>Investment in subsidiaries</i>															
3. <i>Investment in subsidiaries</i>															
5. <i>Investment in subsidiaries</i>															
6. <i>Investment in subsidiaries</i>															

Items	Other equity instruments				Amount for the current period Equity attributable to owners of the parent company							Subtotal	Non- controlling interests	Total owners' equity	
	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				
()															
1.															
2.															
(D)					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

I	L	L	L	L	L	L	L
(III) D			1,80 63*8		-1,80 63*8		
1.			1,80 63*8		-1,80 63*8		
2.							
3.							
M.							
(I) I							
1.							
2.							
3.							
M.							

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	December 31, 2021 RMB
1 year or less	388,961,193	303,10,574
1 to 2 years	4,755,920	,812,85
2 to 3 years	3,941,367	4,25,870
3 to 4 years	3,248,300	3,140,407
4 to 5 years	1,932,594	
Over 5 years	402,839,374	321,123,710
	<hr/>	<hr/>
Loss allowance	20,002,683	,36,835
	<hr/>	<hr/>
	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		Book value
	Amount	Proportion (%)	Amount	Percent of provision (%)	
Accounts receivable	18,221,976	4.52	12,514,143	68.68	5,707,833
Interest receivable	18,221,976	4.52	12,514,143	68.68	5,707,833
Accounts receivable	384,617,398	95.48	7,488,540	1.95	377,128,858
Interest receivable	384,617,398	95.48	7,488,540	1.95	377,128,858
Total	402,839,374	100.00	20,002,683	5.0	382,836,691
December 31, 2021 (RMB million)					
Accounts receivable	7,247,778	2.26	4,502,866	63.33	2,744,912
Interest receivable	7,247,778	2.26	4,502,866	63.33	2,744,912
Accounts receivable	313,875,732	7.74	4,775,544	1.52	309,100,188
Interest receivable	313,875,732	7.74	4,775,544	1.52	309,100,188
Total	321,123,710	100.00	9,278,410	2.89	311,845,300

12.3.2 Accounts payable

	December 31, 2022 RMB	December 31, 2021 RMB
Trade payables	84,193,739	65,384,756
Accounts payable	1,161,389	2,767,066
Other payables	71,969	168,510
	<u>345,965</u>	<u>287,111</u>
	<u>85,773,062</u>	<u>68,162,002</u>

12.3.3 Revenue and cost of sales

Analysis of revenue and cost of sales

	Year ended December 31, 2022		December 31, 2021	
	Revenue	Cost	Revenue	Cost
Revenue	1,366,816,938	1,040,114,650	1,202,774,378	887,111,686
Cost	<u>118,086,104</u>	<u>91,857,293</u>	<u>74,655,212</u>	<u>71,320,820</u>
	<u>1,484,903,042</u>	<u>1,131,971,943</u>	<u>1,277,429,590</u>	<u>958,432,506</u>

Breakdown of revenue:

	Year ended December 31, 2022	December 31, 2021
Revenue		
Interest income	1,366,816,938	1,202,774,378
Interest expense	305,118,303	267,588,282
Net interest income	1,061,698,635	935,186,096
Income from operations	118,086,104	1,655,212
Income from investments	85,464,736	51,613,112
Income from other sources	3,000,000	2,702,277
Income from other sources	8,067,969	7,515,322
Income from other sources	-	16,013,518
Income from other sources	21,553,398	16,513,382
Total	1,484,903,042	1,277,430,370

12.3.4 Expenses by nature

	Year ended December 31, 2022	2021
Employee compensation	538,910,495	1,356,572
Employee compensation	417,971,255	353,105,212
Employee compensation	-	15,201,373
Depreciation and amortization	53,029,785	15,173,131
Depreciation and amortization	38,189,336	15,135,381
Depreciation and amortization	22,991,164	15,010,680
Depreciation and amortization	46,397,647	38,371,182
Health and welfare benefits	17,904,619	15,172,885
Health and welfare benefits	66,553,544	57,050,166
Health and welfare benefits	29,928,936	21,061,566
Health and welfare benefits	23,086,081	21,017,712
Health and welfare benefits	27,657,239	25,603,836
Health and welfare benefits	28,302,685	13,820,362
Health and welfare benefits	6,366,300	1,222,000
Health and welfare benefits	3,526,993	2,033
Health and welfare benefits	5,332,488	1,165,115
Health and welfare benefits	8,492,201	312,808
Health and welfare benefits	12,214,419	15,32,752
Health and welfare benefits	39,035,944	13,866,152
Total	1,385,891,131	1,183,101,110

12.3.7 Income tax expenses

Table of income tax expenses

	Year ended December 31,	
	2022	2021
Income tax expense	40,192,565	26,118,820
Deferred tax expense	-13,618,853	27,110,033
	<u>26,573,712</u>	<u>53,228,853</u>

Reconciliation between total profit and income tax expenses

	Year ended December 31,	
	2022	2021
Total profit	15,604,874	5,611,143
Income tax expense on taxable income	3,028,480	21,762,766
Income tax expense on non-taxable income	7,125,277	1,508,267
Income tax expense on taxable income	-3,896,947	-2,514,744
Income tax expense on non-taxable income	-5,563,847	-283,550
Income tax expense on taxable income	1,736,913	4,012,268
Income tax expense on non-taxable income	137,339	-3,047,222
Income tax expense on taxable income	31,726,873	40,745,555
Income tax expense on non-taxable income	0,656,588	(13,117,540)

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

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

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

B ...

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

K ... H ... H ... L ... (淳安康寧黃鋒
 醫院有限公司),
 H ... 16, 2020,

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

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H H	K -	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), F 15, 201,
J F	-	J H I E I F (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, 2016 3.5% 61% J, F,
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	-	H L (南京怡寧醫院有限公司), J 22, 2018,
H H	-	H L (平陽長庚怡寧醫院有限公司), J 1, 2021,
H H	-	H H L (浦江怡寧黃峰醫院有限公司), 3, 2018,

... H, K, ...

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

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

... B- ...

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H ... ()

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... H ... (

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

E... H... (溫州甌海怡寧老年醫院有限公司), 8, 2021,

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

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

H... K... H... (樂清康寧醫院有限公司), 3, 2013,

H... I... H... (樂清怡寧中西醫結合醫院有限公司), 2006,

H... B... & H... (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

1st, 2023

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