

(A joint stock limited liability company incorporated in the People's Republic of China)

Stock code

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# C a e l f a

## B , D

### E e c e D e c

- M . G A N ( C )
- M . A N G L
- M . A N G J ( , J 9, 2023)

### N -e e c e D e c

- M . Q I N H
- M . L I C

### J d e e d e N -e e c e D e c

- M . H O N G
- M . J I N L ( , J 9, 2023)
- M . C H A N K , H ( , J 9, 2023)
- M . H A O , ( , M 10, 2023)
- M . L I N ( , J 9, 2023)

## A , C

- M . H O N G ( C )
- M . L I C
- M . J I N L ( , J 9, 2023)
- M . L I N ( , J 9, 2023)

## N C

- M . C H A N K , H ( C ) ( , J 9, 2023)
- M . G A N
- M . J I N L ( , J 9, 2023)
- M . L I N ( C ) ( , J 9, 2023)
- M . H A O , ( , M 10, 2023)

## R C

- M . J I N L ( C ) ( , J 9, 2023)
- M . H O N G
- M . C H A N K , H ( , J 9, 2023)
- M . H A O , ( C ) ( , M 10, 2023)
- M . L I N ( , J 9, 2023)

## M R C

- M . G A N ( C )
- M . H O N G
- M . Q I N H

## C

- M . N ( C )
- M . H A N G ( , J 9, 2023)
- M . I E
- M . Q I A N C

## J C

- M . A N G J
- M . O N G C

## A R

- M . G A N
- M . O N G C

## A

B D O C L P G , P A LLP

## A H K L

C , C

## R O P R C

R , H R D P R C

# Company

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# Financial Highlights

## Profitability

Financial highlights ended June 30

	2023	2022
	(RMB'000)	(RMB'000)
	(Unaudited)	(Audited)

Revenue	777,925	738,305
Operating profit	60,207	63,331
Net profit	11,478	19,110
Net profit attributable to equity holders of the Company	48,729	44,221
Net profit attributable to equity holders of the Company excluding the effect of equity instruments	43,750	38,788
Profit attributable to equity holders of the Company excluding the effect of equity instruments	4,979	5,433
Net profit attributable to equity holders of the Company excluding the effect of equity instruments	113,591	55,974

	As at June 30, 2023	As at December 31, 2022
	(RMB'000)	(RMB'000)
	(Unaudited)	(Audited)

Operating assets	2,744,233	2,637,787
Operating liabilities	1,361,683	1,311,885
Operating assets less operating liabilities	1,382,550	1,325,903
Equity	1,242,978	1,201,585
Net profit attributable to equity holders of the Company	139,572	124,318

# Management Discussion and Analysis

## Business Review and Outlook

In 2023, Company continued to adhere to the business strategy of "Quality First, Innovation Driven, and Digital Transformation". We have focused on enhancing our core medical services, strengthening our research and development capabilities, and accelerating our digital transformation. Our operating performance has shown steady growth, with revenue increasing by 5.4% compared to the same period last year. We are confident that with our continuous efforts, we will achieve sustainable and high-quality development in the future.

In 2023, the Group's operating performance is summarized as follows: Revenue increased by 5.4% to RMB777.9 million, and net profit increased by 6.7% to RMB728.7 million. The Group's operating performance is mainly driven by the following factors: 1. Stable operation of core medical services. The Group has continued to strengthen its core medical services, including internal medicine, surgery, obstetrics and gynecology, and pediatrics. The quality of medical services has been further improved, and the patient satisfaction rate has increased. 2. Accelerated digital transformation. The Group has actively promoted the application of digital technology in medical services, management, and research, improving operational efficiency and service quality. 3. Strengthened research and development capabilities. The Group has increased investment in research and development, focusing on the development of new drugs, medical devices, and diagnostic equipment, laying a solid foundation for future innovation and development.

Looking forward, the Group will continue to adhere to the business strategy of "Quality First, Innovation Driven, and Digital Transformation". We will focus on the following aspects: 1. Enhance core medical services. Continue to strengthen the construction of core medical services, improve the quality of medical services, and enhance the patient experience. 2. Accelerate digital transformation. Deepen the application of digital technology in various fields, improve operational efficiency and service quality. 3. Strengthen research and development capabilities. Increase investment in research and development, focus on the development of new drugs, medical devices, and diagnostic equipment, laying a solid foundation for future innovation and development.

In 2023, the Group's financial performance is summarized as follows: Revenue increased by 5.4% to RMB777.9 million, and net profit increased by 6.7% to RMB728.7 million. The Group's financial performance is mainly driven by the following factors: 1. Stable operation of core medical services. The Group has continued to strengthen its core medical services, including internal medicine, surgery, obstetrics and gynecology, and pediatrics. The quality of medical services has been further improved, and the patient satisfaction rate has increased. 2. Accelerated digital transformation. The Group has actively promoted the application of digital technology in medical services, management, and research, improving operational efficiency and service quality. 3. Strengthened research and development capabilities. The Group has increased investment in research and development, focusing on the development of new drugs, medical devices, and diagnostic equipment, laying a solid foundation for future innovation and development.

# Management Discussion and Analysis

As of June 30, 2023, the Company's total assets were RMB 1,057.8 million (December 31, 2022: 29), and the total liabilities were RMB 10,578 million (December 31, 2022: 9,688).

In 2023, the Company's management team continued to adhere to the "Diligent and Responsible" management philosophy, and actively implemented the "Management Strategy" (温州医科大学精神医学学院) and the "Management Strategy" (四川省南充精神卫生中心). The Company's management team has been committed to the "Management Strategy" (四川省南充精神卫生中心), and has been committed to the "Management Strategy" (四川省南充精神卫生中心). The Company's management team has been committed to the "Management Strategy" (四川省南充精神卫生中心), and has been committed to the "Management Strategy" (四川省南充精神卫生中心).

Looking forward, in 2023, the Company will continue to adhere to the "Management Strategy" (四川省南充精神卫生中心) and the "Management Strategy" (四川省南充精神卫生中心). The Company will continue to adhere to the "Management Strategy" (四川省南充精神卫生中心) and the "Management Strategy" (四川省南充精神卫生中心). The Company will continue to adhere to the "Management Strategy" (四川省南充精神卫生中心) and the "Management Strategy" (四川省南充精神卫生中心). The Company will continue to adhere to the "Management Strategy" (四川省南充精神卫生中心) and the "Management Strategy" (四川省南充精神卫生中心).

## Management Discussion and Analysis

### Financial Results

Our total revenue for the first half of 2023 was RMB777.9 million, an increase of 5.4% compared to RMB728.7 million for the first half of 2022. As a result of the increase in total revenue, our gross profit for the first half of 2023 was RMB201.5 million, an increase of 1.9% compared to RMB198.6 million for the first half of 2022. Our operating profit for the first half of 2023 was RMB43.8 million, an increase of 12.8% compared to RMB38.8 million for the first half of 2022.

### Reconciliation of Cash and Cash Equivalents

Our cash and cash equivalents at the end of the first half of 2023 were RMB100.5 million, an increase of 10.5% compared to RMB90.8 million at the end of the first half of 2022. The increase in cash and cash equivalents was primarily due to the increase in operating activities.

	First Half ended June 30, 2023 (RMB'000) (Unaudited)	First Half ended June 30, 2022 (RMB'000) (Audited)
Revenue	728,692	683,079
Operating expenses	46,375	51,809
Other income	2,858	3,417
<b>Total</b>	<b>777,925</b>	<b>738,305</b>

## Management Discussion and Analysis

### Revenue and Profit

Revenue is the primary source of income for the Company. Revenue is derived from the sale of medical services, pharmaceuticals, medical devices, and other products. The Company's revenue is primarily derived from the sale of medical services, which is highly dependent on the Company's operating performance. The Company's revenue is primarily derived from the sale of medical services, which is highly dependent on the Company's operating performance.

The Company's revenue is primarily derived from the sale of medical services, which is highly dependent on the Company's operating performance. The Company's revenue is primarily derived from the sale of medical services, which is highly dependent on the Company's operating performance.

	December 31, 2023	December 31, 2022
	(RMB'000)	(RMB'000)
	(Unaudited)	(Audited)

Basic Revenue	744,197	689,629
Other Revenue	5,306	2,440
Revenue from Government Grants (1)	10,199	4,110
<b>Revenue</b>	<b>728,692</b>	<b>683,079</b>

Note:

(1) The Company's revenue from government grants is primarily derived from the sale of medical services, which is highly dependent on the Company's operating performance. The Company's revenue from government grants is primarily derived from the sale of medical services, which is highly dependent on the Company's operating performance.

The Company's revenue from government grants is primarily derived from the sale of medical services, which is highly dependent on the Company's operating performance. The Company's revenue from government grants is primarily derived from the sale of medical services, which is highly dependent on the Company's operating performance. RMB744.2 million, an increase of 7.9% compared to RMB689.6 million in 2022. The Company's revenue from government grants is primarily derived from the sale of medical services, which is highly dependent on the Company's operating performance. RMB10.2 million, an increase of 150.0% compared to RMB6.1 million in 2022.

## Management Discussion and Analysis

Management Discussion and Analysis is a key part of this report, which is intended to provide investors and other interested parties with a better understanding of the Company's business, financial condition, results of operations, and prospects.

Financial data is presented for the periods ended June 30, 2023 and 2022, unless otherwise indicated. All amounts are in RMB'000, unless otherwise indicated. All amounts are in million RMB, unless otherwise indicated.

	2023	2022
	(RMB'000)	(RMB'000)
	(Unaudited)	(Audited)
<b>Tea e a dge e p hea hca e e ce</b>		
R	587,219	542,043
C	400,882	365,916
G	186,337	176,127
<b>Pha ace ca e</b>		
R	156,978	147,586
C	146,610	136,141
G	10,368	11,445
<b>Other h e</b>		
R	744,197	689,629
C	547,492	502,057
G	196,705	187,572

During the reporting period, the Company's total revenue was RMB744.2 million, an increase of 8.0% compared with RMB54.6 million in the same period of 2022. The increase is mainly due to the expansion of the Company's business scale and the improvement of the Company's operating efficiency. The Company's operating profit was RMB196.7 million, an increase of 4.9% compared with RMB187.6 million in the same period of 2022. The increase is mainly due to the expansion of the Company's business scale and the improvement of the Company's operating efficiency.

## Management Discussion and Analysis

The following table shows the Company's financial performance and other key indicators for the periods indicated below, as compared to the corresponding periods in 2022.

	Financial year ended June 30,	
	2023	2022
	(Unaudited)	(Audited)
<b>Income</b>		
Income from operations	10,578	9,558
Extraordinary income	1,914,618	1,729,998
Income tax expense (%)	84.0	87.0
Net income	1,607,422	1,505,499
Net income attributable to the Company's shareholders (RMB'000)	553,572	513,773
Attributable to the Company's shareholders (RMB)	345	341
Profit attributable to the Company's shareholders (RMB'000)	84,197	74,837
Attributable to the Company's shareholders (RMB)	52	50
<b>Total comprehensive income (RMB'000)</b>	<b>637,769</b>	<b>588,610</b>
<b>Total comprehensive income attributable to the Company's shareholders (RMB)</b>		
	397	391
<b>Operating</b>		
Net income	250,648	225,032
Net income attributable to the Company's shareholders (RMB'000)	33,647	28,271
Attributable to the Company's shareholders (RMB)	134	126
Profit attributable to the Company's shareholders (RMB'000)	72,781	72,748
Attributable to the Company's shareholders (RMB)	291	323
<b>Total comprehensive income (RMB'000)</b>	<b>106,428</b>	<b>101,019</b>
<b>Total comprehensive income attributable to the Company's shareholders (RMB)</b>		
	425	449
<b>Total comprehensive income attributable to the Company's shareholders (RMB'000)</b>		
	587,219	542,044
<b>Total comprehensive income attributable to the Company's shareholders (RMB'000)</b>		
	156,978	147,585

## Management Discussion and Analysis

During the Reporting Period, the Company's Business Revenue (including VAT) was RMB637.8 million, an increase of 8.4% compared with the same period in 2022, and the Company's Gross Profit was RMB106.4 million, an increase of 11.4% compared with the same period in 2022. The Company's Operating Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Net Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Earnings Per Share (EPS) was RMB0.15, an increase of 15% compared with the same period in 2022. The Company's Return on Equity (ROE) was 85.7% (compared with 85.4% in the same period in 2022).

During the Reporting Period, the Company's Business Revenue (including VAT) was RMB106.4 million, an increase of 11.4% compared with the same period in 2022. The Company's Gross Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Operating Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Net Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Earnings Per Share (EPS) was RMB0.15, an increase of 15% compared with the same period in 2022. The Company's Return on Equity (ROE) was 85.7% (compared with 85.4% in the same period in 2022).

During the Reporting Period, the Company's Business Revenue (including VAT) was RMB106.4 million, an increase of 11.4% compared with the same period in 2022. The Company's Gross Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Operating Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Net Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Earnings Per Share (EPS) was RMB0.15, an increase of 15% compared with the same period in 2022. The Company's Return on Equity (ROE) was 85.7% (compared with 85.4% in the same period in 2022).

During the Reporting Period, the Company's Business Revenue (including VAT) was RMB106.4 million, an increase of 11.4% compared with the same period in 2022. The Company's Gross Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Operating Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Net Profit was RMB14.3 million, an increase of 14.3% compared with the same period in 2022. The Company's Earnings Per Share (EPS) was RMB0.15, an increase of 15% compared with the same period in 2022. The Company's Return on Equity (ROE) was 85.7% (compared with 85.4% in the same period in 2022).

Financial Statement as of June 30, 2023 (RMB'000) and June 30, 2022 (RMB'000) (Unaudited)

Prepaid expenses	188,867	173,660
Employee benefits payable	208,780	179,347
Other receivables	17,993	19,839
Other payables	49,033	50,657
Contract liabilities	32,373	28,668
Other	10,630	11,798
Other	39,816	38,088
<b>Contract liabilities</b>	<b>547,492</b>	<b>502,057</b>

## Management Discussion and Analysis

During the Reporting Period, the Company's operating income was RMB547.5 million, an increase of 9.0% compared with the same period in 2022. The operating profit was RMB181.2 million, an increase of 16.4% compared with the same period in 2022. The net profit attributable to the Company's shareholders was RMB129.1 million, an increase of 9.3% compared with the same period in 2022.

The Company's operating profit margin was 34.5% (the same period in 2022: 34.6%). The operating profit margin was 38.1% (the same period in 2022: 35.7%). The net profit margin was 23.6% (the same period in 2022: 23.0%).

During the Reporting Period, the Company's operating income was RMB547.5 million, an increase of 9.0% compared with the same period in 2022. The operating profit was RMB181.2 million, an increase of 16.4% compared with the same period in 2022. The net profit attributable to the Company's shareholders was RMB129.1 million, an increase of 9.3% compared with the same period in 2022.

### Goodwill Impairment Test

During the Reporting Period, the Company's goodwill impairment test results are as follows: RMB201.5 million, an increase of 1.8% compared with the same period in 2022. The net profit attributable to the Company's shareholders was RMB181.2 million, an increase of 0.1% compared with the same period in 2022.

Financial highlights as of June 30,  
2023 and 2022  
(Unaudited) (in million)

Operating income	29.9%	31.7%
Operating profit	6.6%	7.8%
Operating profit margin	24.9%	26.5%
Operating profit margin	41.3%	30.3%
Cost of sales	25.9%	26.8%

## Management Discussion and Analysis

During the Reporting Period, the Company's operating profit margin was 25.9% (compared with 26.8% in the same period of 2022), mainly due to the increase in the proportion of operating profit in total profit. The operating profit margin was 1.8 percentage points higher than that of 2022. The net profit margin was 1.2 percentage points higher than that of 2022.

### Tax and Social Charge

During the Reporting Period, the Company's tax and social charges were RMB2.8 million (compared with RMB2.0 million in the same period of 2022).

### Segment Earnings

During the Reporting Period, the Company's operating profit was RMB7.8 million (compared with RMB6.1 million in the same period of 2022). The operating profit margin was 1.1% higher than that of 2022 (compared with 0.9% in the same period of 2022).

### Administrative Expenses

During the Reporting Period, the Company's administrative expenses were RMB101.9 million (compared with RMB94.9 million in the same period of 2022). The administrative expenses were 7.4% higher than that of 2022. The administrative expenses were 14.0% higher than that of 2022 (compared with 13.9% in the same period of 2022).

Financial Statement as of June 30,  
2023  
(RMB'000)  
(Unaudited)

	2023	2022
Operating Profit	55,922	52,917
Operating Expenses	13,474	11,246
Operating Income	14,377	12,309
Operating Expenses	2,071	1,724
Operating Profit	16,080	16,698

Total Administrative Expenses 101,924 94,894

During the Reporting Period, the Company's administrative expenses were RMB101.9 million (compared with RMB94.9 million in the same period of 2022), mainly due to the increase in the proportion of administrative expenses in total operating expenses. The administrative expenses were 7.4% higher than that of 2022. The administrative expenses were 14.0% higher than that of 2022 (compared with 13.9% in the same period of 2022).

## Management Discussion and Analysis

### Reconciliation of Depreciation Expense

The following table reconciles the depreciation expense recorded in the consolidated statement of profit or loss with the depreciation expense recorded in the consolidated statement of cash flows. The depreciation expense recorded in the consolidated statement of cash flows is calculated as follows:

	For the period ended June 30,	
	2023	2022
	(RMB'000)	(RMB'000)
	(Unaudited)	(Audited)
Cost of fixed assets	9,691	9,646
Less: accumulated depreciation	3,259	3,535
Cost of intangible assets	1,982	1,868
Other	26	13
<b>Total</b>	<b>14,958</b>	<b>15,062</b>

The depreciation expense recorded in the consolidated statement of profit or loss for the period ended June 30, 2023 was RMB15.0 million (June 30, 2022: RMB15.1 million), which is 2.1% (June 30, 2022: 2.2%) of the total operating expenses recorded in the consolidated statement of profit or loss for the period ended June 30, 2023.

## Management Discussion and Analysis

### Finance Expense

Our financial expense is primarily related to the interest expense on bank loans. The interest expense for the first half of 2023 was RMB2.2 million, an increase of 9.2% compared to RMB2.0 million in the first half of 2022. The increase is mainly due to the increase in the average balance of bank loans during the period.

Financial expense deduced June 30,  
 2023 2022  
 (RMB'000) (RMB'000)  
 (Unaudited) (Audited)

Interest expense	-2,705	-1,699
Financial expense / interest	-13	-44
Bank interest expense	14,124	15,561
Interest expense on bank loans	5,058	7,239
Other	3,696	591
<b>Finance expense</b>	<b>20,160</b>	<b>21,648</b>

During the first half of 2023, the average balance of bank loans was RMB20.2 million, an increase of 9.2% compared to RMB18.5 million in the first half of 2022. The increase is mainly due to the increase in the average balance of bank loans during the period. The average interest rate of bank loans was 9.2% in the first half of 2023, an increase of 0.2 percentage points compared to 9.0% in the first half of 2022. The increase is mainly due to the increase in the average balance of bank loans during the period.



## Management Discussion and Analysis

### Non-Operating Income and Non-Operating Expense

Other income mainly includes government subsidies, interest income, and income from the disposal of non-current assets. Other expenses mainly include asset impairment losses, asset disposal losses, and other expenses.

Financial statements ended June 30,  
2023 2022  
(RMB'000) (RMB'000)  
(Unaudited) (Audited)

Government subsidies	232	1,167
Interest income	5,574	4,018
Income from disposal of non-current assets	119	167
<b>Non-operating income</b>	<b>5,925</b>	<b>5,352</b>
Losses from disposal of non-current assets	92	239
Disposal losses	1,235	1,419
Other expenses	370	1,237
Other non-current asset impairment losses	518	478
<b>Non-operating expense</b>	<b>2,215</b>	<b>3,373</b>

Disposal of RMB 5.9 million of non-current assets, mainly including disposal of RMB 0.6 million of land use rights, RMB 1.6 million of buildings, RMB 2.2 million of equipment, and RMB 0.9 million of other non-current assets in 2022.

### Income Tax Expense

Disposal of RMB 11.5 million of non-current assets, mainly including disposal of RMB 11.5 million of land use rights, RMB 19.1 million of buildings, and RMB 39.9 million of equipment in 2022. Disposal of RMB 11.5 million of non-current assets, mainly including disposal of RMB 11.5 million of land use rights, RMB 19.1 million of buildings, and RMB 30.2 million of equipment in 2022.

## Management Discussion and Analysis

### Financial Position

#### Assets

As of June 30, 2023, the total assets of the Company were RMB54.8 million (December 31, 2022: RMB58.3 million), an increase of 5.9% over the same period last year.

#### Accounts Receivable

As of June 30, 2023, the total accounts receivable of the Company were RMB400.8 million (December 31, 2022: RMB382.8 million), an increase of 4.7% over the same period last year. The increase was mainly due to the increase in the number of patients and the corresponding increase in the amount of medical services provided.

Days of Receivable Period, the average number of days for the Company to collect receivables, was 91 days (December 31, 2022: 90 days).

#### Other Receivable and Prepayments

As of June 30, 2023, the total other receivable and prepayments of the Company were RMB97.4 million (December 31, 2022: RMB69.4 million).

#### Other Non-current Financial Assets

As of June 30, 2023, the total other non-current financial assets of the Company were RMB63.1 million (December 31, 2022: RMB63.1 million).

#### Contract Assets

As of June 30, 2023, the total contract assets of the Company were RMB221.9 million (December 31, 2022: RMB152.5 million). Days of Receivable Period, the average number of days for the Company to collect receivables, was 91 days (December 31, 2022: 90 days). The increase was mainly due to the increase in the number of patients and the corresponding increase in the amount of medical services provided.

#### Right-of-use Assets

As of June 30, 2023, the total right-of-use assets of the Company were RMB169.0 million (December 31, 2022: RMB190.4 million), a decrease of 11.3% over the same period last year.

#### Accounts Payable

As of June 30, 2023, the total accounts payable of the Company were RMB88.1 million (December 31, 2022: RMB85.8 million).

## Management Discussion and Analysis

### Revenue from Diagnostic Laboratory

As of June 30, 2023, the revenue from diagnostic laboratory services was RMB37.9 million (December 31, 2022: RMB29.9 million).

### Other Payments

As of June 30, 2023, the revenue from other payments was RMB87.3 million (December 31, 2022: RMB72.2 million), including CO ID-19 RMB23.3 million.

### Liabilities

The company's liabilities are primarily related to the company's operations and are classified into current liabilities and non-current liabilities.

Financial data as of June 30, 2023 and December 31, 2022 (RMB'000)

	2023	2022
	(RMB'000)	(RMB'000)
	(Unaudited)	(Audited)

Net assets	113,591	55,974
Net liabilities	-119,122	-164,454
Net equity	9,790	194,881
Net assets	4,273	86,446

### Net Cash Generated from Operating Activities

During the reporting period, the company generated net cash from operating activities of RMB113.6 million, which was primarily due to the increase in operating income of RMB48.7 million, the decrease in operating expenses of RMB3.0 million, and the increase in operating income of RMB81.2 million. The company also received RMB33.5 million from the disposal of non-current assets.

### Net Cash Used in Investing Activities

During the reporting period, the company used net cash for investing activities of RMB119.1 million, which was primarily due to the purchase of property, plant and equipment of RMB107.8 million. The company also received RMB11.3 million from the disposal of non-current assets. The company also received RMB11.3 million from the disposal of non-current assets.

# Management Discussion and Analysis

## Net Cash Generated from Operating Activities

During the reporting period, the Company generated net cash from operating activities of RMB9.8 million.

## Significant Items, Accounting and Disclosure

The Company's significant items, accounting and disclosure are as follows: as of December 31, 2023.

As of December 31, 2023, the Company's significant items, accounting and disclosure are as follows: as of December 31, 2023.

## Intangible Assets

### Brand

As of December 31, 2023, the Company's brand intangible assets are as follows: RMB757.9 million (December 31, 2022: RMB616.5 million), and the Company's other intangible assets are as follows: RMB109.6 million (December 31, 2022: RMB251.0 million).

## Change Lab

As of December 31, 2023, the Company's change lab is as follows: RMB... million.

## Asset Pledge

During the reporting period, the Company's asset pledge is as follows: RMB261.0 million. The Company's asset pledge is as follows: RMB261.0 million. The Company's asset pledge is as follows: RMB261.0 million.

## Lease Liability

The Company's lease liability is as follows: RMB150.2 million. As of December 31, 2023, the Company's lease liability is as follows: RMB150.2 million.

## Management Discussion and Analysis

### Executive Summary

From January to June 2023, the Company's operating performance is as follows: Revenue increased by 10.2% compared to the same period last year, and the net profit margin was 15.8%.

### Exchange Rate

The Company's financial statements are presented in RMB. The exchange rate of HKD to RMB is 1:0.85.

During the period from January 30, 2023, the Company's operating performance is as follows: Revenue increased by 10.2% compared to the same period last year, and the net profit margin was 15.8%.

### Geographic Revenue

As of June 30, 2023, the Company's revenue is primarily derived from the mainland (49.6% (December 31, 2022: 49.7%)), with the following breakdown:

### Employee and Related Party

As of June 30, 2023, the Company has 4,652 employees (December 31, 2022: 4,381 employees). During the period from January to June 2023, the Company's total compensation for employees is RMB291.5 million (January to June 30, 2022: RMB245.3 million). The Company's total compensation for related parties is RMB125.3 million (January to June 30, 2022: RMB125.3 million).



# Management Discussion and Analysis

(2) *P* ...

( ) *P* ...

*A P* ... *G* ... *E* ...

*P* ... *D* ... *G* ( ... ) ...

*B* ... *B* ... *P* ... *E* ...

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( ) ... *E* ... *D* ... *C* ...

( ) *A* ... *E* ... *C* ...

*P* ... 2,460,000 ... *E* ...

... 3.30% ... *C* ...

... 4.45% ... *D* ...



# Management Discussion and Analysis

(6) **Employee Share Incentive Plan**

(i) **Employee Share Incentive Plan**

The Company has implemented an Employee Share Incentive Plan (ESIP) to attract and retain key management personnel and employees, and to align their interests with the long-term interests of the Company. The ESIP was approved by the Board of Directors and the Shareholders in 2018. The ESIP is subject to the provisions of the Company's Articles of Association and the relevant laws and regulations in China.

The ESIP is a restricted share plan. The Company has granted restricted shares to eligible participants. The restricted shares are subject to a lock-up period of 12 months from the date of grant. After the lock-up period, the restricted shares will be subject to a performance-based vesting schedule. The maximum number of restricted shares that can be granted under the ESIP is 32.22 million shares, or 3.22% of the total number of shares outstanding as of December 31, 2023.

The ESIP is subject to the provisions of the Company's Articles of Association and the relevant laws and regulations in China. The ESIP is also subject to the approval of the State Securities Administration Commission (SSA) and the Shanghai Stock Exchange (SSE).

(ii) **Employee Share Incentive Plan**

The Company has implemented an Employee Share Incentive Plan (ESIP) to attract and retain key management personnel and employees, and to align their interests with the long-term interests of the Company. The ESIP was approved by the Board of Directors and the Shareholders in 2018. The ESIP is subject to the provisions of the Company's Articles of Association and the relevant laws and regulations in China.

The ESIP is a restricted share plan. The Company has granted restricted shares to eligible participants. The restricted shares are subject to a lock-up period of 12 months from the date of grant. After the lock-up period, the restricted shares will be subject to a performance-based vesting schedule. The maximum number of restricted shares that can be granted under the ESIP is 32.22 million shares, or 3.22% of the total number of shares outstanding as of December 31, 2023.

The ESIP is subject to the provisions of the Company's Articles of Association and the relevant laws and regulations in China. The ESIP is also subject to the approval of the State Securities Administration Commission (SSA) and the Shanghai Stock Exchange (SSE).

For the period from January 1, 2023 to June 30, 2023, the Company has granted restricted shares to eligible participants. The restricted shares are subject to a lock-up period of 12 months from the date of grant. After the lock-up period, the restricted shares will be subject to a performance-based vesting schedule. The maximum number of restricted shares that can be granted under the ESIP is 32.22 million shares, or 3.22% of the total number of shares outstanding as of December 31, 2023.

Name of Shareholder	Date of Grant	Number of Restricted Shares (HKD)	Purchase Price (RMB)	Balance of Restricted Shares		Vested (Unvested)	Carried Forward	Balance of Restricted Shares
				As of January 1, 2023	As of January 1, 2023			
Mr. ANGL	Jan 18, 2021	35.95	10.47					248,328
Mr. E	Jan 18, 2021	35.95	10.47					4,776

Details of the ESIP:

Name of Shareholder	Date of Grant	Number of Restricted Shares (HKD)	Purchase Price (RMB)	Balance of Restricted Shares (Jan 1, 2023)	Balance of Restricted Shares (Jan 1, 2023)	Vested (Unvested)	Carried Forward	Balance of Restricted Shares (June 30, 2023)
Mr. ANGL	Jan 18, 2021	35.95	10.47					248,328
Mr. E	Jan 18, 2021	35.95	10.47					4,776

# Management Discussion and Analysis

Name of Shareholder	Date of Acquisition (HKD)	Purchase Price (HKD)	Purchase Price (RMB)	Basic Shareholding		Voting Rights	Type of Shareholding
				As of Dec 31, 2022	As of Dec 31, 2023		
M. ANG H ( )	Jan 18, 2021	35.95	Jan 28, 2022	10.47	28,653		Preferred
M. ANG H ( )	Jan 18, 2021	35.95	Jan 28, 2022	10.47	95,511		Preferred
M. ANG B ( )	Jan 18, 2021	35.95	Jan 28, 2022	10.47	4,776		Preferred
M. ANG L ( )	Jan 18, 2021	35.95	Jan 28, 2022	10.47	4,776		Preferred
M. G AN ( )	Jan 18, 2021	35.95	Jan 28, 2022	10.47	19,102		Preferred
M. NF ( )	Jan 18, 2021	35.95	Jan 28, 2022	10.47	14,327		Preferred
M. NH ( )	Jan 18, 2021	35.95	Jan 28, 2022	10.47	30,563		Preferred
M. HANG L ( )	Jan 18, 2021	35.95	Jan 28, 2022	10.47	4,776		Preferred
( )	Aug 20, 2018	38.80	Jan 28, 2022	10.47	133,715		Preferred
( )	Aug 20, 2018	38.80	Jan 28, 2022	10.47	1,684,814		Preferred
( )	Aug 26, 2019	36.00	Jan 28, 2022	10.47	142,311		Preferred
( )	Aug 26, 2019	36.00	Jan 28, 2022	10.47	38,204		Preferred
						2,454,632	

## Expected Tagging

Director, Mr. [Name], is expected to be tagged as a director of the Company in 2022.

# Corporate Governance

## CORPORATE GOVERNANCE

The Company has established a sound corporate governance system, including the Company Law, Articles of Association, and various internal control systems, to ensure the Company's operations are conducted in a fair, transparent, and efficient manner.

On March 10, 2023, Mr. HAO (M. Zha) was appointed as the Chairman of the Board of Directors. Mr. HAO has extensive experience in corporate management and has been instrumental in leading the Company's strategic development. The Board of Directors also includes other experienced professionals, ensuring a diverse and effective leadership team. The Company's Board of Directors is responsible for overseeing the Company's operations and making key decisions on behalf of the shareholders. The Company's management team, including the President and other senior executives, is committed to implementing the Board's strategies and ensuring the Company's long-term success.

## COMPLIANCE WITH THE MODEL CODE

The Company has fully complied with the Model Code for Directors' Securities Transactions. All transactions involving the Company's securities have been conducted in accordance with the Model Code, ensuring transparency and integrity in the Company's financial reporting and operations.

The Company has also fully complied with the Model Code for Directors' Securities Transactions. All transactions involving the Company's securities have been conducted in accordance with the Model Code, ensuring transparency and integrity in the Company's financial reporting and operations.

## ACCOUNTING STANDARD

The Company's financial statements are prepared in accordance with the Accounting Standards for Enterprises in China, as issued by the Ministry of Finance. The Company's financial reporting is transparent and accurate, providing a clear picture of the Company's financial performance and position.

# CONTENTS

## ACCOUNTING POLICIES

The Company has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the Ministry of Finance) on February 15, 2006.

The Company has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the Ministry of Finance) on February 15, 2006, and the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the Ministry of Finance) on February 15, 2006, and the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the Ministry of Finance) on February 15, 2006.

The Company has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the Ministry of Finance) on February 15, 2006, and the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the Ministry of Finance) on February 15, 2006, and the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the Ministry of Finance) on February 15, 2006.

## ADVICE OF THE AUDITORS ON THE INTERIM REPORT AND THE INTERIM RESULTS

The Company has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the Ministry of Finance) on February 15, 2006, and the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the Ministry of Finance) on February 15, 2006, and the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the Ministry of Finance) on February 15, 2006.

## INTERIM DIVIDEND

The Board of Directors of the Company has proposed a cash dividend of RMB74,600,300 (RMB74,600,300) for the period from January 1, 2023, to December 31, 2023, based on the total number of shares outstanding as of December 31, 2023, which is 100,000,000 shares. The dividend is payable to the shareholders of record as of the dividend payment date.

# C a e G e a c e a d O h e J f a

... P ... D ... N ... 30, 2023. ... H ... P ... D ...

... E ... L ... P ... R ... C ... (中華人民共和國企業所得稅法) ... 1, 2008, ... C ... 10% ... H ... A ... H ... HK ... CC ... N ... L ... H ... C ... D ...

I ... H ... H ... K ... M ... PRC ... 10% ... C ... H ... 10% ... PRC ... C ... 10% ... H ... C ... H ... K ... L ... C ... H ... 10% ... 20% ... PRC ... C ... H ... 20% ... PRC ... C ... 20%.

# Change in Management

## PROCHA E, SALE OR REDEMP ION OF LI ED EC RI IE

On March 10, 2023, the Board of Directors of the Company held a meeting and decided to sell the Company's shares to the public.

## CHANGE IN DIREC OR , PER I OR AND SENIOR MANAGEMEN

On March 10, 2023, the Board of Directors of the Company held a meeting and decided to appoint Mr. HAO as the Chairman of the Board of Directors.

At the meeting held on March 9, 2023, Mr. GAN, Mr. ANG, Mr. LI, Mr. B, Mr. M, Mr. ANG, Mr. J, Mr. D, Mr. B, Mr. QIN, Mr. H, Mr. M, Mr. LI, Mr. C, Mr. HONG, Mr. JIN, Mr. L, Mr. M, Mr. CHAN, Mr. K, Mr. H were appointed as the members of the Board of Directors.

On March 9, 2023, the Board of Directors of the Company held a meeting and decided to appoint Mr. LI as the Chairman of the Board of Directors.

# Change in Directors, Supervisors and Chief Executive Officers

## CHANGE IN DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICERS BIOGRAPHICAL DATA

The following table lists the names, positions, terms of office, and biographical data of the directors, supervisors, and chief executive officers of the Company as of June 30, 2023. The Company's registered office is located at Room 13.51B, Henghai Road, Kangning Hospital, Wenzhou, Zhejiang Province, China.

Name	Position	Term of Office	Biographical Data
ANG L	Director	2023	Male, born in 1963, Chinese national, Bachelor's degree, currently residing in Wenzhou, Zhejiang Province.
ANG J	Director	2023	Male, born in 1963, Chinese national, Bachelor's degree, currently residing in Wenzhou, Zhejiang Province.
B	Supervisor	2023	Female, born in 1963, Chinese national, Bachelor's degree, currently residing in Wenzhou, Zhejiang Province.
L	Supervisor	2023	Female, born in 1963, Chinese national, Bachelor's degree, currently residing in Wenzhou, Zhejiang Province.
JIN H	Chief Executive Officer	2023	Male, born in 1963, Chinese national, Bachelor's degree, currently residing in Wenzhou, Zhejiang Province.

The following table lists the names, positions, terms of office, and biographical data of the directors, supervisors, and chief executive officers of the Company as of June 30, 2023. The Company's registered office is located at Room 13.51B, Henghai Road, Kangning Hospital, Wenzhou, Zhejiang Province, China.



### C a e G e a c e a d O h e J f a

As of June 30, 2023, the Company's subsidiaries include Beijing Kangning Hospital Co., Ltd. (Beijing Kangning Hospital Co., Ltd.) and Beijing Kangning Hospital Co., Ltd. (Beijing Kangning Hospital Co., Ltd.). The Company also holds shares in Beijing Kangning Hospital Co., Ltd. (Beijing Kangning Hospital Co., Ltd.) and Beijing Kangning Hospital Co., Ltd. (Beijing Kangning Hospital Co., Ltd.).

### J e e f S b a a S h a e h e

As of June 30, 2023, the Company's subsidiaries include Beijing Kangning Hospital Co., Ltd. (Beijing Kangning Hospital Co., Ltd.) and Beijing Kangning Hospital Co., Ltd. (Beijing Kangning Hospital Co., Ltd.). The Company also holds shares in Beijing Kangning Hospital Co., Ltd. (Beijing Kangning Hospital Co., Ltd.) and Beijing Kangning Hospital Co., Ltd. (Beijing Kangning Hospital Co., Ltd.).

Name	Category of Share	Name of Shareholder	Number of Shares	Shareholding Percentage (%)	Percentage of Total Shares (%)
Guangdong Kangning Hospital Co., Ltd. (Central Enterprise Rural Industry Investment Fund Co., Ltd.)	Direct	Beijing Kangning Hospital Co., Ltd.	7,466,666(L)	13.51%	10.00%
Shanghai Kangning Hospital Co., Ltd. (Shanghai Kangning Hospital Co., Ltd.)	Direct	Beijing Kangning Hospital Co., Ltd.	4,540,000(L)	8.22%	6.09%
FAN	Direct	Beijing Kangning Hospital Co., Ltd.	4,540,000(L)	8.22%	6.09%
NJ	Direct	Beijing Kangning Hospital Co., Ltd.	4,540,000(L)	8.22%	6.09%

## Corporate Governance and Other Information

Name	Category of Share	Name of Shareholder	Number of Shares	Shareholding Percentage (%)	Shareholding Percentage (%)	Shareholding Percentage (%)
上海金浦健康股权投资管理有限公司 <sup>(2)</sup>	Direct	上海金浦健康股权投资管理有限公司	4,540,000(L)	8.22%	6.09%	
温州金寧股权投资合伙企业(有限合伙) <sup>(2)</sup>	Direct	温州金寧股权投资合伙企业(有限合伙)	4,540,000(L)	8.22%	6.09%	
<sup>(6)</sup>	Direct		5,785,350(L)	10.47%	7.76%	
上海禮英投資合夥企業(有限合夥) <sup>(3)</sup>	Direct	上海禮英投資合夥企業(有限合夥)	4,519,003(L)	8.18%	6.06%	
上海樂進投資合夥企業(有限合夥) <sup>(3)</sup>	Direct	上海樂進投資合夥企業(有限合夥)	4,519,003(L)	8.18%	6.06%	
LIN L (林利軍)	Direct	林利軍	6,506,309(L)	11.77%	8.72%	
上海正心谷投資管理有限公司(上海金浦健康股权投资管理有限公司) <sup>(4)</sup>	Direct	上海正心谷投資管理有限公司(上海金浦健康股权投资管理有限公司)	6,506,309(L)	11.77%	8.72%	
萬得信息技術股份有限公司	Direct	萬得信息技術股份有限公司	3,333,000(L)	6.03%	4.47%	
上海荷花緣企業管理中心(有限合夥)	Direct	上海荷花緣企業管理中心(有限合夥)	3,333,000(L)	6.03%	4.47%	
萬得影響力股權投資(嘉興)合夥企業(有限合夥)	Direct	萬得影響力股權投資(嘉興)合夥企業(有限合夥)	3,333,000(L)	6.03%	4.47%	
青島金石灑納投資有限公司 <sup>(5)</sup>	Direct	青島金石灑納投資有限公司	2,780,000(L)	5.03%	3.73%	
金石投資有限公司 <sup>(5)</sup>	Direct	金石投資有限公司	2,780,000(L)	5.03%	3.73%	
O. M., A., LLC	Holder		1,454,000(L)	7.52%	1.95%	

Case Governance and Other Information

Name	Category of Share	Name of Shareholder	Number of Shares	Shareholding Percentage (%)	Shareholding Percentage (%)
O.M., C. LLC	H	Wenzhou Kangning Hospital Co., Ltd.	2,150,900(L)	11.12%	2.88%
O.M., P. M. F. L.	H	B.	1,279,900(L)	6.62%	1.72%
O.M., P. II, L.P.	H	B.	1,052,000(L)	5.44%	1.41%
B.G. AG	H	Wenzhou Kangning Hospital Co., Ltd.	1,029,400(L)	5.32%	1.38%
OH (鄒海麗)	H	B.	1,680,000(L)	8.69%	2.25%
ANGH ( ) <sup>(6)</sup>	D	B.	3,984,350(L)	10.46%	7.76%
		Wenzhou Kangning Hospital Co., Ltd.	1,801,000(L)		
	H	B.	309,000(L)	1.60%	0.41%

Note:

(L): Limited

- (1) 55,260,000 D (19,340,300 H (74,600,300 )) C J 30, 2023.
- (2) FAN 50% J E M G (L P ) (上海金浙企業管理中心(有限合夥)) J E M G (L P ) (上海金浙企業管理中心(有限合夥)) J E M G (L P ) (溫州金寧股權投資合夥企業(有限合夥)). NJ 33.94% J E M G (L P ) (溫州金寧股權投資合夥企業(有限合夥)). J E M G C., L. (上海金浦健服股權投資管理有限公司) J E M G (L P ). P FO, FAN J E M G (L P ) (上海金浙企業管理中心(有限合夥)), NJ J E M G C., L. (上海金浦健服股權投資管理有限公司) D J E M G (L P ) (溫州金寧股權投資合夥企業(有限合夥)) C .
- (3) L.P. (上海樂進投資合夥企業(有限合夥)) 99.99% L.P. (上海檀英投資合夥企業(有限合夥)). P FO, L.P. (上海樂進投資合夥企業(有限合夥)) D L.P. (上海檀英投資合夥企業(有限合夥)) C .

# C a e G e a c e a d O h e J f a

- (4) L M M C., L. (上海正心谷投資管理有限公司) ( M M C., L. (上海盛歌投資管理有限公司)) Q M M P (L.P.) (上海乾剛投資管理合夥企業(有限合夥)) P FO, L M M C., L. (上海檀英投資合夥企業(有限合夥)) D Q M M P (L.P.) (上海乾剛投資管理合夥企業(有限合夥)) (1,987,356 D C ) L.P. (上海檀英投資合夥企業(有限合夥)) C .
- (5) Q J H M C., L. (青島金石灑汭投資有限公司) J M C., L. (金石投資有限公司). J M C., L. (金石投資有限公司) D Q J H M C., L. (青島金石灑汭投資有限公司) C P FO.
- (6) M ANG H M N K M L.P. M E K M M P (L.P.) 50.62% 37.10%, P FO, M ANG H M D C M M ANG H M D M ANG H P FO.

J 30, 2023, D ( D , C ) C D 2 3 P FO, C 336 FO.

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4, 2023

# Condensed Balance Sheet

30 June, 2023

(All amounts in RMB unless otherwise specified)

ASSETS	Net	June 30, 2023	December 31, 2022
<b>Current assets:</b>			
Cash and cash equivalents	( )	274,955,934.62	271,094,962.97
Accounts receivable			
Prepaid expenses			
Financial assets	( )	10,641,026.00	10,641,026.00
Derivatives			
Net assets		1,189,300.00	
Accounts payable	( )	400,828,302.04	382,836,690.89
Contract liabilities			
Advances from customers	( )	20,409,523.35	32,201,223.97
Prepaid income tax			
Receivables from related parties			
Prepaid expenses			
Other receivables	( )	76,961,684.60	37,195,219.68
Financial assets			
Intangible assets	( )	54,773,611.48	58,331,397.37
Goodwill			
Accounts receivable			
Contract assets			
Other receivables	( )	924,988.30	752,324.77
<b>Total current assets</b>		<b>840,684,370.39</b>	<b>793,052,845.65</b>

# Condensed Balance Sheet

30 June, 2023

(All amounts in RMB unless otherwise specified)

ASSETS	Net	June 30, 2023	December 31, 2022
<b>Non-current assets:</b>			
Long-term equity investments			
Debt investments			
Other non-current assets			
Long-term receivables	( )	14,000,000.00	14,000,000.00
Long-term prepayments	( )	145,369,242.92	143,546,246.10
Intangible assets			
Other non-current assets	( )	63,116,852.05	63,116,852.05
Long-term prepayments			
Financial assets	( )	682,239,468.30	695,020,440.79
Contract assets	( )	221,901,010.33	152,497,399.68
Property, plant and equipment			
Other non-current assets			
Receivables	( )	169,025,623.30	190,403,751.58
Intangible assets	( )	292,999,339.13	254,684,348.50
Debt investments			
Goodwill	( )	108,087,642.50	107,655,738.49
Long-term prepayments	( )	173,956,778.60	189,586,338.87
Debt investments	( )	29,996,702.31	20,682,398.07
Other non-current assets	( )	2,855,658.36	13,541,047.21
<b>Total non-current assets</b>		<b>1,903,548,317.80</b>	<b>1,844,734,561.34</b>
<b>Total assets</b>		<b>2,744,232,688.19</b>	<b>2,637,787,406.99</b>

Prepared by: [Signature]      Reviewed by: [Signature]      Approved by: [Signature]

Prepared by:  
GUAN We

Reviewed by:  
JIN H

Approved by:  
WANG M h

## Condensed Balance Sheet

30 June, 2023

(All amounts in RMB unless otherwise specified)

LIABILITIES AND SHAREHOLDERS' EQUITY	Number	June 30, 2023	December 31, 2022
<b>Current liabilities:</b>			
Accounts payable	( )	271,000,000.00	203,000,000.00
Prepaid expenses			
Payables to related parties			
Financial liabilities	( )	13,922,929.38	13,922,929.38
Deferred income			
Non-current liabilities	( )	174,060.00	997,944.00
Accounts receivable	( )	88,071,694.20	85,773,061.53
Receivables from related parties	( )	37,899,303.21	29,894,836.50
Contract liabilities			
Financial liabilities			
Receivables from related parties			
Financial liabilities			
Financial liabilities			
Equity	( )	62,308,900.01	70,558,349.71
Reserves	( )	28,695,580.66	33,507,164.16
Other	( )	87,317,078.53	72,193,729.87
Financial liabilities			
Receivables from related parties			
Liabilities			
Contract liabilities	( )	188,642,499.08	147,598,324.39
Other			
<b>Total current liabilities</b>		<b>778,032,045.07</b>	<b>657,446,339.54</b>
<b>Non-current liabilities:</b>			
Prepaid expenses			
Liabilities	( )	352,830,000.00	391,010,000.00
Bank			
Accounts receivable			
Prepaid expenses			
Equity	( )	150,199,671.94	171,437,740.27
Liabilities	( )	30,766,052.11	42,404,938.54
Liabilities			
Prepaid expenses			
Bank	( )	8,885,995.00	9,037,891.00
Bank	( )	40,969,216.50	40,547,878.81
Other			
<b>Total non-current liabilities</b>		<b>583,650,935.55</b>	<b>654,438,448.62</b>

## Continued Balance Sheet

30 June, 2023

(Amount in RMB)

LIABILITIES AND SHAREHOLDERS' EQUITY	Number	June 30, 2023	December 31, 2022
Total assets		1,361,682,980.62	1,311,884,788.16
Shareholders' equity:			
Preferred shares	( )	74,600,300.00	74,600,300.00
Capital	( )	852,721,307.37	855,078,533.30
Other equity	( )	38,399,577.13	38,399,577.13
Reserves	( )	277,256,591.89	233,506,534.43
Total shareholders' equity		1,242,977,776.39	1,201,584,944.86
Non-current liabilities		139,571,931.18	124,317,673.97
Total liabilities		1,382,549,707.57	1,325,902,618.83
Total assets and liabilities		2,744,232,688.19	2,637,787,406.99

Continued Balance Sheet

Prepared by:  
GUAN Weiqiang

Prepared by:  
JIN Hui

Prepared by:  
WANG Miao

# Balance Sheet

June 30, 2023

(All amounts in RMB unless otherwise specified)

ASSETS	Unit	June 30, 2023	December 31, 2022
<b>Current Assets:</b>			
Cash and cash equivalents		136,197,518.02	90,387,144.89
Financial assets at fair value through profit or loss			
Derivatives			
Notes receivable			
Accounts receivable	( )	40,879,280.87	48,279,992.16
Prepaid expenses			
Other receivables		3,655,766.84	4,108,064.74
Inventory	( )	527,620,871.01	600,014,558.58
Other current assets		12,961,317.07	10,260,922.80
Current assets			
Accounts payable			
Contract liabilities			
Other current liabilities			105,000.00
<b>Total Current Assets</b>		<b>721,314,753.81</b>	<b>753,155,683.17</b>

# Balance Sheet

June 30, 2023

(All amounts in RMB unless otherwise specified)

ASSETS	Number	June 30, 2023	December 31, 2022
<b>Non-current assets:</b>			
Long-term receivables			
Other non-current receivables			
Long-term equity investments	( )	762,632,193.31	741,962,585.53
Long-term debt investments		63,116,852.05	63,116,852.05
Other non-current assets			
Intangible assets			
Fixed assets		294,537,762.14	300,390,487.39
Current assets		311,600.00	311,600.00
Prepaid expenses			
Other current assets			
Receivables			
Long-term receivables		24,397,569.85	24,714,804.16
Debt receivables			
Other receivables			
Inventory			
Long-term equity investments		18,556,785.81	20,737,641.51
Debt receivables		17,215,815.65	15,529,248.15
Other current assets		510,550.00	7,506,300.00
<b>Total non-current assets</b>		<b>1,181,279,128.81</b>	<b>1,174,269,518.79</b>
<b>Total assets</b>		<b>1,902,593,882.62</b>	<b>1,927,425,201.96</b>

All amounts in RMB unless otherwise specified.

 Prepared by:  
 GUAN Weiqiang

 Prepared by:  
 JIN Hong

 Prepared by:  
 WANG Miao

# Balance Sheet

June 30, 2023

(All amounts in RMB)

LIABILITIES AND SHAREHOLDERS' EQUITY	Number	June 30, 2023	December 31, 2022
<b>Current liabilities:</b>			
Accounts payable		261,000,000.00	195,000,000.00
Financial liabilities			
Borrowings			
Notes payable			
Accounts payable		19,325,049.18	20,689,401.73
Accounts receivable		7,759,573.57	3,299,924.90
Contract liabilities			
Employee compensation		15,599,461.56	18,740,841.95
Income tax payable		506,033.59	597,972.12
Other		12,734,845.88	49,473,505.95
Liabilities			
Contract liabilities		130,587,500.00	91,487,500.00
Other			
<b>Total current liabilities</b>		<b>447,512,463.78</b>	<b>379,289,146.65</b>
<b>Non-current liabilities:</b>			
Long-term debt		207,550,000.00	284,750,000.00
Borrowings			
Long-term debt			
Long-term debt: Principal			
Long-term debt: Interest			
Employee compensation			
Long-term debt		18,896,791.29	25,922,687.47
Long-term debt			
Prepaid			
Deferred income		8,885,995.00	9,037,891.00
Deferred income		2,291,279.89	2,291,279.89
Other			
<b>Total non-current liabilities</b>		<b>207,550,000.00</b>	<b>284,750,000.00</b>
<b>Total liabilities</b>		<b>655,062,463.78</b>	<b>664,039,146.65</b>
<b>Shareholders' equity:</b>			
Capital		237,624,066.18	322,001,858.36
Paid-up capital		237,624,066.18	322,001,858.36
Reserves			
Surplus			
Other			
<b>Total shareholders' equity</b>		<b>237,624,066.18</b>	<b>322,001,858.36</b>
<b>Total</b>		<b>892,686,529.96</b>	<b>986,040,005.01</b>

# Balance Sheet

June 30, 2023

(Amount in RMB)

LIABILITIES AND SHAREHOLDERS' EQUITY	Number	June 30, 2023	December 31, 2022
Shareholders' equity:			
Capital		74,600,300.00	74,600,300.00
Other equity:			
Reserves:			
Surplus Reserves		871,230,628.64	871,230,628.64
Other Reserves			
Total Reserves		38,399,577.13	38,399,577.13
Total Other Equity		233,226,846.89	241,903,691.18
Total Shareholders' equity		1,217,457,352.66	1,226,134,196.95
Total liabilities and shareholders' equity		1,902,593,882.62	1,927,425,201.96

(Amount in RMB)

 Prepared by:  
 GUAN Weiqiang

 Prepared by:  
 JIN Hui

 Prepared by:  
 WANG Miao



# Capital Reserve

As at June 30, 2023

(All amounts in RMB)

Item	Number	Amount in RMB	Amount in USD
V. Reserve (Note 5)		48,729,232.07	44,220,737.73
( ) Capital Reserve			
1. Surplus Reserve (Note 5)		48,729,232.07	44,220,737.73
2. Reserve for Contingencies (Note 5)			
( ) Capital Reserve			

# Part C Income Statement

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

Item	Number	Amount	Amount
		in RMB	in RMB
I. Revenue	(1)	176,204,799.00	185,800,099.09
Business Revenue	(1)	130,786,397.79	133,222,735.95
Revenue from sales of goods		140,434.74	-48,582.78
Revenue from services		613,098.03	880,640.77
Revenue from medical services		42,010,452.24	39,050,764.01
Revenue from pharmaceutical services		9,690,626.11	9,645,738.48
Revenue from other services		8,063,326.82	7,219,501.23
Revenue from government grants		11,787,407.21	13,059,326.62
Revenue from other income		6,124,076.98	-5,997,744.74
Other Income		1,314,851.41	3,866,983.80
Losses from disposal of non-current assets (including disposal of subsidiaries)	(1)	-775,547.72	-702,180.45
Losses from disposal of non-current assets (including disposal of subsidiaries)		816,165.55	-1,296,180.45
Losses from disposal of non-current assets			
Losses from disposal of subsidiaries			
Gain from disposal of non-current assets			
Losses from disposal of non-current assets (including disposal of subsidiaries)			
Gain from disposal of non-current assets			30,711.64
Losses from disposal of non-current assets (including disposal of subsidiaries)			
Losses from disposal of non-current assets		114,004.00	-687,255.02
Losses from disposal of non-current assets (including disposal of subsidiaries)			
Gain from disposal of non-current assets			
Losses from disposal of non-current assets (including disposal of subsidiaries)			
II. Operating Expenses		-14,446,229.04	-1,662,438.60
Administrative Expenses		5,600,210.07	3,901,067.52
Business Expenses		1,517,392.82	1,964,267.50
III. Tax Expense (including income tax expense)		-10,363,411.79	274,361.42
Income Tax Expense		-1,686,567.50	-1,561,315.18
IV. Net Profit (including net profit)		-8,676,844.29	1,835,676.60
Net Profit		-8,676,844.29	1,835,676.60
Net Profit			

# Parental Income Statement

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

Item	Number	Amount	Amount
		in RMB	in US Dollars

## V. Other Income

( ) Other income

1. ...
2. ...
3. ...
4. ...

( ) Other income

1. ...
2. ...
3. ...
4. ...
5. ...
6. ...
7. ...

VI. Total other income		-8,676,844.29	1,835,676.60
------------------------	--	---------------	--------------

## VII. Earnings

- ( ) Balance (RMB ...)
- ( ) Dividend (RMB ...)

Prepared by: GUAN Weijun      Prepared by: JIN Hui      Prepared by: WANG Miao

Continued Cash Flow Statement

For the period ending 30 June 2023

(All amounts in RMB million)

Item	Number	Amount	Amount
		in RMB million	in RMB million
<b>I. Cash flows from operating activities</b>			
Cash generated from operations		780,086,767.35	653,410,155.49
Net change in accounts receivable			
Net change in accounts payable			
Net change in prepayments			
Change in contract liabilities			
Net change in other receivables			
Net change in other payables			
Change in contract assets			
Net change in other non-current assets			
Net change in other non-current liabilities			
Net change in financial instruments			
Cash generated from operations		169,903,996.27	57,537,282.38
<b>Subsequent cash flows from operating activities</b>		<b>949,990,763.62</b>	<b>710,947,437.87</b>
Cash generated from operations		279,096,560.43	305,934,085.24
Net change in accounts receivable			
Net change in accounts payable			
Cash generated from operations			
Net change in other receivables			
Net change in other payables			
Cash generated from operations			
Cash generated from operations			
Cash generated from operations		300,131,941.56	267,178,624.43
Net change in other receivables		37,824,192.11	28,189,888.70
Cash generated from operations		219,346,730.82	53,670,364.91
<b>Subsequent cash flows from operating activities</b>		<b>836,399,424.92</b>	<b>654,972,963.28</b>
<b>Net cash flows from operating activities</b>		<b>113,591,338.70</b>	<b>55,974,474.59</b>

# 现金流量表

截至2023年6月30日止

(人民币千元)

项目	期末余额	期初余额
一、经营活动产生的现金流量		
销售商品、提供劳务收到的现金	8,249,457.77	
收到的税费返还	26,383.01	19,038,109.95
收到其他与经营活动有关的现金	8,275,840.78	19,038,109.95
购买商品、接受劳务支付的现金	(107,843,620.41)	(121,119,527.96)
支付给职工以及为职工支付的现金	(3,866,900.00)	
支付的各项税费	(15,187,013.06)	(62,372,716.90)
支付其他与经营活动有关的现金	(500,059.94)	
经营活动产生的现金流量净额	127,397,593.41	183,492,244.86
二、投资活动产生的现金流量		
取得投资收益收到的现金	(119,121,752.63)	(164,454,134.91)
处置长期股权投资、固定资产、无形资产和其他长期资产收回的现金净额	2,845,000.00	4,040,100.00
处置子公司及其他营业单位收到的现金净额	2,845,000.00	4,040,100.00
收到其他与投资活动有关的现金	251,050,000.00	317,500,000.00
支付其他与投资活动有关的现金	(2,551,764.22)	
投资活动产生的现金流量净额	253,895,000.00	324,091,864.22
三、筹资活动产生的现金流量		
取得借款收到的现金	109,630,000.00	87,320,000.00
收到其他与筹资活动有关的现金	21,324,299.72	17,290,881.25
偿还债务支付的现金	(113,150,442.74)	(24,599,909.22)
支付其他与筹资活动有关的现金	(244,104,742.46)	(129,210,790.47)
筹资活动产生的现金流量净额	(9,790,257.54)	(194,881,073.75)

# 现金流量表

截至2023年6月30日止

(单位:人民币元)

项目	本期	上期
IV. 经营活动产生的现金流量	13,070.04	44,311.88
V. 处置长期资产、无形资产、其他非流动资产收到的现金	4,272,913.65	86,445,725.31
VI. 处置子公司及其他营业单位收到的现金	258,595,990.97	188,734,845.77
VI. 处置子公司及其他营业单位收到的现金	262,868,904.62	275,180,571.08

本期发生额 上期发生额

GUAN We

JIN H

WANG M h

# Parent Company Statement

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

Item	Number	Amount	Amount
<b>I. Cash and cash equivalents:</b>			
Cash		186,510,657.37	140,627,582.89
Reserves		491,763,058.70	259,922,752.08
<b>Sub-total cash and cash equivalents</b>		<b>678,273,716.07</b>	<b>400,550,334.97</b>
Accounts receivable		80,195,550.90	86,999,715.12
Accounts payable		80,891,274.33	75,729,018.54
Prepaid expenses		438,877.67	3,178,776.46
Other receivables		463,041,604.81	305,521,020.05
<b>Sub-total non-cash assets</b>		<b>624,567,307.71</b>	<b>471,428,530.17</b>
<b>Net cash and cash equivalents</b>		<b>53,706,408.36</b>	<b>-70,878,195.20</b>
<b>II. Cash and cash equivalents:</b>			
Cash		16,657,744.50	
Accounts receivable			2,880.00
Accounts payable			
Prepaid expenses			
Other receivables			
<b>Sub-total cash and cash equivalents</b>		<b>16,657,744.50</b>	<b>2,880.00</b>
Cash		1,691,749.51	4,636,366.92
Accounts payable		29,166,900.00	59,309,855.16
Prepaid expenses			
Other receivables			
<b>Sub-total non-cash assets</b>		<b>30,858,649.51</b>	<b>63,946,222.08</b>
<b>Net cash and cash equivalents</b>		<b>-14,200,905.01</b>	<b>-63,943,342.08</b>

# Parent Company Statement

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

Item	Number	Amount	Amount
<b>III. Cash and cash equivalents:</b>			
Cash		199,050,000.00	272,500,000.00
Cash equivalents			
Sub-total cash and cash equivalents		199,050,000.00	272,500,000.00
Accounts receivable		101,150,000.00	77,100,000.00
Prepaid expenses		12,364,450.26	12,885,143.93
Other receivables			
Cash and cash equivalents		79,243,750.00	
Sub-total accounts receivable and other receivables		192,758,200.26	89,985,143.93
Notes receivable		6,291,799.74	182,514,856.07
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>			
		13,070.04	44,311.88
<b>V. Non-current assets held for sale</b>			
Assets held for sale		45,810,373.13	47,737,630.67
Liabilities		90,387,144.89	97,615,570.76
<b>VI. Assets held for disposal</b>			
		136,197,518.02	145,353,201.43

Prepared by: GUAN Weiqiang      Checked by: JIN Hui      Approved by: WANG Mianhua

# Consolidated Statement of Changes in Shareholders' Equity

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB)

Item	Beginning Balance				Ending Balance			
	Total	Capital Reserve	Surplus Reserve	Minority Interest	Total	Capital Reserve	Surplus Reserve	Minority Interest
I. Basic Earnings	74,600,300.00	665,076,533.30	38,889,577.13	233,516,534.43	1,201,584,944.86	124,317,679.97	1,325,902,618.83	
A. Profit								
B. Other Comprehensive Income								
II. Basic Earnings	74,600,300.00	665,076,533.30	38,889,577.13	233,516,534.43	1,201,584,944.86	124,317,679.97	1,325,902,618.83	
1. Cash Dividends		(2,357,225.93)		(43,750,057.46)	41,392,891.53	15,254,257.21	56,647,088.74	
2. Cash Dividends		(2,357,225.93)		(43,750,057.46)	43,750,057.46	4,979,174.61	48,729,232.07	
3. Cash Dividends		(2,357,225.93)		(43,750,057.46)	(2,357,225.93)	11,920,268.61	9,563,037.68	
4. Other		(2,357,225.93)		(43,750,057.46)		11,920,268.61	9,663,037.68	
D. Other						(1,645,181.01)	(1,645,181.01)	
1. Other								
2. Other								
3. Other								
4. Other								
1. Cash Dividends								
2. Cash Dividends								
3. Cash Dividends								
4. Other								
1. Cash Dividends								
2. Cash Dividends								
3. Cash Dividends								
4. Other								
1. Cash Dividends								
2. Cash Dividends								
3. Cash Dividends								
4. Other								
1. Cash Dividends								
2. Cash Dividends								
3. Cash Dividends								
4. Other								
IV. Basic Earnings	74,600,300.00	662,719,307.37	38,889,577.13	277,256,591.89	1,242,977,776.39	138,571,931.18	1,382,549,707.57	
1. Other								
2. Other								
3. Other								
4. Other								
1. Cash Dividends								
2. Cash Dividends								
3. Cash Dividends								
4. Other								
1. Cash Dividends								
2. Cash Dividends								
3. Cash Dividends								
4. Other								

Prepared by: JIN H  
Reviewed by: WANG M h

# Consolidated Statement of Changes in Shareholders' Equity

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB)

	Beginning Balance	Issuance of New Shares	Share Repurchase	Dividend Distribution	Other Changes	Ending Balance
<b>I. Total Shareholders' Equity</b>	74,600,300.00					74,600,300.00
A. Capital Reserve	38,339,577.13					38,339,577.13
B. Surplus Reserve	247,307,607.77					247,307,607.77
C. Other Reserves	2,926,793.96					2,926,793.96
D. Total Shareholders' Equity	888,165,395.59					888,165,395.59
<b>II. Total Shareholders' Equity</b>	74,600,300.00					74,600,300.00
1. Capital Reserve	38,339,577.13					38,339,577.13
2. Surplus Reserve	250,634,554.73					250,634,554.73
3. Other Reserves	38,788,155.89					38,788,155.89
4. Total Shareholders' Equity	888,165,395.59					888,165,395.59
<b>III. Total Shareholders' Equity</b>	74,600,300.00					74,600,300.00
1. Capital Reserve	38,339,577.13					38,339,577.13
2. Surplus Reserve	250,634,554.73					250,634,554.73
3. Other Reserves	38,788,155.89					38,788,155.89
4. Total Shareholders' Equity	888,165,395.59					888,165,395.59
<b>IV. Total Shareholders' Equity</b>	74,600,300.00					74,600,300.00
1. Capital Reserve	38,339,577.13					38,339,577.13
2. Surplus Reserve	250,634,554.73					250,634,554.73
3. Other Reserves	38,788,155.89					38,788,155.89
4. Total Shareholders' Equity	888,165,395.59					888,165,395.59

Prepared by: JIN H  
Reviewed by: WANG M h

# Parent Company Shareholders' Equity

For the period ending June 30, 2023

(All amounts in RMB)

	Share capital	Reserves	Other comprehensive income	Surplus	Retained earnings	Total
I. Beginning balance	74,600,300.00	871,230,628.64	38,399,577.13	241,903,691.18	1,226,134,196.95	
II. Changes during the period	74,600,300.00	871,230,628.64	38,399,577.13	-8,676,844.29	-8,676,844.29	
III. Changes in other comprehensive income						
1. Other comprehensive income						
2. Other comprehensive income						
3. Other comprehensive income						
4. Other comprehensive income						
5. Other comprehensive income						
6. Other comprehensive income						
IV. Ending balance	74,600,300.00	871,230,628.64	38,399,577.13	233,226,846.89	1,217,457,352.66	

Prepared by: GUAN Weiqiang  
Reviewed by: JIN H  
Approved by: WANG ML h

# Parent Company Shareholders' Equity

For the period from January 1, 2023 to June 30, 2023

(Amount in RMB)

	01	02	03	04	05	06	07	08	09	10	11	12	
	Capital Reserve	Surplus Reserve	Reserve for Contingencies	Other Reserves	Minority Interest	Capital Reserve	Surplus Reserve	Reserve for Contingencies	Other Reserves	Minority Interest	Capital Reserve	Surplus Reserve	
I. Balance at the beginning of the period	74,600,300.00					854,317,490.93					38,399,577.13	209,543,788.61	1,176,861,106.67
II. Balance at the beginning of the period	74,600,300.00					854,317,490.93					38,399,577.13	209,543,788.61	1,176,861,106.67
III. Changes during the period						9,007,122.02						1,835,676.60	10,842,798.62
(1) Other comprehensive income						9,007,122.02						1,835,676.60	10,842,798.62
(2) Changes in other comprehensive income													
(3) Changes in other comprehensive income													
(4) Other													
(5) Changes in other comprehensive income													
(6) Other													
IV. Balance at the end of the period	74,600,300.00					863,324,612.95					38,399,577.13	211,379,465.21	1,187,703,905.29

Prepared by: JIN H  
Reviewed by: WANG ML h

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(Amount in RMB)

## I. General Information

Wenzhou Kangning Hospital Co., Ltd. (the Company) is a public company listed on the Shanghai Stock Exchange (600811). The Company's headquarters are located in Wenzhou, Zhejiang Province, PRC. The Company's main business is providing medical services.

On October 15, 2014, the Company was established as Wenzhou Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd.).

The Company is a public company listed on the Shanghai Stock Exchange (600811). The Company's main business is providing medical services.

As of June 30, 2023, the Company's total assets were RMB74,600,300. The Company's total liabilities were RMB15,000,000. The Company's total equity was RMB59,600,300.

The Company's financial statements are prepared in accordance with the accounting standards for enterprises in the PRC.

## II. Basis of Preparation

(I) Basis of Preparation of the Financial Statements  
The financial statements are prepared on the accrual basis of accounting. The Company's accounting year is from January 1 to December 31. The Company's functional currency is the Renminbi (RMB). The Company's financial statements are prepared in accordance with the accounting standards for enterprises in the PRC.

The Company's financial statements are prepared in accordance with the accounting standards for enterprises in the PRC. The Company's financial statements are prepared in accordance with the accounting standards for enterprises in the PRC.

The Company's financial statements are prepared in accordance with the accounting standards for enterprises in the PRC. The Company's financial statements are prepared in accordance with the accounting standards for enterprises in the PRC.



# Net Earnings

For the period ending June 30, 2023

(Amount in RMB)

## III. ( )

### (II) Preference

1. P... A... B... (C 2016 N. 36) ... M... F... A... C... (O... C N. 149) ... C... I... M... A... M... (O... M... H... N. 35) ... M... H... M... (醫療機構執業許可證).
2. P... K... J... F... G... C... A... 3%.
3. P... M... I... P... P... A... P... B... C... Q... P... P... A... P... B... (C 2016 N. 36) ... M... F... A... A... C... A... 6% 3%.

# Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements

Notes to the Financial Statements are an integral part of the Financial Statements. The Financial Statements for the period ending June 30, 2023 (the "Period") are prepared in accordance with the accounting policies and accounting estimates adopted by the Company for the period ending June 30, 2023 (the "Period"), and are consistent with the accounting policies and accounting estimates adopted by the Company for the period ending June 30, 2022 (the "Period").

### (I) Cash and cash equivalents

Item	Balance at the end of the period	Balance at the beginning of the period
Cash	209,188.36	454,907.26
Other cash equivalents	262,235,513.11	257,534,338.59
Other cash equivalents	12,511,233.15	19,105,717.12

Other cash equivalents: 274,955,934.62 (2022: 274,955,934.62)

Other cash equivalents: 274,955,934.62 (2022: 274,955,934.62)

Other cash equivalents: 274,955,934.62 (2022: 274,955,934.62)

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (continued)

### (III) Accounts receivable

1. Accounts receivable

Agg.	Balance at the end of the period	Balance at the beginning of the period
1.1	409,954,541.17	388,961,193.05
1.2	6,077,078.96	4,755,919.87
2.3	3,855,479.02	3,941,367.25
Other 3	7,839,116.03	5,180,894.08
	427,726,215.18	402,839,374.25
Less: Provisions	26,897,913.14	20,002,683.36
	400,828,302.04	382,836,690.89

2. Accounts receivable by category

Category	Balance at the end of the period				Balance at the beginning of the period					
	Balance		Provision for bad debts		Balance		Provision for bad debts			
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)		
Provision for bad debts										
1.1	24,051,540.73	5.62	17,330,353.53	72.06	6,721,187.20	18,221,975.88	4.52	12,514,142.66	68.68	5,707,833.22
1.2										
2.3	24,051,540.73	5.62	17,330,353.53	72.06	6,721,187.20	18,221,975.88	4.52	12,514,142.66	68.68	5,707,833.22
Other 3										
Provision for bad debts										
1	403,674,674.45	94.38	9,567,559.61	2.37	394,107,114.84	384,617,398.37	95.48	7,488,540.70	1.95	377,128,857.67
Other 2	403,674,674.45	94.38	9,567,559.61	2.37	394,107,114.84	384,617,398.37	95.48	7,488,540.70	1.95	377,128,857.67
	427,726,215.18	100.00	26,897,913.14		400,828,302.04	402,839,374.25	100.00	20,002,683.36		382,836,690.89

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (III) Accounts receivable (continued)

2. Accounts receivable (continued)

Particulars of accounts receivable:

Item	Balance at the end of the period			Required ECL
	Balance	Provision for bad debts	Provision ratio (%)	
At the beginning of the period	24,051,540.73	17,330,353.53	72.06	Provision for ECL
At the end of the period	24,051,540.73	17,330,353.53		Provision for ECL

Particulars of accounts receivable:

Item	Balance at the end of the period		
	Accounts receivable	Provision for bad debts	Provision ratio (%)
At the beginning of the period	403,674,674.45	9,567,559.61	2.37
At the end of the period	403,674,674.45	9,567,559.61	

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (III) Accounts receivable (continued)

3. *Particulars of accounts receivable*

Category	Change in the period				Balance at the end of the period
	Balance at the beginning of the period	Added / Decreased	Received / Paid	Write-off	
Particulars					
Particulars	12,514,142.66	4,816,210.87			17,330,353.53
Particulars	7,488,540.70	2,108,912.89		29,893.98	9,567,559.61
	20,002,683.36	6,925,123.76		29,893.98	26,897,913.14
4. <i>Accounts receivable</i>					
Accounts receivable					29,893.98

# Net Financial Assets

For the period ending June 30, 2023

(All amounts in RMB)

## 1. Net Financial Assets (continued)

### (IV) Advances

1. Advances to related parties

Ag. g	Balance at the end of the period		Balance at the beginning of the period	
	A	P (%)	A	P (%)
1	19,103,003.67	93.60	29,973,748.69	93.08
2	1,250,719.68	6.13	2,127,484.58	6.61
3	6,000.00	0.03	56,690.70	1.18
Q3	49,800.00	0.24	43,300.00	0.13
	20,409,523.35	100.00	32,201,223.97	100.00

2. Advances to non-related parties

Receivable from	Balance at the end of the period		Balance at the beginning of the period	
	A	P (%)	A	P (%)
Beijing Jintan Pharmaceutical Co., Ltd.				
Mingde Pharmaceutical Co., Ltd.	4,350,000.00	21.31		
Beijing Daming Pharmaceutical Co., Ltd.	3,430,766.84	16.81		
Henan Puhua Pharmaceutical Co., Ltd.	1,762,075.01	8.63		
Qingdao Mengsheng Pharmaceutical Co., Ltd.	1,411,016.00	6.91		
Henan Hengsheng Pharmaceutical Co., Ltd.	1,331,110.72	6.52		
Total	12,284,968.57	60.19		

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Balance Sheet (Continued)

### (V) Other Receivables

Item	Balance at the end of the period	Balance at the beginning of the period
Other receivables		
Debtors		
Other receivables	76,961,684.60	37,195,219.68
	76,961,684.60	37,195,219.68

#### 1. Other receivables

##### (1) Other receivables

Item	Balance at the end of the period	Balance at the beginning of the period
1. Other receivables	76,034,316.87	31,752,956.09
1-1. Debtors	2,536,186.75	12,384,779.19
1-2. Debtors	8,926,153.38	4,035,447.86
1-3. Debtors	2,849,166.50	1,755,508.40
1-4. Debtors	841,959.83	101,363.87
1-5. Debtors	3,876,080.95	3,877,306.68
1-6. Debtors	95,063,864.28	53,907,362.09
1-7. Debtors	18,102,179.68	16,712,142.41
	76,961,684.60	37,195,219.68

# Notes to the Financial Statements

For the period ended June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (V) Other receivables (continued)

1. Other receivables (continued)

(2) Other receivables by category

Category	By category at the end of the period				By category at the beginning of the period				
	By category		Provision for bad debts		By category		Provision for bad debts		
	Amount	Provision (%)	Amount	Provision (%)	Amount	Provision (%)	Amount	Provision (%)	
Provision for bad debts									
At the end of the period	25,337,819.20	26.65	15,852,030.91	62.56	9,485,788.29	25,337,819.20	47.00	15,852,030.91	62.56
At the beginning of the period									
Health Insurance Co., Ltd.	25,337,819.20	26.65	15,852,030.91	62.56	9,485,788.29	25,337,819.20	47.00	15,852,030.91	62.56
Provision for bad debts									
At the end of the period	69,726,045.08	73.35	2,250,148.77	3.23	67,475,896.31	28,569,542.89	53.00	860,111.50	3.01
At the beginning of the period	69,726,045.08	73.35	2,250,148.77	3.23	67,475,896.31	28,569,542.89	53.00	860,111.50	3.01
<b>Total</b>	<b>95,063,864.28</b>	<b>100.00</b>	<b>18,102,179.68</b>	<b>/</b>	<b>76,961,684.60</b>	<b>53,907,362.09</b>	<b>100.00</b>	<b>16,712,142.41</b>	<b>/</b>

Provision for bad debts by category at the end of the period:

Name	By category at the end of the period			
	By category	Provision for bad debts	Provision (%)	Reason
Health Insurance Co., Ltd.				Provision for bad debts
L, L	25,337,819.20	15,852,030.91	62.56	L, L ECL
<b>Total</b>	<b>25,337,819.20</b>	<b>15,852,030.91</b>	<b>/</b>	

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (V) Other receivables (continued)

1. Other receivables (continued)

(2) Other receivables (continued)

Particulars:

Name	Balance at the end of the period		
	Other receivables	Provision for bad debts	Provision (%)
Particulars	69,726,045.08	2,250,148.77	3.23
	69,726,045.08	2,250,148.77	

(3) Details of the provision for bad debts:

Particulars	Sage I 12-month ECL	Sage II Lifetime ECL		Sage III Lifetime ECL	Total
		Accrued	Lifetime ECL		
Particulars					
Balance at the beginning of the period	860,111.50		15,852,030.91	16,712,142.41	
Balance at the end of the period					
- Balance at the beginning of the period					
- Balance at the end of the period					
- RMB					
- RMB					
Particulars	1,443,797.06			1,443,797.06	
Particulars					
Particulars	53,759.79			53,759.79	
Particulars					
Balance at the end of the period	2,250,148.77		15,852,030.91	18,102,179.68	

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023  
 (All amounts in RMB unless otherwise specified)

## 1. Non-current assets

### (V) Other receivables (continued)

1. Other receivables (continued)
- (3) Bad debts (continued)

Continued from page 68:

Balance	Stage I	Stage II	Stage III	Total
	12-month ECL	Life ECL (accumulated)	Life ECL (accumulated)	
Balance at the beginning of the period	28,569,542.89		25,337,819.20	53,907,362.09
Balance at the end of the period				
Add: <ul style="list-style-type: none"> <li>- RMB 41,156,502.19</li> <li>- RMB 41,156,502.19</li> </ul>	41,156,502.19			41,156,502.19
Deduct: <ul style="list-style-type: none"> <li>- Other receivables</li> </ul>				
Balance at the end of the period	69,726,045.08		25,337,819.20	95,063,864.28

## Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

### 1. Non-current assets

#### (V) Other receivables (continued)

##### 1. Other receivables (continued)

##### (4) Prepaid expenses and other receivables

Category	Change in the period			
	Balance at the beginning of the period	Provision for impairment	Warranty	Balance at the end of the period
Prepaid expenses	15,852,030.91			15,852,030.91
Prepaid insurance	860,111.50	1,443,797.06	53,759.79	2,250,148.77
	16,712,142.41	1,443,797.06	53,759.79	18,102,179.68

##### (5) Other receivables

Item	Balance at the end of the period
Other receivables	53,759.79

##### (6) Other receivables

Net receivables	Balance at the end of the period	Balance at the beginning of the period
Debtors	21,148,968.11	20,677,631.31
Prepaid expenses	0.00	816,666.30
Accounts receivable	1,920,291.06	2,388,682.68
Accounts payable	38,837,819.20	26,559,018.86
Employee receivables	15,130,000.00	
Others	18,026,785.91	3,465,362.91
	95,063,864.28	53,907,362.09

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (VI) Intangible Assets

1. Intangible Assets

Item	Balance at the beginning of the period		Balance at the end of the period	
	Original value	Accumulated amortization	Original value	Accumulated amortization
Patent rights	1,897,515.47		1,897,515.47	3,697,607.74
Copyrights	52,876,096.01		52,876,096.01	54,633,789.63
<b>Total</b>	<b>54,773,611.48</b>		<b>54,773,611.48</b>	<b>58,331,397.37</b>

### (VII) Other Intangible Assets

Item	Balance at the beginning of the period		Balance at the end of the period	
	Original value	Accumulated amortization	Original value	Accumulated amortization
Land use rights	234,499.78		234,499.78	196,008.48
Patent rights	229,453.50		229,453.50	269,072.88
Patent rights	461,035.02		461,035.02	287,243.41
<b>Total</b>	<b>924,988.30</b>		<b>924,988.30</b>	<b>752,324.77</b>

### (VIII) Long-term Prepayments

Item	Balance at the beginning of the period		Balance at the end of the period	
	Original value	Accumulated amortization	Original value	Accumulated amortization
Prepaid expenses	14,000,000.00		14,000,000.00	14,000,000.00
<b>Total</b>	<b>14,000,000.00</b>		<b>14,000,000.00</b>	<b>14,000,000.00</b>



Notes to the Financial Statements

For the period ending June 30, 2023  
(All amounts in RMB unless otherwise specified)

1. Non-current assets

(X) Other non-current assets

Item	Balance at the beginning of the period	Balance at the end of the period
Financial assets	63,116,852.05	63,116,852.05
Intangible assets	63,116,852.05	63,116,852.05
	63,116,852.05	63,116,852.05

(XI) Fixed assets

1. Property, plant and equipment

Item	Balance at the beginning of the period	Balance at the end of the period
Property, plant and equipment	682,239,468.30	695,020,440.79
Depreciation		
	682,239,468.30	695,020,440.79

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (XI) Financial Instruments (Continued)

#### 2. Derivatives

Item	Building		Equipment		Office		Medical		Financial		Total
	Cost	Impairment	Cost	Impairment	Cost	Impairment	Cost	Impairment	Cost	Impairment	
1. Other											
(1) Buildings	676,374,947.03	9,403,193.79	52,160,606.66	29,771,289.75	246,930.00	101,810,746.61	140,027,233.85				979,776,727.94
(2) Equipment		626,942.88	7,630,725.39	1,297,900.03		4,660,269.61					12,716,082.82
PPE		626,942.88	3,586,315.36	1,292,500.03		4,660,269.61					8,873,527.85
Intangible			4,044,410.03	5,400.00							4,044,410.03
(3) Buildings			930,898.70	761,455.47		1,232,965.20					2,365,718.96
DPP			895,548.70	747,365.47		1,232,965.20					2,128,513.90
DPP			35,350.00	14,090.00							35,350.00
Other	201,855.06										201,855.06
(4) Buildings	676,173,091.97	10,030,136.67	58,860,433.35	30,307,734.31	246,930.00	105,238,051.02	140,027,233.85				990,328,946.86
2. Assets											
(1) Buildings	107,334,791.37	4,981,299.30	37,252,025.00	22,455,885.36	226,919.31	68,567,186.58	66,620,984.90				284,756,287.15
(2) Equipment	11,430,317.32	647,131.58	5,354,862.91	1,786,678.57	6,746.45	7,932,208.00					25,364,519.81
PPE	11,430,317.32	647,131.58	3,824,127.11	1,785,148.57	6,746.45	7,932,208.00					23,833,784.01
Intangible			1,530,735.80	1,530.00							1,530,735.80
(3) Buildings		2,019.60	848,466.42	705,391.14		1,180,842.38					2,031,328.40
DPP			839,136.35	702,021.85		1,180,842.38					2,019,978.73
DPP		2,019.60	9,330.07	3,369.29							11,349.67
(4) Buildings	118,628,103.83	5,548,993.35	41,758,421.49	23,537,172.79	233,665.76	75,350,642.98	66,620,984.90				308,089,478.56
3. Liabilities											
(1) Buildings											
(2) Equipment											
(3) Buildings											
(4) Buildings											
4. Contingent											
(1) Contingent	557,544,988.14	4,481,143.32	17,102,011.86	6,770,561.52	13,264.24	29,887,408.04	73,406,248.95				682,239,468.30
(2) Contingent	569,177,160.52	4,499,312.42	14,908,581.66	7,315,404.39	20,010.69	33,211,469.25	73,406,248.95				695,020,440.79

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (XII) Contingencies

1. Contingent liabilities

Item	Balance at the beginning of the period	Balance at the end of the period
Contingent liabilities	221,901,010.33	152,497,399.68
Contingent liabilities		
	221,901,010.33	152,497,399.68

2. Contingent assets

Particulars	Balance at the beginning of the period		Balance at the end of the period	
	Balance	Change	Balance	Change
Guarantee provided by the company	311,600.00		311,600.00	
Guarantee provided by the company	3,120,906.95		3,120,906.95	
Guarantee provided by the company	84,343,864.55		84,343,864.55	72,377,326.40
Guarantee provided by the company	53,501,653.99		53,501,653.99	27,536,449.81
Guarantee provided by the company	34,057,013.11		34,057,013.11	16,073,697.42
Guarantee provided by the company	45,190,609.31		45,190,609.31	35,508,167.99
Other	1,375,362.42		1,375,362.42	690,158.06
	221,901,010.33		221,901,010.33	152,497,399.68

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (continued)

### (XII) Contingencies (continued)

#### 3. Contingencies (continued)

Particulars	Balance at the beginning of the period (RMB'0,000)	Added during the period	Reduced during the period	Balance at the end of the period	Percentage of the total assets (%)	Accrued liability	Capital adequacy ratio
Guarantee	18,003.00	72,377,326.40	11,966,538.15	84,343,864.55	46.85	2,940,854.17	4.90
Contingent liability	16,020.00	27,536,449.91	25,965,204.18	53,501,653.99	33.40		
Contingent asset	9,848.00	16,073,697.42	17,983,315.69	34,057,013.11	34.58		
Contingent liability and asset	6,666.00	35,508,167.99	9,682,441.32	45,190,609.31	67.79		
		151,495,641.6	65,597,499.34	217,093,140.96		2,940,854.17	1,067,375.00

Notes to the Financial Statements  
 For the period ending June 30, 2023  
 (All amounts in RMB)

1. Notes to the Financial Statements (continued)  
 (XIII) Right-of-use assets

Item	Balance at the beginning of the period	Change	Balance at the end of the period
1. Office buildings			
(1) Buildings	318,648,155.90		318,648,155.90
(2) Land use rights			
Right-of-use assets			
Buildings	2,294,531.41		2,294,531.41
D	220,485.15		220,485.15
Office buildings	2,074,046.26		2,074,046.26
(4) Buildings	316,353,624.49		316,353,624.49
2. Automobiles			
(1) Buildings	128,244,404.32		128,244,404.32
(2) Land use rights	20,598,505.54		20,598,505.54
Right-of-use assets	20,598,505.54		20,598,505.54
(3) Buildings	1,514,908.67		1,514,908.67
D	137,803.09		137,803.09
Office buildings	1,377,105.58		1,377,105.58
(4) Buildings	147,328,001.19		147,328,001.19
3. Intangible assets			
(1) Buildings			
(2) Land use rights			
(3) Buildings			
(4) Buildings			
4. Construction in progress			
(1) Construction in progress	169,025,623.30		169,025,623.30
(2) Construction in progress	190,403,751.58		190,403,751.58

# Nehe Fac Saee

February 30, 2023

(All amounts in RMB)

## Income Statement (Interim)

### (XIV) Income Statement

#### 1. Business Income

	La d e gh	Tade a. gh	S f a e	Medca ac ce p fca	C. ac p gh a age e e ce	T p
1. O						
(1) B	128,594,176.05	3,061,637.13	9,677,612.80	158,837,000.00	32,400,000.00	332,570,425.98
(2) B	26,368,000.00	0.00	8,990,124.81	17,000,000.00	0.00	52,358,124.81
P	26,368,000.00	0.00	8,984,124.81	0.00	0.00	35,352,124.81
	0.00	0.00	6,000.00	17,000,000.00	0.00	17,006,000.00
(3) B						
D						
(4) B	154,962,176.05	3,061,637.13	18,667,737.61	175,837,000.00	32,400,000.00	384,928,550.79
2. A						
(1) B	12,499,461.07	690,585.66	10,755,014.04	45,087,445.28	8,853,571.43	77,886,077.48
(2) B	1,783,569.95	193,534.62	2,207,803.24	8,765,369.23	1,092,857.14	14,043,134.18
P	1,783,569.95	193,534.62	2,206,653.24	8,765,369.23	1,092,857.14	14,041,984.18
	0.00	0.00	1,150.00	0.00	0.00	1,150.00
O						
(3) B						
D						
(4) B	14,283,031.02	884,120.28	12,962,817.28	53,852,814.51	9,946,428.57	91,929,211.66
3. I						
(1) B						
(2) B						
(3) B						
(4) B						
4. C						
(1) C	140,679,145.03	2,177,516.85	5,704,920.33	121,984,185.49	22,453,571.43	292,999,339.13
(2) C	116,094,714.98	2,371,051.47	-1,077,401.24	113,749,554.72	23,546,428.57	254,684,348.50

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (XV) Goodwill

#### 1. Goodwill

Name of the acquiree	Decrease in carrying amount		Decrease in carrying amount	
	Balance at the beginning of the period	Change during the period	Balance at the end of the period	Balance at the beginning of the period
Wenzhou Kangning Hospital Co., Ltd.	9,271,800.00			9,271,800.00
Huzhou Puhua Hospital Co., Ltd.	690,331.47			690,331.47
Guangdong Kangning Hospital Co., Ltd.	1,549,022.38			1,549,022.38
Beijing Kangning Hospital Co., Ltd.	7,784,850.00			7,784,850.00
Beijing Kangning Hospital Co., Ltd.	22,987,331.04			22,987,331.04
Hangzhou Kangning Hospital Co., Ltd.	151,048.40			151,048.40
Hangzhou Kangning Hospital Co., Ltd.	5,068,959.78			5,068,959.78
Chengde Kangning Hospital Co., Ltd.	6,843,288.91			6,843,288.91
Chengde Kangning Hospital Co., Ltd.	19,416,285.97			19,416,285.97
Putian Kangning Hospital Co., Ltd.	51,770,194.67			51,770,194.67
Hangzhou Kangning Hospital Co., Ltd.	1,272,643.00			1,272,643.00
Wenzhou Kangning Hospital Co., Ltd.	326,012.44		326,012.44	0.00
Jiangsu Kangning Hospital Co., Ltd.	5,060,323.85			5,060,323.85
Wenzhou Kangning Hospital Co., Ltd.	445,742.09			445,742.09
Wenzhou Kangning Hospital Co., Ltd.		312,174.36		312,174.36
	132,192,091.91	757,916.45	326,012.44	132,623,995.92
Beijing Kangning Hospital Co., Ltd.	22,987,331.04			22,987,331.04
Guangdong Kangning Hospital Co., Ltd.	1,549,022.38			1,549,022.38
	24,536,353.42			24,536,353.42
Chengde Kangning Hospital Co., Ltd.	107,655,738.49			108,087,642.50

## Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

### 1. Non-current assets

#### (XVI) Long-term equity investments

Item	Balance at the beginning of the period	Decreases	Increases	Balance at the end of the period
Investment in equity instruments that are not held for trading	189,414,067.93	7,029,806.14	22,680,809.38	173,763,064.69
Investment in equity instruments held for trading	172,270.94	58,025.87	36,582.90	193,713.91
	189,586,338.87	7,087,832.01	22,717,392.28	173,956,778.60

#### (XVII) Deferred tax assets and deferred tax liabilities

##### 1. Deferred tax assets

Item	Balance at the beginning of the period		Balance at the end of the period	
	Debit	Deferred tax assets	Debit	Deferred tax assets
Income tax receivable	17,958,526.92	3,583,328.82	16,979,155.87	3,164,380.59
Other receivables	68,579,840.04	17,144,960.01	50,169,236.15	8,217,114.53
Other receivables	4,260,552.49	1,065,138.13	4,390,510.38	1,097,627.60
Other receivables	54,688,502.33	8,203,275.35	54,688,502.33	8,203,275.35
	145,487,421.78	29,996,702.31	126,227,404.73	20,682,398.07

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Non-current assets

### (XVII) Deferred tax assets and deferred tax liabilities (continued)

2. Deferred tax assets and deferred tax liabilities

Item	Balance at the beginning of the period		Balance at the end of the period	
	Original value	Deferred tax liability	Original value	Deferred tax liability
As of January 1, 2023	150,226,983.03	37,556,745.76	148,564,631.76	37,141,157.94
As of June 30, 2023	13,116,852.07	1,967,527.81	13,116,852.07	1,967,527.81
Other	5,779,771.72	1,444,942.93	6,620,111.12	1,439,193.06
	169,123,606.82	40,969,216.50	168,301,594.95	40,547,878.81

### (XVIII) Other non-current assets

Item	Balance at the beginning of the period		Balance at the end of the period	
	Original value	Provision for impairment	Original value	Provision for impairment
Patent			6,936,000.00	6,936,000.00
Other	2,855,658.36	2,855,658.36	6,605,047.21	6,605,047.21
	2,855,658.36	2,855,658.36	13,541,047.21	13,541,047.21

### (XIX) Share-based payment

1. Cost of share-based payment

Item	Balance at the beginning of the period		Balance at the end of the period	
	Original value	Provision for impairment	Original value	Provision for impairment
Share-based payment	261,000,000.00		195,000,000.00	
Other	10,000,000.00		8,000,000.00	
	271,000,000.00		203,000,000.00	

## Non-current Assets

Financial statement as of June 30, 2023

(Amount in RMB)

### 1. Non-current Assets (Continued)

#### (XX) Tangible Assets

Item	Balance at the beginning of the period	Decrease	Decrease	Balance at the end of the period
	13,922,929.38			13,922,929.38
	13,922,929.38			13,922,929.38

#### (XXI) Intangible Assets

Item	Balance at the beginning of the period	Balance at the end of the period
Patent	174,060.00	997,944.00
	174,060.00	997,944.00

#### (XXII) Accounts Receivable

Item	Balance at the beginning of the period	Balance at the end of the period
1 year	85,509,131.21	84,193,738.77
1-2 years	2,072,209.99	1,161,389.02
2-3 years	222,323.13	71,968.47
Over 3 years	268,029.87	345,965.27
	88,071,694.20	85,773,061.53

#### (XXIII) Advances

1. Long-term Advances

Item	Balance at the beginning of the period	Balance at the end of the period
Advances to related parties	37,838,350.85	29,436,207.46
Advances to other parties	60,952.36	458,629.04
	37,899,303.21	29,894,836.50

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (XXIV) Employee Benefits

#### 1. Long-term Employee Benefits

Item	Balance at the beginning of the period	Decrease	Decrease	Balance at the end of the period
Provision for employee benefits	68,138,710.58	276,185,318.89	284,379,644.16	59,948,544.43
Other long-term employee benefits	2,419,639.13	15,295,605.39	15,350,729.82	2,360,355.58
	70,558,349.71	291,480,924.28	299,730,373.98	62,308,900.01

#### 2. Short-term Employee Benefits

Item	Balance at the beginning of the period	Decrease	Decrease	Balance at the end of the period
(1) Provision for employee benefits	66,161,148.57	246,166,417.83	254,298,788.29	58,206,945.42
(2) Provision for employee benefits	307,382.14	8,945,632.04	9,112,880.10	140,134.08
(3) Provision for employee benefits	1,464,184.43	10,312,097.71	10,206,582.36	1,568,340.49
- Medical insurance	1,425,747.59	9,988,211.42	9,882,046.59	1,530,027.76
- Housing fund	37,301.70	307,828.23	306,735.71	38,296.09
- Maternity insurance	424.64	17,392.06	17,800.06	16.64
- Other	710.50	-1,334.00	-	-
(4) Housing fund	205,995.44	10,747,471.90	10,748,806.90	32,011.54
(5) Long-term employee benefits	-	13,699.41	12,586.51	1,112.90
(6) Provision for employee benefits	-	-	-	-
(7) Provision for employee benefits	-	-	-	-
(8) Other	-	-	-	-
	68,138,710.58	276,185,318.89	284,379,644.16	59,948,544.43

## Non-current Assets

As at June 30, 2023

(All amounts in RMB)

### 1. Intangible Assets

#### (XXIV) Intangible Assets (Continued)

##### 3. Long-term Equity Investments

Item	Balance at the beginning of the period	Decrease	Decrease	Balance at the end of the period
Balance at the beginning of the period	2,347,144.91	14,797,062.82	14,853,868.77	2,286,320.08
Change during the period	72,494.22	498,542.57	496,861.05	74,035.50
	2,419,639.13	15,295,605.39	15,350,729.82	2,360,355.58

#### (XXV) Tangible Intangible Assets

Item	Balance at the end of the period	Balance at the beginning of the period
Land use rights (A)	2,509,870.76	2,399,813.52
Patent rights	24,032,693.09	26,859,279.46
Software	805,458.42	1,260,918.02
Plant	986,640.62	2,292,516.47
Leasehold improvements	159,849.30	387,329.69
	26,742.20	25,663.04
Construction in progress	100,435.81	163,205.29
Equipment	71,741.82	116,587.33
Other intangible assets	1,558.80	1,696.00
Right of use assets	589.84	155.34
	28,695,580.66	33,507,164.16

#### (XXVI) Other Intangible Assets

Item	Balance at the end of the period	Balance at the beginning of the period
Other intangible assets		577,043.05
Debt	625,181.01	735,000.00
Other	86,691,897.52	70,881,686.82
	87,317,078.53	72,193,729.87

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (XXVI) Other Assets (Continued)

#### 1. Other Assets

Item	Balance at the beginning of the period	Balance at the end of the period
Other Assets		
Other Assets		577,043.05
<b>Total</b>		<b>577,043.05</b>

#### 2. Other Assets

Item	Balance at the beginning of the period	Balance at the end of the period
Other Assets		
Other Assets	625,181.01	735,000.00
<b>Total</b>	<b>625,181.01</b>	<b>735,000.00</b>

#### 3. Other Assets

##### (1) Long-term Equity Investments

Item	Balance at the beginning of the period	Balance at the end of the period
Long-term Equity Investments		
Long-term Equity Investments	24,580,009.11	25,932,146.03
Long-term Equity Investments	0.00	7,000,000.00
Long-term Equity Investments	1,400,808.88	3,682,272.62
Long-term Equity Investments	1,905,152.80	1,900,552.80
Long-term Equity Investments	25,480,853.08	17,695,375.57
Long-term Equity Investments	3,998,613.52	4,374,261.21
Long-term Equity Investments	2,562,779.79	3,673,024.53
Long-term Equity Investments	23,400,314.30	
Long-term Equity Investments	3,363,366.04	6,624,054.06
<b>Total</b>	<b>86,691,897.52</b>	<b>70,881,686.82</b>

## Net Financial Assets

For the period ending June 30, 2023

(All amounts in RMB)

### 1. Net Financial Assets (continued)

#### (XXVII) Non-current Financial Assets

Item	Balance at the end of the period	Balance at the beginning of the period
Long-term equity investments	134,070,000.00	22,470,000.00
Long-term debt investments	24,992,499.08	99,580,000.00
Other non-current financial assets	29,580,000.00	25,548,324.39
	188,642,499.08	147,598,324.39

#### (XXVIII) Long-term Receivables

Item	Balance at the end of the period	Balance at the beginning of the period
Prepaid expenses	182,500,000.00	186,000,000.00
Other long-term receivables	61,500,000.00	
Guaranteed deposits	242,900,000.00	227,480,000.00
Other long-term receivables	134,070,000.00	22,470,000.00
	352,830,000.00	391,010,000.00

#### (XXIX) Lease Receivables

Item	Balance at the end of the period	Balance at the beginning of the period
Lease receivables	150,199,671.94	171,437,740.27
	150,199,671.94	171,437,740.27

## Net Financial Assets

For the period ending June 30, 2023

(All amounts in RMB)

### 1. Net Assets ( )

(XXX) Long-term assets

Item	Balance at the end of the period	Balance at the beginning of the period
Long-term assets	30,766,052.11	42,404,938.54
	30,766,052.11	42,404,938.54

(XXXI) Deferred assets

Item	Balance at the end of the period	Balance at the beginning of the period
Deferred assets	60,346,052.11	141,984,938.54
Long-term assets	8,333,553.62	9,382,772.07
Short-term assets	29,580,000.00	99,580,000.00
	30,766,052.11	42,404,938.54

(XXXI) Deferred assets

Item	Balance at the end of the period	Decrease in the period	Decrease in the period	Balance at the end of the period	Amount
Deferred assets	9,037,891.00		151,896.00	8,885,995.00	A
	9,037,891.00		151,896.00	8,885,995.00	

# Net Financial Assets

As of June 30, 2023

(All amounts in RMB)

## 1. Net Financial Assets (continued)

### (XXXI) Deferred Income (continued)

Presented in thousands of RMB:

Labels	As of June 30, 2023			As of June 30, 2022
	Balance	Additions	Decreases	
Balance at the beginning of the period	9,037,891.00	151,896.00	8,885,995.00	9,037,891.00
Balance at the end of the period	9,037,891.00	151,896.00	8,885,995.00	9,037,891.00

### (XXXII) Share Capital

Labels	As of June 30, 2023		As of June 30, 2022
	Balance	Change	
Balance at the beginning of the period	74,600,300.00	-	74,600,300.00
Balance at the end of the period	74,600,300.00	-	74,600,300.00

## Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

### 1. Notes to the Financial Statements (Continued)

#### (XXXIII) Capital Reserve

Item	Balance at the beginning of the period	Decrease	Decrease	Balance at the end of the period
Capital Reserve (Total)	783,420,735.87		2,357,225.93	781,063,509.94
Other Capital Reserve	44,857,374.20			44,857,374.20
Reserve for Contingencies	26,800,423.23			26,800,423.23
	855,078,533.30		2,357,225.93	852,721,307.37

#### (XXXIV) Share Reserve

Item	Balance at the beginning of the period	Balance at the end of the period	Decrease	Decrease	Balance at the end of the period
Share Reserve	38,399,577.13				38,399,577.13
	38,399,577.13				38,399,577.13

Other Information:

On June 30, 2023, the Company's capital reserve consists of the following items: Capital Reserve, Reserve for Contingencies, and Other Capital Reserve. The total amount of capital reserve is RMB 852,721,307.37, which is 100% of the total amount of capital reserve. The reserve for contingencies is RMB 26,800,423.23, which is 3.14% of the total amount of capital reserve. The other capital reserve is RMB 44,857,374.20, which is 5.26% of the total amount of capital reserve.



Notes to the Financial Statements  
 For the period from January 1, 2023 to June 30, 2023  
 (All amounts in RMB unless otherwise specified)

1. Notes to the Financial Statements (Continued)

(XXXVI) Receivables from related parties (Continued)

1. Amounts due from related parties (Continued)  
 Balance at the beginning of the period:

Item	Amount at the beginning of the period	Amount at the end of the period
Receivables from related parties	728,692,633.43	683,078,850.17
Impairment loss: Provisions	156,978,407.05	147,585,739.76
Receivables from related parties	571,714,226.38	535,493,110.41
Receivables from related parties	49,232,530.41	55,225,683.92
Impairment loss: Provisions	28,881,807.57	37,656,705.69
Matters arising from the same transaction	1,485,148.50	1,500,000.00
Matters arising from different transactions	2,857,971.77	3,417,245.81
Others	16,007,602.57	12,651,732.42
	777,925,163.84	738,304,534.09

2. Balance at the end of the period:

Receivables from related parties: Matters arising from the same transaction: 683,078,850.17

Receivables from related parties: Matters arising from different transactions: 535,493,110.41

Receivables from related parties: Others: 55,225,683.92

# Net Income

For the period ending June 30, 2023

(Amount in RMB)

1. Net Income ( )

(XXXVII) Total change

Item	Amount	Amount
Period	1,704,919.27	1,001,891.04

## Net Income

For the period ending June 30, 2023

(Amount in RMB)

### Income Statement (Continued)

#### (XXXIX) Goodwill Impairment

Item	Amount	Amount
Beginning balance	55,921,762.58	49,573,428.40
Decrease due to impairment	6,990,089.75	5,720,360.45
Decrease due to disposal	1,800,111.04	2,293,955.81
Decrease due to exchange rate changes	4,684,159.80	3,232,014.43
Provision for impairment	1,039,347.77	899,362.84
Other changes	1,386,037.88	779,580.51
Ending balance	1,700,201.12	3,343,511.39
Other changes	2,070,528.66	1,723,546.90
Other changes	717,753.37	963,759.27
Provision for impairment	1,676,255.06	1,724,874.78
Other changes	1,263,793.76	1,603,121.87
Other changes	1,582,961.78	1,481,876.67
Other changes	14,377,209.14	12,306,482.93
Other changes		2,400.00
Other changes	3,248,248.19	3,506,322.65
Other changes	2,599,553.04	2,306,537.45
Other changes	866,013.82	1,825,998.65
	101,924,026.76	94,894,218.90

#### (XL) Research and Development Expenses

Item	Amount	Amount
Beginning balance	13,998,896.69	13,219,266.23
Decrease due to impairment	191,563.81	210,371.24
Decrease due to disposal		29,160.96
Provision for impairment	92,076.48	293,486.60
Other changes	1,369.72	6,962.67
Other changes	388,988.66	598,846.70
Other changes		28,444.60
Other changes	285,100.27	674,961.46
	14,957,995.63	15,061,500.46

## Non-current Assets

For the period ended June 30, 2023

(All amounts in RMB unless otherwise specified)

### 1. Non-current Assets (continued)

#### (XLI) Intangible Assets

Item	Amount at the end of the period	Amount at the beginning of the period
Patent rights	19,182,137.46	22,800,335.12
Software: Patent rights, software, etc.	5,058,106.16	7,238,858.39
Lease intangible assets	2,704,831.09	1,699,139.71
Franchise rights, etc.	-13,070.04	-44,311.88
Others	544,284.06	591,245.75
	20,159,633.96	21,648,129.28

#### (XLII) Other Intangible Assets

Item	Amount at the end of the period	Amount at the beginning of the period
Goodwill	5,600,421.10	5,361,749.51
Franchise rights, etc.	200,405.44	220,294.02
Others	21,668.61	321,968.77
	5,822,495.15	5,904,642.30

#### (XLIII) Decrease in Intangible Assets

Item	Amount at the end of the period	Amount at the beginning of the period
Impairment loss on intangible assets	-157,522.45	-1,671,780.92
Amortization of intangible assets	-38,203.48	1,392,960.99
	-195,725.93	-278,819.93

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(Amount in RMB)

## 1. Non-current assets held for sale (continued)

### (XLIV) Gain on disposal of intangible assets

Source of gain on disposal of intangible assets	Amount in RMB	Amount in RMB
From disposal of intangible assets		30,711.64
		30,711.64

### (XLV) Change in fair value of financial assets

Item	Amount in RMB	Amount in RMB
Loss on disposal of financial assets	-3,047,374.71	-3,348,573.01
Loss on disposal of financial assets	37,447.94	616,892.68
	-3,009,926.77	-2,731,680.33

### (XLVI) Gain on disposal of financial assets

Item	Amount in RMB	Amount in RMB
Gain on disposal of financial assets (including disposal of equity investments)		389,315.92
Gain on disposal of financial assets (including disposal of equity investments)		389,315.92
		389,315.92

## Net Financial Assets

For the period ending June 30, 2023

(Amount in RMB)

### 1. Net Financial Assets (Continued)

#### (XLVII) Net Financial Assets

Item	Amount in RMB		
	At the beginning of the period	At the end of the period	Change
Financial assets	10,137.96	8,843.14	10,137.96
Financial liabilities	10,137.96	8,843.14	10,137.96
Derivatives	5,573,844.86	4,017,521.21	5,573,844.86
Equity instruments	232,490.00	1,166,876.42	232,490.00
Other	108,488.16	158,491.16	108,488.16
	<b>5,924,960.98</b>	<b>5,351,731.93</b>	<b>5,924,960.98</b>

#### (XLVIII) Net Financial Liabilities

Item	Amount in RMB		
	At the beginning of the period	At the end of the period	Change
Financial liabilities	91,822.62	239,086.15	91,822.62
Financial assets	91,822.62	239,086.15	91,822.62
Equity instruments	1,234,751.71	1,419,258.76	1,234,751.71
Other	370,093.31	1,237,300.03	370,093.31
Other	518,463.73	476,864.80	518,463.73
	<b>2,215,131.37</b>	<b>3,372,509.74</b>	<b>2,215,131.37</b>

# Notes to the Financial Statements

For the period ending June 30, 2023

(Amount in RMB)

## 1. Notes to the Financial Statements (Continued)

### (XLIX) Receivables

#### 1. Accounts Receivable

Item	Amount at the end of the period	Amount at the beginning of the period
Contract receivables	23,358,206.57	23,230,774.09
Other receivables	-11,880,326.50	-4,120,693.90
	11,477,880.07	19,110,080.19

#### 2. Accounts Receivable

Item	Amount at the end of the period
Accounts receivable	60,207,112.14
Notes receivable	16,067,002.03
Accounts receivable - related parties	212,271.74
Accounts receivable - non-related parties	-1,472,685.98
Accounts receivable - government	-768,779.98
Accounts receivable - other	645,141.99
Accounts receivable - impairment allowance	-1,107,566.29
Accounts receivable - other	-241,776.23
Accounts receivable - other	-611,075.57
Accounts receivable - other	-1,336,634.41
Other	91,982.77
Accounts receivable	11,477,880.07

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Notes to the Financial Statements (Continued)

### (L) Equity

#### 1. Balance Sheet

Balance Sheet as of June 30, 2023 and December 31, 2022. The amounts are in RMB unless otherwise specified.

Item	Amount as of December 31, 2022	Amount as of June 30, 2023
Capital		
Registered capital	43,750,057.46	38,788,155.89
Reserves	74,600,300.00	74,600,300.00
Total	118,350,357.46	113,388,455.89

#### 2. Profit and Loss Statement

Profit and Loss Statement for the period from January 1, 2023 to June 30, 2023. The amounts are in RMB unless otherwise specified.

Item	Amount for the period from January 1, 2023 to June 30, 2023	Amount for the period from January 1, 2022 to June 30, 2022
Operating income	43,750,057.46	38,788,155.89
Operating expenses	(74,600,300.00)	(74,600,300.00)
Operating profit	0.59	0.52
Other income	0.59	0.52
Other expenses		
Other profit		
Total	1.18	1.04

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Significant accounting policies (continued)

### (L) Significant accounting policies

1. Revenue recognition

Significant accounting policies	Amount at the beginning of the period	Amount at the end of the period
1. Revenue recognition		
Net revenue	43,750,057.46	38,788,155.89
Amounts: Government grants		
Current	4,979,174.61	5,432,581.84
Provisional	3,009,926.77	2,731,680.33
Deferred	23,833,784.01	28,063,119.25
Deferred income	20,598,505.54	20,760,704.78
Deferred income	14,041,984.18	12,489,361.10
Deferred income	22,717,392.28	25,082,357.37
Liabilities		
( )		-389,315.92
( )	81,684.66	230,243.01
( )		-30,711.64
Financial assets ( )	19,169,067.42	22,756,023.24
( )	195,725.93	278,819.93
( )	-9,314,304.24	153,565.04
( )	421,337.69	2,475,741.06
( )	3,557,785.89	3,049,315.08
( )	13,057,344.16	-103,135,220.95
( )	-46,508,127.66	-2,761,944.82
Other	113,591,338.70	55,974,474.59
2. Government grants		
Current		
Provisional		
Deferred		
3. Revenue recognition		
Current	262,868,904.62	275,180,570.66
Provisional	258,595,990.97	188,734,845.35
Deferred		
Deferred	4,272,913.65	86,445,725.31





# Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Basis of Preparation (Continued)

### (1) Business combination (Continued)

2. Cost of acquisition

Item	Wenzhou Kangning Hospital Co., Ltd.	Wenzhou Kangning Hospital Co., Ltd.
Cost of acquisition		
Cash	250,000.00	15,500,000.00
Fair value of identifiable intangible assets		
Fair value of identifiable intangible assets		
Fair value of identifiable intangible assets		
Fair value of identifiable intangible assets		
Fair value of identifiable intangible assets		
Other		
	250,000.00	15,500,000.00
Less: Fair value of identifiable intangible assets	-195,742.09	15,187,825.64
Goodwill		
	445,742.09	312,174.36

The fair value of identifiable intangible assets is determined as follows:

Cost of acquisition is the sum of cash and the fair value of identifiable intangible assets.

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Basis of preparation (continued)

### (1) Business combination (continued)

3. Business combination (continued)

Item	Wenzhou Kangning Hospital Co., Ltd.		Lidong Hospital Co., Ltd.	
	Face value	Carrying amount	Face value	Carrying amount
Assets:				
Current assets:				
Accounts receivable	12,167.15	12,167.15	11,292,072.74	7,414,323.69
Other receivables			1,074,846.30	677,201.30
Prepaid expenses			1,167,668.59	166,068.59
Inventory	109,424.55	109,424.55	373,931.03	373,931.03
Other current assets			360,020.26	360,020.26
Financial assets	8,270.20	8,270.20	2,196,970.19	2,505,404.03
Receivables				
Contract assets			82,000.00	
Intangible assets	4,850.00	4,850.00		17,000,000.00
Long-term equity investments			5,550,629.97	5,550,629.97
Other non-current assets				
Liabilities:				
Bank borrowings				
Payables	210,741.55	210,741.55	457,516.78	457,516.78
Other payables	1,010,178.58	109,424.55	1,045,046.80	1,045,046.80
Contract liabilities			340,592.00	340,592.00
Other non-current liabilities	10,287.89	10,287.89		
Accumulated deficit				
Other non-current liabilities				2,987,359.95
Net assets	-1,096,496.12	-195,742.09	20,817,970.44	29,780,050.28
Equity:				
Net assets	-1,096,496.12	-195,742.09	10,617,164.92	15,187,825.64

Business combination (continued)

1. Current assets (continued)

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## I. Significant Accounting Policies

### (I) Basis of Preparation

1. General

Name of Subsidiary	Type of Entity	Main Business	Place of Incorporation	Nature of Investment	Shareholding (%)		
					Direct	Indirect	Method of Acquisition
Wenzhou Kangning Hospital Management (Group) Co., Ltd. (Wenzhou Kangning Hospital Management (Group) Co., Ltd.)	LLC	Medical Services	China	100.00	0.00	Wholly-owned	
Wenzhou Kangning Hospital Co., Ltd.	LLC	Medical Services	China	100.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	100.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	60.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	51.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Management Co., Ltd.	LLC	Medical Services	China	100.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	60.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	51.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	100.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	100.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	100.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	50.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	85.65	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	51.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	90.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	51.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	51.00	0.00	Wholly-owned	
Qinghai Kangning Hospital Co., Ltd.	LLC	Medical Services	China	100.00	0.00	Wholly-owned	

# Non-ferrous Metals

February 28, 2023

(All amounts in RMB)

## I. Investment in subsidiaries (continued)

### (I) Investment in subsidiaries (continued)

1. Investment in subsidiaries (continued)

Name of subsidiary	Type of legal entity	Major business	Place of registration	Investment amount	Shareholding (%)	
					Direct	Indirect
Hangzhou Kangning Hospital Co., Ltd.	LLC	Hospital	Hangzhou	100.00	100.00	100.00
Hangzhou Kangning Hospital Research & Development Co., Ltd.	LLC	Research & Development	Hangzhou	100.00	100.00	100.00
Hangzhou Kangning Hospital Medical Equipment Co., Ltd.	LLC	Medical Equipment	Hangzhou	100.00	100.00	100.00
Hangzhou Kangning Hospital Pharmacy Co., Ltd.	Other	Pharmacy	Hangzhou	80.00	80.00	80.00
Chengde Kangning Hospital Co., Ltd.	Other	Hospital	Chengde	64.55	64.55	64.55
Chengde Kangning Hospital Research & Development Co., Ltd.	LLC	Research & Development	Chengde	100.00	100.00	100.00
Hangzhou Kangning Hospital Research & Development Co., Ltd.	LLC	Research & Development	Hangzhou	100.00	100.00	100.00
Hangzhou Kangning Hospital Research & Development Co., Ltd.	LLC	Research & Development	Hangzhou	100.00	100.00	100.00
Hangzhou Kangning Hospital Research & Development Co., Ltd.	LLC	Research & Development	Hangzhou	66.00	66.00	66.00
Hangzhou Kangning Hospital Research & Development Co., Ltd. (Puhang Jiating Huangling Hospital Co., Ltd.)	LLC	Research & Development	Hangzhou	100.00	100.00	100.00
Chengde Kangning Hospital Co., Ltd.	LLC	Hospital	Chengde	100.00	100.00	100.00
Chengde Kangning Hospital Research & Development Co., Ltd.	LLC	Research & Development	Chengde	100.00	100.00	100.00
Chengde Kangning Hospital Research & Development Co., Ltd.	LLC	Research & Development	Chengde	100.00	100.00	100.00



# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Significant Accounting Policies (Continued)

### (1) Investment in Subsidiaries (Continued)

2. Method of measurement

Na e f S b da	(%)	ha eh p de	ha eh p de	ha eh p de
L H C.,L,	40.00	-152,322.75		25,815,007.53
B H C.,L,	49.00	-1,303,295.32		493,375.06
H C.,L,	45.00	-1,135,105.18		-4,216,850.65

### 3. Measurement of Investment in Subsidiaries

#### Balance at the beginning of the period

Na e f S b da	C e a e	N -c e a e	T p a e	C e a e	N -c e a e	T p a e
L H C.,L,	16,018,641.11	109,972,839.43	125,991,480.54	16,453,961.72	45,000,000.00	61,453,961.72
B H C.,L,	9,087,981.68	5,505,555.13	14,593,536.81	12,857,315.61	729,333.33	13,586,648.94
H C.,L,	15,080,218.50	13,653,288.40	28,733,506.90	37,586,947.22	517,338.90	38,104,286.12

#### Balance at the end of the period

Na e f S b da	C e a e	N -c e a e	T p a e	C e a e	N -c e a e	T p a e
L H C.,L,	19,028,799.19	98,436,498.17	117,465,297.36	20,546,971.67	45,000,000.00	65,546,971.67
B H C.,L,	10,169,929.61	8,893,422.97	19,063,352.58	14,393,845.02	1,002,833.33	15,396,678.35
H C.,L,	14,488,059.45	19,086,594.25	33,574,653.70	34,702,253.46	5,720,723.50	40,422,976.96

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## I. Significant Accounting Policies and Accounting Estimates

### (I) Revenue Recognition (Continued)

3. Major revenue items (Continued)

Name of Service	Amount			
	Revenue	Net Revenue	Tax Expense	Cost of Sales
Medical Service	-	-380,806.87	-380,806.87	-3,609,574.58
Medical Service	7,978,933.21	-2,659,786.36	-2,659,786.36	-109,729.11
Medical Service	11,433,757.27	-2,522,455.96	-2,522,455.96	6,865,585.01

Name of Service	Amount			
	Revenue	Net Revenue	Tax Expense	Cost of Sales
Medical Service	-	259,074.72	259,074.72	1,060,125.05
Medical Service	7,938,336.05	-3,239,633.87	-3,239,633.87	1,284,287.97
Medical Service	11,327,151.95	-3,051,974.81	-3,051,974.81	262,948.82

### (II) Revenue Recognition

1. Major revenue items

Name of Service	Major Category	Percentage	Name of Service	Shareholding (%)		Accounting Method	When the Contract is Completed
				December	December		
Medical Service	Medical Service	26.60	Medical Service	26.60	26.60	When the Contract is Completed	When the Contract is Completed
Medical Service	Medical Service	45.00	Medical Service	45.00	45.00	When the Contract is Completed	When the Contract is Completed
Medical Service	Medical Service	30.00	Medical Service	30.00	30.00	When the Contract is Completed	When the Contract is Completed
Medical Service	Medical Service	40.00	Medical Service	40.00	40.00	When the Contract is Completed	When the Contract is Completed
Medical Service	Medical Service	24.00	Medical Service	24.00	24.00	When the Contract is Completed	When the Contract is Completed



# Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

## II. Recognition and measurement

1. Recognition and measurement of financial assets and liabilities

Financial assets and liabilities are recognized in the balance sheet when the company has entered into a contract that gives rise to a financial asset or liability. Financial assets and liabilities are measured at fair value. The fair value of financial assets and liabilities is determined based on the following methods: (1) For financial assets and liabilities with active markets, the fair value is determined based on the quoted market prices. (2) For financial assets and liabilities without active markets, the fair value is determined based on the discounted cash flow method or other appropriate methods. (3) For financial assets and liabilities that are not measured at fair value, the fair value is determined based on the carrying amount. The carrying amount of financial assets and liabilities is determined based on the historical cost method.

2. Recognition and measurement of financial instruments

(I) Cash and cash equivalents



# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## II. Revenue (Continued)

### (II) Labor cost (Continued)

The labor cost is categorized as follows:

Item	By category					Total
	Direct	Welfare	1-2 years	2-5 years	Over 5 years	
Number of employees		174,060.00				174,060.00
Benefit amount		300,170,000.00	223,354,176.00	165,090,144.00	69,285,680.00	757,900,000.00
Number of employees		24,992,499.08				24,992,499.08
Labor cost		29,580,000.00	4,689,517.60	26,076,534.51		60,346,052.11
		354,916,559.08	228,043,693.60	191,166,678.51	69,285,680.00	843,412,611.19

Item	By duration				Total	
	1 year	1-2 years	2-5 years	Over 5 years		
Number of employees		997,944.00			997,944.00	
Benefit amount		211,396,818.18	223,154,176.00	153,052,040.00	69,285,680.00	656,888,714.18
Labor cost		99,580,000.00	28,954,752.75	26,076,534.51		154,611,287.26
		311,974,762.18	252,108,928.75	179,128,574.51	69,285,680.00	812,497,945.44

### (III) Management

Management includes the following items:

1. Management personnel:
  - Management personnel are those who are directly or indirectly involved in the management of the company, including the chairman, directors, supervisors, and senior management personnel.
  - Management personnel are those who are directly or indirectly involved in the management of the company, including the chairman, directors, supervisors, and senior management personnel.
  - Management personnel are those who are directly or indirectly involved in the management of the company, including the chairman, directors, supervisors, and senior management personnel.
  - Management personnel are those who are directly or indirectly involved in the management of the company, including the chairman, directors, supervisors, and senior management personnel.
  - Management personnel are those who are directly or indirectly involved in the management of the company, including the chairman, directors, supervisors, and senior management personnel.

On June 30, 2023, the management personnel of the company are RMB-

Notes to the Financial Statements  
 For the period ended June 30, 2023  
 (All amounts in RMB unless otherwise specified)

II. Revenue (continued)

(III) Medical services (continued)

2. Expenses

Expenses include salaries, wages, social security, housing fund, employee benefits, depreciation, amortization, and other expenses.

The following table shows the breakdown of expenses by nature and currency. The amounts are in RMB. The amounts in CNY, PRC Yuan, and HKD are converted from RMB at the exchange rate of 1 RMB = 0.1369 USD, 1 RMB = 0.0803 HKD, and 1 RMB = 0.0729 HKD, respectively.

The following table shows the breakdown of expenses by nature and currency. The amounts are in RMB.

Item	By nature			By currency		
	US\$	HK\$	Totals	\$	HK\$	
Salaries and wages	591,799.81	49,933.71	641,733.52	880,734.82	50,073.95	930,808.77
	591,799.81	49,933.71	641,733.52	880,734.82	50,073.95	930,808.77

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

## III. D

Notes to the financial statements are as follows:

Item 1: The company (the "Company") is a limited liability company established in China. The Company is a public company listed on the Shanghai Stock Exchange.

Item 2: The company is a public company listed on the Shanghai Stock Exchange. The company's shares are listed on the Shanghai Stock Exchange.

Item 3: The company is a public company listed on the Shanghai Stock Exchange.

The company is a public company listed on the Shanghai Stock Exchange. The company's shares are listed on the Shanghai Stock Exchange.

### (I) Financial Statement

Item	Financial Statement			Total
	Measuring Method 1	Measuring Method 2	Measuring Method 3	
I. Current Assets				
1. Financial Assets			10,641,026.00	10,641,026.00
(1) Financial Assets				
(2) Financial Assets		10,641,026.00		10,641,026.00
(3) Financial Assets				
2. Financial Assets				
Total Current Assets			10,641,026.00	10,641,026.00
II. Financial Liabilities				
1. Financial Liabilities				
(1) Financial Liabilities				
(2) Financial Liabilities				
(3) Financial Liabilities			13,922,929.38	13,922,929.38
2. Financial Liabilities				
Total Financial Liabilities			13,922,929.38	13,922,929.38

# Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

## III. D. Other items (continued)

(II) **Other items** (continued)

1. **Other items** (continued)
2. **Other items** (continued)

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C	H	C	L		
C	H	K	H	C	L
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# Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

## 1. Basis of Preparation (Continued)

### (V) Intangible Assets

1. Intangible Assets

Intangible Assets	Beginning Balance	Acquired	Amortization	Ending Balance
Mr. Hu Guo	Mr. Hu Guo			
		1,485,148.50		1,500,000.00
Chen Huo	Chen Huo			
				55,550.20

2. Intangible Assets

Intangible Assets	Beginning Balance	Acquired	Amortization	Ending Balance
Wenzhou Kangning Hospital Co., Ltd. (寧波保稅區晟鴻信息科技有限公司)	Wenzhou Kangning Hospital Co., Ltd. (寧波保稅區晟鴻信息科技有限公司)			
		85,333.36		73,142.88

Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

3. Financial Instruments (continued)

(V) Financial assets measured at amortized cost (continued)

3. Financial Instruments (continued):

Name of financial asset	Guaranteed amount	Effective date	Expiration date	Whether guaranteed by the issuer
Wenzhou Kangning Hospital Co., Ltd.	50,200,000.00	2019/8/26	2029/8/20	N
Qianjiang Kangning Hospital Co., Ltd.	45,000,000.00	2019/12/31	2024/12/31	N

Financial Instruments (continued):

Name of financial asset	Guaranteed amount	Effective date	Expiration date	Whether guaranteed by the issuer
Guangdong Lianhua	27,000,000.00	2020/6/30	2027/6/30	N
Guangdong Hualian Lianhua	90,000,000.00	2021/11/29	2028/11/29	N
Guangdong Hualian Lianhua	218,000,000.00	2020/10/26	2026/10/25	N
Guangdong Lianhua Hualian	220,000,000.00	2020/9/17	2023/9/17	N
Guangdong Lianhua	24,500,000.00	2022/6/1	2025/6/1	N

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

Revised financial statements (interim)

(V) If a company is a subsidiary (continued)

4. Associates

Associate	Percentage of ownership	Accounting method	Initial investment	Balance at the end of the period
Ningbo Meishan Bonded Zone Exhibition Investment Management Joint Venture (Limited Partnership) Kangning Hospital Co., Ltd. (Wenzhou Kangning Hospital Co., Ltd. subsidiary) P. A. (L. L. P. A.) (寧波梅山保稅港區寬展投資管理合夥企業(有限合夥))	33.7591%	Equity method		15,000,000.00
Q. K.	5%	Equity method	500,000.00	

5. Other associates

Associate	Accounting method	Balance at the end of the period
Other associates	Equity method	2,965,119.82

# Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

1. Basis of preparation (continued)

(VI) Receivables and payables

1. Receivables

Balance at the beginning of the period	Balance at the end of the period

Receivables	Payables	Prepaid expenses



# Notes to the Financial Statements

For the period ending June 30, 2023

(Amount in RMB)

## 1. Significant Accounting Policies

### (I) Significant Accounting Policies

On August 16, 2021, the Company's Board of Directors, the Board of Supervisors, the General Meeting of Shareholders, and the Company's Internal Audit Department approved the Company's 2021 financial statements. The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

### (II) Significant Accounting Policies

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

The financial statements for the period from January 1 to August 16, 2021, are audited by the PricewaterhouseCoopers (PwC) audit firm. The audit fee is RMB10.47 million.

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023  
(All amounts in RMB unless otherwise specified)

## (I) Basis of Preparation (Continued)

### (III) Management-based data

In January 2021, the Board of Directors of the Company approved the financial statements for the period from January 1, 2021 to December 31, 2021, and the financial statements for the period from January 1, 2022 to December 31, 2022, and the financial statements for the period from January 1, 2023 to June 30, 2023.

## I. Company Information

### 1. Outstanding shares

As of June 30, 2023, the Company has issued 100,000,000 shares of ordinary shares.

### (I) Company information

The Company is a limited liability company established in the People's Republic of China.

## II. Basis of Preparation

### (I) Description of the financial statements

Notes



# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

Notes to the Financial Statements

## (I) Accounts receivable

1. Accounts receivable

Age group	Balance at the end of the period	
	Book balance	Net amount
1 year or less	41,292,202.90	49,024,983.98
1-2 years	257,315.13	709,878.26
2-3 years	709,878.26	1,158,221.95
Over 3 years	3,906,521.87	2,748,299.92
	46,165,918.16	53,641,384.11
Less: Provision for impairment	5,286,637.29	5,361,391.95
	40,879,280.87	48,279,992.16

2. Accounts receivable by category

Category	Balance at the end of the period				Book balance				Net amount			
	Book balance		Provision for bad debts		Book balance		Provision for impairment		Book balance		Provision for impairment	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Provision for impairment												
Medical insurance	4,873,715.26	10.56	4,873,715.26	100.00	4,873,715.26	9.09	4,873,715.26	100.00				
Medical insurance	4,873,715.26	10.56	4,873,715.26	100.00	4,873,715.26	9.09	4,873,715.26	100.00				
Provision for impairment												
Medical insurance	41,292,202.90	89.44	412,922.03	1.00	40,879,280.87	48,767,668.85	90.91	48,767,668.85	1.00	48,279,992.16		
Medical insurance	41,292,202.90	89.44	412,922.03	1.00	40,879,280.87	48,767,668.85	90.91	48,767,668.85	1.00	48,279,992.16		
	46,165,918.16	100.00	5,286,637.29	/	40,879,280.87	53,641,384.11	100.00	5,361,391.95	/	48,279,992.16		

Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

1. Notes to the Financial Statements

(I) Accounts payable (continued)

2. Accounts payable (continued)

Particulars of accounts payable:

Item	Balance at the end of the period		
	Book balance	Provision for doubtful debts	Realizable amount (%)
At the beginning of the period	4,873,715.26	4,873,715.26	100
At the end of the period	4,873,715.26	4,873,715.26	/

Particulars of accounts payable:

Item	Balance at the end of the period		
	Accounts payable	Provision for doubtful debts	Realizable amount (%)
At the beginning of the period	41,292,202.90	412,922.03	1.00
At the end of the period	41,292,202.90	412,922.03	/

3. Particulars of accounts payable (continued)

Category	Change in the period		
	Book balance at the beginning of the period	Received and paid	Write-off
At the beginning of the period	41,292,202.90		
At the end of the period	41,292,202.90		

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

Notes to the Financial Statements (continued)

## (II) Other receivables

Item	Balance at the beginning of the period	Balance at the end of the period
Accounts receivable	53,000,000.00	53,000,000.00
Other receivables	474,620,871.01	547,014,558.58
<b>Total</b>	<b>527,620,871.01</b>	<b>600,014,558.58</b>

### 1. Accounts receivable

Item	Balance at the beginning of the period	Balance at the end of the period
Wenzhou Kangning Hospital Co., Ltd.	33,000,000.00	33,000,000.00
Wenzhou Kangning Hospital Co., Ltd.	10,000,000.00	10,000,000.00
Wenzhou Kangning Hospital Co., Ltd.	10,000,000.00	10,000,000.00
<b>Total</b>	<b>53,000,000.00</b>	<b>53,000,000.00</b>
Prepaid expenses	53,000,000.00	53,000,000.00
<b>Total</b>	<b>53,000,000.00</b>	<b>53,000,000.00</b>

### 2. Other receivables

#### (1) Debtors

Ageing	Balance at the beginning of the period	Balance at the end of the period
1 year or less	472,453,825.45	249,636,171.19
1-2 years	981,558.90	237,554,656.40
2-3 years	513,575.80	29,146,078.54
Over 3 years	859,143.18	30,904,134.11
<b>Total</b>	<b>474,808,103.33</b>	<b>547,241,040.24</b>
Prepaid expenses	187,232.32	226,481.66
<b>Total</b>	<b>474,620,871.01</b>	<b>547,014,558.58</b>

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

1. **Notes to the Balance Sheet**

## (II) Other Receivables (continued)

2. Other receivables (continued)

(2) Details of other receivables

Category	Balance at the end of the period				Book value at the end of the period					
	Balance		Provision for bad debts		Book value	Balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision for bad debts	474,808,103.33	100.00	187,232.32	0.04	477,641,010.84	547,241,040.24	100.00	226,481.66	0.04	547,014,558.58
Accounts receivable	70,875,967.57	14.93	187,232.32	0.26	70,688,735.25	8,071,564.48	1.47	226,481.66	2.81	7,845,082.82
Accounts payable	403,932,135.76	85.07			406,952,275.59	539,169,475.76	98.53			539,169,475.76
	474,808,103.33	100.00	187,232.32		477,641,010.84	547,241,040.24	100.00	226,481.66		547,014,558.58

Provision for bad debts is calculated as follows:

Item	Balance at the end of the period		
	Other receivables	Provision for bad debts	Provision for bad debts (%)
Accounts receivable	70,875,967.57	187,232.32	0.26
Accounts payable	406,952,275.59		
	477,828,243.16	187,232.32	/

# Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

1. *Notes to the Financial Statements*

## (II) Other receivables (continued)

2. *Other receivables* (continued)

(3) *Particulars*

Particulars	12-month ECL	Sage 1	Sage 2	Sage 3	Total
		Life ECL (Net amount)	Life ECL (Net amount)	Life ECL (Net amount)	
Particulars	12-month ECL	Life ECL (Net amount)	Life ECL (Net amount)	Life ECL (Net amount)	Total
Balance at the beginning of the period	1,001,425.91	140,009.15	693,077.36	41,725.61	1,026,142.02

Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

1. Notes to the Financial Statements (continued)

(II) Other receivables (continued)

2. Other receivables (continued)

(3) Provisions for impairment of other receivables

Comparison of the beginning and ending balances of other receivables:

Balance	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Life ECL (Noticed as a whole)	Life ECL (Ceded as a whole)	
Balance at the beginning of the period	547,241,040.24			547,241,040.24
Balance at the end of the period				
- Addition				
- Reduction				
- Rerecognition				
- Transfer				
Balance at the end of the period	69,412,797.08			69,412,797.08
Balance at the beginning of the period	477,828,243.16			477,828,243.16

# Notes to the Financial Statements

For the period ending June 30, 2023

(All amounts in RMB unless otherwise specified)

1. Notes to the Financial Statements (continued)

## (II) Other receivables (continued)

2. Other receivables (continued)

(4) Particulars of other receivables

Category	Amounts in RMB			
	Balance at the beginning of the period	Added during the period	Reduced during the period	Balance at the end of the period
Particulars	226,481.66		39,249.34	187,232.32
	226,481.66		39,249.34	187,232.32

(5) Particulars of other receivables

Name	Balance at the beginning of the period	Balance at the end of the period
Accounts receivable	403,932,135.76	507,207,052.64
Prepaid expenses	46,632,118.55	33,132,118.55
Due from related parties	5,933,150.00	5,933,350.00
Other receivables	15,130,000.00	
Other	3,180,699.02	968,519.05
	474,808,103.33	547,241,040.24

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

Notes to the Financial Statements (Continued)

## (III) Long-term equity investments

Item	Balance at the end of the period		Balance at the beginning of the period	
	Balance	Change	Balance	Change
Long-term equity investments	670,246,492.72		670,246,492.72	649,079,592.72
Long-term equity investments	92,385,700.59		92,385,700.59	92,882,992.81
	762,632,193.31		762,632,193.31	741,962,585.53

### 1. Long-term equity investments

Item	Balance at the beginning of the period	Decrease during the period	Decrease during the period	Balance at the end of the period	Change during the period	
					Decrease during the period	Change during the period
Wenzhou Kangning Hospital Co., Ltd.	10,354,979.06		10,000,000.00	354,979.06		
Lishui Kangning Hospital Co., Ltd.		15,500,000.00		15,500,000.00		
Wenzhou Kangning Hospital Co., Ltd.	500,000.00			500,000.00		
Wenzhou Kangning Hospital Co., Ltd.	204,666,253.87			204,666,253.87		
Chongqing Kangning Hospital Co., Ltd.	52,697,737.50			52,697,737.50		
Wenzhou Kangning Hospital Co., Ltd.	2,133,258.38			2,133,258.38		
Wenzhou Kangning Hospital Co., Ltd.	27,687,093.11			27,687,093.11		
Qingdao Kangning Hospital Co., Ltd.	32,856,644.25			32,856,644.25		
Lishui Kangning Hospital Co., Ltd.	2,299,071.39	2,500,000.00		4,799,071.39		
Wenzhou Kangning Hospital Co., Ltd.	53,500,000.00			53,500,000.00		
Wenzhou Kangning Hospital Co., Ltd.	30,000,000.00	10,800,000.00		40,800,000.00		
Wenzhou Kangning Hospital Co., Ltd.	10,000,000.00			10,000,000.00		
Putian Kangning Hospital Co., Ltd.	154,744,700.00			154,744,700.00		
Jiangsu Kangning Hospital Co., Ltd.	26,684,900.00	2,366,900.00		29,051,800.00		
Wenzhou Kangning Hospital Co., Ltd.	40,954,955.16			40,954,955.16		
	649,079,592.72	31,166,900.00	10,000,000.00	670,246,492.72		

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

Wen Zhou Kang Ning Hospital Co., Ltd. (2023)

## (III) Long-term equity investments (continued)

2.

Item	Change in the period					
	Balance at the beginning of the period	Decreases	Increases	Other changes	Disposals	Balance at the end of the period
A						
1. Long-term equity investments	14,179,350.14	405,504.79				14,584,854.93
2. Long-term equity investments in subsidiaries	57,600,000.00	(65,239.09)				57,534,760.91
3. Long-term equity investments in associates	21,103,642.67	1,313,457.77	475,899.85			20,266,094.75
4. Long-term equity investments in other entities	92,882,092.81	1,313,457.77	816,165.55			92,385,700.59

# Notes to the Financial Statements

For the period from January 1, 2023 to June 30, 2023

(All amounts in RMB unless otherwise specified)

1. **Notes to the Financial Statements**

## (IV) Receivables

### 1. Receivables

Item	At the end of the period		At the beginning of the period	
	Receivable	Contract	RMB	CNY
Medical receivables	174,575,542.75	130,786,397.79	183,506,368.69	133,177,435.95
Others	1,629,256.25	-	2,293,730.40	45,300.00
	176,204,799.00	130,786,397.79	185,800,099.09	133,222,735.95

At the end of the period, the medical receivables are:

Item	At the end of the period		At the beginning of the period	
	Receivable	Contract	RMB	CNY
Prepaid medical insurance	43,231,464.13	-	44,016,314.26	-
Others	131,344,078.62	-	139,490,054.43	-
	174,575,542.75	-	183,506,368.69	-

### 2. Debtors with accounts receivable

The debtors with accounts receivable are as follows:

## (V) Prepaid medical insurance

Item	At the end of the period		At the beginning of the period	
	Prepaid medical insurance	Contract	RMB	CNY
Prepaid medical insurance	-	-	-	594,000.00
Prepaid medical insurance	816,165.55	-	-	-1,296,180.45
Others	-1,591,713.27	-	-	-
	-775,547.72	-	-	-702,180.45

# Def

↪ A, C	↪ B
↪ Beijing Kangning Hospital	Beijing Kangning Hospital Co., Ltd. (北京怡寧醫院有限公司), PRC, established in April 17, 2015, in Beijing, PRC.
↪ B, D	↪ B, C
↪ Cangnan Kangning Hospital	Cangnan Kangning Hospital Co., Ltd. (蒼南康寧醫院有限公司), PRC, established in January 15, 2012, in Cangnan, PRC.
↪ C, L	↪ C, P, R, C
↪ CGC	↪ C, G, C, A, H, K, L, R
↪ Changchun Kangning Hospital P, H	Changchun Kangning Hospital P, H Co., Ltd. (長春康林心理醫院有限公司), PRC, established in February 16, 2016, in Changchun, PRC.
↪ Changning Kangning Hospital	Changning Kangning Hospital Co., Ltd. (溫州怡寧老年醫院有限公司), PRC, established in November 2, 2015, in Wenzhou, PRC. (Business License: 2120)
↪ D ( )	↪ D ( ) C
↪ D ( )	↪ D ( ) C, RMB1.00, RMB
↪ G, H	↪ G, H Co., Ltd. (溫州怡寧老年醫院有限公司), PRC, established in November 2, 2015, in Wenzhou, PRC.
↪ G	↪ C



# Def

- ↳ L 鹿城怡寧醫院有限公司 (溫州鹿城怡寧醫院有限公司), PRC 2020, C
- ↳ M 馬六甲怡寧醫院有限公司 (馬六甲怡寧醫院有限公司) PRC
- ↳ M 馬六甲怡寧醫院有限公司 (馬六甲怡寧醫院有限公司) D L 10 H K L R
- ↳ N 寧波怡寧醫院有限公司 (寧波怡寧醫院有限公司) B
- ↳ P 平陽長庚怡寧醫院有限公司 (平陽長庚怡寧醫院有限公司), PRC B E
- ↳ P 平陽長庚怡寧醫院有限公司 (平陽長庚怡寧醫院有限公司), PRC J 14, 2021, C
- ↳ P 浦江怡寧黃鋒醫院有限公司 (浦江怡寧黃鋒醫院有限公司), PRC 3, 2018, C
- ↳ PRC C H K M A R PRC
- ↳ P D



# Def



- 温州康宁医院有限公司 (Wenzhou Kangning Hospital Co., Ltd.)

→ PRC 2012年12月12日, 2012年12月12日, 2012年12月12日
- 乐清康宁医院有限公司 (Yueqing Kangning Hospital Co., Ltd.)

→ PRC 2013年3月3日, 2013年3月3日, 2013年3月3日
- %

→ 2012年12月12日

温州康宁医院股份有限公司  
Wenzhou Kangning Hospital Co., Ltd.