



溫州康寧醫院股份有限公司
Wenzhou Kangning Hospital Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)
Stock code: 2120

**ANNUAL RESULTS ANNOUNCEMENT FOR
THE YEAR ENDED DECEMBER 31, 2023**

1 INTRODUCTION

1.1 (**Board**) (**Company**) (**Group**, **we** **our**) (**Reporting Period**) 31, 2023 (**Reporting Period**) 31, 2022.

1.2 (**Financial Statements**)

2 FINANCIAL HIGHLIGHTS

2.1 Principal Financial Data and Indicators

	For the year ended	
	December 31, 2023 (RMB'000)	December 31, 2022 (RMB'000)
Revenue	1,596,266	1,484,903
Operating expenses	99,182	15,605
Operating income	12,250	26,574
Finance income	86,932	-10,969
Finance expenses	85,948	-24,221
Income tax expense	984	13,252
Profit before income tax		
Income tax expense		
Profit after income tax		
As of		
	December 31, 2023 (RMB'000)	December 31, 2022 (RMB'000)
Operating assets	3,047,687	2,637,787
Operating liabilities	1,639,481	1,311,885
Operating assets less liabilities	1,408,206	1,325,903
Operating assets less liabilities less income tax payable	1,265,065	1,201,585
Operating assets less liabilities less income tax payable less cash	143,141	124,318
For the year ended		
December 31,		
2023 (RMB'000)	2022 (RMB'000)	
Operating income	265,033	227,221
Finance income	-215,017	-273,615
Finance expenses	96,107	116,178
Income tax expense	146,127	69,861

... 51% ... 51% ...

Elderly Healthcare Business

... 15, 2024, ... (... 2024 ... 1) 《辦公廳關於發展銀髮經濟增進老年人福祉的意見》(國辦發 2024 1 號)), ... 26 ...

... 2016. ... 31, 2023, ... 2,540 ... 427.1 ... 2023, ... 28.8% ... 2021 ... 2022, ... 2022, ... 2022, ...

3.2 Business Highlights

... 5 ...

3.3 Business Outlook

- (i) 2021 68.6%, 2023, 69.3% 68.7%
- (ii)
- (iii)

Prospect

2024,

(固本革新, 篤信行遠)

2023, compared to 1,425,005 RMB'000 in 2022, an increase of 7.9%. The increase was primarily due to the increase in the number of inpatient beds and the increase in the number of patients.

	For the year ended December 31,	
	2023	2022
	(RMB'000)	('000)
Revenue from operations	1,537,406	1,425,005
Cost of operations	<u>52,245</u>	<u>58,188</u>
Operating profit	<u>1,485,161</u>	<u>1,366,817</u>

Operating profit margin for 2023 was 97.4%, compared to 96.6% in 2022, an increase of 0.8 percentage points. The increase was primarily due to the increase in the number of inpatient beds and the increase in the number of patients. The increase in the number of inpatient beds was primarily due to the increase in the number of beds in the intensive care unit and the increase in the number of beds in the general ward. The increase in the number of patients was primarily due to the increase in the number of patients in the intensive care unit and the increase in the number of patients in the general ward.

Operating profit margin for 2023 was 97.4%, compared to 96.6% in 2022, an increase of 0.8 percentage points. The increase was primarily due to the increase in the number of inpatient beds and the increase in the number of patients.

	For the year ended December 31,	
	2023	2022
	(RMB'000)	('000)
Billing Revenue from owned hospitals	1,537,406	1,425,005
Revenue from operations	1,107,920	1,040,115
Cost of operations	429,486	384,890

Billing revenue from owned hospitals for 2023 was 1,537,406 RMB'000, compared to 1,425,005 RMB'000 in 2022, an increase of 7.9%. The increase was primarily due to the increase in the number of inpatient beds and the increase in the number of patients. The increase in the number of inpatient beds was primarily due to the increase in the number of beds in the intensive care unit and the increase in the number of beds in the general ward. The increase in the number of patients was primarily due to the increase in the number of patients in the intensive care unit and the increase in the number of patients in the general ward.

	For the year ended December 31,	
	2023	2022
Inpatients		
Number of inpatient bed-days	11,268	9,688
Revenue from inpatient services	4,112,820	3,536,120
Revenue from inpatient services as a percentage of total revenue (%)	84.4	88.7
Number of inpatient bed-days per patient	3,471,366	3,134,950
Revenue from inpatient services per bed-day (RMB'000)	1,146,473	1,061,798
Revenue from inpatient services per patient (RMB)	330	339
Revenue from inpatient services per bed-day (RMB'000)	172,590	156,512
Revenue from inpatient services per patient (RMB)	50	50
Total inpatient revenue (RMB'000)	1,319,063	1,218,310
Total average inpatient spending per bed-day (RMB)	380	389
Outpatients		
Number of outpatient visits	500,570	527,050
Revenue from outpatient services	68,199	58,089
Revenue from outpatient services as a percentage of total revenue (%)	136	110
Number of outpatient visits per patient	150,144	148,606
Revenue from outpatient services per visit (RMB)	300	282
Total outpatient revenue (RMB'000)	218,343	206,695
Total average outpatient spending per visit (RMB)	436	392
Total treatment and general healthcare services revenue (RMB'000)	1,214,672	1,119,887
Total pharmaceutical sales revenue (RMB'000)	322,734	305,118

1,319.1 million RMB, an increase of 8.3% over 2022, and the percentage of cost of revenue of owned hospitals to total revenue increased to 10.7% from 8.5% in 2022. The cost of revenue of owned hospitals increased by 11.2% to 14.2% (2022 14.5%).

218.3 million RMB, an increase of 5.6% over 2022, and the percentage of cost of revenue of owned hospitals to total revenue increased to 5.0% from 4.5% in 2022. The cost of revenue of owned hospitals increased by 11.2% to 14.2% (2022 14.5%).

8.5% in 2022, and the percentage of cost of revenue of owned hospitals to total revenue increased to 79.0% (2022 78.6%). The cost of revenue of owned hospitals increased by 5.8% to 21.0% (2022 21.4%). The cost of revenue of owned hospitals increased by 13.1% (2022 12.8%), and the percentage of cost of revenue of owned hospitals to total revenue increased to 68.8% (2022 71.9%).

7.7% in 2022, and the percentage of cost of revenue of owned hospitals to total revenue increased to 7.7% from 7.7% in 2022. The cost of revenue of owned hospitals increased by 11.2% to 14.2% (2022 14.5%).

	For the year ended December 31,	
	2023	2022
	(RMB'000)	(RMB'000)
Cost of revenue of owned hospitals	365,896	339,777
Cost of revenue of leased hospitals	435,287	390,107
Cost of revenue of other hospitals	31,319	33,584
Cost of revenue of other hospitals	89,752	99,553
Cost of revenue of other hospitals	65,183	63,747
Cost of revenue of other hospitals	21,092	20,295
Cost of revenue of other hospitals	99,391	93,052
Cost of revenue of owned hospitals	1,107,920	1,040,115

	1,107.9	6.5%
2022.	()	7.7%
	()	11.6%
	()	9.1%
2022.		

33.0% (2022 32.7%).

39.3% (2022 37.5%).

10.9% (2022 12.8%).

105.8

64.4 (2022 85.5).

5.3 (2022 8.1),

4.1.2 Gross Profit and Gross Profit Margin

	411.1	16.5%
2022.	377.2	15.5%

	For the year ended December 31,	
	2023	2022
	25.4%	23.9%
	30.5%	22.2%
Consolidated gross profit margin	25.8%	23.8%

4.1.6 Research and Development Expenses

Research and development expenses represent the costs incurred in the process of developing new products, including the cost of materials, depreciation of equipment, salaries and wages, and other expenses. Research and development expenses are capitalized when the costs are directly attributable to the development of a new product and the product is expected to generate future economic benefits. Otherwise, research and development expenses are expensed as incurred.

	For the year ended December 31,	
	2023 (RMB'000)	2022 (RMB'000)
Salaries and wages	20,552	18,899
Materials	8,436	9,803
Depreciation of equipment	3,427	4,053
Other expenses	51	273
Total	32,466	33,028

Research and development expenses as a percentage of net sales were 32.5% (2022: 33.0%), a decrease of 1.7% compared to 2022. Research and development expenses as a percentage of net sales were 2.2% (2022: 2.4%).

4.1.7 Finance Expenses – Net

Finance expenses represent the costs incurred in the process of raising capital, including the cost of interest, dividends, and other expenses. Finance expenses are expensed as incurred.

	For the year ended December 31,	
	2023 (RMB'000)	2022 (RMB'000)
Interest expense	-5,266	-2,762
Dividends	-4	-78
Other expenses	30,180	33,214
Finance income	9,755	11,936
Finance expenses – net	5,694	1,180
	1,093	820
Finance expenses – net	41,452	44,310

41.5% (2022, 41.5%), and 2.9% (2022, 2.9%), respectively. The increase in 2023 was primarily due to the 9.1% increase in the average term of the receivables portfolio, which was driven by the 4.5% increase in the average term of the receivables portfolio.

4.1.8 Investment Income

Investment income consists of interest income on financial assets measured at amortized cost, interest income on financial assets measured at fair value through profit or loss, and dividend income.

	For the year ended December 31,	
	2023 (RMB'000)	2022 (RMB'000)
Interest income on financial assets measured at amortized cost	-6,465	-15,927
Interest income on financial assets measured at fair value through profit or loss	698	18,063
Dividend income	-300	-
Other income	-	714
	-6,067	2,850

Investment income was 6.1% (2022, 6.5%) of the average carrying amount of financial assets measured at amortized cost. The increase in 2023 was primarily due to the 6.8% increase in the average carrying amount of financial assets measured at amortized cost.

4.1.9 Credit Impairment Losses

Credit impairment losses were 9.4% (2022, 25.2%) of the average carrying amount of financial assets measured at amortized cost.

4.1.10 Non-Operating Income and Non-Operating Expenses

The following table shows the components of non-operating income and non-operating expenses for the periods indicated. All amounts are in RMB'000 unless otherwise specified.

	For the year ended December 31,	
	2023 (RMB'000)	2022 (RMB'000)
Investment income	566	55
Government subsidies	5,975	7,436
Other non-operating income	3,004	1,063
Non-operating income	9,545	8,554
Depreciation and amortization	291	1,588
Provision for doubtful accounts	4,494	3,928
Provision for impairment of financial assets	3,380	1,754
Other non-operating expenses	3,201	2,071
Non-operating expenses	11,816	9,341

For the year ended December 31, 2023, non-operating income increased by 9.5% from 8,554 RMB'000 in 2022, primarily due to an increase in government subsidies of 1.0 RMB'000. For the year ended December 31, 2022, non-operating expenses decreased by 26.6% from 11,816 RMB'000 in 2021, primarily due to a decrease in depreciation and amortization of 1.0 RMB'000 and a decrease in provision for doubtful accounts of 0.9 RMB'000. For the year ended December 31, 2022, non-operating expenses increased by 2.1 RMB'000 from 9,341 RMB'000 in 2021.

4.1.11 Income Tax Expense

The following table shows the components of income tax expense for the periods indicated. All amounts are in RMB'000 unless otherwise specified.

	2023	2022
Income tax expense	12.3	12.3
Income tax expense as a percentage of income before income tax	26.6%	53.9%

For the year ended December 31, 2023, income tax expense decreased by 12.4% from 170.3 RMB'000 in 2022, primarily due to a decrease in income tax expense of 158.0 RMB'000. For the year ended December 31, 2022, income tax expense increased by 158.0 RMB'000 from 12.3 RMB'000 in 2021, primarily due to an increase in income tax expense of 145.7 RMB'000.

4.2 Financial Position

4.2.1 Inventory

As at 31, 2023, the amount of inventory was 60.6 million dollars (compared to 58.3 million dollars as at 31, 2022).

4.2.2 Accounts Receivables

As at 31, 2023, the amount of accounts receivables was 420.4 million dollars.

4.2.7 Accounts Payables

As at December 31, 2023, Accounts Payables were 110.1 million RMB (December 31, 2022: 85.8 million RMB).

4.2.8 Receipts in Advance and Contract Liabilities

As at December 31, 2023, Receipts in Advance and Contract Liabilities were 26.6 million RMB (December 31, 2022: 29.9 million RMB).

4.2.9 Other Payables

As at December 31, 2023, Other Payables were 150.3 million RMB (December 31, 2022: 72.2 million RMB), of which 54.2 million RMB were due within one year.

4.3 Liquidity and Capital Resources

The following table summarizes the changes in cash and cash equivalents for the years ended December 31, 2023 and 2022:

	For the year ended December 31,	
	2023 (RMB'000)	2022 (RMB'000)
Cash and cash equivalents at the beginning of the year	265,033	227,221
Net change in cash and cash equivalents	-215,017	-273,615
Cash and cash equivalents at the end of the year	96,107	116,178
Supplemental non-cash information:		
Change in accounts payable	146,127	69,861

4.3.2 Net Cash Used in Investing Activities

During the year ended 31, 2023, net cash used in investing activities was 215.0 million (compared to net cash used in investing activities of 179.7 million for the year ended 31, 2022). The increase in net cash used in investing activities was primarily due to the increase in cash paid for the acquisition of subsidiaries, net of cash received from the disposal of subsidiaries, and the increase in cash paid for the acquisition of property, plant and equipment, net of cash received from the disposal of property, plant and equipment.

4.3.3 Net Cash Generated from Financing Activities

During the year ended 31, 2023, net cash generated from financing activities was 96.1 million.

4.3.4 Significant Investment, Acquisition and Disposal

During the year ended 31, 2023, the Group has completed the following significant investment, acquisition and disposal:

On 15 February 2023, the Group has completed the acquisition of 100% equity interest in the subsidiary, which is a wholly owned subsidiary of the Group. The acquisition is accounted for as an acquisition of subsidiary.

4.4 Indebtedness

4.4.1 Bank Borrowings

At the end of 31, 2023, the Group has bank borrowings of 864.7 million (compared to 616.5 million at the end of 31, 2022). The increase in bank borrowings was primarily due to the increase in bank borrowings of 357.7 million, net of the decrease in bank borrowings of 605.9 million.

4.4.2 Contingent Liability

At the end of 31, 2023, the Group has no contingent liability. The Group has no contingent liability at the end of 31, 2022.

4.4.3 Asset Pledge

		826751,	
	826750,	(2016)	
0010144,	(2016)		0010142, (2021)
	0081628,		(2017)
	0018361		
	31, 2023,		
260.0			
	(2020)		0068897
			31, 2023,
	75.1		
		(2023)	
0000180			
31, 2023,			25.0
			(2022)
	0045588		
	31, 2023,		37.7

4.4.4 Lease Liabilities

	31, 2023,		
			28.6
	163.2		

4.4.8.1

	2018	2017	13, 2018.	Equity Incentive Scheme_)	24, 2021.	29, 2018,	30, 2018,	14, 2021,	18, 2021	25, 2021.
	165		1,818,529							
23	180,516									
13	540,229									
	8									79,274
										193
										2,460,000
										3.2976%
48										10.47/

4.4.8.2

The Board of Directors has approved a dividend of 5% (or 3,730,015) on the common stock of the Company for the year ending December 31, 2010. The dividend is payable on January 15, 2011 to shareholders of record as of December 15, 2010. The dividend is payable in cash to the shareholders of record as of the record date. The dividend is payable to the shareholders of record as of the record date. The dividend is payable to the shareholders of record as of the record date.

5 SIGNIFICANT EVENTS

5.1 Proposed Final Dividend

Dividend per share of common stock \$ 0.10	37,300,150 shares of common stock	3,730,015
Dividend per share of common stock \$ 0.10	74,600,300 shares of common stock	7,460,030

1, 2008,

10%

()

()

10%,

10%

10%

10%

10%

10%

20%,

20%,

20%.

31, 2023,

10, 2023, (Mr. Zhao) () 3.10 () 3.25 () 3.27 10, 2023, (Ms. Jin) 2022 9, 2023. 3.10, 3.25 3.27

9 COMPLIANCE WITH THE MODEL CODE

10 EVENTS AFTER THE REPORTING PERIOD

11 AUDITORS AND WORKING SCOPE

2023,

31, 2023 2023.

12 FINANCIAL REPORT

12.1 Accounting Policies

..... 15, 2006
(**the Accounting Standards for Business Enterprises_**
CAS_).

12.1.1 Changes in significant accounting policies and accounting estimates

12.1.1.1

..... 16

30, 2022,
16 (..... 2022 31,
..... 16),
..... 1, 2023.

..... 16 (.....
.....
)
(.....)
..... 18

12.2 Annual Consolidated Financial Information

12.2.1 Annual Consolidated Income Statement
(continued from page 12.2)

12.2.1 Annual Consolidated Income Statement

(continued from page 12.2)

Items	Year ended December 31,	
	2023	2022
I. Total revenue	1,596,265,532	1,484,903,042
Revenue from sales	1,596,265,532	1,484,903,042
Revenue from services	-	-
Revenue from other sources	-	-
Revenue from government grants	-	-
Revenue from other government grants	-	-
II. Total cost of sales	1,495,651,128	1,435,161,134
Cost of sales	1,185,129,955	1,131,971,943
Cost of services	-	-
Cost of other sources	-	-
Cost of government grants	-	-
Cost of other government grants	-	-
Cost of depreciation and amortization	-	-
Cost of other expenses	-	-
Cost of other government grants	-	-
Cost of other government grants	-	-
Cost of other government grants	6,474,904	4,960,286
Cost of other government grants	17,102,355	15,004,028
Cost of other government grants	213,025,707	205,887,172
Cost of other government grants	32,466,196	33,027,988
Cost of other government grants	41,452,011	44,309,717
Cost of other government grants	39,936,115	45,149,998
Cost of other government grants	5,265,571	2,761,765

Items	Year ended December 31,	
	2023	2022
	15,976,715	14,907,711
()	-6,067,197	2,850,458
	-6,465,279	-15,926,847
	-	-
()	-	-
()	-	-
()	214,405	-15,977,326
()	-9,354,736	-25,191,541
()	-	-10,345,461
()	<u>68,089</u>	<u>406,185</u>
III. Operating profit		
(losses represented with “-” signs)	101,451,680	16,391,934
	9,545,446	8,553,978
	<u>11,815,509</u>	<u>9,341,039</u>
IV. Total profit		
(total losses represented with “-” signs)	99,181,617	15,604,873
	<u>12,250,009</u>	<u>26,573,712</u>
V. Net profit (net losses represented with “-” signs)	86,931,608	-10,968,839
()		
1. ()	86,931,608	-10,968,839
2. ()	-	-
()		
1. ()	85,947,807	-24,220,782
2. ()	983,801	13,251,944

Items	Year ended December 31,	
	2023	2022
VI. Other comprehensive income, net of tax		
Net income attributable to common shareholders	86,931,608	-10,968,838
() Other comprehensive income (loss), net of tax	85,947,807	-24,220,782
() Other comprehensive income (loss), net of tax	983,801	13,251,944
1. Net unrealized gains (losses) on available-for-sale securities	-	-
2. Net unrealized gains (losses) on equity securities measured at fair value	-	-
3. Net unrealized gains (losses) on investments in equity securities measured at cost	-	-
4. Net unrealized gains (losses) on investments in equity securities measured at fair value	-	-
() Other comprehensive income (loss), net of tax	-	-
() Other comprehensive income (loss), net of tax	-	-
1. Net unrealized gains (losses) on available-for-sale securities	-	-
2. Net unrealized gains (losses) on equity securities measured at fair value	-	-
3. Net unrealized gains (losses) on investments in equity securities measured at cost	-	-
4. Net unrealized gains (losses) on investments in equity securities measured at fair value	-	-
5. Net unrealized gains (losses) on investments in equity securities measured at fair value	-	-
6. Net unrealized gains (losses) on investments in equity securities measured at fair value	-	-
7. Net unrealized gains (losses) on investments in equity securities measured at fair value	-	-
Net income attributable to common shareholders	-	-
() Other comprehensive income (loss), net of tax	-	-
VII. Total comprehensive income	86,931,608	-10,968,838
	85,947,807	-24,220,782
	983,801	13,251,944
VIII. Earnings per share:		
() Basic (continued)	1.15	-0.32
() Diluted (continued)	1.15	-0.32

12.2.2 Annual Consolidated Balance Sheets

(Amounts in millions of U.S. dollars)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Accounts receivable	418,861,721	271,094,963
Prepaid expenses	—	—
Other current assets	—	—
Investments	7,350,299	10,641,026
Other non-current assets	—	—
Property, plant and equipment	—	—
Goodwill	420,441,070	382,836,691
Intangible assets	—	—
Other non-current assets	9,830,553	32,201,224
Other non-current assets	—	—
Other non-current assets	—	—
Other non-current assets	—	—
Other non-current assets	69,705,729	37,195,220
Other non-current assets	—	—
Other non-current assets	60,600,180	58,331,397
Other non-current assets	—	—
Other non-current assets	—	—
Other non-current assets	—	—
Other non-current assets	858,020	752,325
Total current assets	<u>987,647,572</u>	<u>793,052,846</u>

ASSETS	December 31, 2023	December 31, 2022
Non-current assets:		
Investment in subsidiaries	—	—
Investment in associates	—	—
Investment in joint ventures	—	—
Investment in subsidiaries, associates and joint ventures	14,000,000	14,000,000
Investment in subsidiaries, associates and joint ventures	139,071,987	143,546,246
Investment in subsidiaries, associates and joint ventures	—	—
Investment in subsidiaries, associates and joint ventures	65,099,055	63,116,852
Investment in subsidiaries, associates and joint ventures	—	—
Investment in subsidiaries, associates and joint ventures	794,856,343	695,020,441
Investment in subsidiaries, associates and joint ventures	186,980,241	152,497,400
Investment in subsidiaries, associates and joint ventures	—	—
Investment in subsidiaries, associates and joint ventures	—	—
Investment in subsidiaries, associates and joint ventures	189,054,507	190,403,752
Investment in subsidiaries, associates and joint ventures	320,321,705	254,684,348
Investment in subsidiaries, associates and joint ventures	—	—
Investment in subsidiaries, associates and joint ventures	119,909,089	107,655,738
Investment in subsidiaries, associates and joint ventures	175,910,626	189,586,339
Investment in subsidiaries, associates and joint ventures	45,146,271	20,682,398
Investment in subsidiaries, associates and joint ventures	9,689,211	13,541,047
	2,060,039,035	1,844,734,561
Total non-current assets	<u>2,060,039,035</u>	<u>1,844,734,561</u>
TOTAL ASSETS	<u>3,047,686,607</u>	<u>2,637,787,407</u>

**LIABILITIES AND
SHAREHOLDERS' EQUITY**

**December 31,
2023** **December 31,
2022**

Current liabilities:

Accounts payable	127,001,700	203,000,000
Accounts receivable	-	-
Prepaid expenses	-	-
Accrued liabilities	12,400,000	13,922,929
Deferred revenue	-	-
Other current liabilities	1,545,021	997,944
Current portion of long-term debt	110,060,008	85,773,062
Current portion of convertible debt	26,563,603	29,894,837
Current portion of lease liabilities	-	-
Current portion of other long-term liabilities	-	-
Current portion of other long-term liabilities	-	-
Current portion of other long-term liabilities	-	-
Current portion of other long-term liabilities	-	-
Current portion of other long-term liabilities	84,324,006	70,588,350
Current portion of other long-term liabilities	38,553,746	33,507,164
Current portion of other long-term liabilities	150,270,575	72,193,730
Current portion of other long-term liabilities	-	-
Current portion of other long-term liabilities	-	-
Current portion of other long-term liabilities	-	-
Current portion of other long-term liabilities	250,411,757	147,598,324
Current portion of other long-term liabilities	-	-
Total current liabilities	<u>801,130,416</u>	<u>657,446,340</u>

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2023	December 31, 2022
Non-current liabilities:		
Accounts payable	—	—
Accounts receivable	557,719,215	391,010,000
Prepaid expenses	—	—
Deferred revenue	—	—
Other non-current liabilities	—	—
Long-term debt	163,239,533	171,437,740
Deferred tax liabilities	61,351,341	42,404,938
Other non-current liabilities	—	—
Other non-current liabilities	—	—
Other non-current liabilities	8,734,099	9,037,891
Other non-current liabilities	47,306,056	40,547,879
Other non-current liabilities	—	—
Total non-current liabilities	<u>838,350,244</u>	<u>654,438,448</u>
Total liabilities	<u>1,639,480,660</u>	<u>1,311,884,788</u>
Shareholders' equity:		
Common stock	74,600,300	74,600,300
Preferred stock	—	—
Additional paid-in capital	—	—
Retained earnings	852,695,602	855,078,533
Accumulated other comprehensive income	12,587,012	—
Other equity	—	—
Other equity	—	—
Other equity	38,399,577	38,399,577
Other equity	—	—
Other equity	311,956,229	233,506,534
Other equity	—	—
Other equity	1,265,064,696	1,201,584,945
Other equity	143,141,251	124,317,674
Total shareholders' equity	<u>1,408,205,947</u>	<u>1,325,902,619</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>3,047,686,607</u>	<u>2,637,787,407</u>

Items	Year ended December 31,	
	2023	2022
II. Cash flows from investing activities		
Proceeds from the sale of property, plant and equipment	8,279,458	-
Proceeds from the sale of investments	-	1,650,804
Proceeds from the sale of investments, net of transaction costs	2,924,937	24,100,367
Proceeds from the sale of investments, net of transaction costs	1,248,000	-
Sub-total of cash inflows of investing activities	12,452,395	25,751,171
Proceeds from the sale of investments, net of transaction costs	179,732,394	236,910,179
Proceeds from the sale of investments, net of transaction costs	2,447,873	-
Proceeds from the sale of investments, net of transaction costs	-	-
Proceeds from the sale of investments, net of transaction costs	31,289,153	53,685,701
Proceeds from the sale of investments, net of transaction costs	14,000,060	8,770,704
Sub-total of cash outflows of investing activities	227,469,480	299,366,584
Net cash flows from investing activities	<u>-215,017,085</u>	<u>-273,615,413</u>

Items	Year ended December 31,	
	2023	2022
III. Cash flows from financing activities		
Proceeds from the issuance of long-term debt	2,999,500	9,153,084
Proceeds from the issuance of short-term debt	2,999,500	9,153,084
Proceeds from the issuance of equity	605,774,670	387,500,000
Proceeds from the issuance of preferred stock	55,900,000	151,420,250
Sub-total of cash inflows of financing activities	664,674,170	548,073,334
Payments for the redemption of debt	357,677,873	324,220,000
Payments for the redemption of preferred stock, common stock, and other	35,398,809	51,554,508
Payments for the acquisition of equity	3,001,921	-
Payments for the acquisition of other	175,490,617	56,121,295
Sub-total of cash outflows of financing activities	568,567,299	431,895,803
Net cash flows from financing activities	96,106,871	116,177,531
IV. Effect of foreign exchange rate changes on cash and cash equivalents	4,325	78,463
V. Net increase in cash and cash equivalents	146,127,348	69,861,145
Balance at the beginning of the period	258,595,991	188,734,846
VI. Cash and cash equivalents at the end of the period	404,723,339	258,595,991

12.2.4 Consolidated Statement of Changes in Shareholders' Equity

(Amounts in thousands of U.S. dollars)

Items	Amount for the current period													Total owners' equity
	Other equity instruments				Equity attributable to owners of the parent company								Non-controlling interests	
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risk	Retained earnings	Subtotal		
Balance at January 1, 2019	74,600,300	-	-	-	855,078,533	-	-	-	38,399,577	-	233,056,534	1,201,584,944	124,317,674	1,325,902,618
Changes during the period														
Issuance of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share repurchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income														
Net income	74,600,300	-	-	-	855,078,533	-	-	-	38,399,577	-	233,056,534	1,201,584,944	124,317,674	1,325,902,618
Other comprehensive income														
(Currency exchange)	-	-	-	-	-2,382,932	12,587,012	-	-	-	-	78,449,695	63,479,752	18,823,577	82,303,329
(Other comprehensive income)	-	-	-	-	-	-	-	-	-	-	85,947,807	85,947,807	983,801	86,931,608
(Other comprehensive income)	-	-	-	-	-	12,587,012	-	-	-	-	-	-12,587,012	20,730,697	8,143,685
1. Other comprehensive income	-	-	-	-	-	12,587,012	-	-	-	-	-	-12,587,012	20,730,697	8,143,685
2. Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Items	Amount for the current period															
	Other equity instruments				Equity attributable to owners of the parent company										Non – controlling interests	Total owners’ equity
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risk	Retained earnings	Subtotal				
()	-	-	-	-	-	-	-	-	-	-	-7,498,112	-7,498,112	-2,890,921	-10,389,033		
1.	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3.	-	-	-	-	-	-	-	-	-	-	-7,498,112	-7,498,112	-2,890,921	-10,389,033		
4.	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
()	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
1.	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3.	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
4.	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
5.	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6.	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Items	Amount for the current period														
	Other equity instruments				Equity attributable to owners of the parent company									Non - controlling interests	Total owners' equity
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Treasury stock	Less: comprehensive income	Special reserve	Surplus reserve	Provision for general risk	Retained earnings	Subtotal			
()	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
()	-	-	-	-	-2,382,932	-	-	-	-	-	-	-2,382,932	-	-2,382,932	
	74,600,300	-	-	-	852,695,602	12,587,012	-	-	38,399,577	-	311,956,229	1,265,064,696	143,141,251	1,408,205,947	

項目	2019年12月31日		2018年12月31日		2017年12月31日		2016年12月31日		2015年12月31日	
	原值	減価償却累計額	原值	減価償却累計額	原值	減価償却累計額	原值	減価償却累計額	原值	減価償却累計額
固定資産	74,600,300		838,165,396		38,399,577		257,098,624	1,208,263,897	72,015,224	1,280,279,121
有形固定資産										
無形固定資産										
固定負債										
流動負債										
純資産										
資本	74,600,300		838,165,396		38,399,577		308,282,287	1,261,390,753	142,995,237	1,404,385,900
剰余金										
() 繰上償却			16,913,137				-23,592,090	-6,678,953	52,302,450	45,623,497
() 繰上償却							-24,220,782	-24,220,782	13,251,943	-10,968,839
() 繰上償却										
繰上償却			12,214,419					12,214,419	43,363,507	55,577,926
1. 繰上償却										
繰上償却									43,363,507	43,363,507
2. 繰上償却										
繰上償却										
3. 繰上償却										
繰上償却			12,214,419					12,214,419		12,214,419
4. 繰上償却										

2019年12月31日

2019年12月31日

2019年12月31日

	2019年12月31日	2018年12月31日	2019年12月31日	2018年12月31日
()			-4,313,000	-4,313,000
1.				
2.				
3.				
4.				
()			-4,313,000	-4,313,000
1.				
2.				
3.				
4.				
5.				
6.				

Account	2019		2018		2017		2016		2015	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
()										
1.										
2.										
()			4,698,718				628,692	5,327,410		5,327,410
	74,600,300		855,078,533			38,399,577	233,506,534	1,201,584,944	124,317,674	1,325,902,618

12.3 Notes to the Consolidated Annual Financial Information prepared in accordance with the China Accounting Standard for Business Enterprises

12.3.1 Accounts receivable

The aging analysis of accounts receivables based on the billing date is as follows:

	December 31, 2023 RMB	December 31, 2022
1 year or less	425,833,221	388,961,193
1 to 2 years	6,696,710	4,755,920
2 to 3 years	4,480,033	3,941,367
3 years or more	7,780,010	5,180,894
Total	444,789,973	402,839,374
Less: Provision for bad debts		
	24,348,904	20,002,683
Net accounts receivable	420,441,070	382,836,691

Accounts receivable shown by classification of bad debt provisions

	December 31, 2023				
	Balance of carrying amount		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Percent of provision (%)	
Accounts receivable	19,507,031	4.4	12,854,582	65.9	6,652,449
Accounts receivable - related parties	19,507,031	4.4	12,854,582	65.9	6,652,449
Accounts receivable - non-related parties	425,282,942	95.6	11,494,321	2.7	413,788,621
Total	425,282,942	95.6	11,494,321	2.7	413,788,621
Total	444,789,973	100.0	24,348,903	5.5	420,441,070

	December 31, 2022		December 31, 2021		2022/2021
	Amount	(%)	Amount	(%)	
Accounts receivable					
Accounts receivable - related parties					
Accounts receivable - non-related parties	18,221,976	4.5	12,514,143	67.7	5,707,833
Accounts receivable	18,221,976	4.5	12,514,143	68.7	5,707,833
Accounts payable					
Accounts payable - related parties					
Accounts payable - non-related parties	384,617,398	95.5	7,488,540	2.0	377,128,858
Accounts payable	384,617,398	95.5	7,488,540	2.0	377,128,858
Total	<u>402,839,374</u>	<u>100.0</u>	<u>20,002,683</u>	<u>5.0</u>	<u>382,836,691</u>

12.3.2 Accounts payable

	December 31, 2023		December 31, 2022	
	Amount	RMB	Amount	RMB
Accounts payable				
Accounts payable - related parties				
Accounts payable - non-related parties	107,790,035		84,193,739	
Accounts payable	1,815,169		1,161,389	
Accounts payable - related parties	85,740		71,969	
Accounts payable - non-related parties	369,064		345,965	
Total	<u>110,060,008</u>		<u>85,773,062</u>	

12.3.3 Revenue and cost of sales

Analysis of revenue and cost of sales

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Cost	Revenue	Cost
Revenue from sales of goods	1,485,160,595	1,107,920,077	1,366,816,938	1,040,114,650
Revenue from services	111,104,937	77,209,878	118,086,104	91,857,293
Total	<u>1,596,265,532</u>	<u>1,185,129,955</u>	<u>1,484,903,042</u>	<u>1,131,971,943</u>

Breakdown of revenue:

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from sales of goods	1,485,160,595	1,366,816,938
Revenue from services	322,733,829	305,118,303
Revenue from sales of goods	1,162,426,766	1,061,698,635
Revenue from services	111,104,937	118,086,104
Revenue from sales of goods	64,381,374	85,464,736
Revenue from services	2,970,297	3,000,000
Revenue from sales of goods	5,348,551	8,067,969
Revenue from services	38,404,715	21,553,398
Total	<u>1,596,265,532</u>	<u>1,484,903,042</u>

12.3.4 Credit impairment losses

	Year ended December 31,	
	2023	2022
Impairment losses on loans	7,172,896	11,260,563
Impairment losses on other assets	2,181,839	13,930,978
	<u>9,354,735</u>	<u>25,191,541</u>

12.3.5 Earning per Share

Basic earning per Share

	Year ended December 31,	
	2023	2022
Net income	85,947,807	-24,220,782
Dividend income from equity investments	74,600,300	74,600,300
Income tax expense	1.15	-0.32
Income tax expense	1.15	-0.32
Income tax expense	-	-

Diluted earning per Share

	Year ended December 31,	
	2023	2022
Net income	85,947,807	-24,220,782
Dividend income from equity investments (—)	74,600,300	74,600,300
Income tax expense (—)	1.15	-0.32
Income tax expense	1.15	-0.32
Income tax expense	-	-

12.3.6 Income tax expenses

Table of income tax expenses

	Year ended December 31,	
	2023	2022
Income tax expense	36,259,411	40,192,565
Deferred income tax expense	<u>-24,009,402</u>	<u>-13,618,853</u>
Income tax expense	<u><u>12,250,009</u></u>	<u><u>26,573,172</u></u>

Reconciliation between total profit and income tax expenses

	Year ended December 31,	
	2023	2022
Total profit	<u>99,181,617</u>	<u>15,604,874</u>
Income tax expense	19,960,640	3,028,480
Change in deferred income tax expense	-223,220	7,125,277
Change in current income tax expense	-189,327	-3,896,947
Change in income tax expense	3,879,078	-5,563,847
Change in income tax expense	2,133,262	1,736,913
Change in income tax expense	-18,633,562	137,339
Change in income tax expense	13,333,667	31,726,873
Change in income tax expense	-4,674,287	-4,141,335
Change in income tax expense	-1,945,480	-2,298,769
Change in income tax expense	<u>-1,390,762</u>	<u>-1,280,272</u>
Income tax expense	<u><u>12,250,009</u></u>	<u><u>26,573,712</u></u>

... (2120)

... 1 ...
... () ... ()

... () ... ()
... 1.00 ...

... (洞口樂寧醫院有限公司),
... 5, 2018,

... (冠縣怡寧醫院有限公司),
... 1, 2017,

... () ... ()
... 1.00 ...

... (荷澤怡寧精神病醫院有限
公司),
... 6, 2017,

\$...

..... (平陽長庚怡寧醫院有限公司), 14, 2021,

..... (浦江怡寧黃峰醫院有限公司), 3, 2018,

..... ,

..... 3 (.....) 10 31, 2023

..... (衢州怡寧醫院有限公司), 20, 2015,

..... (青田康寧醫院有限公司), 1, 2011,

.....

()- () 1.00 () ()

..... () ()

..... (深圳怡寧醫院, (深圳怡寧醫院有限公司), (深圳市怡寧醫院有限公司)), 22, 2014,

..... (..... 622)

..... 31, 2023

(溫州慈寧醫院有限公司), 25, 2006,
 (溫州甌海怡寧老年醫院有限公司), 8, 2021,
 (怡寧心理互聯網醫院(溫州)有限公司), 10, 2020,
 (永嘉康寧醫院有限公司), 12, 2012,
 (樂清康寧醫院有限公司), 3, 2013,
 (樂清怡寧中西醫結合醫院有限公司), 4, 2006,
 & (樂清邦爾中西醫結合醫院有限公司)

%_

Wenzhou Kangning Hospital Co., Ltd.
GUAN Weili

28, 2024