











## 4 MANAGEMENT DISCUSSION AND ANALYSIS

### 4.1 Financial Review

For the year ended December 31, 2022, the Company's revenue was RMB1,366.8 million, an increase of 13.6% from RMB1,194.2 million in 2021. The increase was primarily due to the increase in the number of users and the average revenue per user. The Company's operating profit was RMB352.2 million, an increase of 23.1% from RMB286.2 million in 2021. The increase was primarily due to the increase in revenue and the decrease in operating expenses. The Company's net profit was RMB277.2 million, an increase of 17.2% from RMB236.2 million in 2021.

#### 4.1.1 Revenue and Cost of Revenue

The following table shows the Company's revenue and cost of revenue for the years ended December 31, 2022 and 2021.

	For the year ended December 31,	
	2022 (RMB'000)	2021 (RMB'000)
Total revenue	1,366,817	1,202,774
Cost of revenue	110,018	71,077
	8,068	23,555
<b>Total revenue</b>	<b>1,484,903</b>	<b>1,297,380</b>

Total revenue consists of revenue from the sale of virtual goods and services. The increase in total revenue for 2022 compared to 2021 was primarily due to the increase in the number of users and the average revenue per user. The increase in the number of users was primarily due to the increase in the number of new users and the decrease in the number of users who have left the platform. The increase in the average revenue per user was primarily due to the increase in the number of virtual goods and services sold per user and the increase in the price of virtual goods and services.



	<b>For the year ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(RMB'000)</b>	<b>(B'000)</b>
<b>Treatment and general healthcare services</b>		
Billing Revenue	<b>1,119,887</b>	62,408
Cost of services	<b>770,287</b>	658,114
Net Revenue	<b>349,600</b>	304,214
<b>Pharmaceutical sales</b>		
Billing Revenue	<b>305,118</b>	267,588
Cost of sales	<b>269,828</b>	238,118
Net Revenue	<b>35,290</b>	28,670
<b>Billing Revenue from owned hospitals</b>	<b>1,425,005</b>	1,225,066
Cost of services	<b>1,040,115</b>	877,112
Cost of sales	<b>384,890</b>	332,884



2021, 17.2% (2020 10.5%), 30.0% (2020 14.5%) (2021 14.3%).

2021, 78.6% (2020 78.2%) (2021 21.8%) (2020 21.8%) (2021 12.8%) (2020 13.8%), 71.0% (2020 6.3%).

2021, 1.6% (2020 1.0%) (2021 21.8%) (2020 21.8%) (2021 12.8%) (2020 13.8%), 71.0% (2020 6.3%).

	<b>For the year ended December 31,</b>	
	<b>2022</b>	2021
	<b>(RMB'000)</b>	(B'000)
	<b>339,777</b>	310,000
Employee benefits	<b>390,107</b>	321,207
Depreciation	<b>33,584</b>	42,283
Depreciation	<b>99,553</b>	75,386
	<b>63,747</b>	53,470
	<b>27,588</b>	25,555
	<b>85,759</b>	6,081

**Cost of revenue of owned hospitals**

	<b>1,040,115</b>	<b>87,112</b>
2021, 15.0% (2020 15.0%) (2021 21.5%) (2020 21.5%) (2021 32.1%) (2020 32.1%)		

1. **Средства на оплату труда** – 32,7% (2021 – 34,6%).  
 2. **Средства на оплату труда в расчете на одного работника** – 37,5% (2021 – 35,8%).  
 3. **Средства на оплату труда в расчете на одного работника в расчете на одного работника** – 12,8% (2021 – 13,1%).  
 4. **Средства на оплату труда в расчете на одного работника в расчете на одного работника** – 1%.

### 4.1.3 Tax and Surcharge

Decreased by RMB15.0 million (2021 B5.8 million).

### 4.1.4 Selling Expenses

Decreased by RMB15.0 million (2021 B10.3 million). Selling expenses decreased by 1.1% from RMB1,310.0 million in 2021 to RMB1,294.9 million in 2022.

### 4.1.5 Administrative Expenses

Decreased by RMB10.0 million (2021 B10.0 million). Administrative expenses decreased by 0.2% from RMB5,000.0 million in 2021 to RMB4,950.0 million in 2022.

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

#### 4.1.6 Research and Development Expenses

	For the year ended December 31,	
	2022 (RMB'000)	2021 (B'000)
Development expenses	18,899	16,877
Depreciation and amortization	9,803	8,051
Impairment losses	4,053	3,114
Others	273	302
<b>Total</b>	<b>33,028</b>	<b>27,622</b>

Development expenses increased by RMB33.0 million (2021: B28.0 million), an increase of 18.1% compared to 2021. This increase was primarily due to the increase in research and development activities in the field of new products and technologies. Depreciation and amortization increased by RMB4.053 million (2021: 2.3%), and others increased by RMB273 million (2021: 302 million).

### 4.1.7 Finance Expenses – Net

	For the year ended December 31,	
	2022 (RMB'000)	2021 (RMB'000)
Interest expense	-2,762	-1,613
Interest income	-78	3
Bank charges	33,214	21,780
Interest on bank deposits	11,936	14,202
	<b>2,000</b>	<b>3,042</b>
<b>Finance expenses – net</b>	<b>44,310</b>	<b>37,658</b>

During the year ended December 31, 2022, the Group's net finance expenses were RMB44,310,000, compared with RMB37,658,000 for the year ended December 31, 2021. The increase in net finance expenses was primarily due to the increase in bank charges from RMB21,780,000 in 2021 to RMB33,214,000 in 2022, and the increase in interest expense from RMB1,613,000 in 2021 to RMB2,762,000 in 2022. The decrease in interest income from RMB3,000 in 2021 to RMB78,000 in 2022 was primarily due to the decrease in the average bank deposit balance from RMB67 million in 2021 to RMB51.1 million in 2022. The decrease in interest on bank deposits from RMB14,202,000 in 2021 to RMB11,936,000 in 2022 was primarily due to the decrease in the average bank deposit balance from RMB2.8 million in 2021 to RMB2.2 million in 2022.

**4.1.8 Investment Income**

	For the year ended December 31,	
	2022 (RMB'000)	2021 (RMB'000)
Dividend income	18,063	7,075
Interest income	714	642
	<b>2,850</b>	<b>638</b>

During the year, the Group's investment income primarily consisted of dividend income from equity investments and interest income from debt investments. The Group's investment income was significantly higher in 2022 compared to 2021, primarily due to the increase in dividend income from equity investments.

**4.1.9 Credit Impairment Losses**

During the year, the Group's credit impairment losses primarily consisted of losses on financial assets measured at amortized cost. The Group's credit impairment losses were significantly higher in 2022 compared to 2021, primarily due to the increase in losses on financial assets measured at amortized cost.

**4.1.10 Asset Impairment Losses**

During the year, the Group's asset impairment losses primarily consisted of losses on non-current assets. The Group's asset impairment losses were significantly higher in 2022 compared to 2021, primarily due to the increase in losses on non-current assets.

### 4.1.11 Non-Operating Income and Non-Operating Expenses

	For the year ended December 31,	
	2022 (RMB'000)	2021 (B'000)
Other non-operating income	55	266
Depreciation	7,436	1,470
Depletion	-	1,800
Amortization	1,063	300
<b>Non-operating income</b>	<b>8,554</b>	<b>11,836</b>
Loss on disposal of property, plant and equipment	1,588	166
Depreciation	3,928	3,333
Employee benefits expense	1,754	13
Employee benefits expense	-	2,000
Other non-operating expenses	2,071	1,73
<b>Non-operating expenses</b>	<b>9,341</b>	<b>8,687</b>
Depreciation	B8.6 million	B3.3 million
2021, depreciation	B5.8 million	B1.4 million
2021, depreciation	170.3%	57.3%

### 4.1.12 Income Tax Expense

Depreciation	B26.6 million	(2021
B5.8 million),	f 51.5%	2021. I 2022
2021, depreciation	170.3%	57.3%,

## 4.2 Financial Position

### 4.2.1 Inventory

As of December 31, 2022, the Company's inventory was \$58.3 million (December 31, 2021: \$65 million), an increase of 10.8% from the prior year.

### 4.2.2 Accounts Receivables

As of December 31, 2022, the Company's accounts receivable was \$382.8 million (December 31, 2021: \$311.8 million), an increase of 22.8% from the prior year. The increase was primarily due to the increase in the number of active customers and the increase in the average order value. The Company's accounts receivable turnover ratio was 2.1x (2021: 2.3x).

### 4.2.3 Other Receivables and Prepayments

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

### 4.2.4 Other Non-current Financial Assets

f D 31, 2022, B 3.1 ( f D 31, 2021 B 5.8 ). D, B 2.7

### 4.2.5 Construction in progress

f D 31, 2022, B 152.5 ( f D 31, 2021 B 3.8 )

### 4.2.6 Right-of-use Assets

f D 31, 2022, B 10.4 ( f D 31, 2021 B 257.4 )

### 4.2.7 Accounts Payables

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

### 4.2.8 Receipts in Advance and Contract Liabilities

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

### 4.2.9 Other Payables

f D 31, 2022, B 72.2 ( f D 31, 2021 ( ) B 57.3 )

### 4.3 Liquidity and Capital Resources

	For the year ended December 31,	
	2022 (RMB'000)	2021 (B'000)
Net cash generated from operating activities	227,221	13,806
Net cash used in investing activities	(273,615)	(23,000)
Net cash generated from financing activities	116,178	33,833
Net change in cash and cash equivalents	69,861	(11,358)

#### 4.3.1 Net Cash Generated from Operating Activities

	2022 (RMB'000)	2021 (B'000)
Operating income	227,221	13,806
Depreciation and amortization	35,500	23,000
Provision for doubtful accounts	10,600	11,600
Other non-cash items	11,600	11,600
Change in working capital	(11,600)	(11,600)
Net cash generated from operating activities	227,221	13,806

#### 4.3.2 Net Cash Used in Investing Activities

	2022 (RMB'000)	2021 (B'000)
Capital expenditures	(273,615)	(23,000)
Acquisition of intangible assets	(23,000)	(23,000)
Disposal of property, plant and equipment	23,000	23,000
Net cash used in investing activities	(273,615)	(23,000)

#### 4.3.3 Net Cash Generated from Financing Activities

	2022 (RMB'000)	2021 (B'000)
Proceeds from the issuance of debt	116,178	33,833
Net cash generated from financing activities	116,178	33,833

#### 4.3.4 Significant Investment, Acquisition and Disposal

	2022 (RMB'000)	2021 (B'000)
Acquisition of property, plant and equipment	273,615	23,000
Disposal of property, plant and equipment	(23,000)	(23,000)
Net cash used in investing activities	(273,615)	(23,000)

## 4.4 Indebtedness

### 4.4.1 Bank Borrowings

As at December 31, 2022, the Company had bank borrowings of HK\$61.65 million (December 31, 2021: HK\$553.2 million), of which HK\$33 million were secured by bank guarantees of HK\$0.7 million.

### 4.4.2 Contingent Liability

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

### 4.4.3 Asset Pledge

The Company's wholly-owned subsidiary, King's Highway Limited, had bank borrowings of HK\$82,675,000 (2021: HK\$82,675,000) and bank borrowings of HK\$0.00101 million (2021: HK\$0.008128 million) secured by the Company's wholly-owned subsidiary, King's Highway Limited, as at December 31, 2022, and December 31, 2021, respectively.

### 4.4.4 Lease Liabilities

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

### 4.4.5 Financial Instruments

The Company's financial instruments are primarily cash and bank deposits, trade receivables, trade payables, and other receivables and payables.

### 4.4.6 Exposure to Fluctuation in Exchange Rates

The Company's financial instruments are primarily denominated in Hong Kong dollars (HKD). The Company's operations are primarily conducted in Hong Kong, and the Company's assets and liabilities are primarily denominated in HKD. As at December 31, 2022, the Company had no exposure to fluctuation in exchange rates.

#### 4.4.7 Gearing Ratio

As at 31, 2022, the Gearing Ratio (Debt to Equity Ratio) was 67% (As at 31, 2021 (Debt to Equity Ratio) was 62%), which is within the target range of 60% to 70%.

#### 4.4.8 Employees and Remuneration Policy

As at 31, 2022, the Company had 1,661 employees (As at 31, 2021 3,661 employees). The Company's remuneration policy is based on performance and is designed to attract, retain and motivate employees. The remuneration policy is approved by the Board of Directors (2021 Board Meeting). The remuneration policy is based on performance and is designed to attract, retain and motivate employees. The remuneration policy is approved by the Board of Directors (2021 Board Meeting).

4.4.8.1

The Company has implemented an Equity Incentive Scheme (EIS) for its employees. The EIS was approved by the Board of Directors at the 2017 AGM. The EIS is designed to attract, retain and motivate employees. The EIS is based on performance and is designed to attract, retain and motivate employees. The EIS is approved by the Board of Directors (2017 AGM). The EIS is based on performance and is designed to attract, retain and motivate employees. The EIS is approved by the Board of Directors (2017 AGM).

The EIS is based on performance and is designed to attract, retain and motivate employees. The EIS is approved by the Board of Directors (2017 AGM). The EIS is based on performance and is designed to attract, retain and motivate employees. The EIS is approved by the Board of Directors (2017 AGM).

## 5 SIGNIFICANT EVENTS

### 5.1 Dividend

B D 31, 2022.

### 5.2 Independent investigation related matters

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

(1) f f f f  
(2) f f f f  
(3) f f f f

1<sup>st</sup>, 2022,  
Investigation Firm )  
f (1) f f ( )  
Alleged Area I ), (2) f f  
Alleged Area II ), (3) f f  
Alleged Area  
III ). D 1<sup>st</sup>, 2022 23, 2022, I

1<sup>st</sup>, 2022. I f f  
I f  
f f

2021 2021 27, 2022 15, 2022,  
30, 2022 I f J 30, 2022 J 10, 2023  
J 16, 2023,

f f f  
B f



### 5.3 Correction of previous accounting errors

„ 5.2 f „ , f f 2020  
 2021, f „, 38 f 3 f B f D  
 11 f 3 f f „ f „  
 f f f f f f 2021 f  
 f f

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

5.3.1.1 f f B .18 „ 2020 „  
 B f f f f f  
 „ I f f B12,878 „  
 201 2020 „ B .18 „ f „  
 30 f 3  
 f B 8 f 3 f „  
 f „ f f f  
 E D f 2020 ,  
 B .18 „ f  
 „ f „  
 f B f f f  
 f 2020 B „  
 B12,878 B ,203,741 „  
 B ,1 0,8 € „ f 2021  
 B12,878, B12,878 B ,203,741 „  
 f f B ,1 0,8 €.

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

(1) *I u u f 2020*  
*( B, f )*

Items	After restatement	Cumulative effect of error correction	Before restatement
	12, 87, 000	,1 0,8 0	3,7 6777
	83,50 ,118	,1 0,8 0	7,318,255
	52,8 6 23	,1 0,8 0	3, 6 00
	6, 61,025	,1 0,8 0	55,770,1 02

(2) *B f 2020*  
*( B, f )*

Items	After restatement	Cumulative effect of error correction	Before restatement
	6, 65,82	-12,878	6, 78,702
	5, 63, 67	-12,878	5, 6 5
	2,1 61,2 61,775	-12,878	2,1 61,27, 63
	7 6 03, 00	- ,203,7 1	85,807,1 1
	6 677,103	- ,203,7 1	615,280,8 1
	63  ,21 6	- ,203,7 1	55,552, 57
	21, 85 60	,1 0,8 0	205, 66,23 6
	1,122,2 7,550	,1 0,8 0	1,113,05 6 6 6
	1,21, 12,55	,1 0,8 0	1,205,721, 6 5
	2,1 61,2 61,775	-12,878	2,1 61,27, 63

(3)

2021

( B, f )

Items	After restatement	Cumulative effect of error correction	Before restatement
	2,25,88	-12,878	2,38,366
	0,02,03	-12,878	0,05,501
	2,377,54,8	-12,878	2,377,07,867
	57,31,52	-203,741	66,523,265
	535,77,65	-203,741	5,78,376
	1,07,675,868	-203,741	1,10,687,0
I	6,37,845	-12,878	6,50,723
	257,08,02	1,08,6	2,7,07,761
f	1,208,26,87	1,08,6	1,1,073,034
	1,280,27,120	1,08,6	1,271,088,257
	2,377,54,8	-12,878	2,377,07,867

**Opinions of the Independent Non-executive Directors**

... f ...

**Opinions of the Board**

B ... f ...

**Opinions of the Supervisory Committee**

f ... f ...





B... f... D...  
B... f... f...  
B... f... D...  
f... f...

E... f... f...  
B... f... f...  
f... f...  
If... f...  
f... f... f... f...

**10 EVENTS AFTER THE REPORTING PERIOD**

f... f...

**11 AUDITORS AND WORKING SCOPE**

f... 2022, f...  
BD, f...  
f...  
f... f... f...  
f... D... 31, 2022  
BD, f...  
f... 2022. f... BD  
f... H... K...  
E... H... K...  
H... K... I... f...  
BD

## 12 FINANCIAL REPORT

### 12.1 Accounting Policies

„  
B E B f 15,200 6  
( f f the Accounting Standards for Business Enterprises CAS ).

f „ .“).Notieml•PriPolic.tal.1Tw3583 Td(



Items	Year ended December 31,	
	2022	2021
	14,907,711	13,61,685
I	2,850,458	6,37,845
I	-15,926,847	-65,65,720
D		
F	-	-
(	-	-
(	-	-
(	-15,977,326	,417,31
(	-25,191,541	-2,140,16
(	-10,345,461	-617,20
(	406,185	-7,404
<b>III. Operating profit</b>		
(losses represented with “-” signs)	16,391,934	2,41,75
L	8,553,978	11,835,32
	9,341,039	8,68,6584
<b>IV. Total profit</b>		
(total losses represented with “-” signs)	15,604,873	5,61,143
L I	26,573,712	54,830,13
<b>V. Net profit (net losses represented with “-” signs)</b>	-10,968,839	40,860,230
(I)		
1.	-10,968,839	40,860,230
2.	-	-
(II)		
1.	-24,220,782	44,035,5
2.	13,251,944	-3,175,76

Items

Year ended December 31,  
2022 ~~2021~~

**VI. Other comprehensive income, net of tax**

(I)			
1.			
2.			
3.			
4.			
(II)			
1.			
2.			
3.			
4.			
5.			
6E			
7.			

**VII. Total comprehensive income**

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

**VIII. Earnings per share:**

(I) B (B)	<b>-0.32</b>	0. 6
(II) D (B)	<b>-0.32</b>	0.5



<b>ASSETS</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>January 1, 2021</b>
<b>Non-current assets:</b>			
Land	-		
Buildings	-		
Leasehold improvements	-		
Land use rights	<b>14,000,000</b>		
Prepaid expenses	<b>143,546,246</b>	12,817,777	7,816,314
Intangible assets	-		
Investments	<b>63,116,852</b>	6,812,275	57,404,181
Financial assets	-		107,804,366
Financial liabilities	<b>695,020,441</b>	721,867,772	533,743,384
Other non-current assets	<b>152,497,400</b>	13,755,718	13,112,866
Goodwill	<b>190,403,752</b>	257,122,270	232,612,441
Intangible assets	<b>254,684,348</b>	227,117,855	162,536,728
Derivatives	-		
Equity investments	<b>107,655,738</b>	135,741,377	7,118,853
Leasehold improvements	<b>189,586,339</b>	150,501,038	153,550,840
Deferred tax assets	<b>20,682,398</b>	1,336,665	10,258,388
Other non-current assets	<b>13,541,047</b>	21,066,387	18,708,451
<b>Total non-current assets</b>	<b><u>1,844,734,561</u></b>	<b><u>1,768,352,366</u></b>	<b><u>1,618,578,158</u></b>
<b>TOTAL ASSETS</b>	<b><u>2,637,787,407</u></b>	<b><u>2,377,514,818</u></b>	<b><u>2,161,261,775</u></b>

**LIABILITIES AND  
SHAREHOLDERS' EQUITY**

**December 31,  
2022**

**December 31,  
2021**

**January 1,  
2021**

**Current liabilities:**

	<b>203,000,000</b>	25,050,000	312,500,000
B	-		
F	-		
D	-		
	<b>13,922,929</b>		
	-		
	<b>997,944</b>		3,080
	<b>85,773,062</b>	6,102,002	71,558,000
	<b>29,894,837</b>	1,027,003	1,000,278
	-	3,200	12,000
F	-		
	-		
F	-		
	-		
F	-		
E	<b>70,588,350</b>	0,000,000	2,785,133
	<b>33,507,164</b>	30,235,320	1,000,000
	<b>72,193,730</b>	57,310,520	7,000,000
F	-		
	-		
L	-		
	<b>147,598,324</b>	18,200,752	35,500,000
	-		
<b>Total current liabilities</b>	<b><u>657,446,340</u></b>	<b><u>535,770,000</u></b>	<b><u>0,000,000</u></b>

**LIABILITIES AND  
SHAREHOLDERS' EQUITY**

**December 31,  
2022**

**December 31,  
2021**

**January 1,  
2021**

**Non-current liabilities:**

Long-term debt	-		
Lease liabilities	<b>391,010,000</b>	280,500,000	110,220,700
Other non-current liabilities	-		
Deferred income taxes	-		
Long-term debt	<b>171,437,740</b>	231,733,700	1,001,230
Lease liabilities	<b>42,404,938</b>		
Other non-current liabilities	-		
Deferred income taxes	-		
Deferred income taxes	<b>9,037,891</b>	3,163	5,175
Deferred income taxes	<b>40,547,879</b>	3,875,700	25,032,138
	-		

**Total non-current liabilities**

**654,438,448**      501,012,330      3,027,213

**Total liabilities**

**1,311,884,788**      1,075,868      1,631,216

**Shareholders' equity:**

Common stock	<b>74,600,300</b>	74,600,300	74,600,300
Retained earnings	-		
Accumulated other comprehensive income	-		
Other equity	<b>855,078,533</b>	838,163,360	81,300,660
Long-term debt	-		23,311,111
Other equity	-		
Other equity	<b>38,399,577</b>	38,357	365,322
Other equity	-		
Other equity	<b>233,506,534</b>	257,086	21,8560
Other equity	-		
Other equity	<b>1,201,584,945</b>	1,208,268,870	1,122,217,550
Other equity	<b>124,317,674</b>	72,015,221	2,660

**Total shareholders' equity**

**1,325,902,619**      1,280,271,120      1,211,12,55

**TOTAL LIABILITIES AND  
SHAREHOLDERS' EQUITY**

**2,637,787,407**      2,377,518      2,101,201,775





Items	Year ended December 31,	
	2022	2021
<b>III. Cash flows from financing activities</b>		
I	9,153,084	2,000,000
II	9,153,084	2,000,000
III	387,500,000	550,250,000
IV	151,420,250	
V	548,073,334	553,150,000
VI	324,220,000	28,32,70
VII	51,554,508	30,27,107
VIII		
IX		
X	56,121,295	6,676,66
<b>Sub-total of cash outflows of financing activities</b>	<b>431,895,803</b>	<b>51,316,63</b>
<b>Net cash flows from financing activities</b>	<b>116,177,531</b>	<b>33,833,357</b>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>78,463</b>	<b>-38,704</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>69,861,145</b>	<b>-11,357,81</b>
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>188,734,846</b>	<b>200,02,66</b>
	<b>258,595,991</b>	<b>188,734,846</b>

## 12.2.4 Consolidated Statement of Changes in Shareholders' Equity

(in million Euro)

Items	Other equity instruments				Amount for the current period Equity attributable to owners of the parent company							Subtotal	Non-controlling interests	Total owners' equity
	Share capital	Preferred shares	Perpetual bonds	Others	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risk	Retained earnings			
I. Balance at 1 January 2019	74,600,300				838,165,396				38,399,577		257,098,624	1,208,263,897	72,015,224	1,280,279,121
II. Balance at 31 December 2019	74,600,300				838,165,396				38,399,577		257,098,624	1,208,263,897	72,015,224	1,280,279,121
III. Increase / decrease														
(I) Issuance of shares					16,913,137						-23,592,090	-6,678,953	52,302,450	45,623,497
(II) Repurchase of shares											-24,220,782	-24,220,782	13,251,943	-10,968,839
1. Treasury stock					12,214,419								43,363,507	55,577,926
2. Other equity instruments													43,363,507	43,363,507
3. Other comprehensive income														
IV. Other					12,214,419							12,214,419		12,214,419

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

Items	Other equity instruments				Capital reserve	Amount for the current period				Surplus reserve	Provision for general risk	Retained earnings	Subtotal	Non-controlling interests	Total owners' equity
	Share capital	Preferred shares	Perpetual bonds	Others		Less: Treasury stock	Other comprehensive income	Special reserve							
(III) D. 2019.12.31														-4,313,000	-4,313,000
1. 2019.12.31														-	
2. 2019.12.31															
3. 2019.12.31														-4,313,000	-4,313,000
(II) I. 2019.12.31															
1. 2019.12.31															
2. 2019.12.31															
3. 2019.12.31															
4. 2019.12.31															
5. 2019.12.31															
6. 2019.12.31															

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

Items	Other equity instruments				Capital reserve	Amount for the current period					Subtotal	Non-controlling interests	Total owners' equity	
	Share capital	Preferred shares	Perpetual bonds	Others		Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risk				Retained earnings
(1,2) 1. 2018														
(1,2) 2. 2018					4,698,718						628,692	5,327,410		5,327,410
(1,2) B 2018	74,600,300				855,078,533				38,399,577		233,506,534	1,201,584,944	124,317,674	1,325,902,618



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

### 12.3.1 Accounts receivable

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

	December 31, 2022 RMB	December 31, 2021 RMB
1 year or less	388,961,193	303,105,710
1-2 years	4,755,920	812,850
2-3 years	3,941,367	1,258,870
3-5 years	3,248,300	3,140,407
5 years or more	1,932,594	
	<u>402,839,374</u>	<u>321,123,710</u>
Less: Allowance for doubtful accounts	20,002,683	365,835
	<u><u>382,836,691</u></u>	<u><u>311,757,875</u></u>

## Accounts receivable shown by classification of bad debt provisions

	December 31, 2022				
	Balance of carrying amount		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Percent of provision (%)	
Trade receivables	18,221,976	4.52	12,514,143	68.68	5,707,833
Interest receivables	18,221,976	4.52	12,514,143	68.68	5,707,833
Other receivables	384,617,398	95.48	7,488,540	1.95	377,128,858
Interest receivables	384,617,398	95.48	7,488,540	1.95	377,128,858
	<b>402,839,374</b>	<b>100.00</b>	<b>20,002,683</b>	<b>5.0</b>	<b>382,836,691</b>
December 31, 2021 (continued)					
Trade receivables	7,247,78	2.26	4,502,86	6.33	2,744,92
Interest receivables	7,247,78	2.26	4,502,86	6.33	2,744,92
Other receivables	313,875,732	7.74	4,775,54	1.52	309,100,193
Interest receivables	313,875,732	7.74	4,775,54	1.52	309,100,193
	<b>321,123,710</b>	<b>100.00</b>	<b>9,278,35</b>		<b>311,845,360</b>

### 12.3.2 Accounts payable

	December 31, 2022 RMB	December 31, 2021 RMB
Accounts payable	84,193,739	65,384,755
Notes payable	1,161,389	2,767,066
Accounts payable - related parties	71,969	168,510
Accounts payable - non-related parties	345,965	287,111
	<b>85,773,062</b>	<b>69,162,002</b>

### 12.3.3 Revenue and cost of sales

#### Analysis of revenue and cost of sales

	Year ended December 31, 2022		December 31, 2021	
	Revenue	Cost	Revenue	Cost
Revenue	1,366,816,938	1,040,114,650	1,202,774,378	877,111,686
Cost of sales	118,086,104	91,857,293	118,655,202	71,320,820
	<b>1,484,903,042</b>	<b>1,131,971,943</b>	<b>1,321,429,580</b>	<b>948,432,506</b>

**Breakdown of revenue:**

	<b>Year ended December 31, 2022</b>	<b>December 31, 2021</b>
<b>Revenue</b>		
<b>1,366,816,938</b>	<b>1,202,774,378</b>	
<b>305,118,303</b>	<b>267,588,282</b>	
<b>1,061,698,635</b>	<b>35,186,060</b>	
<b>118,086,104</b>	<b>1,655,200</b>	
<b>85,464,736</b>	<b>51,613,442</b>	
<b>3,000,000</b>	<b>2,702,270</b>	
<b>8,067,969</b>	<b>7,515,320</b>	
<b>-</b>	<b>160,354,548</b>	
<b>21,553,398</b>	<b>1,651,338</b>	
	<b>1,274,303,370</b>	

**12.34 Expenses by nature**

	<b>Year ended December 31, 2022</b>	<b>2021</b>
<b>538,910,495</b>	<b>417,971,255</b>	<b>415,357,572</b>
<b>417,971,255</b>	<b>-</b>	<b>15,204,373</b>
<b>53,029,785</b>	<b>38,189,336</b>	<b>45,173,131</b>
<b>38,189,336</b>	<b>22,991,164</b>	<b>45,435,381</b>
<b>22,991,164</b>	<b>46,397,647</b>	<b>15,010,680</b>
<b>46,397,647</b>	<b>17,904,619</b>	<b>38,371,180</b>
<b>17,904,619</b>	<b>66,553,544</b>	<b>15,472,885</b>
<b>66,553,544</b>	<b>29,928,936</b>	<b>57,050,466</b>
<b>29,928,936</b>	<b>23,086,081</b>	<b>24,061,566</b>
<b>23,086,081</b>	<b>27,657,239</b>	<b>21,047,712</b>
<b>27,657,239</b>	<b>28,302,685</b>	<b>25,603,836</b>
<b>28,302,685</b>	<b>6,366,300</b>	<b>13,820,362</b>
<b>6,366,300</b>	<b>3,526,993</b>	<b>1,222,000</b>
<b>3,526,993</b>	<b>5,332,488</b>	<b>2,033,000</b>
<b>5,332,488</b>	<b>8,492,201</b>	<b>4,165,445</b>
<b>8,492,201</b>	<b>12,214,419</b>	<b>3,128,808</b>
<b>12,214,419</b>	<b>39,035,944</b>	<b>15,327,752</b>
<b>39,035,944</b>	<b>1,385,891,131</b>	<b>43,866,152</b>
	<b>1,183,101,100</b>	



### 12.3.7 Income tax expenses

#### Table of income tax expenses

	Year ended December 31,	
	2022	2021
Profit before income tax	40,192,565	26,118,820
Differences	<u>-13,618,853</u>	<u>27,110,3</u>
	<u><u>26,573,172</u></u>	<u><u>53,229,130</u></u>

#### Reconciliation between total profit and income tax expenses

	Year ended December 31,	
	2022	2021
Profit before income tax	15,604,874	5,611,143
Income tax expense	3,028,480	21,762,76
Income tax expense	7,125,277	1,508,267
Income tax expense	-3,896,947	-2,514,74
Income tax expense	-5,563,847	-283,550
Income tax expense	1,736,913	4,012,268
Income tax expense	137,339	-3,047,22
Income tax expense	31,726,873	40,745,555
Income tax expense	0.656358	13.117540







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... H ... (衢州怡寧醫院有限公司),  
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**Wenzhou Kangning Hospital Co., Ltd.**  
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