

Handwritten text in Chinese characters, likely bleed-through from the reverse side of the page.



州康寧醫院股份有限公司

zhōng hōng níng yī yuàn gǔ fèn yǒu xiàn gōng sī

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pany incorporated in the People's Republic of China)

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(i) Conduct an appropriate independent investigation into the issues raised by PwC, announce the findings and take appropriate remedial actions

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() (**Ms. Wang**) (**Alleged Area I**)

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() **Alleged Area II.**

() **Actual Controller.**

[REDACTED]

[REDACTED]

[REDACTED] (**Individuals of Interest.**)

[REDACTED] (**Former Shareholder.**)

[REDACTED] (**Indirect Investor.**)

[REDACTED] (**Renovation Supplier.**)-

[REDACTED]

[REDACTED]

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- ()

(a) carrying out necessary changes to the Board and the management of the Company

(Ms. Jin.) (Mr. Chan.) (Mr. Wang.)

(b) obtaining legal advice on the merits of commencing judicial proceedings for civil recovery against Ms. Wang regarding the personal interests she obtained under Alleged Area III

(Disgorged Gains.) (PRC Counsel.)

(c) strengthening the use of external expert support

(d) reassessing accounting treatments related to the arrears of the impoverished patients identified in the Independent Investigation as well as the recoverability of the historical arrears, making necessary corrections of prior accounting errors, if any

(e) relevant treatment of the Indirect Investor, the Renovation Supplier and the Actual Controller involved in Alleged Area I and Alleged Area III

(f) *strengthening the internal control system and compliance supervision of the Company*

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View of the Independent Investigation Committee

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(ii) *Demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence*

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1. The first part of the text discusses the importance of maintaining accurate records in a laboratory setting. It emphasizes the need for clear labeling and organization of samples and equipment to ensure the integrity and reproducibility of the data collected.

2. The second part of the text describes the various methods used for data collection and analysis. It highlights the importance of using standardized protocols and the role of statistical analysis in interpreting the results of the experiments.

Handwritten musical notation on a five-line staff. The notation includes various rhythmic values such as eighth and sixteenth notes, rests, and bar lines. A small number '3' is written above the staff near the beginning.

Handwritten musical notation on a five-line staff. This system includes two ampersand symbols (&) placed above the staff. The notation consists of rhythmic patterns with stems and flags.

Handwritten musical notation on a five-line staff, continuing the rhythmic patterns from the previous systems.

Handwritten musical notation on a five-line staff, showing further development of the rhythmic sequence.

Handwritten musical notation on a five-line staff, concluding the sequence of rhythmic patterns on this page.

(iii) Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules

The Company has conducted an independent internal control review and demonstrated that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules. The review was conducted by an independent internal control reviewer who is not a member of the Company's management and is not involved in the Company's internal control system. The reviewer has reviewed the Company's internal control system and has concluded that the Company's internal control system is adequate to meet its obligations under the Listing Rules. The Company's internal control system includes a system of financial reporting, a system of risk management, and a system of compliance with the Listing Rules. The Company's internal control system is designed to ensure the accuracy and reliability of the Company's financial reporting, to manage the Company's risks, and to ensure the Company's compliance with the Listing Rules. The Company's internal control system is based on the principles of transparency, integrity, and accountability. The Company's internal control system is subject to regular monitoring and evaluation by the Company's internal control reviewer. The Company's internal control system is also subject to external audit by the Company's independent auditor. The Company's internal control system is designed to meet the requirements of the Listing Rules and to ensure the Company's compliance with the Listing Rules. The Company's internal control system is a key component of the Company's risk management system and is essential for the Company's long-term success. The Company's internal control system is a dynamic system that evolves over time as the Company's business operations and the Listing Rules change. The Company's internal control system is a key component of the Company's risk management system and is essential for the Company's long-term success.

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Key Internal Control Issues	Rectifications
Entity-Level Review by COSO Framework	
<p>Control Environment – Conflict of Interest Reporting Mechanism</p> <p>There is a conflict of interest reporting mechanism in place, but it is not clearly defined and lacks a formal policy. The mechanism is not widely known to all employees, and there is no clear process for reporting and handling such conflicts. The reporting mechanism is not integrated into the overall internal control system, and there is no clear responsibility for monitoring and reporting such conflicts.</p>	<p>The conflict of interest reporting mechanism is not clearly defined and lacks a formal policy. The mechanism is not widely known to all employees, and there is no clear process for reporting and handling such conflicts. The reporting mechanism is not integrated into the overall internal control system, and there is no clear responsibility for monitoring and reporting such conflicts.</p>

Key Internal Control Issues	Rectifications
Entity-Level Review by COSO Framework	
<p>Control Environment – Succession Plan</p> <p>The Board of Directors has approved a succession plan for the CEO and other key executives. The plan includes a process for identifying and developing potential successors, as well as a process for transitioning leadership. The plan is reviewed and updated annually.</p>	
<p>Risk Assessments – Anti-Money Laundering Mechanism</p> <p>The company has implemented a risk assessment process for anti-money laundering (AML) that identifies and evaluates the risks of money laundering and terrorist financing. The process includes a review of the company's AML policies and procedures, as well as a review of the company's AML controls. The results of the risk assessment are used to inform the company's AML strategy and to identify areas for improvement.</p>	
<p>Control Activities – Policies and Procedures</p> <p>The company has implemented a comprehensive system of internal controls that includes policies and procedures for all major business processes. The system is designed to prevent and detect errors and fraud, and to ensure the accuracy and reliability of the company's financial reporting. The system is reviewed and updated annually.</p>	

Key Internal Control Issues	Rectifications
Activity-level review	
<p>Revenue and Accounts Receivable Management – Bad Debt Provision</p> <p>Handwritten text describing internal control issues related to revenue and accounts receivable management, specifically focusing on the bad debt provision. The text is mostly illegible due to blurring.</p>	<p>Handwritten text describing rectifications for the issues identified. The text is mostly illegible due to blurring.</p>

Key Internal Control Issues	Rectifications
Activity-level review	
	<p>During the course of the audit, the following key internal control issues were identified:</p> <p>1. Control Environment: The audit identified weaknesses in the control environment, including a lack of clear communication of the company's values and ethical standards, and insufficient training for staff on internal control procedures.</p> <p>2. Information and Communication: There were issues with the flow of information between departments, leading to delays in reporting and decision-making. The audit also identified weaknesses in the company's communication channels, particularly in the area of internal reporting.</p> <p>3. Control Activities: The audit identified weaknesses in the control activities, including inadequate segregation of duties, insufficient monitoring and review of transactions, and weaknesses in the company's internal control procedures.</p> <p>4. Monitoring and Review: The audit identified weaknesses in the monitoring and review process, including a lack of regular internal audits and insufficient oversight by management.</p> <p>5. Human Resources: The audit identified weaknesses in the human resources function, including a lack of clear job descriptions and insufficient training for staff.</p> <p>6. Physical and Technological Controls: The audit identified weaknesses in the physical and technological controls, including inadequate security measures for IT systems and insufficient physical security measures for the company's premises.</p> <p>7. Financial Reporting: The audit identified weaknesses in the financial reporting process, including a lack of clear policies and procedures for the preparation and review of financial statements.</p> <p>8. Compliance: The audit identified weaknesses in the company's compliance with applicable laws and regulations, including a lack of clear policies and procedures for the prevention and detection of non-compliance.</p> <p>9. Internal Control Framework: The audit identified weaknesses in the company's internal control framework, including a lack of clear ownership and responsibility for internal control, and insufficient documentation of internal control procedures.</p> <p>10. Internal Control Culture: The audit identified weaknesses in the company's internal control culture, including a lack of clear communication of the importance of internal control, and insufficient training for staff on internal control procedures.</p> <p>11. Internal Control Systems: The audit identified weaknesses in the company's internal control systems, including a lack of clear policies and procedures for the design and implementation of internal control, and insufficient testing and evaluation of internal control.</p> <p>12. Internal Control Processes: The audit identified weaknesses in the company's internal control processes, including a lack of clear policies and procedures for the monitoring and review of internal control, and insufficient communication of internal control issues to management.</p> <p>13. Internal Control Reporting: The audit identified weaknesses in the company's internal control reporting, including a lack of clear policies and procedures for the reporting of internal control issues, and insufficient communication of internal control issues to the audit committee.</p> <p>14. Internal Control Remediation: The audit identified weaknesses in the company's internal control remediation process, including a lack of clear policies and procedures for the remediation of internal control issues, and insufficient communication of internal control issues to management.</p> <p>15. Internal Control Evaluation: The audit identified weaknesses in the company's internal control evaluation process, including a lack of clear policies and procedures for the evaluation of internal control, and insufficient communication of internal control issues to management.</p> <p>16. Internal Control Improvement: The audit identified weaknesses in the company's internal control improvement process, including a lack of clear policies and procedures for the improvement of internal control, and insufficient communication of internal control issues to management.</p> <p>17. Internal Control Documentation: The audit identified weaknesses in the company's internal control documentation, including a lack of clear policies and procedures for the documentation of internal control, and insufficient communication of internal control issues to management.</p> <p>18. Internal Control Training: The audit identified weaknesses in the company's internal control training, including a lack of clear policies and procedures for the training of staff on internal control, and insufficient communication of internal control issues to management.</p> <p>19. Internal Control Awareness: The audit identified weaknesses in the company's internal control awareness, including a lack of clear policies and procedures for the raising of internal control awareness, and insufficient communication of internal control issues to management.</p> <p>20. Internal Control Culture: The audit identified weaknesses in the company's internal control culture, including a lack of clear policies and procedures for the promotion of internal control culture, and insufficient communication of internal control issues to management.</p> <p>21. Internal Control Systems: The audit identified weaknesses in the company's internal control systems, including a lack of clear policies and procedures for the design and implementation of internal control, and insufficient testing and evaluation of internal control.</p> <p>22. Internal Control Processes: The audit identified weaknesses in the company's internal control processes, including a lack of clear policies and procedures for the monitoring and review of internal control, and insufficient communication of internal control issues to management.</p> <p>23. Internal Control Reporting: The audit identified weaknesses in the company's internal control reporting, including a lack of clear policies and procedures for the reporting of internal control issues, and insufficient communication of internal control issues to the audit committee.</p> <p>24. Internal Control Remediation: The audit identified weaknesses in the company's internal control remediation process, including a lack of clear policies and procedures for the remediation of internal control issues, and insufficient communication of internal control issues to management.</p> <p>25. Internal Control Evaluation: The audit identified weaknesses in the company's internal control evaluation process, including a lack of clear policies and procedures for the evaluation of internal control, and insufficient communication of internal control issues to management.</p> <p>26. Internal Control Improvement: The audit identified weaknesses in the company's internal control improvement process, including a lack of clear policies and procedures for the improvement of internal control, and insufficient communication of internal control issues to management.</p> <p>27. Internal Control Documentation: The audit identified weaknesses in the company's internal control documentation, including a lack of clear policies and procedures for the documentation of internal control, and insufficient communication of internal control issues to management.</p> <p>28. Internal Control Training: The audit identified weaknesses in the company's internal control training, including a lack of clear policies and procedures for the training of staff on internal control, and insufficient communication of internal control issues to management.</p> <p>29. Internal Control Awareness: The audit identified weaknesses in the company's internal control awareness, including a lack of clear policies and procedures for the raising of internal control awareness, and insufficient communication of internal control issues to management.</p> <p>30. Internal Control Culture: The audit identified weaknesses in the company's internal control culture, including a lack of clear policies and procedures for the promotion of internal control culture, and insufficient communication of internal control issues to management.</p>

The audit committee has reviewed the findings of the audit and has agreed to the following recommendations:

View of the Audit Committee

The audit committee has reviewed the findings of the audit and has agreed to the following recommendations:

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(iv) Publish all outstanding financial results required under the Listing Rules and address any audit modifications

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- () **Interim Results.** () **2022**
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- () **2022 Annual Results.** ()
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(c) [Illegible text]

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(v) Demonstrate the Company's compliance with Rule 13.24

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(a) Sufficient Level of Operations

The first part of the document discusses the importance of maintaining accurate records of all transactions. This includes not only sales and purchases but also any other financial activities that may occur. It is essential to ensure that all entries are properly documented and supported by appropriate evidence.

In addition, the document emphasizes the need for regular reconciliation of accounts. This process involves comparing the company's internal records with external statements, such as bank statements or supplier invoices, to identify any discrepancies. Promptly addressing these differences helps to prevent errors and ensures the integrity of the financial data.

Furthermore, the document highlights the significance of maintaining up-to-date financial statements. These statements provide a clear and concise overview of the company's financial performance over a specific period. They are crucial for internal decision-making and for providing transparency to stakeholders, including investors and creditors.

Finally, the document stresses the importance of adhering to all applicable accounting standards and regulations. This ensures that the financial reporting is consistent, reliable, and comparable to other entities in the industry. Compliance with these standards is not only a legal requirement but also a key factor in building trust and credibility with the market.

The Company's management has reviewed the financial statements and believes that the financial statements present a true and fair view of the Company's financial position and performance for the periods ended 31 December 2022 and 31 December 2021.

(b) Sufficient Assets

The Company's management has reviewed the financial statements and believes that the financial statements present a true and fair view of the Company's financial position and performance for the periods ended 31 December 2022 and 31 December 2021.

	For the year ended December 31, 2022	For the year ended December 31, 2021
Total assets Total liabilities Total equity	(1,111) (1,111) (1,111)	(1,111) (1,111) (1,111)
	As at December 31, 2022	As at December 31, 2021
Total assets Total liabilities Total equity	(1,111) (1,111) (1,111)	(1,111) (1,111) (1,111)
Total assets Total liabilities Total equity	(1,111) (1,111) (1,111)	(1,111) (1,111) (1,111)

(vi) Announce all material information for the Company's shareholders and investors to appraise its position

The Company's management has reviewed the financial statements and believes that the financial statements present a true and fair view of the Company's financial position and performance for the periods ended 31 December 2022 and 31 December 2021.

RESUMPTION OF TRADING

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100