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 康寧醫院股份有限公司
zhōng níng yī yuàn gǔ fèn yǒu xiàn gōng sī
ai Co., Ltd.

() **Alleged Area II.** **Actual Controller.**

The Department of Social Services, in accordance with the provisions of the Social Services Act, 1981, has been established to provide social services to the people of the State. The Department is headed by the Secretary, Social Services, who is responsible for the overall management and administration of the Department. The Department is divided into several sections, each headed by a Joint Secretary, who are responsible for the day-to-day functioning of the Department. The sections are:

1. **Administration Section**: This section is responsible for the administrative and financial management of the Department. It is headed by a Joint Secretary, who is assisted by several officers.

2. **Legal Section**: This section is responsible for the legal aspects of the Department's work. It is headed by a Joint Secretary, who is assisted by several officers.

3. **Public Relations Section**: This section is responsible for the public relations and information activities of the Department. It is headed by a Joint Secretary, who is assisted by several officers.

4. **Research and Statistics Section**: This section is responsible for the collection and analysis of data related to social services. It is headed by a Joint Secretary, who is assisted by several officers.

The Department also has a number of advisory committees, which are headed by experts in the field of social services. These committees provide advice and recommendations to the Department on various issues.

The Department is also responsible for the implementation of various social service schemes and programmes. These include:

1. **Indirect Investor**: This is a person who is not directly involved in the management of a company, but who has a significant influence over its operations.

2. **Renovation Supplier**: This is a person who provides services for the renovation of buildings.

The Department is also responsible for the implementation of various social service schemes and programmes. These include:

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

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

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(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

During the reporting period, the Company has continued to strengthen its internal control system and compliance supervision, and has achieved significant results. The Company has established a complete internal control system, and the internal control system has been effectively implemented. The Company has also strengthened its compliance supervision, and has achieved significant results. The Company has established a complete compliance supervision system, and the compliance supervision system has been effectively implemented.

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View of the Independent Investigation Committee

The Independent Investigation Committee has conducted a thorough investigation into the Company's internal control system and compliance supervision. The Committee has found that the Company's internal control system is complete and effective, and the compliance supervision system is complete and effective. The Committee has also found that the Company's internal control system and compliance supervision have been effectively implemented. The Committee has also found that the Company's internal control system and compliance supervision have been effectively implemented.

- (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

The Independent Investigation Committee has conducted a thorough investigation into the Company's internal control system and compliance supervision. The Committee has found that the Company's internal control system is complete and effective, and the compliance supervision system is complete and effective. The Committee has also found that the Company's internal control system and compliance supervision have been effectively implemented. The Committee has also found that the Company's internal control system and compliance supervision have been effectively implemented.

(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 the internal audit department, which is independent of the management and reporting line to the audit committee. The review covered the financial reporting controls, operational controls, and compliance controls. The results of the review are as follows:

The internal control review identified several weaknesses in the Company's internal controls, which are summarized in the table below:

Weakness	Impact	Remedial Action
Weakness in the financial reporting controls	May result in inaccurate financial statements	Strengthen the financial reporting controls by implementing more robust procedures
Weakness in the operational controls	May result in operational inefficiencies	Strengthen the operational controls by implementing more robust procedures
Weakness in the compliance controls	May result in non-compliance with the Listing Rules	Strengthen the compliance controls by implementing more robust procedures

The Company has taken the following remedial actions to address the weaknesses identified in the internal control review:

- Strengthened the financial reporting controls by implementing more robust procedures
- Strengthened the operational controls by implementing more robust procedures
- Strengthened the compliance controls by implementing more robust procedures

The Company has demonstrated that it has in place adequate internal controls and procedures to meet its obligations under the Listing Rules.

Key Internal Control Issues	Rectifications
Entity-Level Review by COSO Framework	
Control Environment – Conflict of Interest Reporting Mechanism The Board of Directors has established a Conflict of Interest Policy, which requires all directors and officers to disclose any potential conflicts of interest. The policy is reviewed annually by the Board. The Board has also established a Whistleblower Policy, which provides a safe and confidential mechanism for reporting suspected wrongdoing. The Whistleblower Policy is reviewed annually by the Board. The Board has also established a Code of Ethics, which sets the standard for ethical behavior for all employees. The Code of Ethics is reviewed annually by the Board. The Board has also established a Policy on Related-Party Transactions, which requires all related-party transactions to be disclosed and approved by the Board. The Policy is reviewed annually by the Board.	The Board of Directors has established a Conflict of Interest Policy, which requires all directors and officers to disclose any potential conflicts of interest. The policy is reviewed annually by the Board. The Board has also established a Whistleblower Policy, which provides a safe and confidential mechanism for reporting suspected wrongdoing. The Whistleblower Policy is reviewed annually by the Board. The Board has also established a Code of Ethics, which sets the standard for ethical behavior for all employees. The Code of Ethics is reviewed annually by the Board. The Board has also established a Policy on Related-Party Transactions, which requires all related-party transactions to be disclosed and approved by the Board. The Policy is reviewed annually by the Board.

Key Internal Control Issues	Rectifications
Entity-Level Review by COSO Framework	
Control Environment – Succession Plan The Board of Directors has established a succession plan for the CEO and other key executives. The plan includes a process for identifying potential successors, evaluating their qualifications, and providing them with the necessary training and experience. The Board also monitors the progress of the succession plan and makes adjustments as needed.	The Board of Directors has established a succession plan for the CEO and other key executives. The plan includes a process for identifying potential successors, evaluating their qualifications, and providing them with the necessary training and experience. The Board also monitors the progress of the succession plan and makes adjustments as needed.
Risk Assessments – Anti-Money Laundering Mechanism The company has implemented a risk assessment process to identify and assess the risk of money laundering. The process includes a review of the company's policies and procedures, a review of the company's transactions, and a review of the company's relationships with customers and suppliers. The company has also implemented a monitoring system to detect and prevent money laundering.	The company has implemented a risk assessment process to identify and assess the risk of money laundering. The process includes a review of the company's policies and procedures, a review of the company's transactions, and a review of the company's relationships with customers and suppliers. The company has also implemented a monitoring system to detect and prevent money laundering.
Control Activities – Policies and Procedures The company has implemented a system of control activities to ensure the accuracy and reliability of its financial reporting. The system includes a review of the company's accounting records, a review of the company's financial statements, and a review of the company's internal controls. The company has also implemented a monitoring system to detect and prevent errors and fraud.	The company has implemented a system of control activities to ensure the accuracy and reliability of its financial reporting. The system includes a review of the company's accounting records, a review of the company's financial statements, and a review of the company's internal controls. The company has also implemented a monitoring system to detect and prevent errors and fraud.

Key Internal Control Issues	Rectifications
Activity-level review	
Revenue and Accounts Receivable Management – Bad Debt Provision The company's policy for bad debt provision is not clearly defined. The provision is calculated based on the aging of accounts receivable, but the criteria for determining the provision rate are not clearly defined. The provision is also not reviewed regularly.	The company's policy for bad debt provision is not clearly defined. The provision is calculated based on the aging of accounts receivable, but the criteria for determining the provision rate are not clearly defined. The provision is also not reviewed regularly.

Key Internal Control Issues	Rectifications
Activity-level review	
	During the activity-level review, the Audit Committee identified the following key internal control issues: 1. Financial Reporting Controls: The Audit Committee identified a weakness in the financial reporting process, specifically related to the review and approval of financial statements. The issue was that the review process was not fully documented, and there was a lack of clear roles and responsibilities for the review and approval of financial statements. 2. Internal Control Framework: The Audit Committee identified a weakness in the internal control framework, specifically related to the design and implementation of internal controls. The issue was that the internal control framework was not fully documented, and there was a lack of clear roles and responsibilities for the design and implementation of internal controls. 3. Information Technology Controls: The Audit Committee identified a weakness in the information technology controls, specifically related to the security and integrity of information technology systems. The issue was that the information technology controls were not fully documented, and there was a lack of clear roles and responsibilities for the security and integrity of information technology systems. 4. Human Resources Controls: The Audit Committee identified a weakness in the human resources controls, specifically related to the recruitment and selection process. The issue was that the recruitment and selection process was not fully documented, and there was a lack of clear roles and responsibilities for the recruitment and selection process. 5. Legal and Compliance Controls: The Audit Committee identified a weakness in the legal and compliance controls, specifically related to the monitoring and reporting of legal and compliance risks. The issue was that the legal and compliance controls were not fully documented, and there was a lack of clear roles and responsibilities for the monitoring and reporting of legal and compliance risks. The Audit Committee has identified the following rectifications for the key internal control issues: 1. Financial Reporting Controls: The Audit Committee has recommended that the company implement a formal review and approval process for financial statements, with clear roles and responsibilities for the review and approval of financial statements. 2. Internal Control Framework: The Audit Committee has recommended that the company implement a formal internal control framework, with clear roles and responsibilities for the design and implementation of internal controls. 3. Information Technology Controls: The Audit Committee has recommended that the company implement a formal information technology controls framework, with clear roles and responsibilities for the security and integrity of information technology systems. 4. Human Resources Controls: The Audit Committee has recommended that the company implement a formal recruitment and selection process, with clear roles and responsibilities for the recruitment and selection process. 5. Legal and Compliance Controls: The Audit Committee has recommended that the company implement a formal monitoring and reporting process for legal and compliance risks, with clear roles and responsibilities for the monitoring and reporting of legal and compliance risks.

During the activity-level review, the Audit Committee identified the following key internal control issues:

View of the Audit Committee

The Audit Committee has identified the following key internal control issues:

During the activity-level review, the Audit Committee identified the following key internal control issues:

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

Financial results published

- () *Shareholders' Annual General Meeting*
- () *Shareholders' Extraordinary General Meeting*
- () *Shareholders' Special Meeting* (June 2022 **Interim Results**)
- () *Shareholders' Extraordinary General Meeting*
- () *Shareholders' Annual General Meeting* (June 2022 **Annual Results**)
- () *Shareholders' Special Meeting*

Financial results published by shareholders' Extraordinary General Meeting

Shareholders' Annual General Meeting

- () *Shareholders' Extraordinary General Meeting*
- () *Shareholders' Special Meeting*
- () *Shareholders' Extraordinary General Meeting*

Shareholders' Annual General Meeting

Shareholders' Extraordinary General Meeting

Shareholders' Annual General Meeting

(c) The Company's management has not been able to identify any other persons who have been involved in the Company's operations, and the Company has not been able to identify any other persons who have been involved in the Company's operations.

(d) The Company's management has not been able to identify any other persons who have been involved in the Company's operations, and the Company has not been able to identify any other persons who have been involved in the Company's operations.

(e) The Company's management has not been able to identify any other persons who have been involved in the Company's operations, and the Company has not been able to identify any other persons who have been involved in the Company's operations.

(f) The Company's management has not been able to identify any other persons who have been involved in the Company's operations, and the Company has not been able to identify any other persons who have been involved in the Company's operations.

(g) The Company's management has not been able to identify any other persons who have been involved in the Company's operations, and the Company has not been able to identify any other persons who have been involved in the Company's operations.

(h) The Company's management has not been able to identify any other persons who have been involved in the Company's operations, and the Company has not been able to identify any other persons who have been involved in the Company's operations.

(i) The Company's management has not been able to identify any other persons who have been involved in the Company's operations, and the Company has not been able to identify any other persons who have been involved in the Company's operations.

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

The Company's management has not been able to identify any other persons who have been involved in the Company's operations, and the Company has not been able to identify any other persons who have been involved in the Company's operations.

(a) Sufficient Level of Operations

For the year ended December 31, 2022

For the
year ended
December 31,
2022

For the
year ended
December 31,
2021

(11,233)

(11,233)

Continued

11,233

11,233

Continued

For the
year ended
December 31,
2022

For the
year ended
December 31,
2021

Inpatients

Continued

11,233

11,233

Outpatients

Continued

11,233

11,233

Continued

Continued

RESUMPTION OF TRADING

1. The Board of Directors has approved the resumption of trading in the common stock of the Company.