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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

**RESUMPTION GUIDANCE AND CONTINUED SUSPENSION OF
TRADING IN SHARES**

This announcement is made by Wenzhou Kangning Hospital Co., Ltd. (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance.

References are made to:

- a. the announcements of the Company dated January 30, 2022 and March 15, 2022 in relation to change of auditor, and appointment of independent investigation institution and independent law firm; and
- b. the announcement of the Company dated March 31, 2022 in relation to delay in publication of annual results for the year ended 31 December 2021 and delay in dispatch of annual report and postponement of board meeting, respectively.

On June 6, 2022, the Company received a letter (the “**Letter**”) from The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) setting out the guidance for the resumption of trading in the shares of the Company on the Stock Exchange (the “**Resumption Guidance**”). Pursuant to the Resumption Guidance, the Company shall:

1. publish all outstanding financial results required under the Listing Rules and address any audit modification;
2. demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules;
3. conduct an appropriate independent investigation into the issues raised by PwC, announce the findings and take appropriate remedial actions;
4. demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any person with substantial influence over the Company’s management and operations, which may pose a risk to investors and damage market confidence;
5. 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; and
6. announce all material information for the Company’s shareholders and investors to appraise its position.

The Letter also states that the Company must remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange also indicated that it may modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 30 September 2023. The Stock Exchange indicated that if the Company fails to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 30 September 2023, the Listing Division of the Stock Exchange will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company is currently taking necessary steps to resolve the issues causing its trading suspension and to comply with the Listing Rules to the Stock Exchange's satisfaction, and is seeking resumption of trading in the shares as soon as practicable.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on April 1, 2022. Trading in the shares of the Company will remain suspended until further notice.

The Company will keep the Company's shareholders and potential investors informed of the latest development as and when appropriate, and will announce quarterly updates on its latest development pursuant to Rule 13.24A of the Listing Rules.

The Company would like to remind the shareholders and potential investors of the Company to rationally deal with any information not officially released by the Company and to exercise caution when dealing in the shares of the Company.

By order of the Board
Wenzhou Kangning Hospital Co., Ltd.
GUAN Weili
Chairman

Zhejiang, the PRC
June 15, 2022

As of the date of this announcement, the Company's executive directors are Mr. GUAN Weili, Ms. WANG Lianyue and Ms. WANG Hongyue; the non-executive directors are Mr. QIN Hao and Mr. LI Changhao; and the independent non-executive directors are Mr. ZHAO Xudong, Ms. ZHONG Wentang and Mr. LIU Ning.