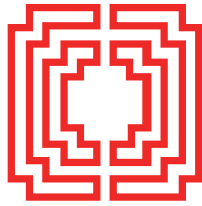


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溫州康寧醫院股份有限公司
Wenzhou Kangning Hospital Co., Ltd.

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

**Q U A R T E R L Y A N N O U N C E M E N T O N R E C E N T D E V E L O P M E N T O F
P E R F O R M A N C E O F T R A D I N G**

This announcement is made by Wenzhou Kangning Hospital Co., Ltd. (the “Company”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance.

References are made to the announcements of the Company dated January 30, 2022, March 15, 2022, March 31, 2022, April 1, 2022, June 15, 2022, June 30, 2022, September 30, 2022, October 14, 2022, December 30, 2022 and March 30, 2023 (the “Announcements”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

B U S I N E S S O P E R A T I O N

The principal business of the Company is to provide a full range of specialized medical services to patients with psychiatric illness in the PRC. The Company also engages in professional medical and aged care for the elderly.

In the first quarter of 2023, the Company’s own hospital business has been developing steadily. As of the date of this announcement, the Company owns a total of 29 hospitals, and the number of operating beds has increased to 9,998 (December 31, 2022: 9,688). The business operations of the Company have been conducted as usual in all material aspects. For details, please refer to the announcement to-be-published subsequently regarding the Company’s key operating data and indicators for the three months ended March 31, 2023 and the first quarter of 2023.

The Board will continue to evaluate and monitor the impact of suspension of trading on the operation and financial performance of the Company.

PROGRESS OF THE RESUMPTION PLAN OF THE COMPANY

Here are the pending issues and the latest quarterly progress of the Company in relation to the resumption of trading of the shares:

Key Issues	Progress
<ol style="list-style-type: none"> 1. To conduct an investigation, announce the findings, assess and announce the impact on the business operations and financial position of the Company (if any), and take remedial actions. 2. To conduct an internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations. 	<p>The Investigation Firm has issued and provided an Independent Investigation Report on the three outstanding issues as mentioned by PwC in the Resignation Letter and other relevant issues to the Independent Investigation Committee on October 14, 2022. The Independent Investigation Committee is of the view that the Independent Investigation has been comprehensively conducted by professionals and has been completed to the extent reasonably possible. The Board has decided to rectify all issues arising from the Alleged Areas with reference to the Independent Investigation Report. The Company has announced the key findings of the Independent Investigation on October 16, 2022. For details, please refer to the announcement of the Company dated October 14, 2022. In order to collect further relevant facts and supporting evidence to assist the Company in assessing the impact of the Alleged Areas on the financial position of the Company, the Investigation Firm is conducting a supplemental independent investigation into the Alleged Areas at the request of the Independent Investigation Committee of the Company. Upon the completion of supplemental independent investigation and the finalization of supplemental independent investigation report, the Company will further issue an announcement to inform the Shareholders and potential investors of the Company of the key findings of the supplemental independent investigation.</p> <p>The Company has engaged an independent third-party professional consultant to review the Company's internal controls and procedures and provide relevant improvement suggestions and follow-up actions. The Company has carried out rectification and taken corrective measures pursuant to the findings of the internal control review. Currently, the internal control review has been substantially completed. Upon the completion of internal control review and the finalization of the report on internal control review, the Company will issue an announcement as soon as possible to inform the Shareholders and potential investors of the Company of the progress and findings of the internal control review.</p>



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.

Continued Suspension of Trading

By order of the Board

GUAN Weili, Chairman
Chairman

Zhejiang, the PRC
March 31, 2023

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