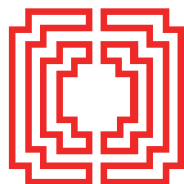


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溫州康寧醫院股份有限公司  
Wenzhou Kangning Hospital Co., Ltd.

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

## **Inside Information on Entrusted Management Agreement of Yanjiao Furen Hospital**

This announcement is made by Wenzhou Kangning Hospital Co., Ltd. (“**the Company**”) in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**the Listing Rules**”) and the provisions on Inside Information (as defined in the Listing Rules) under Part XIVA of Securities and Futures Ordinances (Chapter 571 of Hong Kong Laws).

As disclosed in the prospectus of the Company dated November 10, 2015, the Company and Langfang Sanhe Yanjiao Furen Hospital (formerly named Yanjiao Furen Hospital of Traditional Chinese and Western Medicine) (“**Yanjiao Furen Hospital**”) signed a Service Agreement for Entrusted Operation and Management of Hospital in March 2015 and signed a supplementary agreement in April 2015 (“**the Management Agreements**”), based on which the Company obtained the comprehensive operation and management rights over Yanjiao Furen Hospital. According to the Management Agreements, the Company provides certain services to Yanjiao Furen Hospital, including management and consultation services, brand building, financial accounting and management, HR management and training, and improvement of medical facilities and IT systems, and is entitled to receive management fees for such services. The Management Agreements have a term from April 1, 2015 to December 31, 2034.

Mr. Ding Xinfu is the sponsor of Yanjiao Furen Hospital. The Company was informed that Mr. Ding Xinfu intended to terminate the Management Agreements of Yanjiao Furen Hospital unilaterally. The Company had been trying to resolve this issue through friendly negotiation after being informed of this news. However, despite the efforts of the Company, the Company received the summons issued by Sanhe Municipal People’s Court, Hebei Province, on June 24, 2019, because Mr. Ding Xinfu raised litigation to request for the termination of the Management Agreements for Yanjiao Furen Hospital unilaterally.

For the 12 months ended December 31, 2018, the Company generated service fee income of RMB0.37 million for the provision of entrusted management services to Yanjiao Furen Hospital. The Company will make best effort to minimize the negative influence resulting from the possible termination of the Management Agreements by Yanjiao Furen Hospital, and will take all the reasonable actions to protect the interests of the Company and shareholders. The Company will make further announcement in due course according to the relevant provisions of the Listing Rules.

**The shareholders and potential investors of the Company shall act prudently when trading the securities of the Company.**

By Order of the Board  
**Wenzhou Kangning Hospital Co., Ltd.**  
**Guan Weili**  
*Chairman*

Zhejiang, the PRC  
June 25, 2019

*As of the date of this announcement, the executive directors of the Company are Mr. Guan Weili, Ms. Wang Lianyue and Ms. Wang Hongyue; the non-executive directors are Mr. Yang Yang and Mr. Lin Lijun; and the independent non-executive directors are Mr. Chong Yat Keung, Mr. Huang Zhi and Mr. Got Chong Key Clevin.*