温州康寧醫院

Wenzhou Kangning Hospital Co., Ltd.

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

Stock code: 2120

VOLUNTARY ANNOUNCEMENT
ACQUISITION OF EQUITY INTERESTS IN CHANGCHUN KANGLIN HOSPITAL

This is a voluntary announcement made by Wenzhou Kangning Hospital Co., Ltd. (溫州康寧醫院股份有限公司) (the "**Company**") to keep the shareholders of the Company and potential investors informed of the latest business developments of the Company and its subsidiaries (the "**Group**").

Acquisition of 51% Equity Interests in Changchun Kanglin Hospital

The board of directors of the Company (the "**Board**") announced that Zhejiang Kangning Hospital Management (Group) Co., Ltd. (浙江康寧醫院管理(集團)有限公司) ("**Zhejiang Kangning**"), a wholly-owned subsidiary of the Company, recently entered into an equity transfer agreement with the shareholders of Changchun Kanglin Psychological Hospital Co., Ltd. (長春康林心理醫院有限公司) ("**Changchun Kanglin Hospital**"), namely, Hangzhou Anken Information Technology Co., Ltd (杭州安肯醫療科技有限公司) ("**Hangzhou Anken**") and Jilin Nuoyazhizhou Investment Co., Ltd (吉林諾亞之舟投資有限公司) ("**Nuoyazhizhou Investment**"). It is agreed that 41% and 10% of the equity interests in Changchun Kanglin Hospital held respectively by Hangzhou Anken and Nuoyazhizhou Investment be acquired by Zhejiang Kangning at RMB11.48 million and RMB2.80 million, respectively. Upon the completion of the equity transfer, the Group expects to hold 51% of the equity interests in Changchun Kanglin Hospital. Changchun Kanglin Hospital will become a non-wholly owned subsidiary of the Group.

As of the date of this announcement, the Company is undergoing necessary registration for the change in equity interests in Changchun Kanglin Hospital.

Changchun Kanglin Hospital is a profit-based hospital located in Changchun City, Jilin Province, the PRC with 150 registered beds, and a maximum of 300 beds can be accommodated at the existing premise.

Reasons for the Acquisition of Equity Interests in Changchun Kanglin Hospital

Through the acquisition of equity interests in Changchun Kanglin Hospital (the "**Acquisition**"), the layout of medical network controlled by the Company will be further expanded. The directors of the Company are of the view that the Acquisition is in line with the Company's long-term development objectives and strategies, and is in the interests of the Company and its shareholders as a whole.

Implication of the Listing Rules

Zhejiang Kangning is a wholly-owned subsidiary of the Company. The equity interests of Hangzhou Anken are held as to 25.737% by the Company and the remaining 74.263% by four companies independent of the Company. Before completion of the equity transfer of Changchun Kanglin Hospital, the equity interests of Changchun Kanglin Hospital were held as to 54.55% by Hangzhou Anken and 45.45% by Nuoya Zhizhou Investment. To the best knowledge, information and belief of the directors of the Company having made all reasonable enquiries, Hangzhou Anken is an investee company of the Company and Nuoya Zhizhou Investment is a third party independent of the Company and its connected persons. The equity transfer of Changchun Kanglin Hospital does not constitute a connected transaction under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

As the applicable percentage (as defined in Rule 14.07 of the Listing Rules) of the Acquisition does not exceed 5%, the Acquisition does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

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

Zhejiang, the PRC
September 9, 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. Gou Chong Key Clevin.