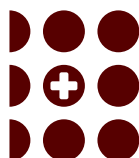


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康宁

Wenzhou Kangning Hospital Co., Ltd.

溫州康寧醫院股份有限公司

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

(Stock Code: 2120)

DISCLOSEABLE TRANSACTION – ACQUISITION OF EQUITY INTEREST IN AND CREDITOR’S RIGHTS RELATING TO THE TARGET COMPANY

for (the “**Company**”) on December 22, 2016 (the “**Announcement**”).

the (the “**Board**”) on December 2, 2016, (the “**Agreement**”) with (the “**Vendor**”) (溫州醫科大學資產經營有限公司) (the “**Target Company**”) (溫州國大投資有限公司) 51% (the “**Transaction**”).

* For identification purposes only

BACKGROUND

On December 22, 2016, the Company entered into a **Framework Agreement** with Wenzhou Guoda Information Technology Co., Ltd. (温州国大信息科技有限公司, **Wenzhou Guoda**) and Wenzhou Medical University School of Psychiatry (温州医科大学精神医学学院, **Psychiatry School**). Pursuant to the **Framework Agreement**, the Company has acquired 51% **Equity Interest** in Wenzhou Guoda Information Technology Co., Ltd. (温州国大信息科技有限公司, **Wenzhou Guoda**) through **Public Bidding**. On December 20, 2016,

the Company entered into a **Creditor's Rights** agreement with Wenzhou Medical University School of Psychiatry (温州医科大学精神医学学院, **Psychiatry School**). Pursuant to the **Creditor's Rights** agreement, the Company has acquired 51% **Equity Interest** in Wenzhou Guoda Information Technology Co., Ltd. (温州国大信息科技有限公司, **Wenzhou Guoda**) through **Public Bidding**.

THE AGREEMENT

On December 22, 2016,

the Company entered into a **Framework Agreement** with Wenzhou Guoda Information Technology Co., Ltd. (温州国大信息科技有限公司, **Wenzhou Guoda**) and Wenzhou Medical University School of Psychiatry (温州医科大学精神医学学院, **Psychiatry School**).

The **Framework Agreement** provides that the Company shall acquire 51% **Equity Interest** in Wenzhou Guoda Information Technology Co., Ltd. (温州国大信息科技有限公司, **Wenzhou Guoda**) through **Public Bidding**.

The **Framework Agreement** also provides that the Company shall acquire 51% **Equity Interest** in Wenzhou Guoda Information Technology Co., Ltd. (温州国大信息科技有限公司, **Wenzhou Guoda**) through **Public Bidding**.

The **Framework Agreement** also provides that the Company shall acquire 51% **Equity Interest** in Wenzhou Guoda Information Technology Co., Ltd. (温州国大信息科技有限公司, **Wenzhou Guoda**) through **Public Bidding**.

The **Framework Agreement** also provides that the Company shall acquire 51% **Equity Interest** in Wenzhou Guoda Information Technology Co., Ltd. (温州国大信息科技有限公司, **Wenzhou Guoda**) through **Public Bidding**.

* For identification purposes only

22, 2016 浙財資產 2016 16 號 (浙江省財政廳), 17,472,400 20,074,849 (38,084,234 (17,492,400 20,591,834 Consideration-).

REASONS FOR AND BENEFITS OF THE TRANSACTION

(R&D-) 51%,

Further Agreement-

Directors-

IMPLICATIONS UNDER THE LISTING RULES

According to the Listing Rules, if the change in the value of the target company's net assets exceeds 25%, the transaction will be subject to the independent financial adviser's report and the shareholders' approval. The change in the value of the target company's net assets is calculated as follows:

GENERAL INFORMATION

Wenzhou Medical University

Wenzhou Medical University is a public university established in 1985, located in Wenzhou, Zhejiang Province, China. It is a member of the China Association of Universities and Colleges. The university has a long history and a strong academic background. It is a leading university in the field of medicine and health sciences in China.

The Vendor

The Vendor is a company established in 2014, located in Wenzhou, Zhejiang Province, China. It is a member of the China Association of Universities and Colleges. The company has a long history and a strong academic background. It is a leading company in the field of medicine and health sciences in China.

The Target Company

The Target Company is a company established in 2014, located in Wenzhou, Zhejiang Province, China. It is a member of the China Association of Universities and Colleges. The company has a long history and a strong academic background. It is a leading company in the field of medicine and health sciences in China.

The Target Company's net assets as at 31, 2015 were RMB 51% of the net assets as at 31, 2014. The Target Company's net assets as at 31, 2015 were RMB 49% of the net assets as at 31, 2014. The Target Company's net assets as at 31, 2015 were RMB -10.6% of the net assets as at 31, 2014. The Target Company's net assets as at 31, 2015 were RMB 2015 of the net assets as at 31, 2014.

For the year ended
December 31

2014 2015
RMB RMB

(...)	(5,616,827.80)	(5,616,827.80)
(...)	(4,835,148.09)	(4,835,148.09)

the Further Agreement, the Company will be required to disclose the details of the Further Agreement in accordance with the Listing Rules. The Board wishes to emphasize that the Further Agreement is subject to further negotiation between the relevant parties. Transactions underlying the Further Agreement, if materialized, may or may not constitute a notifiable transaction and/or connected transaction of the Company pursuant to the Listing Rules. Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Further Agreement will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

The Group

The Board wishes to emphasize that the Further Agreement is subject to further negotiation between the relevant parties. Transactions underlying the Further Agreement, if materialized, may or may not constitute a notifiable transaction and/or connected transaction of the Company pursuant to the Listing Rules. Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Further Agreement will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

The Board wishes to emphasize that the Further Agreement is subject to further negotiation between the relevant parties. Transactions underlying the Further Agreement, if materialized, may or may not constitute a notifiable transaction and/or connected transaction of the Company pursuant to the Listing Rules. Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Further Agreement will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

Wenzhou Kangning Hospital Co., Ltd.
GUAN Weili
Chairman

2, 2016

As of the date of this announcement, the executive Directors are Mr. GUAN Weili, Ms. WANG Lianyue and Ms. WANG Hongyue; the non-executive Directors are Mr. YANG Yang and Ms. HE Xin; and the independent non-executive Directors are Mr. CHONG Yat Keung, Mr. HUANG Zhi and Mr. WONG Raymond Fook Lam.