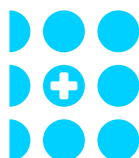


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康宁

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**

本公司（「**Company**」）於2016年12月22日（「**Announcement**」）

（「**Board**」）於2016年12月22日，與（「**Agreement**」）
（「**Vendor**」）*（溫州科大學
資產經營有限公司）*（溫州科大學）
（「**Target Company**」）
（「**Transaction**」）。

* For identification purposes only

BACKGROUND

22, 2016, ()
Framework Agreement–) ()
 * (溫州醫科大學精神醫學學院) () **Psychiatry School**–) ()
 * (溫州國大信息科技有限公司, **Wenzhou Guoda**–) ()
 51%
 () **Equity Interest**–) ()
 () **Public Bidding**–). () 20, 2016.

(b) If the creditor is a secured creditor, the creditor must file a financing statement with the Secretary of State to perfect its security interest. (See [Creditor's Rights](#)—).

THE AGREEMENT

* For identification purposes only

IMPLICATIONS UNDER THE LISTING RULES

14. According to the Listing Rules, if the Company's net assets or the Company's revenue are reduced by more than 5% or 25% respectively, the Company will be subject to the delisting procedures. The Company's net assets were RMB14.2 million and RMB14.2 million at the end of 2014 and 2015 respectively. The Company's revenue was RMB14.2 million and RMB14.2 million for the years ended 2014 and 2015 respectively.

GENERAL INFORMATION

Wenzhou Medical University

Wenzhou Medical University is a public university located in Wenzhou, Zhejiang Province, PRC. It was established in 1956 and is one of the largest universities in the region. The university has a long history and a strong reputation in the field of medicine. It is a member of the Association of Universities in China and the Association of Universities in Zhejiang Province. The university has a large number of faculty members and students, and it is one of the leading universities in the region.

The Vendor

The Vendor is a private company located in Wenzhou, Zhejiang Province, PRC. It was established in 2010 and is a subsidiary of Wenzhou Medical University. The Vendor is engaged in the business of providing medical services and is one of the leading companies in the region. It has a large number of employees and a strong reputation in the field of medicine.

The Target Company

The Target Company is a private company located in Wenzhou, Zhejiang Province, PRC. It was established in 2010 and is a subsidiary of Wenzhou Medical University. The Target Company is engaged in the business of providing medical services and is one of the leading companies in the region. It has a large number of employees and a strong reputation in the field of medicine.

The Target Company's revenue for the year ended 31, 2015 was RMB14.2 million, which is a decrease of 10.6% compared with the revenue of RMB15.7 million for the year ended 31, 2014. The Target Company's net assets for the year ended 31, 2015 were RMB14.2 million, which is a decrease of 10.6% compared with the net assets of RMB15.7 million for the year ended 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 Board will be required to make a further announcement in accordance with the Listing Rules. The Board will also be required to convene a general meeting of the Company to consider the Further Agreement, if the Further Agreement is entered into, and to vote on the Further Agreement. The Board will also be required to make a further announcement in accordance with the Listing Rules.

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.

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.