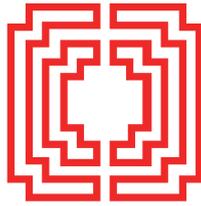


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溫州康寧醫院股份有限公司 Wenzhou Kangning Hospital Co., Ltd.

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

VOLUNTARY ANNOUNCEMENT ACQUISITION OF EQUITY INTERESTS IN YUEQING BANG-ER 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 give the latest update of the business development of the Company and its subsidiaries (the “**Group**”) to the shareholders and potential investors of the Company.

Acquisition of 100% equity interests in Yueqing Bang-er Hospital

The board of directors of the Company (the “**Board**”) announced that the Company recently entered into an equity acquisition agreement with the shareholder of Yueqing Bang-er Chinese & Western Medicine Hospital Limited (樂清邦爾中西醫結合醫院有限公司) (“**Yueqing Bang-er Hospital**”), namely, Zhejiang Boner Medical Investment Management Co., Ltd. (邦爾骨科醫院集團股份有限公司) (“**Bang-er Orthopaedics**”). It is agreed that 100% of the equity interests in Yueqing Bang-er Hospital held by Bang-er Orthopaedics be acquired by the Company at a base price of RMB41.65 million while the final price will be determined based on the transaction settlement difference as agreed in the equity acquisition agreement and not higher than RMB43.73 million. Upon the completion of the equity acquisition, the Company will directly hold 100% equity interests in Yueqing Bang-er Hospital. Yueqing Bang-er Hospital will become a wholly-owned subsidiary of the Company.

As of the date of this announcement, the Company is undergoing necessary registration for the change in equity interests in Yueqing Bang-er Hospital.

Yueqing Bang-er Hospital is a profit-based hospital located in Yueqing City, Zhejiang Province, the PRC with a land area of approximately 5,910 sq.m. and a total floor area of approximately 14,757 sq.m., and a maximum of 450 beds can be accommodated at the existing premise.

Reasons and Benefits for the Acquisition of Yueqing Bang-er Hospital

This acquisition is of strategic importance for improving the Group’s medical service system and expanding the scale of medical service supply in Zhejiang Province. Through the acquisition of Yueqing Bang-er Hospital, on the one hand, it can alleviate the tight pressure on the number of beds in Yueqing Kangning Hospital Co., Ltd., a subsidiary of the Company, and greatly improve the Group’s psychiatric medical service capacity and scale in Yueqing area. On the other hand, with the help of the mature elderly rehabilitation medical model of Wenzhou Yining Geriatric Hospital Co., Ltd., a subsidiary of the Company, it can integrate and make full use of the advantageous resources to improve the overall profitability in the region, thereby further developing and consolidating the market position of psychiatric specialty and elderly rehabilitation in southern Zhejiang.

Implication of the Listing Rules

To the best knowledge, information and belief of the directors of the Company having made all reasonable enquires, Bang-er Orthopaedics is not a connected person of the Company (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and is a third party independent of the Company and its connected persons. Accordingly, the acquisition of Yueqing Bang-er Hospital does not constitute a connected transaction under Chapter 14A of the Listing Rules.

As the applicable percentage (as defined in Rule 14.07 of the Listing Rules) of the acquisition of Yueqing Bang-er Hospital does not exceed 5%, the acquisition of Yueqing Bang-er Hospital 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
January 9, 2022

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