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温州康寧
nzhou Kangning Hospital Co., Ltd.
(A joint stock limited liability company incorporated in the People's Republic of China)
Stock code: 2120

VOLUNTARY ANNOUNCEMENT

Reasons for and Benefits of the Acquisition of Shuning Hospital

Through the acquisition of Shuning Hospital, the layout and medical resources integration of the Company in mental health market in Zhejiang Province will be further strengthened, which plays a strategic part in improving the medical service system and expanding the offerings of the medical service supply of the Group in Zhejiang Province. The directors of the Company are of the view that the acquisition of Shuning Hospital is in line with the long-term development objectives and strategies of the Company and are in the interests of the Company and its shareholders as a whole.

Implication of the Listing Rules

To the best knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, Kuanzhan Investment 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**")), but is a third party independent of the Company and its connected persons. Therefore, the acquisition of Shuning 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 Shuning Hospital does not exceed 5%, the acquisition of Shuning 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 4, 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.