Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

溫州康寧醫院股份有限公司

Wenzhou Ka

I. PROPOSED INITIAL PUBLIC OFFERING AND LISTING OF RMB ORDINARY SHARES (A SHARES) ON THE CHINEXT MARKET

The Board is pleased to announce that, in order to better provide high-quality medical services to the general public, seize the development opportunities brought about by the rapid economic growth in China, and continue to enhance the core competitiveness and presence of the Company, the Company proposes to apply for the initial public offering and listing of RMB ordinary shares (A Shares) on the ChiNext Market of the Shenzhen Stock Exchange. Pursuant to the provisions of relevant laws, regulations, rules and regulatory documents including the Company Law, the Securities Law and the Rules Governing the Listing of Shares on the ChiNext Market of the Shenzhen Stock Exchange, after taking into consideration the actual condition of the Company, the Company has formulated the plan for the Offering and Listing as follows:

1. Type of Shares to be Issued

The type of Shares to be listed under the Offering and Listing is RMB ordinary shares (A Shares) in the PRC.

2. Nominal Value of Shares to be Issued

The nominal value of Shares under the Offering and Listing is RMB1.00 per Share.

3. Offering Size

All Shares under the Offering and Listing are new Shares for public offering, with no sales of Shares by the original Shareholders of the Company in the Offering and Listing. The number of RMB ordinary shares (A Shares) proposed to be issued by the Company to the public shall be no more than 8,288,922 Shares, which shall be no more than 10% of the total share capital of the Company upon the offering.

The final offering size shall be determined by the Board as authorized at the general meeting, taking into consideration the Company's capital requirements and market demand, upon negotiation with the sponsor(s) (the underwriter(s)), provided that the Company shall continue to comply with the requirements in relation to the minimum public float in the Hong Kong Listing Rules upon the A Share Offering. The offering size shall be adjusted accordingly upon the occurrence of the issue of bonus shares, capitalization of capital reserve and other ex-rights events.

4. Target Subscribers

Qualified inquiring subscribers, and domestic natural persons, legal persons and other investors who have maintained accounts with the Shenzhen Stock Exchange (except those prohibited by the national laws and regulations and other regulatory requirements for subscription) or other investors recognized by the securities regulatory authorities.

5. Method of Pricing

To be determined by making price enquiries with offline investors or other methods recognized by the CSRC.

6. Method of Offering

A combination of offline placing to inquiring subscribers and online offering to public investors at a fixed price based on the market capitalization, or other methods permitted by laws and regulations. The final method of share offering shall be determined upon negotiation between the Company and the lead underwriter(s).

7. Method of Underwriting

To be underwritten by the sponsor(s) (the lead underwriter(s)) on a standby commitment basis.

8. Place of application for listing

Shenzhen Stock Exchange.

9. Fees and Expenses

Underwriting fees, sponsor fees, attorney fees, audit and capital verification fees, listing application service fees, information disclosure fees and other related expenses shall be borne by the Company and deducted from the proceeds from the offering of new Shares.

10. Validity Period of the Resolution

The resolution on the plan for the Offering and Listing shall be valid for 12 months from the date of consideration and approval of this resolution at the general meeting, the H Shareholders' class meeting and the Domestic Shareholders' class meeting.

The above proposals will be separately submitted to the 2021 First EGM, 2021 First Domestic Shareholders' Class Meeting and 2021 First H Shareholders' Class Meeting, respectively, for consideration and approval by way of special resolutions.

II. PROPOSAL ON AUTHORIZATION TO THE BOARD TO DEAL WITH MATTERS IN CONNECTION WITH THE INITIAL PUBLIC OFFERING AND LISTING OF RMB ORDINARY SHARES (A SHARES) ON THE CHINEXT MARKET AT ITS FULL DISCRETION AT THE GENERAL MEETING

In order to ensure the efficient operation and smooth implementation of the Offering and Listing, it is proposed at the general meeting, the Domestic Shareholders' class meeting and the H Shareholders' class meeting of the Company to authorize the Board to deal with specific matters in connection with the Offering and Listing at its full discretion within the scope authorized by the general meeting, the H Shareholders' class meeting and the Domestic Shareholders' class meeting according to the laws, regulations, rules, regulatory documents and the requirements of relevant departments:

1. To formulate and implement the specific plan for the Offering and Listing in accordance with the provisions of national laws, regulations and regulatory documents, as well as the resolutions of the general meeting, the H Shareholders' class meeting and the Domestic Shareholders' class meeting of the Company.

2. To determine the offering size, method of pricing, target subscribers, method of offering, offering period and other related matters in connection with the Offering and Listing within the scope of the resolutions of the general meeting, the H Shareholders' class meeting and the Domestic Shareholders' class meeting pursuant to the requirements of the CSRC and the actual condition of the securities market.

3. To review, revise and execute documents related to the Offering and Listing, including but not limited to prospectus, letter of intent and other related documents.

4. To approve and execute the contracts, agreements and related legal documents in connection with the investment projects to be funded by the proceeds from the Offering and Listing.

5. To adjust and revise the plans for the Offering and Listing and the use of proceeds from the Offering and Listing, except for those to be otherwise resolved at the general meeting, according to the provisions of relevant laws, regulations and regulatory documents, as well as the requirements of the CSRC and the Shenzhen Stock Exchange.

6. To authorize the Board to make corresponding adjustments to the specific plans for the Offering and Listing in accordance with the updated policies and regulations of the securities regulatory authorities if the securities regulatory authorities update the policies and regulations for the initial public offering and listing of shares, except for those to be otherwise resolved at the general meeting as required by such policies and regulations.

7. To make application to the Shenzhen Stock Exchange in respect of the listing and trading of shares and other related matters upon completion of the offering.

8. To amend the relevant articles in the Articles of Association and handle the change in registered capital of the Company and other related business registration matters based on the results of the offering.

9. To revise the public undertakings made by the Company in the Offering and Listing in accordance with the requirements of the securities regulatory authorities.

10. To determine a special account for raised funds before the offering as needed.

11. To handle the relevant procedures for equity registration at the China Securities Depository and Clearing Corporation Limited, Shenzhen Branch, and listing and trading on the Shenzhen Stock Exchange upon completion of the offering.

12. To handle all other matters related to the Offering and Listing at its full discretion, subject to the relevant laws, regulations and regulatory documents.

The authorization shall be valid for 12 months from the date of consideration and approval of this resolution at the general meeting, the H Shareholders' class meeting and the Domestic Shareholders' class meeting of the Company.

This proposal will be submitted to the 2021 First EGM, 2021 First Domestic Shareholders' Class Meeting and 2021 First H Shareholders' Class Meeting, respectively, for consideration and approval by way of special resolution.

III. PROPOSAL ON THE INVESTMENT PROJECTS TO BE FUNDED BY THE PROCEEDS FROM THE INITIAL PUBLIC OFFERING OF RMB ORDINARY SHARES (A SHARES) AND ITS FEASIBILITY PLAN

Pursuant to the Listed Companies Regulatory Guidance No. 2 – Regulatory Requirements on the Management and Use of Proceeds of Listed Companies (《上市公司監管指引第 2 號——上市公司募集資金管理和使用的監管要求》) and other relevant laws, regulations and regulatory documents, after taking into consideration the actual condition of the Company, the proceeds from the Offering and Listing (after deducting offering expenses) will be invested in the following projects in order of priority:

No.	Name of project	Construction entity	Total investment (RMB'0,000)	Proceeds proposed to be invested (RMB'0,000)
1	Wenzhou Kangning Taizhou Central Hospital Construction Project	Linhai Cining Hospital Co., Ltd.	16,020.00	16,020.00
2	Wenzhou Lening Elderly Care Center Project	Wenzhou Ouhai Yining Rehabilitation Hospital Co., Ltd.	10,473.95	10,473.95
3	Social Psychological Service System Construction R&D Project of Zhejiang Yining Health Technology Co., Ltd.	Zhejiang Yining Health Technology Co., Ltd.	3,689.00	3,689.00
	Total	**–**	**30,182.95**	**30,182.95**

Upon review and approval at the 8th meeting of the third session of the Board of the Company convened on April 16, 2021, the aforesaid No. 1 and 2 investment projects were identified as the investment projects to be funded by the proceeds from the Offering and Listing, which have actually been put into implementation.

In view of its overall development strategy, the Company has prepared feasibility study reports for each of the investment projects to be funded by the proceeds from the Offering and Listing.

The investment projects to be funded by the proceeds from the Offering and Listing are all invested and implemented by the Company on its own. In the event that the actual proceeds are less than the funds required for the aforesaid projects, the shortfall will be funded by the Company's self-owned funds or bank borrowings. In the event that the proceeds from the offering is more than the funds required for the projects, the excess will be used to replenish the working capital related to the Company's principal business or used in accordance with the relevant requirements of the regulatory authorities.

If all or part of the aforesaid investment projects require initial investments before receipt of the proceeds from the Offering and Listing due to business needs or market competition and other factors, the Company will make the early payments using self-raised funds for the aforesaid projects based on actual business needs, which will be reimbursed with the proceeds upon receipt of the proceeds in accordance with the Guidelines of Shenzhen Stock Exchange for Standardized Operation of Companies Listed on the ChiNext Market (《深圳證券交易所創業板上市公司規範運作指引》) and other relevant requirements.

This proposal will be submitted to the 2021 First EGM, 2021 First Domestic Shareholders' Class Meeting and 2021 First H Shareholders'

uponListing.

V. PROPOSAL ON THE REMEDIAL MEASURES FOR THE DILUTION OF IMMEDIATE RETURNS AND UNDERTAKINGS FROM THE RELEVANT RESPONSIBLE PARTIES

The Company has conducted relevant analysis on the impact of the A Share Offering and Listing on the dilution of immediate returns. In order to effectively mitigate the impact of the dilution of immediate returns as a result of the offering, the Company has formulated specific remedial measures for the dilution of immediate returns (the "**Remedial Measures**") in accordance with the Opinion of the State Council on Further Facilitating the Healthy Development of the Capital Markets (Guo Fa [2014] No. 17) (《國務院關於進一步促進資本市場健康發展的若干意見》(國發[2014]17 號)), the Opinion from State Council General Office about Further Strengthening the Work of Protecting the Legal Interests of Minority Investors in the Capital Markets (Guo Ban Fa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》(國辦發[2013]110 號)) and the Guiding Opinions on Matters Relating to the Dilution of Current Returns as a Result of Initial Public Offering, Refinancing and Major Asset Restructuring (CSRC Announcement [2015] No. 31) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》(證監會公告[2015]31 號)) issued by the CSRC and other relevant laws and regulations, and the controlling shareholders, de facto controllers, Directors and senior management of the Company have undertaken to facilitate the implementation of the Remedial Measures. The details of the Remedial Measures will be set out in the circular to be dispatched to Shareholders in relation to the relevant proposals. Upon consideration and approval at the general meeting of the Company, the Remedial Measures shall come into effect and be implemented from the date of the A Share Offering and Listing of the Company.

This proposal will be submitted to the 2021 First EGM, 2021 First Domestic Shareholders' Class Meeting and 2021 First H Shareholders' Class Meeting, respectively, for consideration and approval by way of ordinary resolution.

VI. PROPOSAL ON THE FORMULATION OF THE SHAREHOLDERS DIVIDEND DISTRIBUTION PLAN FOR THE FIRST THREE YEARS FOLLOWING THE INITIAL PUBLIC OFFERING AND LISTING OF RMB ORDINARY SHARES (A SHARES) ON THE CHINEXT MARKET

In order to further promote the Company to establish a scientific, continuous and stable dividend distribution system, actively reward the Shareholders, guide investors to form a stable investment return expectation, and protect the legitimate rights and interests of investors, the Company has formulated the Shareholders Dividend Distribution Plan Within Three Years Following the Listing of Wenzhou Kangning Hospital Co., Ltd. (《溫州康寧醫院股份有限公司上市後前三年股東分紅回報規劃》) (the "**Shareholders Dividend Distribution Plan**") in accordance with the requirements of the Company Law, the Notice of the China Securities Regulatory Commission Regarding Further Implementation of Cash Dividends Distribution by Listed Companies (《中國證券監督管理委員會關於進一步落實上市公司現金分紅有關事項的通知》) and the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (CSRC Announcement [2013] No. 43) (《上市公司監管指引第3號－上市公司現金分紅》(中國證監會公告[2013]43號)), in combination with the Articles of Association (Draft) (《公司章程(草案)》) to be applicable after the A Share Offering and Listing of the Company. The details of the Shareholders Dividend Distribution Plan will be set out in the circular to be dispatched to Shareholders in relation to the relevant proposals. Upon consideration and approval at the general meeting of the Company, the Shareholders Dividend Distribution Plan shall come into effect and be implemented from the date of the A Share Offering and Listing of the Company.

This proposal will be submitted to the 2021 First EGM for consideration and approval by way of special resolution.

VII. PROPOSAL ON THE PRICE STABILIZATION PLAN OF A SHARES FOR THREE YEARS FOLLOWING THE INITIAL PUBLIC OFFERING AND LISTING OF RMB ORDINARY SHARES (A SHARES)

In order to ensure that the Shares of the Company will be at a reasonable price upon listing and to safeguard the interests of Shareholders, the Board has formulated the Price Stabilization Plan for Three Years Following the Initial Public Offering and Listing of RMB Ordinary Shares (A Shares) of the Company on the ChiNext Market (the "**Price Stabilization Plan**") in accordance with the requirements of the Opinions of the CSRC on Further Promoting the Reform of New Share Offering Scheme (CSRC Announcement [2013] No. 42) (《中國證監會關於進一步推進新股發行體制改革的意見》(中國證監會公告[2013]42號)) and other documents, the details of which will be set out in the circular to be dispatched to Shareholders in relation to the relevant proposals. Upon consideration and approval at the general meeting of the Company, the Price Stabilization Plan shall come into effect and be implemented from the date of the A Share Offering and Listing of the Company.

This proposal will be submitted to the 2021 First EGM, 2021 First Domestic Shareholders' Class Meeting and 2021 First H Shareholders' Class Meeting, respectively, for consideration and approval by way of ordinary resolution.

VIII. PROPOSAL ON THE UNDERTAKINGS AND RESTRICTIVE MEASURES IN CONNECTION WITH THE INITIAL PUBLIC OFFERING AND LISTING OF RMB ORDINARY SHARES (A SHARES) ON THE CHINEXT MARKET

In accordance with the requirements of the Opinions of the CSRC on Further Promoting the Reform of New Share Offering Scheme (CSRC Announcement [2013] No. 42) (《中國證監會關於進一步推進新股發行體制改革的意見》(中國證監會公告[2013]42號)) and relevant laws and regulations, the Company shall issue a letter of undertaking for the initial public offering and listing of RMB ordinary shares (A Shares) on the ChiNext Market, and propose restrictive measures for the failure to fulfill the public undertakings, which mainly includes: a letter of undertaking on stabilizing share prices and relevant restrictive measures, a letter of undertaking on remedial measures on dilution of immediate returns, a letter of undertaking on the truthfulness, accuracy and completeness of the declaration documents, a statement of guaranteeing not to affect and interfere with the audit, a letter of undertaking on restrictive measures for failure to fulfill undertakings, measures and undertakings regarding share repurchase and share buy-backs, arrangements and undertakings regarding profit distribution policy and other undertakings and relevant restrictive measures, and share repurchase and share buy-backs undertakings regarding fraudulent offering and listing.

This proposal will be submitted to the 2021 First EGM for consideration and approval by way of ordinary resolution.

IX. PROPOSAL ON THE ENGAGEMENT OF RELEVANT INTERMEDIARIES FOR THE INITIAL PUBLIC OFFERING AND LISTING OF RMB ORDINARY SHARES (A SHARES) ON THE CHINEXT MARKET

The Company proposes to engage Guotai Junan Securities Co., Ltd. as the sponsor

X. PROPOSAL ON THE EXEMPTION FROM THE PREPARATION OF A REPORT ON THE USE OF PROCEEDS FROM PREVIOUS FUND RAISING

Given that it has been more than five accounting years from the date on which the Company received the proceeds previously raised, in accordance with the Regulations on the Report on the Use of the Proceeds From Previous Fund Raising (Zheng Jian Fa Xing Zi [2007] No. 500) (《關於前次募集資金使用情況報告的規定》(證監發行字[2007]500號)) issued by the CSRC, the Offering and Listing shall be exempted from compiling a report on the use of proceeds previously raised and engaging a qualified accounting firm according to the Securities Law to issue an assurance report on the use of the proceeds previously raised.

This proposal will be submitted to the 2021 First EGM for consideration and approval by way of ordinary resolution.

XI. PROPOSAL ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION FOR THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES ON THE CHINEXT MARKET

In order to meet the relevant needs for corporate governance and standardized operations upon the Offering and Listing of the Company, the Company proposes to further amend the Articles of Association in accordance with the Company Law, the Securities Law, the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》), the Mandatory Provisions for Articles of Association of Companies Listing Overseas (《到境外上市公司章程必備條款》), the Hong Kong Listing Rules, the Guidelines for the Articles of Association of Listed Companies (2019 Revised) (《上市公司章程指引》(2019 年修訂)), the Rules Governing the Listing of Shares on the ChiNext Market of the Shenzhen Stock Exchange and other requirements. The details of the proposed amendments to the Articles of Association will be set out in the circular to be dispatched to Shareholders in relation to the relevant proposals.

Upon consideration and approval at the 2021 First EGM and fulfilment of relevant procedures of the regulatory authorities, the amendments to the Articles of Association shall come into effect from the date of the Offering and Listing of the Company.

This proposal will be submitted to the 2021 First EGM for consideration and approval by way of special resolution.

XII. PROPOSAL ON THE REVISION AND ADDITION OF INTERNAL MANAGEMENT SYSTEMS

In order to standardize the Company's internal operations, enhance the efficiency and compliance of the Company's daily operations and governance, and meet the stringent requirements of the securities market for listed companies upon listing, the Company proposes to amend certain systems including the management system of raised funds. The above systems shall come into effect from the date of the Offering and Listing. Prior to that, the aforesaid systems currently in force shall continue to apply.

The Board agrees to propose at the general meeting to authorize the Board and its authorized persons to, in accordance with the provisions of relevant laws, regulations and regulatory documents, the requirements and suggestions of relevant domestic and foreign government departments and regulatory bodies, as well as the actual condition of the Offering and Listing, adjust and amend the aforesaid internal management systems to be effective from the date of the Offering and Listing as follows:

1. Amendments to the Rules of Procedures for the General Meetings of Wenzhou Kangning Hospital Co., Ltd. (Applicable After the Issue of A Shares);

2. Amendments to the Rules of Procedures for the Meetings of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. (Applicable After the Issue of A Shares);

3. Amendments to the Rules of Procedures for the Meetings of the Supervisory Committee of Wenzhou Kangning Hospital Co., Ltd. (Applicable After the Issue of A Shares).

The aforesaid proposals will be submitted to the 2021 First EGM as special resolutions for consideration and approval.

XIII. IMPACT OF THE A SHARE OFFERING ON THE COMPANY'S SHAREHOLDING STRUCTURE

For reference and illustration purposes only, assuming that no more than 8,288,922 A Shares will be issued under the A Share Offering and the issued share capital of the Company remains unchanged before the completion of the A Share Offering, the shareholding structure of the Company as at the date of this announcement and immediately following completion of the A Share Offering is/will be as follows:

	Immediately before completion of the proposed A Share Offering		**Immediately following completion of the proposed A Share Offering**	
Name of shareholder	**Number of shares**	**Approximate percentage of total issued shares**	**Number of shares**	**Approximate percentage of total issued shares**
Number of Domestic Shares held by connected person	**30,589,100**	**41.00%**	**30,589,100**	**36.90%**
– GUAN Weili[(1)]	22,144,750	29.68%	22,144,750	26.72%
– WANG Lianyue[(1)]	22,144,750	29.68%	22,144,750	26.72%
– WANG Hongyue[(2)]	8,444,350	11.32%	8,444,350	10.19%
– XU Yi[(3)]	8,444,350	11.32%	8,444,350	10.19%
Number of Domestic Shares held by non-connected person	**24,670,900**	**33.07%**	**24,670,900**	**29.76%**
Total number of issued Domestic Shares	**55,260,000**	**74.07%**	**55,260,000**	**66.67%**
Number of A Shares to be issued under the proposed A Share Offering	**–**	**–**	**8,288,922**	**10.00%**
Number of H Shares held by non-public Shareholders	**309,000**	**0.41%**	**309,000**	**0.37%**
– WANG Hongyue	309,000	0.41%	309,000	0.37%
Number of H Shares held by public Shareholders	**19,031,300**	**25.51%**	**19,031,300**	**22.96%**
Total number of issued H Shares	**19,340,300**	**25.93%**	**19,340,300**	**23.33%**
Total number of issued Shares	**74,600,300**	**100%**	**82,889,222**	**100%**

Notes:

(1) Mr. GUAN Weili is the spouse of Ms. WANG Lianyue and therefore, Mr. GUAN Weili is deemed to be interested in the Domestic Shares held by Ms. WANG Lianyue, and Ms. WANG Lianyue is deemed to be interested in the Domestic Shares held by Mr. GUAN Weili by virtue of Part XV of the SFO.

(2) Ms. WANG Hongyue is the general partner of each of Ningbo Xinshi Kangning Investment Management L.P. (寧波信實康寧投資管理合夥企業(有限合夥)), Ningbo Enci Kangning Investment Management L.P. (寧波恩慈康寧投資管理合夥企業(有限合夥)), Ningbo Renai Kangning Investment Management L.P. (寧波仁愛康寧投資管理合夥企業(有限合夥)), Wenzhou Zhenyan Kangning Investment Management L.P. (溫州箴言康寧投資管理合夥企業(有限合夥)), Wenzhou Jiamei Kangning Investment Management L.P. (溫州迦美康寧投資管理合夥企業(有限合夥)), Wenzhou Enquan Kangning Investment Management L.P. (溫州恩泉康寧投資管理合夥企業(有限合夥)), Wenzhou Jiate Kangning Investment Management L.P. (溫州迦特康寧投資管理合夥企業(有限合夥)) and Wenzhou Shouwang Kangning Investment Management L.P. (溫州守望康寧投資管理合夥企業(有限合夥)) (collectively "**Management Partnerships**"), and holds approximately 50.62%, 37.10%, 56.80%, 5.76%, 4.84%, 0.69%, 1.43% and 2.50% in the above Management Partnerships, respectively. All of the above Management Partnerships are limited partnership. Therefore, by virtue of Part XV of the SFO, Ms. WANG Hongyue is deemed to be interested in all the Domestic Shares held by the above Management Partnerships in the Company.

(3) Mr. XU Yi is the spouse of Ms. WANG Hongyue, an executive Director, and therefore, Mr. XU Yi is deemed to be interested in the Domestic Shares held by Ms. WANG Hongyue by virtue of Part XV of the SFO.

(4) If there is any difference between the total number and the sum of the figures preceding them in the above table, it is caused by rounding adjustments.

As at the date of this announcement, the Company maintained a public float of 25.51%, which is in compliance with Rule 8.08 under the Hong Kong Listing Rules. Upon completion of the A Share Offering, and assuming that a maximum of 8,288,922 A Shares will be issued, the Company's public float (including H Shares and A Shares) will be approximately 62.72%, which will be also in compliance with the minimum public float percentage requirement under the Hong Kong Listing Rules. Approximately 22.96% of H Shares will be held by the public while the number of H shares to be held by the public will remain unchanged. The Company will closely monitor the public float percentage to ensure compliance with the public float as required under the Hong Kong Listing Rules at all times.

XIV. REASONS FOR AND PURPOSE OF THE A SHARE OFFERING

The reasons for and the benefits of the proposed A Share Offering are as follows:

(i) as the largest private psychiatric healthcare group in the PRC, the health facilities owned by the Company, and the Company's patients and business partners are all located in mainland China. Through a domestic issuance and listing of A Shares and the realization of the listing statuses in both the PRC and Hong Kong markets, the reputation and influence of the Company would be further enhanced. Meanwhile, expanded coverage and continuous reports of the Company as a dual-listed company from the domestic investment community and social media will further enhance the Company's brand image and strength as well as its reputation and influence.

(ii) as China continues to push forward the development strategy of "Healthy China (健康中國)", mental health, psychosocial service system and elderly care will become the focus of people's livelihood. The funds to be raised by the proposed A Share Offering will provide financial resources for the Company to further enhance the medical technology of the Company and optimize medical equipment and environment to provide better medical services to patients, if it continues to utilize the proceeds from the proposed A Share Offering as stated in this announcement.

(iii) enhancing the liquidity of the Domestic Shares, which will further enhance the Company's growth potential. For example, the Company can retain and attract more talents through the implementation of share incentive schemes, and carry out further acquisitions and mergers using A Shares as payment considerations.

All Directors (including the independent non-executive Directors) are of the view that the A Share Offering is in the interests of the Company and Shareholders as a whole.

XV. EQUITY FINANCING ACTIVITIES OVER THE PAST TWELVE MONTHS

The Company did not conduct any equity fund raising activities or issue any equity securities within the 12 months immediately preceding the date of this announcement.

XVI. SHAREHOLDERS' APPROVAL AND GENERAL INFORMATION

The Company will convene the 2021 First EGM, 2021 First Domestic Shareholders' Class Meeting and 2021 First H Shareholders' Class Meeting to submit certain proposals in the above proposals to the 2021 First EGM, 2021 First Domestic Shareholders' Class Meeting and 2021 First H Shareholders' Class Meeting, respectively, to seek Shareholders', Domestic Shareholders' and H Shareholders' approvals, in accordance with the requirements of applicable laws and regulations and the Articles of Association. The Company plans to dispatch a circular containing further information on the proposed A Share Offering and other related proposals, and the proposed Articles of Association to Shareholders when appropriate.

Shareholders and potential investors should be aware that the proposed A Share Offering is subject to approvals from the CSRC and other relevant regulatory authorities and may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. Further announcement(s) will be made to disclose any major updates and developments in respect of the A Share Offering in accordance with the Hong Kong Listing Rules and other applicable laws and regulations. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"2021 First Domestic Shareholders' Class Meeting"	the 2021 First Domestic Shareholders' Class Meeting of the Company to be held at Conference Room, Kangning Hospital, Shengjin Road, Huanglong Residential District, Wenzhou on Thursday, September 16, 2021 immediately after the conclusion of the 2021 First EGM and the 2021 First H Shareholders' Class Meeting (or any adjournment thereof)
"2021 First H Shareholders' Class Meeting"	the 2021 First H Shareholders' Class Meeting of the Company to be held at Conference Room, Kangning Hospital, Shengjin Road, Huanglong Residential District, Wenzhou on Thursday, September 16, 2021 immediately after the conclusion of the 2021 First EGM (or any adjournment thereof)
"2021 First EGM"	the 2021 First Extraordinary General Meeting of the Company to be held at Conference Room, Kangning Hospital, Shengjin Road, Huanglong Residential District, Wenzhou on Thursday, September 16, 2021 at 2 p.m.
"A Share(s)"	ordinary share(s) proposed to be issued by the Company under the A Share Offering and subscribed for in RMB, which will be listed on the ChiNext Market of the Shenzhen Stock Exchange and traded in RMB
"A Share Offering", "A Share Offering and Listing" or "Offering and Listing"	proposed initial public offering by the Company of no more than 8,288,922 A Shares. The relevant A Shares will be listed on the ChiNext Market of the Shenzhen Stock Exchange
"Articles of Association"	the articles of association of the Company, as amended, modified or supplemented from time to time
"Board"	the board of directors of the Company
"Company"	Wenzhou Kangning Hospital Co., Ltd., a joint stock limited liability company established under the laws of the PRC, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2120)

"Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for or credited as fully paid in RMB
"Domestic Shareholder(s)"	holder(s) of the Domestic Share(s)
"H Share(s)"	overseas listed foreign invested ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Main Board of the Hong Kong Stock Exchange
"H Shareholder(s)"	holder(s) of the H Share(s)
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Shenzhen Stock Exchange"	The Shenzhen Stock Exchange
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"PRC" or "China"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Rules of Procedures for Board Meetings"	the Rules of Procedures for the Meetings of the Board of Directors of Wenzhou Kangning Hospital Co., Ltd. (《溫州康寧醫院股份有限公司董事會議事規則》) (as amended from time to time)

"Rules of Procedures for Meetings of the Supervisory Committee"	the Rules of Procedures for the Meetings of Supervisory Committee of Wenzhou Kangning Hospital Co., Ltd. (《溫州康寧醫院股份有限公司監事會議事規則》) (as amended from time to time)
"Rules of Procedures for General Meetings"	the Rules of Procedures for the General Meetings of Wenzhou Kangning Hospital Co., Ltd. (《溫州康寧醫院股份有限公司股東大會議事規則》) (as amended from time to time)
"Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法(2019 年修訂)》), as amended, supplemented or otherwise modified from time to time
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the shares of the Company with a nominal value of RMB1.00 each, including Domestic Shares and H Shares
"Shareholder(s)"	shareholder(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company
"%"	per cent

By order of the Board
Wenzhou Kangning Hospital Co., Ltd.
GUAN Weili
Chairman

Zhejiang, the PRC
August 6, 2021

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