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康宁

溫州康寧醫院股份有限公司

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

（寧波梅山保稅港區寬源投資管理有限公司）

**VOLUNTARY ANNOUNCEMENT  
STRATEGIC COOPERATION AGREEMENT  
WITH KUANPING CAPITAL**

The board of directors (the “Board”) of Wenzhou Kangning Hospital Co., Ltd. (the “Company” or “Kangning”) is pleased to announce that on October 26, 2016, the Company entered into a strategic cooperation agreement (the “Strategic Cooperation Agreement”) with Ningbo Meishan Bonded Port Kuanping Investment Management Co., Ltd.\* (寧波梅山保稅港區寬源投資管理有限公司, “Kuanping”).

Kuanping is the management company of Kuanping Capital (寬平資本, “Kuanping”). Kuanping, an independent third party of the Company, is a wholly-owned listed private equity fund, which has a well-established reputation for its fund-raising and fund management activities. The team has strong track record in healthcare investment.

Kuanping (or through one of its affiliates) intends to establish and manage Wenzhou Healthcare Fund (寬展醫療基金, the “Fund”) to invest in healthcare services industry with a focus on services and healthcare service institutions in China. The Company does not intend to participate in the establishment, management and investment of the Fund.

\* For identification purpose only

As part of the arrangement between the parties, the Company will provide consultancy services to assist the Fund in identifying and evaluating potential investment opportunities. The Company will be granted a referred right to provide consultancy services to the Fund's shareholders in that the Fund is a shareholder. In addition, in the event that the Fund does not have any of such shareholders, the Company will be granted a referred right to be a shareholder. The Company further authorizes management to refer to the company's strategy as a partner for service network expansion in conducting its investment activities in the service industry in China. The Company however does not authorize management to otherwise use its trade mark, trademark or other intellectual property rights.

The Company believes that it will be able to seek for further expansion through management's management capabilities and financial resources in identifying and pursuing further growth opportunities.

As of the date of the Strategic Cooperation Agreement, the agreement has been identified and if a agreement is identified, the company will be able to identify the specific details of the agreement. The agreement will be a specific contract for the company's project. The agreement is a part of the company's business plan.

Order of the Board  
 We <sup>W.B.</sup> ~~h~~ ~~h~~ Ka g i g H <sup>B</sup> i a C ., L d.  
 GUAN Wei i  
 Chairman

Beijing, the PRC  
 October 27, 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. GOT Chong Key Clevin.*