

BACKGROUND

On April 22, 2016, the Company entered into a **Framework Agreement** with the **Psychiatry School** (温州医科大学精神病学学院) and **Wenzhou Guoda** (温州国大信息科技有限公司), which holds a 51% **Equity Interest** in the Company, pursuant to a **Public Bidding** process. On April 20, 2016,

the Company entered into a **Creditor's Rights** agreement with the **Psychiatry School** and **Wenzhou Guoda**.

THE AGREEMENT

On April 22, 2016,

the Company entered into a

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the Company entered into a **Equity Interest** agreement with the **Psychiatry School** and **Wenzhou Guoda**.

the Company entered into a **Public Bidding** process pursuant to the **PRC-China** laws and regulations.

* For identification purposes only

22, 2016 2016 16 (浙財資產 2016 16號) (浙江省財政廳), 17,472,400 20,074,849 (38,084,234 (17,492,400 20,591,834 (Consideration-).

REASONS FOR AND BENEFITS OF THE TRANSACTION

(R&D-) 51%,

(Further Agreement-)

(Directors-)

IMPLICATIONS UNDER THE LISTING RULES

According to the Listing Rules, if the Issuer's net assets after the transaction are less than 5% of the Issuer's net assets before the transaction, the transaction will be regarded as a "substantial transaction" under the Listing Rules. In this case, the Issuer's net assets after the transaction will be less than 5% of the Issuer's net assets before the transaction, and the transaction will be regarded as a "substantial transaction" under the Listing Rules.

GENERAL INFORMATION

Wenzhou Medical University

Wenzhou Medical University is a public university located in Wenzhou, Zhejiang Province, China. It was established in 1985 and is one of the leading universities in the region. The university has a long history and a strong reputation in the field of medicine. It has a large number of faculty members and students, and it is well-known for its high quality of education and research.

The Vendor

The Vendor is a company that is engaged in the business of providing medical services. It has a long history and a strong reputation in the industry. The Vendor has a large number of employees and a wide range of services. It is well-known for its high quality of service and its commitment to its customers.

The Target Company

The Target Company is a company that is engaged in the business of providing medical services. It has a long history and a strong reputation in the industry. The Target Company has a large number of employees and a wide range of services. It is well-known for its high quality of service and its commitment to its customers.

The Target Company's net assets at the end of 2015 were RMB 10.6 million, which is a decrease of 10.6% compared with the net assets at the end of 2014. The Target Company's net assets at the end of 2015 were RMB 10.6 million, which is a decrease of 10.6% compared with the net assets at the end of 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 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,
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.