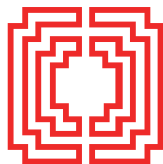


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溫州康寧醫院股份有限公司
Wenzhou Kangning Hospital Co., Ltd.

(A joint stock limited liability company incorporated
Stock code: 2120

's Republic of China)

VOLUNTAR ANNOUNCEMENT

THE CAPITAL INJECTION IN BEIJING YINING HOSPITAL AND ACQUISITION OF EQUITY INTERESTS IN HUAINAN KANGNING 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 keep the shareholders of the Company and potential investors informed of the latest business developments of the Company and its subsidiaries (the "Group").

THE BOARD OF DIRECTORS

The board of directors (the "Board") of the Company announced that Zhejiang Kangning Hospital Management (Group) Co., Ltd. (浙江康寧醫院管理(集團)有限公司) (the "Zhejiang Kangning"), a wholly owned subsidiary of the Company, recently entered into a capital increase agreement with Beijing Yining Hospital Co., Ltd. (北京怡寧醫院有限公司) (the "Beijing Yining"). It is agreed that Zhejiang Kangning injects capital to Beijing Yining Hospital and subscribes its newly issued shares of RMB11.3392 million with monetary capital in an aggregate amount of RMB16.6233 million. Upon the completion of the capital injection, the Group expects to hold 51% of the shares in Beijing Yining Hospital. Beijing Yining Hospital will become a non-wholly owned subsidiary of the Company.

As of the date of this announcement, necessary registration has been completed for the change in equity interests in Beijing Yining Hospital.

Beijing Yining Hospital is a profit-based psychiatric hospital located in Haidian District, Beijing City, the People's Republic of China (the "PRC"), which concentrates on providing mid-to-high end mental health services with 38 registered beds, and a maximum of 54 beds can be accommodated at the existing premise.

AN APPROXIMATE 20% EQUITY INTERESTS IN HUAINAN KANGNING HOSPITAL

As further announced by the Board, Zhejiang Kangning recently entered into an equity transfer agreement with a shareholder of Huainan Kangning Hospital Co., Ltd. (淮南康寧醫院有限公司) (the "Huainan Kangning").

Xiangbao. It is agreed that 20% of the equity interests in Huainan Kangning Hospital held by the shareholder, Zheng Xiangbao, be acquired by Zhejiang Kangning at RMB3.2 million. Upon the completion of the equity transfer, the Group expects to hold 65% of the shares of Huainan Kangning Hospital in total. Huainan Kangning Hospital will become a non-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 Huainan Kangning Hospital.

Huainan Kangning Hospital is a profit-based psychiatric hospital located in Huainan City, Anhui Province, the PRC with 100 registered beds, and a maximum of 200 beds can be accommodated at the existing premise.

RETURN OF CAPITAL IN BEIJING YINING HOSPITAL AND THE ACQUISITION OF EQUITY INTERESTS IN HUAINAN KANGNING HOSPITAL

Through the capital injection in Beijing Yining Hospital and the acquisition of equity interests in Huainan Kangning Hospital (the "Transactions"), the layout of medical network controlled by the Company will be further expanded. The directors of the Company are of the view that the Transactions are in line with the Company's long-term development objectives and strategies, and are in the interests of the Company and its shareholders as a whole.

INDEPENDENT FINANCIAL REVIEW

To the best knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, Zheng Xiangbao is an independent third party who is independent of the Company and its connected persons. As the applicable