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The terms of the Equity Transfer Agreement are set out below:

Date

June 24, 2021

Parties

Zhejiang Kangning Hospital Management (Group) Co., Ltd. (as the Vendor)
Mr. Guan Weili (as the Purchaser)
Wenzhou Guoda Information Technology Company Limited (holding 25% equity interest in the Target Company)
Wenzhou Guoda Investment Co., Ltd. (as the Target Company)

Subject matter

The Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell 75% equity interest in the Target Company.

Consideration and payment arrangement

The consideration for the Disposal is RMB55.0 million, which is determined after arm's length negotiation between the Vendor and the Purchaser with reference to the appraised value of the 75% equity interest in the Target Company as at May 31, 2021 amounting to RMB53.8 million as set out in the valuation report prepared by Zhejiang Huaming Certified Public Accountants Company Limited (浙江華明會計師事務所有限公司) (a professional and independent valuer in the PRC) using the asset-based approach. On the date of completion of the industrial and commercial registration modification procedures for the transfer of the Target Equity Interest, the Purchaser shall pay 30% of the consideration for the transfer of the Target Equity Interest in the amount of RMB16.5 million to the Vendor. The remaining 70% of the consideration for the transfer of the Target Equity Interest in the amount of RMB38.5 million shall be paid within 30 days after the completion of the industrial and commercial registration modification procedures.

Completion arrangement

(1) Within five (5) business days from the date of signing of the Equity Transfer Agreement, the parties to the agreement and the Target Company shall complete the industrial and commercial registration modification procedures for the transfer of the Target Equity Interest and the corresponding filing procedures for the articles of association of the Target Company and the change of directors and supervisors (if necessary).

(2) The date of completion of the Target Equity Interest shall be the date on which the change of industrial and commercial registration modification in respect of the transfer of the Target Equity Interest is completed (the "**Completion Date**"). Since the Completion Date, the Target

(3) The parties to the Equity Transfer Agreement shall, upon the request of the Purchaser, produce all documents necessary for the completion of the industrial and commercial registration modification in respect of the Target Equity Interest.

(4) The tax fees arising from the transfer of the Target Equity Interest shall be borne by the parties to the agreement according to law, whereas the reasonable expenses incurred due to the industrial and commercial registration modification for the transfer of the Target Equity Interest shall be borne by the Target Company.

Settlement of creditor's rights and liabilities

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

As of May 31, 2021, the carrying amount of the assets of the Target Company was RMB112.4 million.

The key financial indicators of the Target Company are as follows:

Unit: RMB'000

	For the year ended December 31, 2020	For the year ended December 31, 2019
Net profit/(loss) before tax	2,472	3,801
Net profit/(loss) after tax	3,742	2,448

It is expected that upon completion of the Disposal, the Group will record a gain on the Disposal of approximately RMB4.7 million. Such gain is estimated based on the transfer consideration less the carrying amount of the cost of investment of the Company in the Target Company. The proceeds from the Disposal is proposed to used as general working capital.

Upon completion of the Disposal, the Company will cease to have any interest in the Target Company, whereas the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group upon completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

To better seize the development opportunities brought by the rapid growth of the PRC economy, continuously enhance the core competitiveness and influence of the Company and maximize the interests of the shareholders, the Company is preparing for the listing of A Shares. Given that the PRC regulatory authorities do not support the domestic financing and listing of real estate companies (whose principal business is not real estate but is involved in real estate business), coupled with the latest relevant domestic regulatory policies, the Company intends to spin off the existing real estate business through the Disposal to further optimize resource allocation and focus on the main business operation.

LISTING RULES IMPLICATIONS

The Purchaser Mr. Guan Weili, being an executive Director and the Chairman of the Company, is a connected person of the Company under Chapter 14A of the Listing Rules and accordingly, the Disposal constitutes a connected transaction of the Company. As the highest applicable percentage ratio(s) in respect of the Equity Transfer Agreement and the transactions contemplated thereunder is/are more than 0.1% but less than 5%, the Equity Transfer Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DIRECTORS' CONFIRMATION

The Board has considered and approved the resolution in relation to the Disposal. Save for Mr. Guan Weili, Ms. Wang Lianyue and Ms. Wang Hongyue, none of the Directors has a material interest in the Disposal and Mr. Guan Weili, Ms. Wang Lianyue and Ms. Wang Hongyue have abstained from voting on the relevant board resolution approving the Disposal.

The Directors (including the independent non-executive Directors) consider that the Disposal is fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Board"	the board of directors of the Company
"Company"	Wenzhou Kangning Hospital Co., Ltd., a joint stock limited 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)
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Director(s)"	the director(s) of the Company
"Equity Transfer Agreement"	the equity transfer agreement in relation to the transfer of 75% equity interest in the Target Company entered into between the parties to the agreement on June 24, 2021
"Group"	the Company and its subsidiaries
"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"	the People's Republic of China, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region of the PRC and Taiwan
"Purchaser"	Mr. Guan Weili
"RMB"	the lawful currency of the PRC

"Target Company"	Wenzhou Guoda Investment Co., Ltd., a company incorporated in the PRC with limited liability, which is held as to 75% by the Vendor
"Vendor"	Zhejiang Kangning Hospital Management (Group) Co., Ltd., a wholly-owned subsidiary of the Company

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

Zhejiang, the PRC
June 24, 2021

As of the date of this announcement, the Company's executive directors are Mr. GUAN Weili, Ms.