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.

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)

(股份代號: 3309)

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 Kuanyuan Investment Management Co., Ltd.* (寧波梅山保稅港區寬源投資管理有限公司, **Kuanyuan**).

Kuanyuan is the management platform of Kuanping Capital (寬平資本, **Kuanping**). Kuanping, an independent third party of the Company, is a healthcare sector dedicated private equity fund, which has a well-established reputation for its fund-raising and fund management abilities. The team has strong track record in healthcare investment.

Kuanping (or through one of its affiliates) intends to establish and manage a Kuanhan healthcare Fund (寬展醫療基金, the **Fund**) to make investment in healthcare service industry with a focus on short-term 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 cooperation 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 preferred right to provide entrustment management services to any such private institutions that the Fund acquires. In addition, in the event that the Fund disposes of any of such institutions, the Company will be granted a preferred right to acquire such institutions. The Company further authorizes Yuanning to refer to itself as Yangning's strategic partner for service network expansion in consolidating its investment activities in such private service industry in China. The Company however does not authorize Yuanning to otherwise use its trademark, trade name or other intellectual property rights.

The Company believes that it will be able to seek for further expansion through utilizing Yuanning's managerial skills, talents and financial resources in identifying and pursuing further growth opportunities.

As of the date of the Strategic Cooperative Agreement, no investment target has been identified and even if a target is identified, the commercial arrangement to be entered into by parties in regard to the specific entrustment or acquisition right may be structured depending on the specific circumstances of the investment project. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Zhejiang, 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.