

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.



t stock li
k code: 2120

ny incorporated in the People's Republic of China

VOLUNTARY ANNOUNCEMENT ACQUISITION OF LAND USE RIGHT

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**”).

ACQUISITION

The board of directors of the Company (the “**Board**”) announced that Zhejiang Kangning Hospital Management (Group) Co., Ltd (浙江康寧醫院管理(集團)有限公司), a wholly-owned subsidiary of the Company, recently won the bid for the state-owned construction land use right of a parcel of land (the “**Land**”) located in Yangyujia, Lingkun Village, Longyuan Sub-district, Longquan City, Zhejiang Province, the People's Republic of China (the “**PRC**”), through a public listing-for-sale event held by the Longquan City Natural Resources and Planning Bureau (龍泉市自然資源和規劃局), at a consideration of RMB25.60 million (the “**Acquisition**”).

The Land is located in Longquan City, Zhejiang Province, the PRC. It covers an area of 36,938 square meters and the plot ratio is 0.5 to 1.2. The land is designated for healthcare use with a grant period of 50 years.

REASONS FOR AND BENEFIT OF THE ACQUISITION

The Company intends to use the Land to build a Class III specialty hospital featuring psychiatric and mental health and geriatric healthcare, possessing functions and services capabilities as a medical center in the southwest region of Zhejiang Province. 500 beds are planned to be offered in Phase I and 1,000 beds in the end, which will be capable of providing comprehensive psychiatric specialty services to patients in Longquan City and surrounding counties (the “**Project**”).

Longquan City is a county-level city under the jurisdiction of Lishui City, Zhejiang Province. The local mental healthcare and geriatric healthcare resources of Longquan City are severely scarce and unevenly distributed even with a rapid growth of the local economy in recent years, which makes it difficult to meet the medical needs of the general public, leaving broad space for development of the industry market. The Project, after put into operation, will significantly enhance mental health and geriatric healthcare services capabilities in Longquan City and the surrounding areas, and benefit the Company in further expanding the market coverage of its mental health sector and geriatric healthcare sector in the southwest region of Zhejiang Province, which will be of significant importance in improving its medical service system in Zhejiang Province and expanding its offering of healthcare services.

The directors of the Company are of the view that the Acquisition and the Project 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.

IMPLICATION OF THE LISTING RULES

As the applicable percentage (as defined in Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Acquisition does not exceed 5%, the Acquisition does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Further announcement(s) in relation to the matters referred to above will be made by the Company as and when required in accordance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended from 9:00 a.m. on April 1, 2022. Trading in the shares of the Company will remain suspended until further notice.

Shareholders and potential investors of the Company are reminded to rationally deal with information that is not officially released by the Company, and should exercise caution when dealing in the shares of the Company.

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

Zhejiang, the PRC
February 1, 2023

As of the date of this announcement, the Company's executive directors are Mr. GUAN Weili and Ms. WANG Lianyue; the non-executive directors are Mr. QIN Hao and Mr. LI Changhao; and the independent non-executive directors are Mr. ZHAO Xudong, Ms. ZHONG Wentang and Mr. LIU Ning.