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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)

(寧波梅山保稅港區寬源投資管理有限公司)

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

Kuanping is the management company 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 activities. The team has strong track record in healthcare services investment.

Kuanping (or through one of its affiliates) intends to establish and manage Kuanping Healthcare Fund (寬展醫療基金, the Fund) to invest in healthcare services industry with a focus on services healthcare 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 arrangement 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 referred right to provide entrusted management services to the Fund's subsidiaries that the Fund is a shareholder. In addition, in the event that the Fund disposes of any of such subsidiaries, the Company will be granted a referred right to the Fund's subsidiaries. The Company further authorizes management to refer to itself as the Company's strategic partner for service network expansion in conducting investments in such service industries in China. The Company however does not authorize management to otherwise use its trade mark, trademark or other intellectual property rights.

The Company believes that it will be able to seek for further expansion through management's management capabilities and financial resources in identifying and pursuing further growth opportunities.

As of the date of the Strategic Cooperation Agreement, if a target has been identified and if a target is identified, the company shall agree to be entered into a partnership in regard to the specific cooperation and investment rights to be concluded depending on the specific circumstances of the investment project. Shareholders and potential investors of the Company are advised to exercise caution when dealing with the activities of the Company.

Order of the Board
 Weisheng Kaigong Huifa Co., Ltd.
 GUAN Wei i
 Chairman

Beijing, 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.