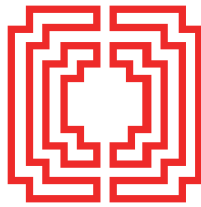


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溫州康寧醫院

nzhou Kangning Hospital Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)

Stock code: 2120

**ANNOUNCEMENT**  
**PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO**  
**PARTIALLY REPURCHASE H SHARES**  
**AND**  
**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The board of directors (the “**Board**”) of Wenzhou Kangning Hospital Co., Ltd. (the “**Company**”) hereby announces that, at the meeting of the Board held on January 22, 2020, the Board considered and approved, among other things, the resolution in relation to (i) proposed grant of general mandate to the Board to partially repurchase H shares; and (ii) the proposed amendments to the articles of association of Wenzhou Kangning Hospital Co., Ltd. (the “**Articles of Association**”).

**PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO PARTIALLY REPURCHASE H SHARES**

In order to further promote the healthy and stable long-term development of the Company and to protect the interests of general investors effectively, the Company intends to repurchase shares in accordance with the requirements of the relevant laws, regulatory requirements and Articles of Association (the “**Share Repurchase**”), taking into account the current operating conditions, financial position and future development prospects, the Board proposed that a special resolution would be proposed at the general meeting and the domestic shareholders’ class meeting and H shareholders’ class meeting of the Company for the shareholders to consider and, if thought fit, approve:

- (a) To grant a conditional general mandate to the Board to repurchase the H shares of the Company in issue at The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) in accordance with market conditions and needs of the Company, provided the total nominal value shall not exceed 10% of the total nominal value of H shares in issue on the date of passing the special resolution;
- (b) To authorize the Board to exercise the general mandate to perform all necessary or appropriate acts, actions, matters and affairs to repurchase H shares, including (but not limited to) amendments to the Articles of Association and the cancellation of the repurchased H shares after such general mandate has been exercised.

Details of the proposal are as follows:

## **1 Reasons for Share Repurchase**

In order to further promote the healthy and stable long-term development of the Company and to protect the interests of general investors effectively, the Company intends to repurchase shares in accordance with the requirements of the relevant laws, regulatory requirements and Articles of Association, taking into account the current operating conditions, financial position and future development prospects.

## **2. Class of shares proposed to be repurchased**

The shares proposed to be repurchased by the Company are the H shares in issue of the Company. The actual proportion and ratio to be repurchased will be determined by the Board of the Company as authorized by the general meeting and the authorized persons of the Board during the implementation period of the repurchase, taking into account the prices of the H shares of the Company in the secondary market, with the total nominal value not exceeding 10% of the H shares in issue on the date of passing such special resolution.

## **3. Proposed method to repurchase shares**

The method adopted to repurchase H shares by the Company is carrying out on the market at the Hong Kong Stock Exchange.

## **4. Term of Share Repurchase**

The term of repurchase of H shares by the Company shall commence from the date of consideration and approval of the repurchase proposal by the general meeting of the Company and the domestic shareholders' class meeting and H shareholders' class meeting, until the following dates or conditions being triggered (whichever the earlier):

- (1) the amount of funds used in repurchase has reached the maximum amount during the term of repurchase, the implementation of the repurchase proposal will be completed immediately, that means, the term of repurchase expires in advance with effect from that day;
- (2) the conclusion of the next annual general meeting of the Company;
- (3) the date when the general mandate to repurchase H Shares has been withdrawn or amended by a special resolution approved by the general meeting and the domestic shareholders' class meeting and H shareholders' class meeting.

The Company will make and implement repurchase decisions at opportune timing according to market conditions during the above term of repurchase pursuant to the authorization from the general meeting and the Board, and in accordance with the requirements of the relevant laws, regulations, China Securities Regulatory Commission and/or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 5. Use of proposed repurchased shares and amount of funds

| No. | Purpose of repurchase           | Amount of funds   |
|-----|---------------------------------|---|
| 1   | Reduction of registered capital | Not exceeding RMB100 million (inclusive), excluding relevant taxes and handling fees of the repurchase transactions |

The actual amount of funds used in the repurchase of H shares will be determined by the Board of the Company as authorized by the general meeting and the authorized persons of the Board during the implementation period of the repurchase, taking into account the prices of the H shares of the Company in the secondary market, and within the range as mentioned above.

## 6. The price range of repurchased shares and the principles of pricing

The maximum price of the repurchased H shares shall not exceed 105% (inclusive) of the average closing price of the H shares on the Hong Kong Stock Exchange over 5 trading days prior to the implementation of the repurchase transactions.

## 7. Source of funds for the proposed repurchase

The source of funds for the proposed repurchase is financed by internal funds of the Company.

## 8. Valid period of the resolution

The valid period of the resolution related to the repurchase shall be in line with the implementation period of the Share Repurchase.

Such resolution was approved by the Board, and a special resolution will be proposed at the 2020 first extraordinary general meeting (the “**EGM**”), the first domestic shareholders’ class meeting for the year 2020 (the “**Domestic Shareholders’ Class Meeting**”) and the first H shareholders’ class meeting for the year 2020 (the “**H Shareholders’ Class Meeting**”) of the Company to approve, among other things, the above proposal. A circular containing, among other things, details of the proposal and notice of the EGM, the Domestic Shareholders’ Class Meeting and H Shareholders’ Class Meeting will be dispatched to the shareholders of the Company in due course.

## PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION

According to the relevant regulations of the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies (Guo Han [2019] No. 97) (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批復》國函[2019]97號)) promulgated by the State Council on October 17, 2019, the Board proposed to amend the Articles of Association in consideration of the actual situation of the Company, details of which are as follows:

| Original Context  | Amended Context   |
|---|---|
| <p><b>Article 1</b> To safeguard the legitimate rights and interests of Wenzhou Kangning Hospital Co., Ltd. (the “Company”) and its shareholders and creditors, and to regulate organization and acts of the Company, these Articles of Association are formulated pursuant to the Company Law of PRC (the “Company Law”), the Securities Law of PRC (the “Securities Law”), the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (the “Special Provisions”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Guidelines on Articles of Association of Listed Companies, the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and other relevant provisions.</p> | <p><b>Article 1</b> To safeguard the legitimate rights and interests of Wenzhou Kangning Hospital Co., Ltd. (the “Company”) and its shareholders and creditors, and to regulate organization and acts of the Company, these Articles of Association are formulated pursuant to the Company Law of PRC (the “Company Law”), the Securities Law of PRC (the “Securities Law”), the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (the “Special Provisions”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Guidelines on Articles of Association of Listed Companies, the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, <b><u>the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies (Guo Han [2019] No. 97)</u></b>, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), and other relevant provisions.</p> |

| Original Context  | Amended Context  |
|---|--|
| <p><b>Article 8</b> Approved through a resolution at the general meeting and by relevant authorities of the state, these Articles of Association take effect on the day when the overseas-listed foreign shares issued by the Company are listed and commence dealings on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “HK Stock Exchange” or “Hong Kong Stock Exchange”), and supersede the previous articles of association of the Company which have been registered at and filed with the original competent administration for industry and commerce.</p> | <p><b>Article 8</b> <u>These Articles of Association take effect and be implemented on the day when they were</u> approved through a resolution at the general meeting <del>and by relevant authorities of the state, these Articles of Association take effect on the day when the overseas-listed foreign shares issued by the Company are listed and commence dealings on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “HK Stock Exchange” or “Hong Kong Stock Exchange”), and supersede the previous articles of association of the Company</del></p> |
|   |  |

| Original Context   | Amended Context  |
|--|--|
| <p>Approved by securities regulatory authorities under the State Council, the Company's domestic shares may be listed and traded on an overseas stock exchange and converted into overseas-listed foreign shares. Upon conversion of such shares into overseas-listed foreign shares, listing and trading of such shares on overseas stock exchanges shall comply with the regulatory procedure, regulations and requirements of the foreign security markets. The conversion of domestic shares into overseas-listed foreign shares and listing on an overseas stock exchange shall not require the convening of a class meeting. The converted overseas-listed foreign shares shall belong to the same class of shares as the existing overseas-listed foreign shares.</p> | <p>Approved by securities regulatory authorities under the State Council, the Company's domestic shares may be listed and traded on an overseas stock exchange and converted into overseas-listed foreign shares. Upon conversion of such shares into overseas-listed foreign shares, listing and trading of such shares on overseas stock exchanges shall comply with the regulatory procedure, regulations and requirements of the foreign security markets. The conversion of domestic shares into overseas-listed foreign shares and listing on an overseas stock exchange shall not require the convening of a <b>general meeting or</b> class meeting. The converted overseas-listed foreign shares shall belong to the same class of shares as the existing overseas-listed foreign shares.</p> |
| <p><b>Article 47</b> No changes resulting from share transfers may be made to the register of shareholders within 30 days prior to a general meeting or 5 days prior to the date of record set by the Company for the purpose of distribution of dividends.</p>  | <p><del>Article 47 No changes resulting from share transfers may be made to the register of shareholders within 30 days prior to a general meeting or 5 days prior to the date of record set by the Company for the purpose of distribution of dividends.</del> <b><u>Where PRC laws and regulations and the securities regulation rules of the places where the Company's shares are listed stipulate on the period of closure of the register of shareholders prior to a shareholders' general meeting or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.</u></b></p>   |

| <b>Original Context</b>  | <b>Amended Context</b> |
|--|------------------------|
| <p><b>Article 75</b> Where a general meeting is convened by the Company, it shall issue a written notice 45 days prior to the meeting to notify all the registered shareholders of the</p> |                        |
|  |                        |

| Original Context   | Amended Context  |
|--|--|
| <p><b>Article 79</b> Notice of general meeting shall be served to the shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of shareholders, or by publication on the Company’s website or other website designated by stock exchange where the Company’s shares are listed, subject to compliance with applicable laws, regulations and listing rules. For holders of domestic shares, the notice of a general meeting may also be given by publishing an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority under the State Council within the period of 45 and 50 days before convening the meeting. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice in relation to the general meeting.</p> | <p><b>Article 79</b> Notice of general meeting shall be served to the shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of shareholders, or by publication on the Company’s website or other website designated by stock exchange where the Company’s shares are listed, subject to compliance with applicable laws, regulations and listing rules. For holders of domestic shares, the notice of a general meeting may also be given by publishing an announcement.</p> <p>The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority under the State Council within the period of <del>45 and 50 days before convening the meeting</del> <b><u>20 Hong Kong business days before an annual general meeting is held, or 10 Hong Kong business days or 15 days (whichever is earlier) before an extraordinary general meeting is held.</u></b> Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice in relation to the general meeting.</p> |

| Original Context  | Amended Context  |
|---|--|
| <p><b>Article 115</b> When the Company is to hold a class meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and venue of the meeting. Shareholders who intend to attend the meeting shall, within 20 days prior to the day of the meeting, deliver their written replies regarding their attendance to the Company.</p> <p>If the number of the voting shares represented by the shareholders intending to attend the meeting is more than one half of the total number of voting shares of that class at the meeting, the Company may hold the class meeting. If not, the Company shall within 5 days inform the shareholders once again of the matters to be considered at the meeting and the date and venue of the meeting in the form of a public announcement. Upon notification by a public announcement, the Company may hold the class meeting.</p> <p>If there are any special requirements under the listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed, such requirements shall prevail.</p> | <p><b>Article 115</b> When the Company is to hold a class meeting, <u><b>the time limit for issuing a written notice shall be the same as the written notice period for the non-class shareholders meeting to be convened on the same day of such class meeting. The written notice shall notify all the registered shareholders of the said class of the matters to be considered at the meeting, and the date and venue of the meeting.</b></u> it shall issue</p> |

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In respect of the proposed amendments to the Articles of Association, eight articles are amended, and no article is added or deleted. The number of the articles of the amended Articles of Association remains the same.

Such resolution was approved by the Board, and a special resolution will be proposed at the EGM to approve, among other things, the above proposal to amend the Articles of Association. A circular containing, among other things, details of the proposed amendments to the Articles of Association and notice of the EGM will be dispatched to the shareholders of the Company in due course.

The amended Articles of Association shall become effective on the date of passing the relevant resolution at the EGM. Prior to the passing of the relevant resolution at the EGM, the prevailing Articles of Association of the Company shall remain valid.

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

Zhejiang, the PRC  
January 22, 2020

*As of the date of this announcement, the executive directors of the Company are Mr. Guan Weili, Ms. Wang Lianyue and Ms. Wang Hongyue; the non-executive directors are Mr. Yang Yang and Mr. Lin Lijun; and the independent non-executive directors are Mr. Chong Yat Keung, Mr. Huang Zhi and Mr. Got Chong Key Clevin.*