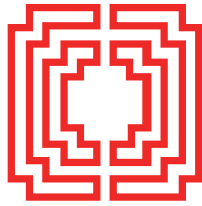


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溫州康寧醫院股份有限公司  
Wenzhou Kangning Hospital Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)  
Stock code: 2120

**UPDATE ANNOUNCEMENT ON  
DISCLOSEABLE AND CONNECTED TRANSACTION  
PROPOSED ACQUISITION OF PROPERTY**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



Gram Capital Limited  
嘉林資本有限公司

Reference is made to the announcement of Wenzhou Kangning Hospital Co., Ltd. (the “**Company**”) dated 18 May 2026 (the “**Announcement**”), regarding, among others, the acquisition of the Property from Guoda Investment by the Company (the “**Acquisition**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcement. This announcement aims to provide additional information regarding entering into the Property Purchase Agreement.

**ENTERING INTO THE PROPERTY PURCHASE AGREEMENT**

As disclosed in the Announcement, on 18 May 2026, the Board considered and approved the resolution in relation to the Acquisition. The Company proposed to purchase the Property from Guoda Investment at a consideration of RMB31.45 million. The Property has been proposed to be used as a venue for teaching and scientific research. The Company originally intended to formally enter into the Property Purchase Agreement with Guoda Investment after the Acquisition was approved by the Independent Shareholders. To proceed with the Acquisition, the Company formally entered into the Property Purchase Agreement with Guoda Investment on 29 May 2026. Save for the signing schedule, the new Effective Condition (as defined below), and the consequential adjustments to be made pursuant thereto, there are no material changes to the other principal terms of the Property Purchase Agreement as disclosed in the Announcement. Pursuant to the Property Purchase Agreement, the Property Purchase Agreement shall only become effective upon the approval of the Property Purchase Agreement and the Acquisition contemplated thereunder by the Independent Shareholders at the AGM (the “**Effective Condition**”). The principal terms of the Property Purchase Agreement are summarized as follows:

Date of signing: 29 May 2026

Parties: (1) the Company, as the purchaser; and  
(2) Guoda Investment, as the vendor.

Nature of the transaction: The Company proposes to agree to acquire, and Guoda Investment proposes to agree to sell, the Property, subject to the terms and conditions set out in the Property Purchase Agreement.

The Property: The Property is located at Floors 12 to 15, Phase II, Higher Education Park Business Center, Chashan Subdistrict, Ouhai District, Wenzhou City, Zhejiang Province, the PRC, with a gross floor area of 4,523.86 sq.m. and a land use rights area of 267.90 sq.m. The planned use of the Property is land for accommodation and catering/hotel, and the term of the land use rights will expire on 29 January 2043. The Property is developed by Guoda Investment, therefore the original purchase cost of the Property to Guoda Investment is not applicable. For reference only, the consideration for the acquisition of Guoda Investment by Mr. Guan Weili on 24 June 2021 was RMB55.0 million. For details, please refer to the announcement of the Company dated 24 June 2021.

A mortgage has been created over the Property, with Shanghai Pudong Development Bank Co., Ltd. Wenzhou Branch being the mortgagee. The aforementioned mortgage shall be released prior to the online signing of the Property.

As at the date of this announcement, the Property is wholly-owned by Guoda Investment.

Delivery and registration of transfer of title: Upon the Company's full payment of the consideration under the Property Purchase Agreement, the Property shall be delivered to the Company on an "as-is" basis without the need for any formal handover procedures. Guoda Investment shall simultaneously deliver to the Company the certificates of land use rights and building ownership, as well as the property purchase invoice in respect of the Property. The Company shall handle the registration of transfer of title of the Property on its own.

With effect from the date of delivery of the Property, all property service-related expenses shall be borne by the Company, and all risks of damage, loss and any other risks shall also be borne by the Company.

Effective Condition: The Property Purchase Agreement shall only become effective upon the approval of the Property Purchase Agreement and the Acquisition contemplated thereunder by the Independent Shareholders at the AGM.

## **PAYMENT TERMS AND BASIS FOR DETERMINING THE CONSIDERATION**

The total consideration for the acquisition of the Property is RMB31.45 million (inclusive of tax). The consideration was determined after arm's length negotiations between the parties based on the fair market value, with reference to the valuation of the Property of RMB35,286,000 conducted by the independent property valuer, Asia-Pacific Consulting and Appraisal Limited, based on the appraised market value of the Property as at 30 April 2026 using the market comparison approach. The principal contents of the valuation report have been set out in the Announcement, and the Company will incorporate the full text of the valuation report in respect of the Property in the circular for the AGM.

In addition, the Property is subject to a special maintenance fund for newly-built properties of RMB90 per sq.m., amounting to a total of RMB407,147.4.

Pursuant to the Property Purchase Agreement, the Company shall pay 50% of the total consideration, being RMB15,725,000, to Guoda Investment within 3 working days from the effective date of the Property Purchase Agreement; and the Company shall pay the remaining balance of the property purchase price, and the full amount of the special property maintenance fund upon the online signing, amounting to RMB16,132,147.4.

The total consideration for the acquisition of the Property will be funded by the internal resources of the Company.

## **ONLINE SIGNING**

Guoda Investment shall, within two months from the effective date of the Property Purchase Agreement, release the mortgage over the Property and cancel the mortgage registration, so as to fulfill the conditions for the online signing. If the Property still does not fulfill the conditions for the online signing within six months from the effective date of the Property Purchase Agreement, the Company shall have the right to terminate the Property Purchase Agreement.

Once the Property fulfills the conditions for the online signing, Guoda Investment shall notify the Company to conduct the online signing, and the Company shall attend Guoda Investment's premises within the period notified by Guoda Investment to complete the online signing procedures together with Guoda Investment.

## **INFORMATION OF THE PARTIES**

### **The Company**

The Company is a joint stock limited company established under the laws of the PRC. It is the largest private psychiatric medical group in China, operating a network of medical institutions across various regions in China focusing on providing psychiatric specialty and geriatric rehabilitation services. The ultimate beneficial owners of the Company are Mr. Guan Weili and Ms. Wang Lianyue.

## Guoda Investment

Guoda Investment is a limited liability company incorporated in the PRC, principally engaged in real estate development and operation, leasing and supporting property management; infrastructure investment and development; development of supporting service projects for the higher education park business center; investment in the education industry, and tourism investment and development. Guoda Investment is directly held as to 89.09% by Mr. Guan Weili, and held as to 10.91% by Hangzhou Jingsan Enterprise Management Partnership (Limited Partnership) (杭州景叁企業管理合夥企業(有限合夥)), the ultimate beneficial owner of which is Mr. Guan Weili.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

References are made to the announcements of the Company dated 22 January 2016, 2 June 2016 and 24 June 2021 (the “**Announcements**”). As disclosed in the Announcements, Wenzhou Medical University (溫州醫科大學) entered into the Framework Agreement in Relation to Jointly Establish and Operate the School of Mental Health (《合作舉辦精神醫學學院框架協議》) (the “**Cooperation Agreement**”) on 22 January 2016 with the Company to jointly establish the School of Mental Health of Wenzhou Medical University (溫州醫科大學精神醫學學院) (the “**School of Mental Health**”) dedicated to building a leading psychiatry profession and discipline to train more high-quality talents with psychiatry expertise. The School of Mental Health is a secondary college of Wenzhou Medical University, and one of the core vessels of the Company’s medicine, education and research integration strategy. Pursuant to the Cooperation Agreement, the Company is responsible for providing land(s), properties, facilities, equipment and other fixed assets, as well as to cover relevant expense.

In June 2016, the Company acquired 51% of the equity interest in Guoda Investment. Since Guoda Investment owned certain land(s) and properties which are appropriate for teaching facilities by the School of Mental Health (ie. the Property), the Company will provide the Property to the School of Mental Health for teaching, scientific research and training to ensure the Company to perform its obligations under the Cooperation Agreement and achieve its goal of steadily advancing collaborative education in long term. In June 2021, in preparation for the listing of the Company’s A shares and given that the PRC regulatory authorities do not support the domestic financing and listing of real estate companies, to secure the domestic financing and listing of the Company, the Company sold all its shares in Guoda Investment to Mr. Guan Weili, being a Director of the Company, through which to spin off the existing real estate business in order to ensure the listing of the Company’s A shares. Following the completion of the above disposal of equity interest, the Company no longer held any interest in the Property. To continue performing the obligation of providing land(s) for teaching and scientific research to the School of Mental Health under the Cooperation Agreement, since 2022, the Company has provided funding to Wenzhou Medical University to lease the Property from Guoda Investment for the School of Mental Health’s use. Recently, Wenzhou Medical University informed the Company that due to its adjustment to internal management regulations, the Company shall provide relevant teaching and scientific venue strictly according to the arrangement under the Cooperation Agreement, and the arrangement of leasing the Property by way of providing funding will no longer be accepted. To ensure the Company’s continued performance of its obligations under the Cooperation Agreement and safeguard the stable operation of the teaching and scientific research activities of the School of Mental Health, the Company proposed to acquire the Property.

The Company has conducted systematic selection and market comparison for potential sites and thoroughly inspected Wenzhou Medical University and its surrounding properties, including, among others, neighboring office buildings, hotels and newly developed land parcel. Upon comprehensive assessment, other property candidates usually exhibit conditions such as insufficient areas, location deviation, limited property rights, higher costs or longer delivery cycles, and thus unable to meet the comprehensive needs of teaching and scientific research platform. The Property is the closest commercial building to Wenzhou Medical University, making it a convenient geographic location, where the teaching staff of the School of Mental Health could arrive within an approximately 10-minute walk. The School of Mental Health has been renting and using the Property since 2022, the relevant decoration and infrastructure are basically allocated and completed. Following the completion of the Acquisition, the Company expects that no material additional investment will be needed for decoration and equipment installation. In addition, the School of Mental Health has currently installed necessary equipment in the Property for teaching and scientific research, including certain precision instruments. Relocating the relevant equipment might increase the risk of damage and adversely affect teaching and scientific research activities.

As disclosed in the Announcement, the Property was valued at RMB35,286,000 by an independent property valuer based on the appraised market value as at 30 April 2026 using the market comparison approach. The acquisition consideration was RMB31,450,000, representing a discount to the aforesaid valuation. The Company is of the view that the transaction price is fair and reasonable, and attractive. In 2025, the School of Mental Health leased the Property from Guoda Investment at a rental amount of RMB1,901,057. Given that the Cooperation Agreement between the Company and Wenzhou Medical University is for a term of 20 years and can be automatically extended upon expiry of the term, the Board is of the view that the acquisition of the Property is more conducive to ensuring the long-term stable use of the teaching and scientific research venues than a continuous leasing arrangement, and is more cost-effective in the long run.

Furthermore, from a long-term development perspective, the Board also believes that the Acquisition will bring the following benefits to the Company: (1) Supporting talent introduction and cultivation: the continuous collaboration with the School of Mental Health of Wenzhou Medical University is conducive to supplying medical and scientific research professionals to the Company, strengthening the human resources reserve, and establishing a stable talent cultivation mechanism; (2) Enhancing scientific research capabilities and brand influence, and optimizing the cost structure: scientific research capabilities are an important consideration for hospital ratings and brand recognition. Through conducting collaborative research with the School of Mental Health, the Company can improve the standard and comprehensive influence of scientific research, while reducing the expenses incurred for the large-scale expansion of the scientific research personnel team, thereby achieving a balance between costs and benefits; (3) Achieving synergies and strengthening scientific research and clinical capabilities: the Company can leverage the professional capabilities and resource advantages of Wenzhou Medical University in the field of medical scientific research to improve scientific research and clinical standards, and further enhance the synergies of the collaboration between both parties; (4) Promoting resource sharing and synergistic business development: through relevant collaborative arrangements, the scientific research and teaching resources of the university can achieve synergies with the medical resources of the Company, which is conducive to enhancing service capabilities and the standard of business development, and supporting the integrated development of teaching, research and medical care.

Having considered the above factors, the Company considers that the acquisition of the Property and the utilization thereof to support the teaching and scientific research activities of the School of Mental Health are in line with the overall development strategy of the Company, and will help enhance the professional capabilities, service standards and long-term competitiveness of the Company.

## **OPINION OF THE BOARD**

As Guoda Investment is directly held as to 89.09% by Mr. Guan Weili, a Director of the Company, and Ms. Wang Lianyue, a Director of the Company, is the spouse of Mr. Guan Weili, they are deemed to have a connected relationship with the Acquisition. Therefore, Mr. Guan Weili and Ms. Wang Lianyue had abstained from voting on the resolution passed by the Board in relation to the Acquisition. Save as disclosed above, none of the other Directors have any material interest in the Acquisition, and no other Directors are required to abstain from voting on the Board resolution considering and approving the Acquisition.

The Directors (excluding the independent non-executive Directors, whose views will be set out in the letter from the Independent Board Committee after considering the advice from the Independent Financial Adviser) are of the view that, although the Property Purchase Agreement and the Acquisition contemplated thereunder are not entered into in the ordinary and usual course of business of the Company, the terms thereof have been agreed after arm's length negotiations between the parties, are fair and reasonable, are on normal commercial terms or better, and are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, as Guoda Investment is directly held as to 89.09% by Mr. Guan Weili, a Director of the Company, Guoda Investment is a connected person of the Company under the Listing Rules. Therefore, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Acquisition exceeds 5%, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Property Purchase Agreement and the Acquisition contemplated thereunder are fair and reasonable, and whether they are in the interests of the Company and its Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the AGM. Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Property Purchase Agreement and the Acquisition contemplated thereunder.

## GENERAL INFORMATION

The Company will convene the AGM to consider and, if thought fit, approve, among other things, the Property Purchase Agreement and the Acquisition contemplated thereunder. As at the date of this announcement, to the best knowledge and belief of the Directors, Mr. Guan Weili, Ms. Wang Lianyue and Ms. Wang Hongyue (the younger sister of Ms. Wang Lianyue) are deemed as parties acting in concert, and are therefore deemed to be jointly interested in 27,330,100 Domestic Shares and 458,300 H Shares of the Company. The total number of Shares held by the abovementioned persons represents approximately 39.47% of the total number of issued Shares of the Company (excluding H Shares repurchased but not yet cancelled; excluding treasury shares, if any). The abovementioned persons are required to abstain from voting on the resolution to be proposed at the AGM in respect of the Property Purchase Agreement and the Acquisition contemplated thereunder.

Save as disclosed above, as at the date of this announcement, to the best knowledge and belief of the Directors, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the relevant resolution to approve the Property Purchase Agreement and the Acquisition contemplated thereunder at the AGM.

A circular containing, among other things, (i) further details of the Property Purchase Agreement and the Acquisition contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders (setting out the recommendation of the Independent Board Committee); (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; (iv) the property valuation report; and (v) a notice of the AGM, will be published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.knhosp.cn](http://www.knhosp.cn)), and dispatched to the holders of H Shares of the Company in accordance with their chosen means of receipt of corporate communications, in compliance with the applicable Listing Rules.

As stated in the Announcement, as additional time is required to finalize certain information to be included in the circular, the Company expects to publish and/or dispatch the circular in the manner set out above on or before 9 June 2026.

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

Zhejiang, the PRC  
29 May 2026

*As at the date of this announcement, the Company's executive directors are Mr. GUAN Weili, Ms. WANG Lianyue and Mr. WANG Jian; the non-executive directors are Mr. QIN Hao and Mr. LI Changhao; and the independent non-executive directors are Ms. ZHONG Wentang, Ms. JIN Ling and Mr. CHAN Sai Keung Hugo.*