



院股份有限公司  
Wenzhou Kangning Hospital Co., Ltd.

(A joint

company incorporated in the People's Republic of China)

Stock code: 2120

**ANNOUNCEMENT  
PROPOSED AMENDMENTS TO THE EQUITY INCENTIVE SCHEME  
AND  
GRANTING THE INCENTIVE SHARES TO CONNECTED PERSONS**

Reference is made to the Company's announcement dated May 29, 2018 and the circular dated May 30, 2018 (the **"Circular"**) in relation to the adoption of the Equity Incentive Scheme by the Company and authorization to the Board to deal with, in its absolute discretion, matters relating to the Equity Incentive Scheme of the Company. Unless otherwise defined in this announcement, capitalized terms used in this announcement shall have the same meaning as those defined in the Circular.

The Board hereby announces that on April 16, 2021, the Board considered and approved (among others) (a) proposed amendments to the Equity Incentive Scheme; and (b) the proposal to grant the Incentive Shares to connected persons.

**PROPOSED AMENDMENTS TO THE EQUITY INCENTIVE SCHEME**

In order to further implement the Equity Incentive Scheme and fulfill the incentive purposes thereof, without prejudice to the interests of the Company and the Shareholders as a whole, the Board, in consideration of the actual operating situation of the Company and market practice, intends to amend the functional basis and scope for determining the Participants (the **"Proposed Amendments"**)

| Original                                                                                                                                                                                                                                                                                                                                                                    | Amended |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <p><b>1. Description of the Incentive Scheme</b></p> <p><b>(3) Basis for determining the Participants and the scope of the Participants</b></p> <p><b>(a) Basis for determining the Participants</b></p> <p><b>(ii) Functional basis for determining the Participants</b></p> <p>The Participants of the Incentive Scheme shall include senior management of the Group,</p> |         |
|                                                                                                                                                                                                                                                                                                                                                                             |         |

For the details of the Equity Incentive Scheme, please refer to the Circular. Except for the above amendments, the other contents of the Equity Incentive Scheme remain unchanged. The Board believes that the Proposed Amendments shall not have a material impact on the financial conditions and operating results of the Company.

The Company will propose a special resolution at the annual general meeting for the year 2020 of the Company (the “**Annual General Meeting**”) to approve (among others) the Proposed Amendments.

## **GRANTING THE INCENTIVE SHARES TO CONNECTED PERSONS**

Pursuant to the Amended Equity Incentive Scheme and combining with the relevant content of the Proposed Amendments, the Board intends to grant reserved Incentive Shares to connected persons who meet the granting conditions (the “**Proposed Grantees**”) (the “**Proposed Grant**”), the details of which are as follows:

1. Grant Price: RMB10.47 per share
2. The number of grantees: 10 persons
3. The number of Incentive Shares to be granted: 455,588 Shares
4. The source of Incentive Shares: Non-tradable and Non-listed Domestic Shares issued to the Employees’ Shareholding Platform by the Company (the Proposed Grant of Incentive Shares will not lead to issuance of new Shares by the Company)

5. The list of Participants:

| Name                | Title                                                | The amount<br>of Incentive<br>Shares to be<br>granted<br>(RMB) | The number<br>of Incentive<br>Shares to be<br>granted<br>(Shares) | As a percentage<br>of the Incentive<br>Shares proposed<br>to grant | As a percentage<br>of the total<br>Incentive Shares<br>under the Equity<br>Incentive Scheme |
|---------------------|------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Ms. WANG<br>Lianyue | Director and General<br>Manager                      | 2,600,000                                                      | 248,328                                                           | 54.51%                                                             | 10.09%                                                                                      |
| Ms. WANG<br>Hongyue | Director and Chief<br>Financial Officer              | 1,000,000                                                      | 95,511                                                            | 20.96%                                                             | 3.88%                                                                                       |
| Mr. SUN Fangjun     | Chairman of the<br>Supervisory Committee             | 150,000                                                        | 14,327                                                            | 3.14%                                                              | 0.58%                                                                                       |
| Mr. XU Yi           | Vice General Manager                                 | 300,000                                                        | 28,653                                                            | 6.29%                                                              | 1.16%                                                                                       |
| Mr. XIE Tiefan      | Staff Representative<br>Supervisor                   | 50,000                                                         | 4,776                                                             | 1.05%                                                              | 0.19%                                                                                       |
| Ms. WANG Biyu       | Manager of Auditing and<br>Supervision<br>Department | 50,000                                                         | 4,776                                                             | 1.05%                                                              | 0.19%                                                                                       |
| Ms. XU Qunyan       | Manager of Finance<br>Department                     | 50,000                                                         | 4,776                                                             | 1.05%                                                              | 0.19%                                                                                       |
| Mr. GUAN Weilu      | Assistant to President                               | 200,000                                                        | 19,102                                                            | 4.19%                                                              | 0.78%                                                                                       |
| Mr. SUN Hongbo      |                                                      |                                                                |                                                                   |                                                                    |                                                                                             |

## **IMPLICATIONS OF THE LISTING RULES**

As (1) Ms. WANG Lianyue is a Director and general manager of the Company; (2) Ms. WANG Hongyue is the younger sister of Ms. WANG Lianyue and a Director of the Company; (3) Mr. SUN Fangjun and Mr. XIE Tiefan are Supervisors of the Company; (4) Mr. XU Yi is the spouse of Ms. WANG Hongyue; (5) Ms. WANG Biyu is the niece of Ms. WANG Lianyue and Ms. WANG Hongyue; (6) Ms. XU Qunyan is the younger sister of Mr. XU Yi; (7) Mr. GUAN Weilu is the

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