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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wenzhou Kangning Hospital Co., Ltd., you should at once hand this circular, together with the accompanying form of proxy and reply slip, to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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康宁

Wenzhou Kangning Hospital Co., Ltd.

温州康宁医院股份有限公司

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

(Stock Code: 2120)

**FINANCIAL REPORT FOR THE YEAR 2015 (INCLUDING THE AUDITED
FINANCIAL STATEMENTS)**

PROPOSED FINAL DIVIDEND DISTRIBUTION PLAN FOR THE YEAR 2015

PROPOSED FINANCIAL BUDGET FOR THE YEAR 2016

**PROPOSED RE-APPOINTMENT OF DOMESTIC AUDITOR AND
INTERNATIONAL AUDITOR OF THE COMPANY FOR THE YEAR 2016 AND
AUTHORIZATION TO THE BOARD TO FIX THEIR REMUNERATION
FOR THE YEAR 2016**

**PROPOSED APPOINTMENT OF MR. GOT CHONG KEY CLEVIN
AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

**PROPOSED PLAN TO ADJUST THE REMUNERATION OF CERTAIN DIRECTORS
AND CERTAIN SENIOR MANAGEMENT MEMBERS OF THE COMPANY**

REPORT OF THE BOARD FOR THE YEAR 2015

REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2015

PROPOSED AMENDMENTS TO THE ARTICLES

GENERAL MANDATE TO ISSUE DOMESTIC SHARES AND/OR H SHARES

**REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS
FOR THE YEAR 2015**

**NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2015
AND CLOSURE OF REGISTER OF MEMBERS**

A letter from the Board is set out on pages 3 to 17 of this circular.

The notice convening the AGM to be held at Marco Polo Shenzhen, 28 Fuhua 1st Road, Futian CBD., Shenzhen, China at 9 a.m. on Tuesday, June 14, 2016 is set out on pages 18 to 21 of this circular.

If you intend to attend the AGM, please complete and return the enclosed reply slip in accordance with the instructions printed thereon as soon as possible and in any event by Tuesday, May 24, 2016.

Whether or not you are able to attend the AGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time scheduled for holding the AGM (or any adjourned meeting thereof). Completion and delivery of the form of proxy shall not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

April 29, 2016

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings.

“AGM”	the annual general meeting of the Company for the year 2015 to be convened and held on June 14, 2016
“AGM Notice”	the notice for convening the AGM set out on pages 18 to 21 of this circular
“Articles”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board”	the board of directors of the Company
“Company”	Wenzhou Kangning Hospital Co., Ltd., a joint stock limited liability company established under the laws of the PRC, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2120)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary Share(s) of the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and currently not listed or traded on any stock exchange
“Domestic Shareholder(s)”	the holder(s) of Domestic Share(s)
“General Mandate”	a general mandate to be granted to the Board for issuing Domestic Shares and/or H Shares representing up to the limit of 20% of each of the aggregate number of the Domestic Shares or H Shares, respectively, in issue on the date of passing the relevant resolution by the Shareholders
“H Share(s)”	overseas listed foreign invested ordinary Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	the holder(s) of H Share(s)
“HK\$”	the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	April 22, 2016, being the latest practicable date for ascertaining certain information before the printing of this circular
“Macau”	the Macau Special Administration Region of the PRC
“PBOC”	People’s Bank of China (中國人民銀行)
“PRC”, “the People’s Republic of China” or “China”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
“Record Date”	June 24, 2016
“RMB”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“substantial shareholder(s)”	has the meaning ascribed thereto in the Hong Kong Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the Company’s supervisory committee
“%”	percentage ratio

LETTER FROM THE BOARD



康宁

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

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

(Stock Code: 2120)

Executive Directors:

GUAN Weili (管偉立) (*Chairman*)

WANG Lianyue (王蓮月)

WANG Hongyue (王紅月)

Non-executive Directors:

YANG Yang (楊揚)

HE Xin (何欣)

Independent non-executive Directors:

CHONG Yat Keung (莊一強)

HUANG Zhi (黃智)

WONG Raymond Fook Lam (黃福霖)

To the Shareholders

Dear Sir or Madam,

**FINANCIAL REPORT FOR THE YEAR 2015 (INCLUDING THE AUDITED
FINANCIAL STATEMENTS)**

PROPOSED FINAL DIVIDEND DISTRIBUTION PLAN FOR THE YEAR 2015

PROPOSED FINANCIAL BUDGET FOR THE YEAR 2016

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**REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS
FOR THE YEAR 2015**

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with, among other things, further information in relation to the following resolutions to be proposed at the AGM:

1. to consider and approve the financial report for the year 2015 (including the audited financial statements);
2. to consider and approve the proposed final dividend distribution plan for the year 2015;
3. to consider and approve the proposed financial budget for the year 2016;
4. to consider and approve the proposed re-appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the domestic auditor and the international auditor of the Company, respectively, to hold office until the conclusion of the next annual general meeting of the Company and the authorization to the Board to fix their remuneration for the year 2016;
5. to consider and approve the proposed appointment of Mr. GOT Chong Key Clevin as an independent non-executive Director;
6. to consider and approve the proposed plan to adjust the remuneration of certain Directors and certain senior management members of the Company;
7. to consider and approve the report of the Board for the year 2015;
8. to consider and approve the report of the Supervisory Committee for the year 2015;
9. to consider and approve the proposed amendments to the Articles;
10. to consider and approve the proposed grant to the Board of a general mandate to issue Domestic Shares and/or H Shares; and
11. to consider and approve the report of the independent non-executive Directors for the year 2015.

LETTER FROM THE BOARD

II. FINANCIAL REPORT FOR THE YEAR 2015 (INCLUDING THE AUDITED FINANCIAL STATEMENTS)

An ordinary resolution will be proposed at the AGM to consider and approve the Company's financial report for the year 2015 (including the audited financial statements, the text of which is set out in the Company's annual report for the year 2015 published on April 29, 2016).

III. PROPOSED FINAL DIVIDEND DISTRIBUTION PLAN FOR THE YEAR 2015

1. Proposed final dividend distribution plan for the year 2015

On March 24, 2016, the Board approved the proposed final dividend distribution plan for the year 2015 (the "**Proposed Final Dividend**"). In accordance with the Articles, the profits attributable to Shareholders shall be the lower of the Company's profits after taxation calculated pursuant to (i) the PRC Accounting Standards for Business Enterprises and (ii) the International Financial Reporting Standards. For the year 2015, the total amount of the Company's net profits attributable to Shareholders calculated pursuant to the PRC Accounting Standards for Business Enterprises and pursuant to the International Financial Reporting Standards shall both be RMB56.3 million. After due consideration of return to Shareholders as well as the long-term interests of the Company, the aggregate amount of the proposed final dividends to be distributed by the Company for the year 2015 in cash is proposed to be approximately RMB18.3 million. Based on 73,040,000 Shares, being the total share capital of the Company as of December 31, 2015, the Proposed Final Dividend of RMB0.25 (inclusive of applicable tax) per Share shall be payable to all Shareholders.

The Proposed Final Dividend will be denominated and declared in RMB. The Domestic Shareholders will be paid in RMB and the H Shareholders will be paid in Hong Kong dollars. The exchange rate for the Proposed Final Dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Hong Kong dollars to RMB as announced by the PBOC during the five business days prior to the date of declaration of the Proposed Final Dividend.

An ordinary resolution will be proposed at the AGM to consider and approve the above proposed final dividend distribution plan. The payment of the Proposed Final Dividend is subject to the Shareholders' approval at the AGM.

LETTER FROM THE BOARD

2. Closure of Register of Members for H Shares

The Proposed Final Dividend will be paid on or before Thursday, July 14, 2016 to all Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date. In order to qualify for the Proposed Final Dividend, the H Shareholders must lodge all share certificates accompanied by the transfer documents with Computershare Hong Kong Investor Services Limited (address: Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong) before 4:30 p.m. on Friday, June 17, 2016. For the purpose of ascertaining Shareholders who qualify for the Proposed Final Dividend, the register of members for H Shares will be closed from Sunday, June 19, 2016 to Friday, June 24, 2016 (both days inclusive).

The above latest time for lodging share certificates accompanied by the transfer documents will not be valid if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, June 17, 2016. Instead, the deadline for lodging share certificates accompanied by the transfer documents will be rescheduled to 5:00 p.m. on the same business day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, June 17, 2016. Instead, the deadline for lodging share certificates accompanied by the transfer documents will be rescheduled to 4:00 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

LETTER FROM THE BOARD

3. Taxation

In accordance with the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法) and its implementation regulations which came into effect on January 1, 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise Shareholders whose names appear on the register of members for H Shares when distributing the cash dividends. Any H Shares not registered under the name of an individual Shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organizations or groups, shall be deemed as Shares held by non-resident enterprise Shareholders. Therefore, on this basis, enterprise income tax shall be withheld from dividends payable to such Shareholders. If H Shareholders intend to change their shareholder status, please enquire about the relevant procedures with their agents or trustees. The Company will strictly comply with the law or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant Shareholders based on the register of members for H Shares as of the Record Date.

If the individual H Shareholders are Hong Kong or Macau residents or residents of the countries which had an agreed tax rate of 10% for the cash dividends to them with the PRC under the relevant tax agreement, the Company should withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. Should the individual H Shareholders be residents of the countries which had an agreed tax rate of less than 10% with the PRC under the relevant tax agreement, the Company shall withhold and pay individual income tax on behalf of the relevant Shareholders at a rate of 10%. In that case, if the relevant individual H Shareholders wish to reclaim the extra amount withheld due to the application of 10% tax rate, the Company can apply for the relevant agreed preferential tax treatment provided that the relevant Shareholders submit the evidence required by the notice of the tax agreement to Computershare Hong Kong Investor Services Limited. The Company will assist with the tax refund after the approval of the competent tax authority. Should the individual H Shareholders be residents of the countries which had an agreed tax rate of over 10% but less than 20% with the PRC under the tax agreement, the Company shall withhold and pay the individual income tax at the agreed actual rate in accordance with the relevant tax agreement. In the case that the individual H Shareholders are residents of the countries which have had an agreed tax rate of 20% with the PRC, or which has not entered into any tax agreement with the PRC, or otherwise, the Company shall withhold and pay the individual income tax at a rate of 20%.

LETTER FROM THE BOARD

IV. PROPOSED FINANCIAL BUDGET FOR THE YEAR 2016

An ordinary resolution will be put forward at the AGM to consider and approve the Company's proposed financial budget for the year 2016. For the year 2016, the Company targets to limit the administrative expenses, the selling and marketing expenses and the capital expenditure to RMB76.8 million, RMB2.0 million and RMB288.5 million, respectively.

V. PROPOSED RE-APPOINTMENT OF DOMESTIC AUDITOR AND INTERNATIONAL AUDITOR OF THE COMPANY FOR THE YEAR 2016 AND AUTHORIZATION TO THE BOARD TO FIX THEIR REMUNERATION FOR THE YEAR 2016

An ordinary resolution will be put forward at the AGM to consider and approve the proposed re-appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the domestic auditor and the international auditor of the Company, respectively, which will hold office until the conclusion of the next annual general meeting of the Company and the proposed authorization to the Board to fix their remuneration for the year 2016.

VI. PROPOSED APPOINTMENT OF MR. GOT CHONG KEY CLEVIN AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

1. Proposed Resignation of Mr. WONG Raymond Fook Lam

In March 2016, Mr. WONG Raymond Fook Lam (“**Mr. Wong**”) proposed his resignation as an independent non-executive Director, a member of the audit committee of the Board, a member of the nomination committee of the Board and the chairman and a member of the strategy and risk management committee of the Board with effect from the appointment of a new independent non-executive Director in replacement of him having been approved at the AGM to fill the vacancy. Mr. Wong tendered his proposed resignation because his duties as the managing director and chief executive officer of SOCAM Development Ltd. of the Shui On Group have been taking up an increasing amount of his time and he will not be able to devote sufficient time to the affairs of the Company. Mr. Wong has confirmed that he has no disagreement with the Company or the Board and there are no matter in relation to his resignation which needs to be brought to the attention of the Shareholders. Please refer to the Company's announcement dated March 16, 2016 for details.

LETTER FROM THE BOARD

2. Proposed Appointment of Mr. GOT Chong Key Clevin

At the Board meeting held on March 24, 2016, the Board has nominated Mr. GOT Chong Key Clevin (“**Mr. Got**”) as an independent non-executive Director, a member of the audit committee of the Board, a member of the nomination committee of the Board and the chairman and a member of the strategy and risk management committee of the Board for a term commencing from the date of appointment and ending on the expiry of the term of the first session of the Board.

According to the Articles, the proposed appointment of a Director is subject to the approval by the Shareholders. The proposal will be put forward at the AGM for the Shareholders’ consideration and approval by way of an ordinary resolution.

It is expected that Mr. Got will receive a remuneration of RMB70,000 per annum (subject to the approval of the proposed plan to adjust the remuneration of certain Directors and certain senior management members of the Company at the AGM) for serving as an independent non-executive Director. The proposed remuneration of Mr. Got is the same as that of the other two independent non-executive Directors, namely Mr. CHONG Yat Keung and Mr. HUANG Zhi, the amount of which is determined with reference to their time commitment and responsibilities, as well as remuneration of independent non-executive directors of comparable companies. The Company will enter into a service contract with Mr. Got upon his appointment as an independent non-executive Director being approved at the AGM for a term commencing from the date of appointment and ending on the expiry of the term of the first session of the Board.

Biographical details of Mr. Got are set out in the Appendix of this circular.

Mr. Got did not serve as a director in any listed companies in the past three years and does not have any relationship with any Director, Supervisor, senior management member of the Company or substantial shareholders of the Company.

As of the date of this circular, Mr. Got has no interest in the shares of the Company or its associated companies within the meaning of Part XV of the SFO. Mr. Got has never been subject to any penalty by China Securities Regulatory Commission or other related securities regulatory authorities or any stock exchange.

Save as disclosed above, there is no other information to be disclosed pursuant Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules or any other matters in relation to Mr. Got that needs to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

VII. PROPOSED PLAN TO ADJUST THE REMUNERATION OF CERTAIN DIRECTORS AND CERTAIN SENIOR MANAGEMENT MEMBERS OF THE COMPANY

An ordinary resolution will be put forward at the AGM to consider and approve the Company's proposed plan to adjust the remuneration of certain Directors and certain senior management members of the Company.

It is proposed that (i) the annual remuneration (excluding employer's contribution to pension scheme) of the executive Directors, Mr. GUAN Weili, Ms. WANG Lianyue and Ms. WANG Hongyue be adjusted from approximately RMB362,000, RMB302,000 and RMB184,000, respectively, to approximately RMB458,000, RMB386,000 and RMB244,000, respectively; and (ii) the annual remuneration (excluding employer's contribution to pension scheme) for the Company's vice general managers, Mr. XU Yi and Ms. ZHANG Feixue be adjusted from approximately RMB212,000 and RMB231,000, respectively, to approximately RMB272,000 and RMB291,000, respectively.

Mr. Got, if appointed, will receive a remuneration of RMB70,000 per annum for his service as an independent non-executive Director.

In order to comply with relevant PRC laws and regulations, the Company proposes to adjust the contribution bases for the social insurance of certain Directors and certain senior management members of the Company while the proportion of the Company's respective contribution remains the same. In addition, the Company proposes to increase its proportion of contribution to the endowment insurance of each of the Company's deputy general manager, Mr. WANG Qian and vice general manager, Mr. YE Minjie from 14% to 20% as an incentive.

VIII. REPORT OF THE BOARD FOR THE YEAR 2015

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Board for the year 2015, the text of which is set out in the Company's annual report for the year 2015 published on April 29, 2016.

LETTER FROM THE BOARD

IX. REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2015

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Supervisory Committee for the year 2015, the text of which is set out in the Company's annual report for the year 2015 published on April 29, 2016.

X. PROPOSED AMENDMENTS TO THE ARTICLES

1. Reasons for the Proposed Amendments to the Articles

The Board proposed to amend (i) Article 12 to comply with relevant rules and regulations on the business scope of companies with foreign investment, and (ii) Articles 19 and 23 to reflect the changes in the shareholding structure and the share capital of the Company as a result of the exercise of the Over-allotment Option (as defined in the Company's prospectus dated November 10, 2015). The amended Articles will become effective on the date it is considered and approved by the Shareholders. The Company's scope of business shall be subject to the approval by the authorities responsible for the registration of the Company. The proposal will be put forward at the AGM as a special resolution for consideration and approval.

2. The Proposed Amendments to the Articles

The current Article 12:

As registered according to law, the Company's scope of business covers: medical services; investment on healthcare institutions, hospital management service, and scientific research of mental health, medical psychology and relevant medical fields and the technology transfer in respect thereof.

The aforesaid scope of business shall be subject to the items approved by the competent administration for industry and commerce.

is proposed to be amended as follows:

As registered according to law, the Company's scope of business covers: medical services; hospital management service, and scientific research of mental health, medical psychology and relevant medical fields and the technology transfer in respect thereof (excluding the technology development and application of human stem cells or gene diagnosis and treatment).

LETTER FROM THE BOARD

The aforesaid scope of business shall be subject to the items approved by the competent administration for industry and commerce.

The current Article 19:

Upon the establishment of the Company, as approved by China Securities Regulatory Commission (the “CSRC”) and the Hong Kong Stock Exchange, the Company may issue not more than 17,600,000 H shares.

Upon completion of the aforesaid issue of H shares, if the Over-allotment Option is not exercised, the Company has a registered capital of RMB70,400,000. The shareholding structure is as follows: 70,400,000 ordinary shares, comprising 17,600,000 H shares and 52,800,000 domestic shares, including:

<i>No.</i>	<i>Name of shareholders</i>	<i>Shareholding (shares)</i>	<i>Percentage of shareholding</i>
1.	<i>Guan Weili</i>	<i>19,810,250</i>	<i>28.1396%</i>
2.	<i>Guangzhou GL Capital Investment Fund L.P.</i>	<i>15,384,541</i>	<i>21.8530%</i>
3.	<i>Wang Hongyue</i>	<i>5,304,350</i>	<i>7.5346%</i>
4.	<i>Beijing CDH Weixin Venture Capital L.P.</i>	<i>3,838,754</i>	<i>5.4528%</i>
5.	<i>Wang Lianyue</i>	<i>3,794,500</i>	<i>5.3899%</i>
6.	<i>Beijing CDH Weisen Venture Capital L.P.</i>	<i>2,667,605</i>	<i>3.7892%</i>
7.	<i>Ningbo Xinshi Kangning Investment Management L.P.</i>	<i>1,543,000</i>	<i>2.1918%</i>
8.	<i>Ningbo Enci Kangning Investment Management L.P.</i>	<i>258,000</i>	<i>0.3665%</i>
9.	<i>Ningbo Renai Kangning Investment Management L.P.</i>	<i>199,000</i>	<i>0.2827%</i>
10.	<i>Public shareholders of H shares</i>	<i>17,600,000</i>	<i>25.0000%</i>
		<hr/>	<hr/>
<i>Total</i>		<i>70,400,000</i>	<i>100%</i>
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LETTER FROM THE BOARD

If the Over-allotment Option is fully exercised, the Company has a registered capital of RMB73,040,000. The shareholding structure is as follows: 73,040,000 ordinary shares, comprising 20,240,000 H shares and 52,800,000 domestic shares, including:

<i>No.</i>	<i>Name of shareholders</i>	<i>Shareholding (shares)</i>	<i>Percentage of shareholding</i>
1.	<i>Guan Weili</i>	<i>19,810,250</i>	<i>27.1225%</i>
2.	<i>Guangzhou GL Capital Investment Fund L.P.</i>	<i>15,384,541</i>	<i>21.0632%</i>
3.	<i>Wang Hongyue</i>	<i>5,304,350</i>	<i>7.2623%</i>
4.	<i>Beijing CDH Weixin Venture Capital L.P.</i>	<i>3,838,754</i>	<i>5.2557%</i>
5.	<i>Wang Lianyue</i>	<i>3,794,500</i>	<i>5.1951%</i>
6.	<i>Beijing CDH Weisen Venture Capital L.P.</i>	<i>2,667,605</i>	<i>3.6523%</i>
7.	<i>Ningbo Xinshi Kangning Investment Management L.P.</i>	<i>1,543,000</i>	<i>2.1125%</i>
8.	<i>Ningbo Enci Kangning Investment Management L.P.</i>	<i>258,000</i>	<i>0.3532%</i>
9.	<i>Ningbo Renai Kangning Investment Management L.P.</i>	<i>199,000</i>	<i>0.2725%</i>
10.	<i>Public shareholders of H shares</i>	<i>20,240,000</i>	<i>27.7108%</i>
		<hr/>	<hr/>
	<i>Total</i>	<i>73,040,000</i>	<i>100%</i>
		<hr/> <hr/>	<hr/> <hr/>

is proposed to be amended as follows:

Upon the establishment of the Company, as approved by China Securities Regulatory Commission (the “CSRC”) and the Hong Kong Stock Exchange, the Company has issued not more than 20,240,000 H shares (including H shares issued upon the exercise of the Over-allotment Option).

LETTER FROM THE BOARD

Upon completion of the aforesaid issue of H shares (including the exercise of the Over-allotment Option), the Company has a registered capital of RMB73,040,000. The shareholding structure is as follows: 73,040,000 ordinary shares, comprising 20,240,000 H shares and 52,800,000 domestic shares, including:

<i>No.</i>	<i>Name of shareholders</i>	<i>Shareholding (shares)</i>	<i>Percentage of shareholding</i>
1.	<i>Guan Weili</i>	<i>19,810,250</i>	<i>27.1225%</i>
2.	<i>Guangzhou GL Capital Investment Fund L.P.</i>	<i>15,384,541</i>	<i>21.0632%</i>
3.	<i>Wang Hongyue</i>	<i>5,304,350</i>	<i>7.2623%</i>
4.	<i>Beijing CDH Weixin Venture Capital L.P.</i>	<i>3,838,754</i>	<i>5.2557%</i>
5.	<i>Wang Lianyue</i>	<i>3,794,500</i>	<i>5.1951%</i>
6.	<i>Beijing CDH Weisen Venture Capital L.P.</i>	<i>2,667,605</i>	<i>3.6523%</i>
7.	<i>Ningbo Xinshi Kangning Investment Management L.P.</i>	<i>1,543,000</i>	<i>2.1125%</i>
8.	<i>Ningbo Enci Kangning Investment Management L.P.</i>	<i>258,000</i>	<i>0.3532%</i>
9.	<i>Ningbo Renai Kangning Investment Management L.P.</i>	<i>199,000</i>	<i>0.2725%</i>
10.	<i>Public shareholders of H shares</i>	<i>20,240,000</i>	<i>27.7108%</i>
	<i>Total</i>	<i>73,040,000</i>	<i>100%</i>

The current Article 23:

At its establishment, the Company had a registered capital of RMB50,000,000. Prior to the issuance of H shares, the Company had a registered capital of RMB52,800,000.

Upon completion of the aforesaid issue of H shares, if the Over-allotment Option is not exercised, the registered capital of the Company is RMB70,400,000; if the Over-allotment Option is exercised, the maximum registered capital of the Company is RMB73,040,000. Based on the actual situation regarding the issuance, the Company shall undergo formalities regarding the change of registration with the competent administration for industry and commerce in respect of the changes of registered capital, and shall file the same to the State Council authorities in charge of securities.

LETTER FROM THE BOARD

is proposed to be amended as follows:

At its establishment, the Company had a registered capital of RMB50,000,000. Prior to the issuance of H shares, the Company had a registered capital of RMB52,800,000.

Upon completion of the aforesaid issue of H shares, the registered capital of the Company is RMB73,040,000.

XI. PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE DOMESTIC SHARES AND/OR H SHARES

To provide flexibility and discretion to the Board to issue new Shares, it is proposed to be considered and approved by way of a special resolution at the AGM:

- (a) the General Mandate to be granted to the Board to separately or jointly allot, issue or deal with Domestic Shares and/or H Shares not exceeding 20% of their respective numbers in issue on the date of passing of this special resolution;
- (b) to authorize the Board (or the Directors authorized by the Board), subject to the approval of the relevant authorities of the PRC and in accordance with the relevant laws, administrative regulations, Hong Kong Listing Rules and the Articles, to increase the registered capital of the Company to the required amount upon the exercise of the powers pursuant to paragraph (a) above;
- (c) to authorize the Board (or the Directors authorized by the Board) to sign the necessary documents, complete the necessary formalities and take other necessary steps to complete the allotment and issue and listing of new Shares pursuant to paragraph (a) above, provided the same does not violate the relevant laws, administrative regulations, Hong Kong Listing Rules and the Articles; and
- (d) subject to the approval of the relevant PRC authorities, to authorize the Board (or the Directors authorized by the Board) to make appropriate and necessary amendments to the Articles after completion of the allotment and issuance of new Shares according to the method, type and number of the allotment and issue of new Shares by the Company and the actual situation of the shareholding structure of the Company at the time of completion of the allotment and issue of new Shares in order to reflect the alteration of the share capital structure and registered capital of the Company pursuant to the exercise of the General Mandate, and carry out the statutory registrations and filings within and outside China.

LETTER FROM THE BOARD

As of the Latest Practicable Date, the issued share capital of the Company was comprised of 52,800,000 Domestic Shares and 20,240,000 H Shares. Subject to the Shareholders' approval of the General Mandate and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 10,560,000 Domestic Shares and 4,048,000 H Shares in accordance with the General Mandate. The General Mandate shall be effective from the date on which the special resolution is passed until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or other applicable laws to be held;
- (iii) the revocation or variation of the authority given under the above-mentioned resolution by a special resolution of the Shareholders at a general meeting; or
- (iv) the expiration of a period of 12 months after the above-mentioned special resolution has been passed at the AGM.

Any exercise of the power by the Board under the General Mandate shall comply with the relevant requirements of the Hong Kong Listing Rules, the Articles and the relevant laws and regulations of the PRC.

XII. REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS FOR THE YEAR 2015

An ordinary resolution will be proposed at the AGM to consider and approve the report of the independent non-executive Directors for the year 2015, which mainly includes the following:

- (a) the attendance of each independent non-executive Director at general meetings of the Company, Board meetings and Board committees meetings held in the year 2015;
- (b) how the Company cooperated with the independent non-executive Directors in carrying out their duties; and
- (c) the work carried out by the independent non-executive Directors in relation to, and their opinions on, among others, related-party transactions, use of proceeds from the initial public offering, appointment of auditors, declaration of dividend, compliance of the non-competition agreement by the controlling shareholders of the Company, information disclosure and internal control.

LETTER FROM THE BOARD

XIII. RECOMMENDATION

The Directors (including all independent non-executive Directors) consider that the resolutions in relation to each of (i) the financial report for the year 2015 (including the audited financial statements); (ii) the proposed final dividend distribution plan for the year 2015; (iii) the proposed financial budget for the year 2016; (iv) the proposed re-appointment of domestic auditor and international auditor of the Company for the year 2016 and authorization to the Board to fix their remuneration for the year 2016; (v) the proposed appointment of Mr. Got as an independent non-executive Director; (vi) the proposed plan to adjust the remuneration of certain Directors and certain senior management members of the Company; (vii) the report of the Board for the year 2015; (viii) the report of the Supervisory Committee for the year 2015; (ix) the proposed amendments to the Articles; (x) the proposed grant of the General Mandate to the Board; and (xi) the report of the independent non-executive Directors for the year 2015 is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of such resolutions to be proposed at the AGM as set out in the AGM Notice, respectively.

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

Zhejiang, the PRC
April 29, 2016

NOTICE OF THE ANNUAL GENERAL MEETING



康宁

Wenzhou Kangning Hospital Co., Ltd.
温州康宁医院股份有限公司

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

(Stock Code: 2120)

NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2015 AND CLOSURE OF REGISTER OF MEMBERS

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) for the year 2015 of Wenzhou Kangning Hospital Co., Ltd. (the “Company”) will be held at Marco Polo Shenzhen, 28 Fuhua 1st Road, Futian CBD., Shenzhen, China at 9 a.m. on Tuesday, June 14, 2016 for the purposes of considering and, if thought fit, passing the following resolutions. In this notice, unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Company’s circular dated April 29, 2016 (the “Circular”).

RESOLUTIONS TO BE CONSIDERED AND APPROVED AT THE AGM

By way of ordinary resolutions:

- (1) to consider and approve the financial report for the year 2015 (including the audited financial statements);
- (2) to consider and approve the proposed final dividend distribution plan for the year 2015;
- (3) to consider and approve the proposed financial budget for the year 2016;
- (4) to consider and approve the proposed re-appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the domestic auditor and the international auditor of the Company, respectively, to hold office until the conclusion of the next annual general meeting of the Company and the authorization to the Board to fix their remuneration for the year 2016;
- (5) to consider and approve the proposed appointment of Mr. GOT Chong Key Clevin as an independent non-executive Director;

NOTICE OF THE ANNUAL GENERAL MEETING

- (6) to consider and approve the proposed plan to adjust the remuneration of certain Directors and certain senior management members of the Company;
- (7) to consider and approve the report of the Board for the year 2015;
- (8) to consider and approve the report of the Supervisory Committee for the year 2015; and
- (9) to consider and approve the report of the independent non-executive Directors for the year 2015.

By way of special resolutions:

- (10) to consider and approve the proposed amendments to the Articles (the details of which are set out in “X. Proposed Amendments to Articles” in “Letter from the Board” in the Circular); and
- (11) to consider and approve the proposed grant of a general mandate to the Board to issue Domestic Shares and/or H Shares (the details of which are set out in “XI. Proposed Grant of General Mandate to the Board to Issue Domestic Shares and/or H Shares” in “Letter from the Board” in the Circular).

Details of the above resolutions proposed at the AGM are contained in the Circular, which is available on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.knhosp.cn).

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

Zhejiang, the PRC
April 29, 2016

As of the date of this notice, 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. WONG Raymond Fook Lam.

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

ATTENDEES OF THE AGM

1. Eligibility and Registration Procedures for Attending the AGM

- (a) Closure of Register of Members. For the purpose of ascertaining Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Sunday, May 15, 2016 to Tuesday, June 14, 2016 (both days inclusive).
- (b) Domestic Shareholders and H Shareholders whose names appear on the register of members of the Company before the close of business on Friday, May 13, 2016 are entitled to attend and vote in respect of all resolutions to be proposed at the AGM.
- (c) H Shareholders who wish to attend the AGM shall lodge their share certificates accompanied by the transfer documents with Computershare Hong Kong Investor Services Limited before 4:30 p.m. on Friday, May 13, 2016 for registration.
- (d) A Shareholder or his/her/its proxy shall produce proof of identity when attending the meeting. If a Shareholder is a legal person, its legal representative or other persons authorized by the board of directors or other governing body of such Shareholder may attend the AGM by producing a copy of the resolution of the board of directors or other governing body of such Shareholder appointing such persons to attend the meeting.
- (e) Domestic Shareholders and H Shareholders intending to attend the AGM should return the reply slip for attending the AGM to the Company on or before Tuesday, May 24, 2016.
- (f) Shareholders may send the above reply slip to the Company in person, by post or by fax.

2. Proxy

- (a) A Shareholder eligible to attend and vote at the AGM is entitled to appoint, in written form, one or more proxies to attend and vote on his/her/its behalf. A proxy does not need to be a Shareholder.
- (b) A proxy should be appointed by a written instrument signed by the appointer or his/her/its attorney duly authorized in writing. If the form of proxy is signed by the attorney of the appointer, the power of attorney authorizing that attorney to sign or the authorization document(s) must be notarized.
- (c) To be valid, the power of attorney or other authorization document(s) which have been notarized together with the completed form of proxy must be delivered to the place of business of the Company for Domestic Shareholders and Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for H Shareholders not less than 24 hours before the time designated for holding of the AGM.
- (d) A Shareholder or his/her/its proxy may exercise the right to vote by poll.

NOTICE OF THE ANNUAL GENERAL MEETING

3. Closure of Register of Members for H Shares regarding the Proposed Final Dividend

For the purpose of ascertaining Shareholders who qualify for the Proposed Final Dividend, the H Share register of members of the Company will be closed from Sunday, June 19, 2016 to Friday, June 24, 2016 (both days inclusive). In order to qualify for the Proposed Final Dividend, H Shareholders shall lodge their share certificates accompanied by the transfer documents with the the Company's share registrar of H Shares before 4:30 p.m. on Friday, June 17, 2016.

4. Miscellaneous

- (a) The AGM will not last for more than one working day. Shareholders who attend the AGM shall bear their own travelling and accommodation expenses.
- (b) The address of the Company's share registrar of H Shares, Computershare Hong Kong Investor Services Limited, is at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (c) The contact details of the place of business of the Company are as follows:

No. 1 Shengjin Road, Huanglong Residential District, Wenzhou, Zhejiang, the PRC
Post Code: 325000
Telephone No.: (+86) 577 8877 1689
Facsimile No.: (+86) 577 8878 9117
- (d) The contact person for the AGM is Mr. WANG Jian and his telephone number is (+86) 577 8877 1689.

APPENDIX BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTOR

Mr. GOT Chong Key Clevin (“**Mr. Got**”), aged 57, has been acting as the chief executive director of Hong Kong Breast Cancer Foundation since March 2016. From September 1980 to June 1984, he was the assistant secretary of the Community Service Division of the Tung Wah Group of Hospitals in Hong Kong, where he was responsible for the management and promotion of the youth and children center. From July 1984 to June 1985, he was the director of the social service center of the Chinese Neighborhood of Montreal, overseeing all service operations. From July 1987 to December 1998, he assumed various roles in administration, strategic planning, marketing, and sales division of, and later became the managing director of, the Sime Darby Hong Kong’s Wallace Harper & Company Ltd., a distributor of vehicles. From January 1999 to December 2015, he was the general manager and senior corporate director of Dah Chong Hong Holdings Ltd. (stock code: 1828), whose shares are listed on the Main Board of Hong Kong Stock Exchange, where he was responsible for the business operations of motor cars, commercial vehicles and yachts. Mr. Got was the chairman for the Hong Kong Motor Traders Association from January 2011 to December 2013.

Mr. Got obtained a bachelor’s degree in social work from McGill University in Montreal in June 1980. He became a member of the Ontario Association of Professional Social Workers in February 1987.