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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.

all your shares in H C ., ., 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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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

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The Company will convene the AGM on Wednesday, June 13, 2018 at 2:00 p.m., at Conference room, 12/F, Building 1, Shengjin Road, Huanglong Residential District, Wenzhou, Zhejiang Province, the PRC.

A letter from the Board is set out on pages 3 to 9 of this circular.

The notice convening the AGM is set out on pages 10 to 13 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 Thursday, May 24, 2018.

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 (i.e. before 2:00 p.m. on Tuesday, June 12, 2018) (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 26, 2018

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"AGM"	the annual general meeting of the Company for the year 2017 to be convened and held on June 13, 2018
"AGM Notice"	the notice for convening the AGM set out on pages 10 to 13 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 H Shares representing up to the limit of 20% of the aggregate number of H Shares 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$" or "Hong Kong dollars"	the lawful currency of Hong Kong
"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 21, 2018, 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
"Proposed Final Dividend"	the proposed final dividend distribution plan of RMB0.15 per Share (inclusive of applicable tax) for the year ended December 31, 2017
"Record Date"	June 25, 2018
"RMB"	the lawful currency of the PRC
"Share(s)"	share(s) of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the Company's supervisory committee
"%"	percentage ratio

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溫州康寧醫院股份有限公司
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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 2017 (including the audited financial statements);

2. to consider and approve the proposed profit distribution plan for the year 2017;

3. to consider and approve the proposed financial budget for the year 2018;

4. to consider and approve the proposed appointment of PricewaterhouseCoopers Zhong Tian LLP as the independent auditor of the Company for the year 2018, to hold office until the conclusion of the next annual general meeting of the Company;

5. to consider and approve the report of the Board for the year 2017;

6. to consider and approve the report of the Supervisory Committee for the year 2017;

7. to consider and approve the report of the independent non-executive Directors for the year 2017; and

8. to consider and approve the proposed grant to the Board of a general mandate to issue H Shares.

Items 1 to 8 above shall be submitted to the AGM for Shareholders' consideration. Items 1 to 7 are to be approved as ordinary resolutions by the Shareholders at the AGM, item 8 is to be approved as special resolution by the Shareholders at the AGM.

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An ordinary resolution will be proposed at the AGM to consider and approve the Company's financial report for the year 2017 (including the audited financial statements, the text of which is set out in the Company's annual report for the year 2017 published on April 26, 2018).

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1. [illegible] 2017

On March 23, 2018, the Board approved the proposed profit distribution plan for the year 2017. In accordance with the Articles, the profits attributable to Shareholders shall be the Company's profits after taxation calculated pursuant to the China Accounting Standards for Business Enterprises. For the year 2017, the total amount of the Company's net profits attributable to Shareholders shall be RMB51.611 million. After due consideration of return to Shareholders as well as the long-term

interests of the Company, the aggregate amount of the final dividend to be distributed by the Company for the year 2017 in cash is proposed to be approximately RMB10.956 million. Based on 73,040,000 Shares, being the total share capital of the Company as of December 31, 2017, the Proposed Final Dividend of RMB0.15 (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.

2. C[illegible] H[illegible]

The Proposed Final Dividend will be paid on or about Friday, July 13, 2018 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 Tuesday, June 19, 2018. For the purpose of ascertaining Shareholders who qualify for the Proposed Final Dividend, the register of members for H Shares will be closed from Wednesday, June 20, 2018 to Monday, June 25, 2018 (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 Tuesday, June 19, 2018. 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 Tuesday, June 19, 2018. 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.

3. T[illegible]

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税法) 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%.

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4. REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2017

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Supervisory Committee for the year 2017, the text of which is set out in the Company's annual report for the year 2017 published on April 26, 2018.

5. REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS FOR THE YEAR 2017

An ordinary resolution will be proposed at the AGM to consider and approve the report of the independent non-executive Directors for the year 2017, which mainly includes the following:

(a) the attendance of each independent non-executive Director at general meetings, Board meetings and Board committees meetings of the Company held in the year 2017;

(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, connected transactions, use of proceeds from the initial public offering, appointment of auditors, declaration of dividends, compliance of the non-competition agreement by the controlling shareholders of the Company, inside information disclosure and internal control.

6. GRANTING OF GENERAL MANDATE TO THE BOARD TO ISSUE NEW 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) Granting of an unconditional general mandate to the Board (or director(s) authorized by the Board) to, subject to market condition and the needs of the Company, separately or concurrently issue, allot and deal with new Shares of the issued H Shares of the Company and make or grant offers, agreements, or options in relation to such Shares during the Relevant Period (as defined below).

(b) The aggregate nominal value of the H Shares to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to the exercise of options or otherwise) by the Board shall not exceed 20% of the nominal value of the existing H Shares in issue at the date of the passing of this resolution at the AGM.

(c) The Board be authorized to formulate and implement detailed issuance plan, including but not limited to the class of new Shares to be issued, pricing mechanism and/or issuance price (including price range), number of Shares to be issued, allottees and use of proceeds, time of issuance, period of issuance and whether to allot Shares to existing Shareholders.

(d) The Board be authorized to engage the services of professional advisers for share issuance related matters, and to approve and execute all acts, deeds, documents or other matters necessary, appropriate or required for share issuance; approve and execute, on behalf of the Company, agreements related to share issuance, including but not limited to underwriting agreement and engagement agreements of professional advisers.

(e) The Board be authorized to approve and execute, on behalf of the Company, statutory documents in relation to share issuance to be submitted to regulatory authorities, to carry out approval procedures required by regulatory authorities (including but not limited to China Securities Regulatory Commission and the Hong Kong Stock Exchange)and venues in which the Company is listed, and to complete all necessary filings, registrations and records with the relevant governmental authorities of Hong Kong and/or any other regions and jurisdictions (if applicable).

(f) The Board be authorized to amend, as required by regulatory authorities within or outside the PRC, agreements and statutory documents referred to in (d) and (e) above.

(g) The Board be authorized to increase the registered capital of the Company after a share issuance, and to make corresponding amendments to the Articles relating to share capital and shareholdings, etc., and the operation management be authorized to carry out the relevant procedures.

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 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:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of a period of 12 months after the above-mentioned special resolution has been passed at the AGM; or

(c) the revocation or variation of the authority under this resolution by passing of a special resolution of the Company in a general meeting.

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.

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The Directors (including all independent non-executive Directors) consider that all resolutions set out in the AGM Notice for consideration and approval by Shareholders are 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.

By order of the Board

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Zhejiang, the PRC
April 26, 2018

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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

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CE HE EB G E that the annual general meeting (the "**AG** ") for the year 2017 of Wenzhou Kangning Hospital Co., Ltd. (the "**C** ") will be held at Conference room, 12/F, Building 1, Shengjin Road, Huanglong Residential District, Wenzhou, Zhejiang, the PRC at 2:00 p.m. on Wednesday, June 13, 2018 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 26, 2018 (the "**C** ").

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B W :

(1) To consider and approve the financial report for the year 2017 (including the audited financial statements);

(2) To consider and approve the proposed profit distribution plan for the year 2017;

(3) To consider and approve the proposed financial budget for the year 2018;

(4) To consider and approve the proposed appointment of PricewaterhouseCoopers Zhong Tian LLP as the independent auditor of the Company for the year 2018, to hold office until the conclusion of the next annual general meeting of the Company;

(5) To consider and approve the report of the Board for the year 2017;

(6) To consider and approve the report of the Supervisory Committee for the year 2017; and

(7) To consider and approve the report of the independent non-executive Directors for the year 2017.

B W :

(8) To consider and approve the proposed grant of a general mandate to the Board to issue H Shares of the Company (the details of which are set out in the Circular).

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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

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Zhejiang, the PRC
April 26, 2018

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(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 Monday, May 14, 2018 to Wednesday, June 13, 2018 (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 11, 2018 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 11, 2018 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 Thursday, May 24, 2018.

(f) Shareholders may send the above reply slip to the Company in person, by post or by fax.

2. [illegible]

(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 (i.e. before 2:00 p.m. on Tuesday, June 12, 2018).

(d) A Shareholder or his/her/its proxy may exercise the right to vote by poll.

3. CLOSURE OF H SHARE REGISTER OF MEMBERS AND 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 Wednesday, June 20, 2018 to Monday, June 25, 2018 (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 Company's share registrar of H Shares before 4:30 p.m. on Tuesday, June 19, 2018.

4. [illegible]

(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
Postal 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.