

THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt

If you have sold or transferred

Wenzhou Kangning Hospital Co., Ltd.,

Hong Kong, E.C.L. or



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)

**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. If you are in any doubt

regarding the AGM, please contact the Company Secretary, Ms. Chen Yanyan, at the Company Secretary's Office, Wenzhou Kangning Hospital Co., Ltd., No. 9, Jiefang Road, Jinhua City, Zhejiang Province, P.R. China, Tel: 86-571-82001821, Fax: 86-571-82001822.

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April 29, 2016

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LETTER FROM THE BOARD



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)

(SIC code: 2120)

Executive Directors:

GUAN Weili (管偉立) (Chairman)

WANG Linyue (王蓮月)

WANG Hongyue (王紅月)

Non-executive Directors:

ANG Yang (楊揚)

HE Xin (何欣)

Independent non-executive Directors:

CHENG Ke (莊一強)

HUANG Zhi (黃智)

HUANG Fulin (黃福霖)

To the Shareholders

Dear Shareholders,

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LETTER FROM THE BOARD

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

At the Annual General Meeting (AGM) of the Company held on 29th March 2016, the Board of Directors presented the financial statements for the year ended 31st March 2015 (the "Financial Statements") to the shareholders. The Financial Statements are available on the Company's website at www.abc.com and are also available for inspection at the Company's registered office. The Financial Statements are also available for inspection at the Company's AGM.

III. PROPOSED FINAL DIVIDEND DISTRIBUTION PLAN FOR THE YEAR 2015

1. Proposed final dividend distribution plan for the year 2015

At the meeting of the Board of Directors held on 24th March 2016, the Board has resolved to recommend a final dividend of 18.3 pence per share for the year ended 31st March 2015 (the "Proposed Final Dividend"). The Proposed Final Dividend is subject to the approval of the shareholders at the AGM. The Proposed Final Dividend is payable on 31st May 2016 to shareholders who are registered in the Register of Members as at the close of business on 31st March 2016. The Proposed Final Dividend is payable in cash. The Proposed Final Dividend is subject to the approval of the shareholders at the AGM. The Proposed Final Dividend is payable on 31st May 2016 to shareholders who are registered in the Register of Members as at the close of business on 31st March 2016. The Proposed Final Dividend is payable in cash. The Proposed Final Dividend is subject to the approval of the shareholders at the AGM.

The Proposed Final Dividend is payable on 31st May 2016 to shareholders who are registered in the Register of Members as at the close of business on 31st March 2016. The Proposed Final Dividend is payable in cash. The Proposed Final Dividend is subject to the approval of the shareholders at the AGM.

At the AGM, the Board will present the Financial Statements for the year ended 31st March 2015 and will recommend the Proposed Final Dividend. The AGM will be held on 29th March 2016 at 10.00 am at the Company's registered office.

LETTER FROM THE BOARD

IV. PROPOSED FINANCIAL BUDGET FOR THE YEAR 2016

At the AGM of the Company held on 15 October 2015, the Board of Directors proposed a financial budget for the year 2016. For the year 2016, the Company's financial budget is as follows:

Revenue	MB76.8 million
Operating Expenses	MB2.0 million
Operating Profit	MB288.5 million

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

At the AGM of the Company held on 15 October 2015, the Board of Directors proposed to re-appoint the domestic auditor and international auditor of the Company for the year 2016. The Board also proposed to authorize 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 May 2016, Mr. WONG Raymond Fook Lam (Mr. Wong) resigned from the Board of Directors of the Company. The Board of Directors proposed to appoint Mr. GOT CHONG KEY CLEVIN as an independent non-executive director of the Company. The Board also proposed to authorize the Board to fix his remuneration for the year 2016. The Board also proposed to authorize the Board to fix the remuneration of Mr. GOT CHONG KEY CLEVIN as an independent non-executive director of the Company for the year 2016.

LETTER FROM THE BOARD

2. Proposed Appointment of Mr. GOT Chong Ke Cle in

A B ... M 24, 2016, B ... Mr. G & C ...
K C (Mr. Got) ... D ... f ...
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... f ... f ... f B f ...
... f ... f ... f ... f ... f ...
f ... f B .

A ... A , ... f D ...
... f ... AGM f ...
... f ...

I ... Mr. G ... MB70,000 ... (...
... f ... D ...
... C ... AGM) f ...
... D ... f Mr. G ... f ...
... D , ... M. CH NG ... K ... M.
H ANG , ... f ... f ...
... f ... f ... f ...
... C ... M. G ...
... D ... AGM f ...
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f ... f B .

B ... f Mr. G ... A ... f ...

Mr. G ...
... D ... f ...
C ... f ... C ...

A f ... f ... Mr. G ... f ... C ...
... f ... F . Mr. G ...
... C ... C ...

... f ...
13.51(2)() () f ... H , K , L ... Mr. G ...
... f ...

LETTER FROM THE BOARD

IX. REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2015

At the 12th Annual General Meeting of the Company held on 29 April 2015, the Supervisory Committee reported on its activities for the year 2015, as well as the work plan for the year 2016.

X. PROPOSED AMENDMENTS TO THE ARTICLES

1. Reasons for the Proposed Amendments to the Articles

At the 12th Annual General Meeting of the Company held on 29 April 2015, the Supervisory Committee reported on its activities for the year 2015, as well as the work plan for the year 2016. The Supervisory Committee proposed amendments to the Articles of Association of the Company, which were approved by the shareholders at the 12th Annual General Meeting of the Company held on 29 April 2015. The amendments are as follows:

2. The Proposed Amendments to the Articles

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.

Article 13:

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.

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:

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

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/>

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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:

No.	Name of shareholders	Shareholding (shares)	Percentage of shareholding
1.	Guan Weili	19,810,250	27.1225%
2.	Guangzhou GL Capital Investment Fund L.P.	15,384,541	21.0632%
3.	Wang Hongyue	5,304,350	7.2623%
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7.	Ningbo Xinshi Kangning Investment Management L.P.	1,543,000	2.1125%
8.	Ningbo Enci Kangning Investment Management L.P.	258,000	0.3532%
9.	Ningbo Renai Kangning Investment Management L.P.	199,000	0.2725%
10.	Public shareholders of H shares	20,240,000	27.7108%
	Total	73,040,000	100%

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

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

The Board proposes to grant a general mandate to the Board to issue Domestic Shares and/or H Shares at the AGM:

() The Board proposes to grant a general mandate to the Board to issue Domestic Shares and/or H Shares up to 20% of the total number of shares of the Company as at the date of the AGM;

() The Board proposes to grant a general mandate to the Board to issue Domestic Shares and/or H Shares up to 20% of the total number of shares of the Company as at the date of the AGM, provided that the aggregate number of Domestic Shares and/or H Shares issued under this general mandate shall not exceed 20% of the total number of shares of the Company as at the date of the AGM;

() The Board proposes to grant a general mandate to the Board to issue Domestic Shares and/or H Shares up to 20% of the total number of shares of the Company as at the date of the AGM, provided that the aggregate number of Domestic Shares and/or H Shares issued under this general mandate shall not exceed 20% of the total number of shares of the Company as at the date of the AGM, and provided that the aggregate number of Domestic Shares and/or H Shares issued under this general mandate shall not exceed 20% of the total number of shares of the Company as at the date of the AGM;

() The Board proposes to grant a general mandate to the Board to issue Domestic Shares and/or H Shares up to 20% of the total number of shares of the Company as at the date of the AGM, provided that the aggregate number of Domestic Shares and/or H Shares issued under this general mandate shall not exceed 20% of the total number of shares of the Company as at the date of the AGM, and provided that the aggregate number of Domestic Shares and/or H Shares issued under this general mandate shall not exceed 20% of the total number of shares of the Company as at the date of the AGM, and provided that the aggregate number of Domestic Shares and/or H Shares issued under this general mandate shall not exceed 20% of the total number of shares of the Company as at the date of the AGM;

LETTER FROM THE BOARD

As of December 31, 2015, the Company had 52,800,000 shares of common stock outstanding, of which 20,240,000 shares were held by the Company. At the AGM, the Company had 52,800,000 shares of common stock outstanding, of which 20,240,000 shares were held by the Company. At the AGM, the Company had 52,800,000 shares of common stock outstanding, of which 20,240,000 shares were held by the Company.

- (i) ...;
- (ii) ...;
- (iii) ...;
- (iv) ... AGM.

As of December 31, 2015, the Company had 52,800,000 shares of common stock outstanding, of which 20,240,000 shares were held by the Company. At the AGM, the Company had 52,800,000 shares of common stock outstanding, of which 20,240,000 shares were held by the Company.

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

- As of December 31, 2015, the Company had 52,800,000 shares of common stock outstanding, of which 20,240,000 shares were held by the Company. At the AGM, the Company had 52,800,000 shares of common stock outstanding, of which 20,240,000 shares were held by the Company.
- (i) ...;
 - (ii) ...;
 - (iii) ...;

NOTICE OF THE ANNUAL GENERAL MEETING


- (6) ... f ... D ...
... f ... C ... ;
- (7) ... f ... B ... 2015;
- (8) ... f ... C ... f ... 2015;
- (9) ... f ... D ... f ... 2015.

B a of special resolutions:

- (10) ... A ... (... f ...
... A ... L ... B ... C ...);
- (11) ... f ... B ... D ...
... /H ... (... f ... I ... G ... f G ... M ...
... B ... I ... D ... /H ... L ... B ... C ...)).

D ... f ... AGM ... C ...
... f H , K , E ... C ... L ... (...) ... f
C ... (...).

B ... f ... B ...
Wen hou Kangning Hospital Co., Ltd.
GUAN Weili
Chairman


A ... 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

- () Company of M... F... AGM, ... M 15, 2016... J... 14, 2016 (...).
- () D... H... C... F... M 13, 2016... AGM.
- () H... AGM... L... 4:30, ... M 13, 2016...
- () A... If... AGM... f... M...
- () D... H... AGM... C... F... M 24, 2016.
- (f) ... C...

2. Pro

- () A... AGM... f...
- () A... If... f... ()...
- () ... ()... C... D... H... K... I... L... 17M... H... C... 183... E... C... H... K... f... H... 24... AGM.
- () A...

NOTICE OF THE ANNUAL GENERAL MEETING

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

For the purpose of the proposed final dividend, the Register of Members for H Shares will be closed for the period from Friday, June 19, 2016 to Friday, June 24, 2016 (inclusive). In addition, the Register of Members for H Shares will be closed for the period from Friday, June 17, 2016 to 4:30 p.m. on Friday, June 17, 2016.

4. Miscellaneous

- () The AGM will be held at the AGM Venue.
- () The Company's H Shares, Class H, are listed on the Exchange, 1712-1716, 17/F, H. K. C., 183, H. K. C., H. K. C.
- () The Company's H Shares, Class H, are listed on the Exchange, 1712-1716, 17/F, H. K. C., 183, H. K. C., H. K. C.
N. 1, H. K. C., D. C., C.: 325000
Tel. N.: (+86) 577 8877 1689
Fax. N.: (+86) 577 8878 9117
- () The AGM will be held at the AGM Venue. (+86) 577 8877 1689.

