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温州康宁 院股份有限公司

Wenzhou spital Co., Ltd.

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Scheme has been developed on the precondition of fully safeguarding Shareholders' interests pursuant to the principle of benefits being in proportion to contributions and in accordance with provisions of the relevant laws, administrative regulations and regulatory documents including the Company Law and the Articles of Association.

(2) Administrative body of the Incentive Scheme

(a) The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of the Incentive Scheme. The general meeting may, within its powers and authority, authorise the Board to handle certain matters relating to the Incentive Scheme.

(b) The Board shall act as the executive and administrative body for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Remuneration Committee under the Board shall be responsible for drafting and revising the Incentive Scheme, and submitting the Incentive Scheme to the Board for consideration and approval. Upon approval by the Board, the Incentive Scheme shall be further submitted to the general meeting for review and approval. The Board may handle such matters relating to the Incentive Scheme within its scope of authority as delegated by the general meeting.

(c) The Supervisory Committee and independent non-executive Directors shall act as the supervisory authority for the Incentive Scheme, and shall conduct oversight as to whether the Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the Shareholders as a whole.

(3) Basis for determining the Participants and the scope of the Participants

(a) Ba ʃ dete t e Pa t c a t

(i) Legal basis for determining the Participants

The Participants of the Incentive Scheme are determined after taking into account of the circumstances of the Company and in accordance with the requirements of the relevant laws, administrative regulations and regulatory documents including the Company Law, as well as the Articles of Association.

(ii) Functional basis for determining the Participants

The Participants of the Incentive Scheme shall include senior management

The reserved entitlements shall become invalid where the Participants are not determined within 36 months. Within 12 months upon the expiry of Unlocking Period of the Incentive Scheme, the general partner of the Partnership shall dispose of such portion of equity according to the contents of "**Liquidation of the general partner's equity interest in the Partnership**" in (8)(c) of this Incentive Scheme.

(c) L t ȝ t e Pa t c a t de t e I ce t e Sc e e

The specific list and subscribed capital contribution of the Participants shall be selected and the

Debscrptionc)f equity odunder the Incentive Scheme

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representing 0.72% of the Company's total share capital as at the Latest Practicable Date, and accounting for 1.00% of the total number of Non-tradable and Non-listed Domestic Shares and 21.38% of the total number of Shares to be granted under the Incentive Scheme.

(5) Validity period, Grant Date, Locked-up Period and Unlocking Period arrangement of the Incentive Scheme

(a) Va d ty e d ŋ t e I ce t e Sc e e

The validity period of the Incentive Scheme shall be 10 years from the date of approval at the AGM, unless it is terminated in accordance with the relevant provisions of the Incentive Scheme.

(b) G a t Date ŋ t e I ce t e Sc e e

After the Incentive Scheme has been considered and passed at the AGM, the Company will convene a Board meeting to grant equity to the Participants and complete the registration and other related procedures.

(c) L c ed- Pe d ŋ t e I ce t e Sc e e

The Locked-up Period of the Incentive Shares granted to the Participants is 48 months, calculated from the date the Participants are granted the Incentive Shares.

The Incentive Shares shall be owned indirectly through the Employees' Shareholding Platform by the respective Participants once they are granted and fully paid up. The Incentive Shares granted to Participants shall not be transferred, pledged or otherwise disposed of during the Locked-up Period. Upon registration, the Incentive Shares granted to the Participants shall be entitled to all rights that they would have, including but not limited to the entitlement to dividends and voting rights, and such rights are not subject to the Locked-up Period. Upon the expiry of the Locked-up Period, unless otherwise agreed, the Participants may dispose of the unlocked Incentive Shares.

Participants vote through Employees' Shareholding Platform at the general meeting, or they shall abstain from voting through Employees' Shareholding Platform in accordance with the Articles of Association and Hong Kong Listing Rules at the general meeting when necessary. The voting rights attached to a Participants' Shares granted through the Partnership are exercised by the general partner of the Partnership as directed by the partner's meeting as described below. In particular, if the Company holds a general meeting, the general partner of the Partnership will convene a partner's meeting prior to the general meeting

and send a polling form and relevant corporate information (such as annual reports or shareholder circulars) to all Participants for their consideration and review of resolutions proposed at the meeting and giving voting instructions in those polling forms. Those polling forms are similar to proxy forms sent to Shareholders and provide the Participants with the options to vote in favor of, against or abstain from voting on each of the resolutions to be proposed at the general meeting, which shall be agreed by way of voting at the partner's meeting pursuant to the Partnership agreement. The general partner of the Partnership shall vote at the general meeting based on the results resolved at the partner's meeting. The general partner of the Partnership only vote based on the results resolved by the partner at the meeting. All voting results are reflection of the intention of the Partnership, and the Company and the general partner of the Partnership will not influence the voting decisions made by the Participants at the partner's meeting. The general partner of the Partnership will specify each of the numbers of shares voting in favor of, against and abstain from voting, in the voting paper of general meeting of the Company, respectively. The Board will ensure that theindependence of the Participants will not be influenced by the voting procedures.

The general partner of the Partnership and the Participants will abstain from voting for equity shares held at the partner's meeting for the following reasons:

(i) Shares of reserved interest not yet granted to any Participant, including reserved interest invalidated for not specifying the relevant Participants for more than 36 months;

(ii) Share interest which have repurchased from Participants and may not unlock because of failure to meet performance evaluation targets of the Company's performance results or appointment requirements and individual performance evaluation targets in accordance with the provisions of the Incentive Scheme; and

(iii) Share interest held due to exception changes as stipulated in the provisions of the Incentive Scheme.

These arrangements made by the Company are to serve the purpose of this Incentive Plan which is to effectively align the interests of the Shareholders, the Company and its core team. By enabling the core team to hold the Company's equity interest for a certain period of time, involve in the decision making of the Company, share the value growth of our equity as well as take certain risks at the same time, all parties share a great concern to the long-term development of the Company and therefore they will ensure the realization of the Company's development strategy and business objectives.

When a Participants is granted Incentive Shares, he/she is required to subscribe the corresponding property portion in the Partnership, that is, the Participant makes a payment for Share purchase and indirectly becomes a Shareholder holding the Company's equity which entitles him/her rights as a Shareholder. At the same time, in accordance with the provisions of the Incentive Scheme, this shareholding is locked and will be unlocked for transfer in realization of gains upon the satisfaction of the Company's performance evaluation targets and individual appointment requirements and individual performance evaluation targets in the future. As a conclusion, these arrangements are conducive to retaining the Company's core team personnel, the improvement of the Company's operating results and enhancement of its core competitiveness, in line with the incentive purposes of the Company, and the interests of the Shareholders of the Company as a whole.

(d) U c Pe d a a e e t ℸ t e I ce t e Sc e e

Incentive Shares under the first grant shall be unlocked in one go after 48 months from the date of the first grant; Incentive Shares under the reserved grant shall be unlocked concurrently with those under the first grant unless the circumstances are exceptional where the amendment plan shall be made under the Incentive Scheme.

(6) Grant Price of the Incentive Shares and basis for determination

(a) G a t P ce ℸ t e I ce t e S a e

The Grant Price of the Incentive Shares under the first grant shall be RMB10.47 per Share; The Grant Price of the Incentive Shares under the reserved grant shall be RMB10.47 per Share.

(b) Ba ℸ dete at t e G a t P ce ℸ t e I ce t e S a e

Based on the fundamental purpose of promoting the development of the Company and safeguarding the interests of Shareholders, the Grant Price RMB10.47 of Incentive Shares under the Incentive Scheme has been determined in accordance with the principle of "**incentives with emphasis and effectiveness (重點激勵、有效激勵)**

(ii) the number of Incentive Shares granted this time and the incentive effects.

(c) G a t P ce ϡ t e I ce t e S a e at a d c t e

The Grant Price of the Incentive Shares under the Incentive Scheme represents approximately 32.22% of the trading price of the Company's H Shares, that is RMB10.47 per Share.

(7) Granting conditions and Unlocking Conditions of the Incentive Shares

(a) G a t c d t ϡ t e I ce t e S a e

Incentive Shares may be granted to the Participants by the Company upon satisfaction of all of the following conditions. In other words, Incentive Shares cannot be granted to the Participants if any of the following granting conditions is not satisfied:

(i) on grant of the Incentive Shares, labor contract or employment contract of the Participant is in the normal state of performance;

(ii) the Participant can meet the qualifications confirmed by the Board; and

(iii) the Participant has signed the equity incentive agreement.

(b) U c C d t ϡ t e I ce t e S a e

(2) based on the net profit attributable to Shareholders of the parent company in the audited consolidated financial statements of the Company for the year 2017 (being approximately RMB58 million after excluding the impact of non-recurrent factors such as foreign exchange losses, government subsidies and listing fees), the growth rate of the net profit attributable to Shareholders of the parent company (excluding the effect of non-recurring factors) in the audited consolidated financial statements of the Company for the year 2021 compared with that for the year 2017 shall not be less than 120%.

After the announcement of the audited consolidated financial statements for the year 2021, based on the achievement of performance indicators and the position and amount of subscriptions of the Participants, the total amount of Incentive Shares that can be unlocked shall be determined according to the following ratios:

Achievement of performance indicators	**Senior Management**	**Subscription of over RMB200,000 (inclusive)**	**Subscription of less than RMB200,000**
Achieve both two performance evaluation targets	100%	100%	100%
Achieve only one performance evaluation target	50%	75%	85%
Fail to achieve both performance evaluation targets	20%	50%	70%

(ii) Evaluation targets of Participants at the individual level

During the four years from 2018 to 2021, the Company performed annual individual performance evaluations for all Participants according to the five grades of excellent, A, B, C and D. If the annual individual performance evaluation result of a Participant is excellent /A/B grade, the annual individual performance of such Participants is assessed to be "**up to standard**"; if the annual individual performance evaluation result of the Participant is C/D grade, the annual individual performance for such Participant is assessed to be "**not up to standard**".

If the evaluation of a Participant are all "**up to standard**" during the four years evaluation period from 2018 to 2021, the Participant can unlock all the Incentive Shares held by them as per unlockable total amount specified in this Incentive Scheme. If a Participant experiences "**not up to standard**" during the four years evaluation period from 2018 to 2021, the Participant can unlock the Incentive Shares held by them based on the total amount of unlockable amount as follows:

Number of times not up to standard	**Unlocking ratio based on unlockable amount**
Once	75%
Twice	50%
Thrice	25%
Four times	0%

(c) Treatment of Locked Incentive Shares

Locked Incentive Shares shall be repurchased by the general partner of the Partnership concerned. The repurchase price shall be the paid-up contribution amount of a Participant, and the cash dividends received by the Participants during the Locked-up Period shall be deducted from the repurchase price. The Incentive Shares which may not be unlocked held by the general partner shall be handled according to "**Liquidation of the general partner's equity interest in the Partnership**" in (8)(c) of this Incentive Scheme.

(8) Exit mechanism upon expiration of the Unlocking Period of the Incentive Scheme

(a) Realization of Incentive Shares held by the Participant

If the Incentive Shares held by the Participants through the Employees' Shareholding Platform expire during the Locked-up Period and the corresponding Unlocking Conditions are met, the following exit methods shall be implemented:

(i) In the event that listing is not realized for underlying Shares of this Incentive Scheme within the validity period, the Company have undertaken to assist the transfer of the Company's Shares reflecting the interests held by Participants through the Partnership to independent third parties within the validity period.

Participants must submit transfer applications to the general partner of the Partnership within 30 days prior to the transfer window period agreed with the Partnership each year. Such applications should specify their transfer sizes. The total number of the Company's Shares that a Participant requires the general partner to transfer is the product of the total number of Company's Shares held by Partnership at that time and the proportion of the Participant's equity interest in the Partnership. The general partner shall determine the timing and the price of a transfer during the transfer window period according to the negotiation with the transferee. After the Partnership has transferred the Company's Shares, the proceeds of such transfers of Shares net of tax withholding and Partnership fees in proportion to relevant interest in the Partnership will be distributed to each applicant for buying back the property share in the Partnership held by such Participant. Formalities of the above changes will be registered in the competent industry and commerce authorities in accordance with the relevant provisions of the Partnership agreement. When the Partnership transfers the Company's Shares at a price lower than RMB32 per Share, the relevant Participant(s) may require the de facto controllers of the Company to make up the difference between the actual transfer price and RMB32 per Share in cash. If the de facto controllers fail to pay the difference between the actual transfer price and RMB32 per Share to the Participant on a timely basis, the Company may deduct such amount from the dividend distribution and pay it to the Participant when the Company pays dividend to the de facto controllers. The Participant may require the de facto controllers to shoulder the default responsibility by submitting a lawsuit to the people's court with jurisdiction. These arrangements will enhance the incentive effect of this Incentive Scheme and foster greater willingness for participation in the Incentive Scheme. The de facto controllers of the Company will not directly or indirectly purchase the Company's Shares held by the Employees' Shareholding Platform. Therefore, the Board considers that these arrangements are fair and reasonable and beneficial to the Company and the Shareholders as a whole. The minimum exit price of the Incentive Shares under the Incentive Scheme is RMB32 per Share, which is determined based on the recent trading price of the H Shares of the Company.

(ii) If, within the validity period, the Shares involved in this Incentive Scheme implement the listing and circulation plan, subject to compliance with relevant laws and regulations and requirements of relevant regulatory agencies and compliance with relevant regulations of the Articles of Associations, Participants may require the Partnership to sell the Company's Shares corresponding to his/her equity shares in order to gradually realize revenue from the equity shares.

Participants must submit share reduction applications to the general partner of the Partnership within 30 days prior to the reduction window period agreed with the Partnership each year. Such applications should specify their price ranges and sizes of the share reductions, and the general partner of the Partnership shall determine the timing and manner of the share reductions during the reduction window period. After the Partnership has disposed the Company's Shares, the proceeds of such transfers of Shares net of tax withholding and Partnership fees in proportion to relevant interest in the Partnership will be distributed to each applicant for buying back the property share in the Partnership held by such

time, the parties shall negotiate and determine their respective proportion of purchase. Failing to do so, the proportion of purchases will be determined based on the proportion of their contribution to the Partnership at the time of the transfer.

(c) L dat ȷte eea ate' e ty tee t tePate

Within 12 months after expiration of the Lock-up Period of the Incentive Scheme, the Company shall repurchase at the price of RMB10.47 per Share and cancell the Incentive Shares held for the following reasons by the Partnership:

(i) the reserved interests that have not granted to the Participants within 36 months;

(ii) the Incentive Shares Entitlement to be repurchased from the Participants that cannot be unlocked due to that the Company's performance level has not reached the performance evaluation target or has not met the qualifications for appointment or individual performance evaluation requirement as stipulated in this Incentive Scheme; and

(iii) the Incentive Shares Entitlement held in the event of a change as stipulated in this Incentive Scheme.

When the Company repurchases such Incentive Shares as required under the Incentive Scheme, it shall deduct the cash dividend received in respect of such Shares from the repurchase price.

(9) Implementation, granting, unlocking and change, termination procedures of the Incentive Scheme

(a) Effect e ced e ȷte I ce t e Sc e e

(i) The Remuneration Committee shall be responsible for drafting the Incentive Scheme.

(ii) The Board shall review the draft of the Incentive Scheme prepared by the Remuneration Committee. When the Board considers the Incentive Scheme, the related Directors should abstain from voting.

(iii) After the Board has considered and passed the draft of the Incentive Scheme, the Company shall announce the resolution of the Board.

(iv) This Incentive Scheme and related resolutions shall be considered as special resolutions at the AGM, and the related Shareholders should abstain from voting.

(b) G a t ced e ℑ t e I ce t e Sc e e

(i) The general partner of the Partnership and the Participants shall sign the

and passed by the Board. If the Company intends to amend the Incentive Scheme after it is considered and approved at the AGM, such amendment shall be considered and approved at the AGM, unless the circumstances are exceptional where the amendment plan shall be made to the Incentive Scheme pursuant to the relevant laws and regulations and the relevant requirements of the regulatory authorities with respect to the initial public offering and listing of A shares.

(ii) Termination procedures of the Incentive Scheme

If the Company intends to terminate the Incentive Scheme before it is considered and passed at the AGM, such termination needs to be considered and passed by the Board and should be disclosed. If the Company intends to terminate the Incentive Scheme after it is considered and passed at the AGM, such termination should be considered by the Board and the general meeting and should be disclosed.

After the Incentive Scheme is considered and passed by the general meeting, Incentive Shares will be granted to the Participants in batches. The Incentive Shares granted to the Participants will have a Locked-up

supervise and review if the Participants have the qualification to unlock shares. If the Participants fail to fulfill the Unlocking Conditions required by the Incentive Scheme, the Company will repurchase the corresponding locked-up Incentive Shares from the Participants in accordance with the principle required by the Incentive Scheme.

(ii) The Company has the right to require the Participants to work for the Company based on the requirements of their positions. If the Participants are incompetent in performing their duties or fail in the appraisal or violate the laws and professional ethics, leak confidential information of the Company or are negligent or commit gross misconduct in performance of duties, which may cause serious damage to the interests or reputation of the Company, the locked-up Incentive Shares of the Participants may be cancelled upon the approval of the Board.

(iii) The Company shall pay individual income tax and other taxes and fees on behalf of the Participants in accordance with relevant provisions of the tax laws and regulations of the PRC.

(iv) The Company undertakes not to provide loans and financial support in any other forms, including providing guarantee for loans, to the Participants with respect to the acquisition of Incentive Shares under the Incentive Scheme.

(v) The Company shall make timely, true, accurate and complete disclosure of information disclosure documents relating to the Incentive Scheme according to relevant laws and regulations and regulatory documents, warrant that such documents do not contain false statement, misleading representation or material omission and timely perform relevant reporting obligations under the Incentive Scheme.

(vi) Other relevant rights and obligations as stipulated under the laws, administrative regulations and regulatory documents.

(b) R t a d b at ȝ t e Pa t c a t

(i) Participants shall comply with the requirements of their positions within the Company, and shall work diligently and responsibly, strictly observe professional ethics, and make due contributions to the development of the Company.

(ii) Participants shall lock up the Incentive Shares Entitlement granted to them according to the requirements of the Incentive Scheme.

(iii) Source of funds of Participants shall be derived from their own funds.

(iv) Incentive Shares Entitlement granted to Participants according to the Incentive Scheme must not be disposed of during the Locked-up Period (including but not limited to transfer, sale, guarantee, mortgage or pledge).

(v) Any gains of the Participants derived from the Incentive Scheme are subject to individual income tax and other taxes and fees according to PRC tax regulations.

(vi) Participants undertake that they shall cease to receive any gains from the properties of the Partnership starting from the date of departure and shall cooperate with the Partnership in completing all exit procedures.

(vii) Other relevant rights and obligations as stipulated by laws, administrative regulations, regulatory documents and the Incentive Scheme.

(c) Ot e ex a at

After the Incentive Scheme is considered and approved by the AGM of the Company, the general partner of the Partnership shall sign the partnership agreement with each Participant to expressly define their respective rights and obligations under the Incentive Scheme and other relevant matters.

Any dispute between the Company and the Participants shall be resolved in accordance with provisions of the Incentive Scheme and the Partnership Agreement. Disputes which are not clearly covered by the provisions shall be resolved in accordance with PRC laws through arm's length negotiation. Where the disputes cannot be settled through negotiations, they shall be referred to the people's court with jurisdiction over the Company's place of domicile.

The determination of Participants under the Incentive Scheme by the Company does not constitute an undertaking about the employment period of employees. The Company still determines its employment relationship with employees according to the labor contract or engagement contract signed with the Participants.

(11) Solutions to the Incentive Scheme in case of unusual changes to the Company/Participants

(a) S t ca e ϳ a c a e t t e C a y

(i) Merger and spin-off of the Company, etc..

In case of merger and spin-off of the Company, the Board shall decide whether the Incentive Scheme should be terminated within 5 business days from the date of such merger and spin-off.

(ii) Change in control of the Company

When there is any change in control of the Company, the Board shall decide whether the Incentive Scheme should be terminated within 5 business days from the date when the control of the Company changes.

(iii) Proposed application for initial public offering and listing of A Shares by the Company

In order to comply with relevant laws and regulations and requirements of relevant regulatory authorities, if necessary, before the Company apply for initial public offering and listing of A Shares, the Board of the Company has the right to change such scheme, including but not limited to arrangements such as proposed solution of early unlocking, cancellation of performance assessment conditions, and extension of lock-up period.

(b) S t t c a e e a a t c a ϳ t e Pa t c a t

The following actions shall be taken in the following circumstances. Meanwhile, the general partner of the Partnership has the right, depending on circumstances, to require the participants to return the cash dividend received by them.

(i) Changes in job positions of Participants

① If a Participant has a change in job position but still works in the Group, the Incentive Shares granted to him/her/it will still be subject to the procedures as specified in the Incentive Scheme. If additional Incentive Shares need to be granted to a Participant due to change in job position, the Company will grant the Incentive Shares reserved under the Incentive Scheme to them.

2. If the Participants experience a change in position due to acts

(iv) Resignation by Participants due to incapacity

① If the Participants resign due to incapacity resulting from job-related injury, the Remuneration Committee shall determine the handling method according to the circumstance, including whether all or part of the Incentive Shares can be handled according to the procedures specified in the Scheme before the occurrence of such circumstance. Otherwise the Participants shall transfer all parts of the properties of the Partnership held by them to general partners of the Partnership to which they belong at a transfer price which is the capital contribution amount paid by the Participants when they invest in the Partnership.

② If the Participants resign not due to incapacity resulting from job-related injury, the Participants shall transfer all parts of the properties of the Partnership held by them to general partners of the Partnership to which they belong at a transfer price which is the capital contribution amount paid by the Participants when they invest in the Partnership.

(v) Death of Participants

① If the Participants die due to the performance of duties, the Remuneration Committee shall determine the handling method according to the circumstance, including whether the granted Incentive Shares are held by their designated heirs or lawful heirs on their behalf according to the procedures specified in the Scheme prior to their death. Otherwise the Participants shall transfer all parts of the properties of the Partnership held by them to general partners of the Partnership to which they belong at a transfer price which is the capital contribution amount paid by the Participants when they invest in the Partnership, and the transferred amounts will be received by their designated heirs or lawful heirs on their behalf.

② If the Participants die due to other reasons, the Participants shall transfer all parts of the properties of the Partnership held by them to general partners of the Partnership to which they belong at a transfer price which is the capital contribution amount paid by the Participants when they invest in the Partnership,and the transferred amounts will be received by its designated heirs or lawful heirs on their behalf.

(vi) Change in the control of the subsidiary to which the Participants belong

For the Participants who hold positions in holding subsidiaries of the Company, if the Company loses control of the subsidiaries and the Participants still work in the companies, the Participants shall transfer all parts of the properties of the Partnership held by them to general partners of the Partnership to which they belong at a transfer price which is the capital contribution amount paid by the Participants when they invest in the Partnership.

(c) Ot e c c ta ce

Other circumstances not stated above and the handling method thereof shall be determined by the Remuneration Committee.

(12) Miscellaneous

(a) The Incentive Scheme shall become effective upon review and approval of the AGM of the Company; and

(b) The Incentive Scheme is subject to interpretation of the Board.

AUTHORISATION TO THE BOARD OF DIRECTORS TO DEAL WITH, AT ITS ABSOLUTE DISCRETION, MATTERS RELATING TO THE EQUITY INCENTIVE SCHEME OF THE COMPANY

The Board proposed to grant the following authorization to the Board upon seeking approval from the Shareholders at the AGM:

(1) to authorize the Board to determine the qualifications and conditions for Participants to participate in the Equity Incentive Scheme, and to confirm the Grant Date of the Equity Incentive Scheme;

(2) to authorize the Board to determine all the matters such as the reserved Participants, grant quantity and Grant Date for the Equity Incentive Scheme of the Company;

(3) to authorize the Board to formally grant Incentive Shares to the Participants when they become eligible;

(4) to authorize the Board to deal with all matters necessary for the grant and unlocking of equity for Participants to exercise their rights, including but not limited to amending the Articles of Association, handling the business registration procedures such as change in registered capital of the Company and Employees' Shareholding Platform, etc.;

(5) to authorize the Board to review whether the Participants meet unlocking

Shareholding Structure of the Company

The table below sets forth the shareholding structure of the Company (i) as of the date of this announcement; and (ii) immediately after allotment and issuance of

Class of Shares	Shareholding Structure as of the date of this announcement No. of Shares	 Approximate Percentage of the Company's Total Issued Share Capital	Shareholding Structure after Issuance of Subject Shares No. of Shares	 Approximate Percentage of the Company's Total Issued Share Capital
Ningbo Renai Kangning Investment Management L.P.	199,000	0.2725%	199,000	0.2636%
The Partnership[(1)]	—	—	2,460,000	3.2583%
H Shares				
Public float[(2)]	20,240,000	27.7108%	20,240,000	26.8079%
Total Number of Issued Shares	73,040,000	100%	75,500,000	100%

N te :

(1) The Partnership is a limited partnership formed by the Company to establish the Employees'NingboP0428.7

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theirii) of the Company654.8.%Iaa33ationutf the Company

General

The Company shall despatch a supplemental circular to the shareholders as soon as practicable, setting out, amongst other things, further details of the proposed adoption of the Equity Incentive Scheme and the authorization to the Board of Directors to deal with matters relating to the Equity Incentive Scheme of the Company in its absolute discretion as well as the revised notice of the AGM. The Company did not conduct any equity fund-raising activity within the past 12 months from the date of this announcement.

The Equity Incentive Scheme shall be subject to the fulfillment of certain conditions, thus the Equity Incentive Scheme may not proceed. Shareholders of the Company and potential investors are advised to pay attention to investment risks and exercise caution when dealing in shares of the Company.

Definitions

"AGM"	the annual general meeting of the Company for the year 2017 to be convened and held on June 13, 2018
"Articles of Association"	the articles of association of Wenzhou Kangning Hospital Co., Ltd.
"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)
"Company Law"	the Company Law of the People's Republic of China
"de facto controllers"	Mr. Guan Weili and his spouse, Ms. Wang Lianyue
"Director(s)"	the director(s) of the Company
"Domestic Shareholder(s)"	the holder(s) of Domestic Share(s)
"Domestic Shares" or "Non-tradable and Non-listed Domestic Shares"	ordinary shares issued to domestic investors by the Company with a nominal value of RMB1.0 each, which are subscribed for in Renminbi; as of the date of this announcement, such Domestic Shares are not listed for trading on any stock exchange

"Employees' Shareholding Platform"	employees' shareholding platform, which holds the Incentive Shares for and on behalf of the Participants
"Grant Date"	the date on which the Board duly grants the Incentive Shares to the Participants through the Employees' Shareholding Platform in accordance with the Incentive Scheme
"Grant Price"	the price per Incentive Share at which the Company grants to the Employees' Shareholding Platform in accordance with the Incentive Scheme
"Group"	the Company and its subsidiaries
"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
"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
"Incentive Scheme" or "Scheme" or "Equity Incentive Scheme"	the equity incentive scheme for the year 2018 of the Company
"Incentive Share(s)"	Non-tradable and Non-listed Domestic Shares granted under the Incentive Scheme for subscription by the Participants through the Employees' Shareholding Platform. According to the provisions under the Incentive Scheme regarding Incentive Shares held by the Participants through the Employees' Shareholding Platform, those Incentive Shares shall include the additional Shares in the event of conversion of capital reserve into share capital, bonus issues, share sub-division, etc. by the Company, whether or not the Incentive Shares are already unlocked

"Incentive Shares Entitlement"	the properties of the Partnership entitled by the Participants in proportion to the Incentive Shares granted to them
"Locked-up Period"	a stipulated period commencing from the Grant Date, during which the Employees' Shareholding Platform may not dispose of (including but not limited to transfer, sell, guarantee, pledge or charge) any portion or the whole of Incentive Shares granted under the Incentive Scheme, calculated from the Grant Date of the Incentive Shares
"Participant(s)"	senior management, core technical (business) personnel and other persons of the Group who, in the opinion of the Board, shall be awarded in accordance with the provisions of the Incentive Scheme and be granted with the Incentive Shares
"Partnership"	a limited partnership formed by the Company to establish the Employees' Shareholding Platform
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Remuneration Committee"	remuneration committee under the Board of the Company
"RMB"	Renminbi, the units of lawful currency of the People's Republic of China
"Share(s)" or "share certificate(s)"	share(s) or share certificate(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
"Total Share Reduction"	the total number of Shares of the Company that any Participant requires the general partner of the Partnership to dispose

"Unlocking Period"	the period during which the Participants may dispose of the whole or any portion of the Incentive Shares granted to him/her through the Employees' Shareholding Platform upon the satisfaction of Unlocking Conditions as required under the Incentive Scheme
"Unlocking Conditions"	the conditions required to be satisfied for the unlocking of the Incentive Shares granted to Participants through the Employees' Shareholding Platform under the Incentive Scheme
"%"	percentage ratio

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

Zhejiang, the PRC
May 29, 2018

A ɔ t e date ɔ t a ce e t, t e exec t e D ect ɔ t e C a y a e M . GUAN We , M . WANG L a y e a d M . WANG H y e; t e -exec t e D ect a e M . YANG Ya a d M . LIN L ; a d t e de e de t -exec t e D ect a e M . CHONG Yat Ke , M . HUANG Z a d M . GOT C Key C e .