

WENZHOU KANGNING HOSPITAL CO., LTD.

**PROCEEDING OF THE SHAREHOLDERS' MEETING ON
PROPOSING A CANDIDATE FOR ELECTION AS A DIRECTOR**

Pursuant to the Articles of Association of Wenzhou Kangning Hospital Co., Ltd. (the “Company”) (the “Articles”) and the Company Law of the People’s Republic of China, the Company can elect any person as a director of the Company (“Director”) to fill a casual vacancy in the board of Directors of the Company (the “Board”) or as a new member of the existing Board in general meeting by an ordinary resolution from time to time.

Article 118 of the Articles stipulates that Directors shall be elected by a general meeting. Article 74 of the Articles further stipulates that when a general meeting is convened by the Company, the Board, board of supervisors or shareholders who individually or collectively hold more than 3% of the shares of the Company shall be entitled to propose resolutions to the Company. Therefore, if shareholder(s) of the Company intends to propose a candidate for election as a Director, such shareholder(s) shall individually or collectively hold more than 3% of the shares of the Company.

Article 120 of the Articles stipulates that the following procedures shall be performed before the election of those Directors other than independent non-executive Directors:

The notice concerning proposed nomination of a Director candidate and the written notice regarding the indication of the candidate’s intention to accept the nomination shall be sent to the Company with a shortest term of at least seven (7) days. The date of entitlement of the abovementioned term shall not be earlier than the first day upon the issue of the notice for convening the shareholder’s meeting for this purpose, and the date of expiry shall not be later than seven (7) days prior to the date of convening the shareholder’s meeting.

Based on this, if a shareholder of the Company intends to propose any person for election as a Director (other than an independent non-executive Director), the following documents shall be effectively delivered to the Company’s head office in the PRC at Shengjin Road, Huanglong Residential District, Wenzhou, Zhejiang, PRC or the Company’s principal place of business in Hong Kong at 18/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, including: (i) the notice concerning proposed nomination of a Director candidate; and (ii) the written notice regarding the indication of the candidate’s intention to accept the nomination, together with (a) information about the candidate required to be disclosed under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and (b) the written consent indicating the consent of the candidate to release his or her personal information.

Article 129 stipulates that the Company shall formulate working rules of independent non-executive Directors, which will specify the qualification, nomination, election and replacement, rights and obligations, and liabilities of independent non-executive Directors. Article 130 stipulates that matters relating to independent non-executive Directors not covered in the Articles shall be handled according to the relevant applicable laws, regulations or listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed.

November 19, 2015

Note: If there is any inconsistency between the English and Chinese versions of this document, the Chinese version shall prevail.