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温州康[illegible]

Wenzhou Kang[illegible]

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CHANGES IN USE OF PROCEEDS

The Board resolved on March 23, 2018 to further change the proposed use of the net proceeds from the Global Offering. Set out below are details of the original of the net proceeds, the revised allocation of actual net proceeds:

	Initial allocation of net proceeds and its percentage of total net procceds *(Approximately RMB million)*	**Amount utilized as at the date of this announcement** *(Approximately RMB million)*	**Revised allocation of net proceeds and its percentage of total net proceeds** *(Approximately RMB million)*	**The remaining balance of allocation of net proceeds after the revised allocation as at the date of this announcement** *(Approximately RMB million)*
To expand and ramp up our healthcase facility network and operating capacity	348.4 (60%)	334.7	394.9 (68%)	60.2
To finance renovation and upgrades for Wenzhou Kangning Hospital	87.1 (15%)	79.4	87.1 (15%)	7.7
Research, teaching and personnel training purposes	58.1 (10%)	31.6	40.7 (7%)	9.1
To develop our mobile and online platforms for medical consultation and upgrade our information technology infrastructure	46.5 (8%)	13.1	17.4 (3%)	4.3
Working capital and other general corporate purposes	40.6 (7%)	28.3	40.6 (7%)	12.3
Total	**580.7**	**487.1**	**580.7**	**93.6**

REASONS FOR THE CHANGES IN USE OF PROCEEDS

The Company originally planned to use 10% of the net proceeds to finance the research, teaching and personnel training purposes and use 8% of the net proceeds to finance the develop our mobile and online platforms for medical consultation and upgrade our information technology infrastructure, according to the operation of the Group, the capital needs of the research, teaching and personnel training and develop mobile and online platforms for medical consultation and upgrade information technology infrastructure would be less compared to what was planned for based on the then available information as of the date of the Prospectus and as a result a certain

The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and considers that the above proposed changes in use of net proceeds is in the best interests of the Company and its Shareholders as a whole.

Zhejiang, the PRC March 26, 2018

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

As of the date of this announcement, the Company's executive directors are Mr. GUAN Weili, Ms. WANG ianyue and Ms. WANG Hongyue; the Company's non-executive directors are Mr. YANG Yang and Mr. IN ijun; and the Company's independent non-executive directors are Mr. CHONG Yat Keung, Mr. HUANG Zhi and Mr. GOT Chong Key Clevin.