

Standard for Business Enterprises, issued by the Ministry of Finance of the PRC in 2017 and effective from January 1, 2017. The Company has adopted the new standards from January 1, 2017. The impact of the adoption of the new standards on the Company's financial statements is as follows:

(I) Effect of the 2017 revision of the standards (Unit: RMB)

Name of item in financial statements	Before adjustment	Correction of error	After adjustment
Income Statement			
Income	2,390,872	-5,243,377	-2,852,505
Operating profit	39,610,671	-5,243,377	34,367,294
Profit	42,319,211	-5,243,377	37,075,834
Net profit	30,305,485	-5,243,377	25,062,108
Change in net profit attributable to shareholders	31,710,313	-5,243,377	26,466,936
Change in other comprehensive income			
Change in other comprehensive income attributable to shareholders	0.43		0.36
Change in other comprehensive income attributable to non-controlling interests	0.43		0.36
Balance sheet			
Assets	795,919,512	5,243,377	801,162,889
Liabilities	134,640,863	-5,243,377	129,397,486
Equity	1,022,149,317		1,022,149,317

(II) Net effect of the 2017 revision of the standards.

The following table shows the net effect of the 2017 revision of the standards on the Company's financial statements as of December 31, 2017. The net effect of the revision of the standards on the Company's financial statements is as follows:

Board of Directors
Wenzhou Kangning Hospital Co., Ltd.
GUAN Weili
Chairman

Zhang Jia, PRC
 January 22, 2018

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