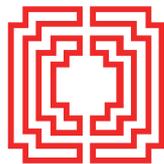


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溫州康寧醫院股份有限公司
Wenzhou Kangning Hospital Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China)
Stock code: 2120

CORRIGENDUM ANNOUNCEMENT ON INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2017

Reference is made to the announcement of Wenzhou Kangning Hospital Co., Ltd. (the “**Company**”) dated August 21, 2017 in relation to the interim results of the Company for the six months ended June 30, 2017 (the “**2017 Interim Results Announcement**”) and the clarification announcement in relation to the 2017 Interim Results Announcement.

The Company identified the accounting error contained in the interim report for the six months ended June 30, 2017 during the preparation of the 2017 financial statements. The accounting error is due to improper accounting in which the Company has recognized capital increase from other investors accepted by our associate company Beijing Yining Hospital Co., Ltd. (“**Beijing Yining**”) in January 2017, while the Company has not subscribed for additional newly increased registered capital and thus resulted in diluted equity (“**Transaction Resulting in Diluted Equity**”).

In the accounting of the Transaction Resulting in Diluted Equity, the Company has included the diluted income of RMB5,243,377 from Beijing Yining (“**Dilution Difference**”) into investment income with reference to International Financial Reporting Standards and the “Response to the Regulation Issues of the Listed Companies for the Implementation of the Accounting Standard for Business Enterprises (Letter from Accounting Department No. [2011]9” (《上市公司執行企業會計準則監管問題解答》(會計部函[2011]年9號)) issued by the China Securities Regulatory Commission and according to common practice of the international market.

On June 14, 2017, the annual general meeting of the Company approved that the accounting standards adopted by the Company would be changed from International Financial Reporting Standards to China Accounting Standards for Business Enterprises effective from January 1, 2017. During the preparation of the 2017 Interim Results Announcement, the Company failed to notice the difference in accounting treatment between China Accounting Standards for Business Enterprises and International Financial Reporting Standards in terms of Transaction Resulting in

Diluted Equity. Considering that the Company has adopted China Accounting Standards for Business Enterprises, in order to correct the accounting error in Transaction Resulting in Diluted Equity, the Company will include the item in capital surplus rather than investment income in the 2017 annual financial statements. The above adjustment shall also apply to the 2017 interim report, and shall have the effect on the 2017 interim financial statements as follows:

(I) Effect on the 2017 interim consolidated financial statements (Unit: RMB)

Name of item in financial statements	Before adjustment	Correction of error	After adjustment
Income Statement			
Investment income	2,390,872	-5,243,377	-2,852,505
Operating profit	39,610,671	-5,243,377	34,367,294
Total profit	42,319,211	-5,243,377	37,075,834
Net profit	30,305,485	-5,243,377	25,062,108
including: Net profit attributable to owners of the parent company	31,710,313	-5,243,377	26,466,936
Basic earnings per share	0.43		0.36
Diluted earnings per share	0.43		0.36
Balance sheet			
Capital surplus	795,919,512	5,243,377	801,162,889
Retained earnings	134,640,863	-5,243,377	129,397,486
Equity attributable to owners of the parent company	1,022,149,317		1,022,149,317

(II) No effect on 2017 interim financial statements.

The final data of financial effect for 2017 due to the above correction shall be subject to the data as audited by the accounting firm. Except for the above correction of contents and related discussion, other contents of the interim reports will remain unchanged. The Company wishes to apologize for any inconvenience caused to investors for this correction, and greatly appreciated the kind understanding of investors.

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

Zhejiang, the 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.