北控醫療健康產業集團有限公司
Beijing Enterprises Medical And Health Industry Group Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2389)

UPDATE ON POSITIVE PROFIT ALERT

This announcement is made by Beijing Enterprises Medical and Health Industry Group Limited (the "**Company**", together with its subsidiaries as the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**").

Reference is made to the announcement of the Company dated 9 January 2017 in relation to positive profit alert (the "**Announcement**"). Unless the context otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

Based on the currently available unaudited financial information, the Board wishes to provide update information to the shareholders that the Group expects to record a net loss for the financial year ended 31 December 2016, representing an increase of approximately 45% compared with the loss of the same period in 2015, instead of the estimated profit for the year stated in the Announcement.

The amendment is mainly due to the entering into a share sale and purchase agreement (the "**Sale and Purchase Agreement**") by the Group for the disposal of entire shares of a subsidiary (the "**Disposal Transaction**") during the year, and pursuant to the terms of which, the shares of the subsidiary were delivered to the Purchaser and the retirement of the board of directors of the subsidiary took place on 12 December 2016. As such, the Board considered the Disposal

Transaction as completed and expected to record gain of the disposal and profit for the Financial Year 2016 in the issuance of the Announcement. However, in the preparation of the 2016 annual report, the Company is informed that the Disposal Transaction does not fulfill the definition of the loss of control of the subsidiary in Hong Kong Financial Reporting Standards during the year and thus the disposal is not completed during Financial Year 2016. Hence, the recognition of the relevant gain of the disposal is subject to fulfillment of the definition of the loss of control of the subsidiary in the forthcoming year.

The Board considers that it is only a matter of time to recognise the proceeds of the disposal and there is no significant impact on the business of Group. The Group will continue to create the greatest return for the shareholders.

The Company is still in the process of finalizing the consolidated annual results for the year ended 31 December 2016. Shareholders and potential investors of the Company are advised to pay attention that the information contained in this announcement is only an assessment by the Board based on the unaudited consolidated management accounts of the Group and information currently available to the Board, and thus may not be accurate. The finalized consolidated annual results of the Group and other details will be disclosed in the 2016 annual report to be published by the Company in future.

Save as disclosed above, the Board confirms that all information in the Announcement remains unchanged.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Beijing Enterprises Medical and Health Industry Group Limited
Zhu Shi Xing
Chairman

Hong Kong, 15 March 2017

As at the date of this announcement, the Board comprises seven Executive Directors, namely Mr. Zhu Shi Xing, Mr. Liu Xue Heng, Mr. Gu Shan Chao, Mr. Hu Xiao Yong, Mr. Hu Shiang Chi, Mr. Wang Zheng Chun and Mr. Zhang Jing Ming; one Non-Executive Director, namely Mr. Robert Winslow Koepp and four Independent Non-Executive Directors, namely Mr. Xie Ming, Mr. Tse Man Kit, Keith, Mr. Wu Yong Xin and Mr. Gary Zhao.