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)

PROFIT ALERT AND SHARE BUY-BACK

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).

PROFIT ALERT

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017 (the "**Period**"), it is anticipated that the Group will record a substantial increase in the net losses for the Period, as compared with that of the corresponding period of 2016.

The increase of the anticipated loss is mainly attributable to the substantial decrease of HK$50,000,000 in unrealized gains of financial assets at fair value through profit or loss for the corresponding period of last year. Although a loss was recorded for the Period, the principal businesses of the Group achieved satisfactory progress and the number of users of medical and geriatric business continues to grow. As of 30 June 2017, each business indicator of medical business and geriatric business has grown by between 2% to 43%.

As set out in the circular dated 20 June 2017 (the "**Circular**") and the announcement dated 20 July 2017 of the Company, the disposal of 北京北建陸港國際物流有限公司 (Beijing Beijian Inland Port International Logistics Co., Ltd.*), a subsidiary of the Company (the "**Disposal**"), was completed on 20 July 2017. The Group is expected to realize a net gain of approximately HK$380,000,000 for the second half of 2017. The Board expects the annual results of the Group would achieve a turnaround.

The information contained in this announcement is only a preliminary assessment based on the unaudited consolidated management accounts of the Group made available to the management of the Company as at the date hereof and has not been reviewed and approved by the Audit Committee of the Company. The details of the financial information of the Group will be disclosed and published together with the interim results announcement by the end of August.

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

SHARE BUY-BACK

As stated in the Circular, upon the completion of the Disposal, the Group will reserve RMB320,000,000 from the proceeds for the purpose of conducting share buy-back and/or paying special dividends to the Shareholders within next 3 years. Up to the date of this announcement, the Group has initiated the process of share buy-back and has completed the buy-back of 15,594,000 shares of the Company. As the Company is to publish its interim results soon, no share buy-back is allowed to be conducted by the Company within one month before the publication date of the interim results pursuant to the Listing Rules; therefore, the share buy-back will be conducted in due course after the publication of the interim results and subject to the market conditions at that time.

The Board believes that the shares of the Company have been trading at a level which undervalues the Company's performance, assets' value and business prospects. The Board is committed to actively managing the Company's capital and is of the opinion that the proposed share buy-back is in the interests of the Company and the Shareholders as a whole.

The Board also believes that the Company's solid financial position will enable it to conduct the share buy-back while maintaining sufficient resources for the sustainable growth of its business. The share buy-back also reflects the confidence of the Board towards the prospects of the Company.

* *For identification purpose only*

Shareholders and potential investors should note that the exercise of share buy-back mandate by the Company shall be subject to the market conditions and will be at the absolute discretion of the Board. There is no assurance of the timing, quantity or price of any buy-back. Shareholders and potential investors should exercise caution when dealing in the Shares.

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

Hong Kong, 1 August 2017

As at the date of this announcement, the Board comprises ten Executive Directors, namely Mr. Zhu Shi Xing, Mr. Liu Xue Heng, Mr. Gu Shan Chao, Mr. Qian Xu, Mr. Hu Yebi, Mr. Siu Kin Wai, Mr. Hu Xiao Yong, Mr. Hu Shiang Chi, Mr. Wang Zheng Chun and Mr. Zhang Jing Ming and five Independent Non-Executive Directors, namely Mr. Robert Winslow Koepp, Mr. Gary Zhou, Mr. Tse Man Kit, Keith, Mr. Wu Yong Xin and Mr. Zhang Yun Zhou.