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北京健康(控股)有限公司
Beijing Health (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2389)

PROFIT ALERT – REDUCTION IN LOSS

This announcement is made by Beijing Health (Holdings) 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 board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2021 and the information currently available to the Company, it is expected that loss attributable to the owners of the Company for the year ended 31 December 2021 will decrease by approximately 75% as compared with the corresponding period in 2020. The principal reasons for the decrease in loss are as follows:

- (1) Business volume of the Group has gradually recovered to the pre-pandemic level with an increase in sales revenue by approximately HK\$54 million year-on-year and the increase in gross profit by approximately HK\$14 million year-on-year;
- (2) For the corresponding period of previous year, a loss of approximately HK\$36.77 million on disposal of real estate in Changping, Beijing was recorded, and the loss on disposal of assets in similar nature was absent for the current year;
- (3) For the corresponding period of previous year, a provision for impairment of approximately HK\$33.5 million was made for other receivables, and a net provision for impairment of assets in similar nature of approximately HK\$9 million was recorded for the current year;

- (4) As stated in the announcement published by the Group on 5 March 2021 regarding the Supplemental Agreement to Equity Transfer Agreement in relation to Beijing Beijian Inland Port International Logistics Co., Ltd., the Group made a provision for consideration reduction of approximately HK\$21 million for the previous year, and the provision of loss in similar nature was absent for the current year; and
- (5) Due to the improvement in the operating performance of the Group's associates and joint ventures, the share of loss of the associates and joint ventures for the current year decreased by approximately HK\$32 million. In addition, a provision for impairment on the investments in associates and joint ventures totaling approximately HK\$28 million was made for the corresponding period of previous year, and the provision for impairment of assets in similar nature was absent for the current year.

As at the date of this announcement, the Company is still in the process of finalizing its annual results for the year ended 31 December 2021. The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group, and may be subject to final revisions and other audit adjustments on impairment of assets (if any), final share of profits/losses of associates, fair value of investment properties during the audit process.

The details of the annual results of the Group for the year ended 31 December 2021 will be disclosed in the annual results announcement of the Company, which is expected to be published on 30 March 2022.

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

By Order of the Board
Beijing Health (Holdings) Limited
Zhu Shi Xing
Chairman

Hong Kong, 14 March 2022

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. Siu Kin Wai, 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.