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**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)**

**NON-FULFILLMENT OF PROFIT GUARANTEE  
AND ISSUANCE OF CONSIDERATION SHARES IN RELATION  
TO THE ACQUISITION OF FUJIAN FU LING GOLDEN SUN HEALTH  
AND GERIATRIC COMPANY LIMITED**

Reference is made to the announcements of Beijing Enterprises Medical and Health Industry Group Limited (the “**Company**”) dated 2 November 2015, 4 November 2015, 30 November 2015 and 3 February 2016 (the “**Announcements**”) in relation to, amongst other things, the acquisition of 51% of the enlarged issued share capital of the Target Company. Terms used herein shall have the same meanings as defined in the Announcements unless otherwise specified.

Pursuant to the Transfer and Subscription of Shares Agreement and the supplemental agreement dated 31 December 2016 (the “**Supplemental Agreement**”), the Vendor has provided guarantee to the Purchaser that the adjusted net profit of the Target Company for the financial year ended 31 December 2016 (the “**First Relevant Financial Period**”) shall be no less than RMB4,960,000 (the “**Guaranteed Profit**”). In the event that the adjusted net profit of the Target Company for the First Relevant Financial Period is less than the Guaranteed Profit, the Company shall be entitled to reduce and adjust the number of Consideration Shares according to the formula set out thereunder.

The Board hereby announces that the adjusted net profit of the Target Company for the First Relevant Financial Period was RMB2,484,145 which is less than guaranteed amount of RMB4,960,000 by RMB2,475,855 or 49.9%. The Target Company is primarily engaged in providing geriatric and home care services, due to the deferral of the commencement of certain new business lines of the Target Company, the turnover of the Target Company was lower than expected, therefore the adjusted net profit did not meet the Guaranteed Profit.

Accordingly, the Consideration Shares for the First Relevant Financial Period has been reduced by 2,891,500 Consideration Shares and 2,901,183 Consideration Shares was allotted and issued to the Vendor on 28 April 2017.

The 2,901,183 Consideration Shares represent approximately 0.05% of the total issued share capital of the Company as at the date of this announcement (after the issue and allotment of the Consideration Shares).

The Board is of the view that the failure to meet the profit guarantee will not pose any material adverse impact on the financial position and business operation of the Group as a whole.

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

Hong Kong, 28 April 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 Koepf and four Independent Non-Executive Directors, namely Mr. Gary Zhou, Mr. Tse Man Kit, Keith, Mr. Wu Yong Xin and Mr. Zhang Yun Zhou.*