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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)

DISCLOSEABLE TRANSACTION PURCHASE OF STRUCTURED DEPOSIT

PURCHASE OF STRUCTURED DEPOSIT

On 4 September 2020, Lugang International entered into the Lugang Structured Deposit Agreement with SPD Bank, pursuant to which Lugang International agreed to purchase structured deposit of RMB80 million using internal resources.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratio (as calculated under Rule 14.07 of the Listing Rules) in respect of the Lugang Structured Deposit Agreement exceeds 5% but all of the applicable percentage ratios are less than 25%, the purchase of structured deposit under the Lugang Structured Deposit Agreement as mentioned above constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

BACKGROUND

The Board announced that on 4 September 2020, Lugang International entered into the Lugang Structured Deposit Agreement with SPD Bank, pursuant to which Lugang International agreed to purchase structured deposit of RMB80 million using internal resources.

THE LUGANG STRUCTURED DEPOSIT AGREEMENT

The principal terms of the Lugang Structured Deposit Agreement are set out as follows:

- (1) Date of subscription: 4 September 2020
- (2) Parties:
 - (i) SPD Bank
 - (ii) Lugang International
- (3) Name of the product: SPD Bank Li Duo Duo Stable Profit and Fixed Holding Period RMB-denominated Structured Deposit Company Product JG6013 (30 days)* (上海浦東發展銀行利多多公司穩利固定持有期JG6013期人民幣對公結構性存款(30天))
- (4) Type of return: Principal-guaranteed with variable return
- (5) Subscription amount: RMB80 million (equivalent to approximately HK\$90.40 million). The Board believes that the consideration of such subscription was determined on the basis of arm's length commercial terms.

- (6) Term of deposits: From 4 September 2020 (exclusive) to 9 October 2020 (30 days)
- (7) Product linked and expected annualized rate of return: 1-month USD LIBOR
- The product linked will be observed on the second London Working Day before the maturity date of the investment
- The expected rate of return will be 2.75% per annum if the pegging indicator is always less than or equal to 5% during the observation period.
- The expected rate of return will be 1.15% per annum if the pegging indicator of the product had been higher than 5% during the observation period of the product.
- (8) Principle for calculation of return and interest: Daily rate of return = annual rate of return/360; 30 days per month and 360 days per year; actual return is calculated based on simple interest
- (9) Right of early termination: The customers have no right of early termination (redemption) for this product
- SPD Bank has the right to early terminate this product according to the actual investment situation without further notice to the customers, provided that it shall publish an information announcement at its business outlets or websites or in other means within 2 working days before the date of early termination
- (10) Payment of principal and return: The principal and the return of the investment will be paid on the maturity date of the investment. If the date is a holiday, it shall be postponed to the next working day, and the investment term shall also be extended accordingly

INFORMATION ON THE PARTIES

The Company is an investment holding company and the Group is principally engaged in provision of medical care, health care and geriatric care related services and products.

Lugang International is a non-wholly owned subsidiary of the Company and is principally engaged in property development.

SPD Bank is a licensed bank in the PRC and a joint stock company established under the laws of the PRC, which provides corporate and personal banking business, treasury business, finance leasing, asset management and other financial services in the PRC. Its shares are listed on the Shanghai Stock Exchange (stock code: 600000). To the best of the Directors' knowledge, information and belief, SPD Bank and its ultimate beneficial owners are parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PURCHASE OF STRUCTURED DEPOSIT

The reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Company, which is consistent with the core objectives of the Company to ensure capital safety and liquidity. The impact of risk factors on the expected rates of return of the Lugang Structured Deposit Agreements is low, but the Group could get a higher return as compared with fixed term deposit in commercial banks in the PRC.

The Directors consider that the terms of the Lugang Structured Deposit Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratio (as calculated under Rule 14.07 of the Listing Rules) in respect of the Lugang Structured Deposit Agreement exceeds 5% but all of the applicable percentage ratios are less than 25%, the purchase of structured deposit under the Lugang Structured Deposit Agreement as mentioned above constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms used herein have the following meanings:

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| “1-month USD LIBOR” | an indicative average interest rate at which a selection of banks in London are prepared to lend to one another in US dollars with a maturity of one month |
| “Board” | the board of Directors |
| “Company” | Beijing Enterprises Medical and Health Industry Group Limited 北控醫療健康產業集團有限公司, a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2389) |
| “connected person” | has the meaning ascribed to it in the Listing Rules |
| “Directors” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries from time to time |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “London Working Day(s)” | a day on which licensed banks are generally open for business in London throughout their normal business hours |
| “Lugang International” | Beijing Lugang International Logistic Co., Ltd.* (北京陸港國際物流有限公司), a company established in the PRC with limited liability and is a non-wholly owned subsidiary of the Company |

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| “Lugang Structured Deposit Agreement” | the structured deposit agreement entered into between Lugang International and SPD Bank dated 4 September 2020 in relation to the purchase of structured deposit |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | shareholder(s) of the Company |
| “SPD Bank” | Shanghai Pudong Development Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC. Its shares are listed on the Shanghai Stock Exchange (stock code: 600000) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent. |

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

Hong Kong, 4 September 2020

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 Koepf, Mr. Gary Zhao, Mr. Tse Man Kit, Keith, Mr. Wu Yong Xin and Mr. Zhang Yun Zhou.

* *For identification purpose only*