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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 – SUPPLEMENTAL AGREEMENT IN RELATION TO THE DISPOSAL OF 20% EQUITY INTEREST IN GOLDEN SUN

Reference is made to the announcement of Beijing Enterprises Medical and Health Industry Group Limited (the “**Company**”) dated 16 December 2019 (the “**Announcement**”) in relation to, among other things, Shanghai Chongyuan Investment Management Company Limited (“**Shanghai Chongyuan**”), a wholly-owned subsidiary of the Company, disposed of 20% equity interest in Golden Sun to Ms. Huang Xiaorong (“**Ms. Huang**”). Unless otherwise specified, capitalized terms used herein shall have the same meanings as defined in the Announcement.

INTRODUCTION

The Board announced that on 29 December 2020, Shanghai Chongyuan and Ms. Huang entered into a supplemental agreement (the “**Supplemental Agreement**”), pursuant to which, the parties to the Supplemental Agreement agreed to amend certain terms of the Equity Transfer Agreement.

SUPPLEMENTAL AGREEMENT

The details of the Supplemental Agreement are set out below:

Date: 29 December 2020

Parties: (1) Ms. Huang (as purchaser)
(2) Shanghai Chongyuan (as vendor)

The summary of amendments of the terms of the Equity Transfer Agreement is set out below:

1. Payment of the Consideration for the Equity Transfer

Both parties agreed that Ms. Huang shall pay the consideration for the equity transfer to Shanghai Chongyuan according to the following schedule:

- (i) Ms. Huang shall pay the second instalment of the consideration for the equity transfer of RMB10,000,000 to Shanghai Chongyuan according to the following two instalments:
 - a. Ms. Huang shall pay RMB1,000,000 to Shanghai Chongyuan within 7 days following the execution of the Supplemental Agreement; and
 - b. Ms. Huang shall pay RMB9,000,000 to Shanghai Chongyuan before 31 July 2021.
- (ii) the third instalment of the consideration for the equity transfer of RMB10,000,000 shall be paid to Shanghai Chongyuan before 31 January 2022; and
- (iii) the fourth instalment of the consideration for the equity transfer of RMB10,000,000 shall be paid to Shanghai Chongyuan before 31 July 2022.

2. Interests on the Balance of the Outstanding Consideration for the Equity Transfer

Ms. Huang agreed to pay interests to Shanghai Chongyuan at simple annual interest rate of 5% in respect of the accumulated balance of the outstanding consideration for the equity transfer. In view of the COVID-19 pandemic, Shanghai Chongyuan agreed to provide relief measure of three-month interest-free period to Ms. Huang, thus the above interests shall be accrued from 1 February 2021.

3. Additional Security

Both parties agreed that the 30% shares in Golden Sun pledged to Shanghai Chongyuan by Ms. Huang for guaranteeing her payment obligation to Shanghai Chongyuan under the Equity Transfer Agreement shall remain as the collateral in order to continue to guarantee the payment obligation of Ms. Huang to Shanghai Chongyuan under the Equity Transfer Agreement and the Supplemental Agreement. To further guarantee the payment obligation of Ms. Huang under the Supplemental Agreement, Ms. Huang agreed to provide additional 10% shares in Golden Sun held by her (i.e. 4,285,714 shares) to Shanghai Chongyuan as the collateral for security. Shanghai Chongyuan and Ms. Huang shall execute separate supplemental agreement to the pledge contract or a new share pledge contract.

4. Waiver of Default Payment

Both parties confirmed that the failure of Ms. Huang to pay the second instalment of the consideration for the equity transfer to Shanghai Chongyuan on time as agreed in the Equity Transfer Agreement has violated the agreement under the Equity Transfer Agreement, Ms. Huang shall pay a default payment to Shanghai Chongyuan accordingly.

Shanghai Chongyuan agreed to waive the default payment payable by Ms. Huang subject to the fulfilment of all of the following conditions:

- a. Ms. Huang has performed the agreement under the Supplemental Agreement on time and paid RMB1,000,000 within 7 days following the date of execution of the Supplemental Agreement; and
- b. Shanghai Chongyuan and Ms. Huang have executed the pledge contract or supplemental agreement in respect of the additional security to the Supplemental Agreement and have completed the registration of the pledge for the additional pledged shares.

Save as disclosed above, all other terms and conditions under the Equity Transfer Agreement remain unchanged, continue to be valid, enforceable and shall be binding on the parties to the Supplemental Agreement.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Company understands that due to COVID-19, Ms. Huang needs additional time to pay the remaining balance of the consideration for the equity transfer to Shanghai Chongyuan. As compensation for such postponement, Ms. Huang has agreed to pay interests at simple annual interest rate of 5% in respect of the accumulated outstanding amounts and the interests shall be accrued from 1 February 2021. In addition, Ms. Huang also agreed to provide additional collateral to Shanghai Chongyuan, of which 40% shares in aggregate in Golden Sun held by her are pledged, in order to guarantee her payment obligation to Shanghai Chongyuan under the Equity Transfer Agreement and the Supplemental Agreement.

The terms of the Supplemental Agreement were arrived at after arm's length negotiations between both parties. In view of the above reasons, the Directors consider that the terms of the Supplemental Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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

Hong Kong, 29 December 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 Koepp, Mr. Gary Zhou, Mr. Tse Man Kit, Keith, Mr. Wu Yong Xin and Mr. Zhang Yun Zhou.