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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 26 March 2021, Lugang International entered into the Lugang Structured Deposit Agreement with Bank of Beijing, pursuant to which Lugang International agreed to purchase structured deposit of RMB75 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 26 March 2021, Lugang International entered into the Lugang Structured Deposit Agreement with Bank of Beijing, pursuant to which Lugang International agreed to purchase structured deposit of RMB75 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: 26 March 2021
- (2) Parties:
 - (i) Bank of Beijing
 - (ii) Lugang International
- (3) Name of the product: Entity-targeted Structural Deposits (單位結構性存款)
- (4) Type of return: Principal-guaranteed with variable return
- (5) Subscription amount (i.e. the principal amount): RMB75 million (equivalent to approximately HK\$89.25 million)
- (6) Term of deposits: From 29 March 2021 (inclusive) to 29 June 2021 (exclusive) (92 days)
- (7) Product linked and expected annualised rate of return: 3-month USD LIBOR
The expected annualised rate of return is 1.35% to 3.00%.
- (8) Principle for calculation of return and interest: Bank of Beijing shall provide Lugang International with full coverage for the principal amount, and pay Lugang International the return that it is entitled to (if any) based on the price performance of the linked product in accordance with the relevant provisions as stipulated in the Structured Deposits Agreement.
- (9) Right of early termination: Lugang International has no right of early termination (redemption) for this product.

Bank of Beijing has the right to the early termination of this product and the Structured Deposits Agreement according to the actual operational situation. Bank of Beijing shall notify Lugang International at least 1 Business Day prior to the date of early termination by way of a notification published on its official website or business networks or sent to the correspondence address of Lugang International.

(10) Payment of principal
and return:

The principal shall be paid on the maturity date of the structured deposits and the return on the structured deposits (if any) shall be paid on the third Business Day after the maturity date of the structured deposits.

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.

Bank of Beijing 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: 601169). To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Bank of Beijing and its ultimate beneficial owner(s) are third 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:

“3-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 three months
“Bank of Beijing”	Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601169)
“Board”	the board of Directors
“Business Day”	a day on which Bank of Beijing is generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in the PRC (but including the working Saturdays and Sundays as temporality stipulated by the State)
“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
“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
“Lugang Structured Deposit Agreement”	the structured deposit agreement entered into between Lugang International and Bank of Beijing dated 26 March 2021 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“USD”

United States dollars, the lawful currency of the United States of America

“%”

per cent.

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

Hong Kong, 26 March 2021

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

** For identification purpose only*