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**PHOENIX
HEALTHCARE
GROUP
鳳凰醫療集團**

Phoenix Healthcare Group Co. Ltd

鳳凰醫療集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1515)

**AMENDMENTS TO THE SHARE AWARD SCHEME
AND
AWARD OF SHARES UNDER THE SHARE AWARD SCHEME**

Reference is made to the announcement of the Company dated July 7, 2014 in relation to the adoption of the Scheme by the Board.

On May 25, 2015, the Board resolved to make amendments to the terms of the Scheme to the effect that the Board may, from time to time, in its absolute discretion, determine if the Award Shares shall be granted to a Selected Participant with or without payment of the Grant Price.

On May 25, 2015, the Board further resolved to grant an aggregate of 8,740,200 Award Shares to 63 Selected Participants under the Scheme, of which (i) 440,000 Award Shares be awarded to 4 Selected Participants, who are Directors, without payment of the Grant Price; (ii) 4,659,200 Award Shares be awarded to 59 other Selected Participants, who are employees of the Group, without payment of the Grant Price; and (iii) 3,641,000 Award Shares be awarded to 44 Selected Participants (all of whom overlap with those Selected Participants mentioned in (ii)) with payment of the Grant Price of HK\$12.68 per Award Share.

Reference is made to the announcement of the Company dated July 7, 2014 (the “**Announcement**”) in relation to the adoption of the share award scheme (the “**Scheme**”) of the Company by the Board on the same day. Unless otherwise defined, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

AMENDMENTS TO THE SCHEME

As disclosed in the Announcement, the Board may, from time to time, in its absolute discretion select the Selected Participants after taking into account various factors as they deem appropriate and determine the number of Award Shares to be awarded to each of the Selected Participants at no consideration.

In order to provide more flexibility in the administration and operation of the Scheme, the Board resolved on May 25, 2015 to make amendments to the terms of the Scheme and the Scheme Rules, having retrospective effect from July 7, 2014, to the effect that the Board may, from time to time, in its absolute discretion, determine if the Award Shares shall be granted to a Selected Participant with or without payment of a price per Award Share payable by the Selected Participant (the “**Grant Price**”), which shall be notified by the Board to each Selected Participant. In determining whether the Selected Participant shall pay a Grant Price for the Award Shares and the amount of the Grant Price, as the case may be, the Board shall take into consideration matters, including, but without limitation, the Selected Participant’s position, experience, years of service, performance and contribution to the Company, its subsidiaries and/or associated entities.

Save for the amendments as set out in this announcement, no other amendment is made to the terms of the Scheme and all the other terms of the Scheme remain unchanged and valid.

DETAILS OF GRANT OF THE AWARD SHARES PURSUANT TO THE SCHEME

On May 25, 2015, the Board resolved to grant an aggregate of 8,740,200 Award Shares to 63 Selected Participants under the Scheme, of which, (i) 440,000 Award Shares be granted to 4 Selected Participants, who are Directors, without payment of the Grant Price; (ii) 4,659,200 Award Shares be granted to 59 Selected Participants, who are employees of the Group, without payment of the Grant Price; and (iii) 3,641,000 Award Shares be granted to 44 Selected Participants (all of whom overlap with those Selected Participants mentioned in (ii) above) with payment of the Grant Price of HK\$12.68 per Award Share.

The number of Award Shares granted and the vesting date are determined based on the Selected Participant’s position, experience, years of service, performance and contribution to the Company, its subsidiaries and/or associated entities.

The Award Shares are held on trust for the Selected Participants by the Trustee which shall (i) transfer the Award Shares to the Selected Participants, or (ii) sell the Award Shares and pay the actual price at which the Award Shares are sold on or after vesting of the Award Shares (the “**Actual Selling Price**”) in cash to the Selected Participants (as the case may be) upon satisfaction of vesting criteria and conditions specified by the Board in the award letters issued to each Selected Participant. The Award Shares shall (i) be transferred and released from the Trust to the Selected Participants, or (ii) be sold by the Trustee with the related Actual Selling Price to be paid in cash to the Selected Participants (as the case may be) upon expiry of the relevant vesting period (the “**Vesting Date**”):

Number of Award Shares subject to vesting	Vesting Date
1,320,200 Award Shares granted to the Company’s management team and key specialists and doctors employed by hospitals managed by the Group	May 13, 2016
7,420,000 Award Shares granted to the Company’s management team and key specialists and doctors employed by hospitals managed by the Group	1/3 on May 13, 2016; 1/3 on May 13, 2017; 1/3 on May 13, 2018

Pursuant to the Scheme, the aggregate number of Award Shares granted by the Board throughout the duration of the Scheme shall not exceed 5% of the total number of issued Shares of the Company as at the Adoption Date (i.e. 41,688,150 Shares) with each Selected Participant receiving not more than 1% of the total number of issued Shares of the Company as at the Adoption Date. As at the date of this announcement, immediately prior to the grant of the above Award Shares, the total number of Award Shares held by the Trustee that may be granted under the Scheme is 18,188,500 Shares.

The aggregate of 8,740,200 Award Shares granted to the 63 Selected Participants on May 25, 2015 represent approximately 1.05% of the total number of issued Shares as at the Adoption Date and approximately 1.05% of the total number of issued Shares as at the date of this announcement. Immediately after the grant of the above Award Shares, 32,947,950 Award Shares may be further granted under the Scheme by the Board and the balance of number of Shares held by the Trustee is 9,448,300 Shares.

Based on the closing price of HK\$14.92 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of the 8,740,200 Award Shares in aggregate is approximately HK\$130,403,784.

GRANT OF AWARD SHARES TO DIRECTORS

As disclosed above, four (4) of the Selected Participants are Directors and accordingly, are connected persons (as defined in Chapter 14A of the Listing Rules) of the Company.

The award of 440,000 Award Shares to them under the Scheme will form part of their remuneration package under their respective service contracts and is therefore, fully exempt from the reporting, announcement and independent Shareholders’ approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules.

Details of the 440,000 Award Shares granted to the four (4) Selected Participants are as follows:

Directors	Number of Award Shares
Liang Hongze	110,000
Zhang Xiaodan	110,000
Xu Zechang	110,000
Jiang Tianfan	110,000
Total	440,000

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Selected Participants who were granted the Award Shares on May 25, 2015 are either Directors or employees of members of the Group.

Mr. Liang Hongze, Mr. Zhang Xiaodan, Mr. Xu Zechang and Mr. Jiang Tianfan abstained from voting on the relevant resolutions in the Board meeting to approve the amendments to the Scheme and the grant of the Award Shares to themselves.

By Order of the Board
Phoenix Healthcare Group Co. Ltd
LIANG Hongze
Chairman

Hong Kong, May 25, 2015

As at the date of this announcement, the Board comprises Mr. LIANG Hongze, Ms. XU Jie, Mr. ZHANG Xiaodan, Mr. XU Zechang and Mr. JIANG Tianfan, as executive directors; Mr. YANG Huisheng and Mr. RUI Wei, as non-executive directors; and Mr. KWONG Kwok Kong, Ms. CHENG Hong, Mr. WANG Bing and Mr. SUN Jianhua, as independent non-executive directors.