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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)

INSIDE INFORMATION

- (1) ACQUISITION OF 20% EQUITY INTERESTS IN
UMP HEALTHCARE HOLDINGS LIMITED**
- (2) FORMATION OF A JOINT VENTURE WITH
UMP HEALTHCARE CHINA LIMITED**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the March Announcement.

(1) ACQUISITION OF 20% EQUITY INTERESTS IN UMP HEALTHCARE HOLDINGS LTD

The Board is pleased to announce that on 13 July 2015 (after trading hours), the Company, True Point and Pinyu (an indirect wholly-owned subsidiary of the Company) entered into the Share Purchase Agreement pursuant to which Pinyu has agreed to acquire, and True Point has agreed to sell, 20% equity interests in UMP Healthcare Holdings at a consideration of HK\$180 million. Completion of the Acquisition is expected to take place on 16 July 2015. Upon completion of the Acquisition, True Point will own 80% and the Company will, through Pinyu (indirect wholly owned subsidiary of the Company), own 20% of UMP Healthcare Holdings, respectively.

The UMP Shareholders' Agreement was also entered into on 13 July 2015 (after trading hours) between True Point, the Company, Pinyu and UMP Healthcare Holdings in order to regulate the affairs relating to UMP Healthcare Holdings and its subsidiaries. The UMP Shareholders' Agreement sets out typical provisions, including but not limited to (a) matters that require 50%

shareholders' approval, (b) matters that require 75% shareholders' approval, (c) matters that require unanimous shareholders' approval, and (d) share transfer restrictions, right of first refusals upon share transfers. Further, under the terms of the UMP Shareholders' Agreement, UMP Healthcare Holdings shall have a board of directors consisting of six directors, of which one shall be nominated by the Company.

(2) FORMATION OF A JOINT VENTURE WITH UMP HEALTHCARE CHINA LIMITED

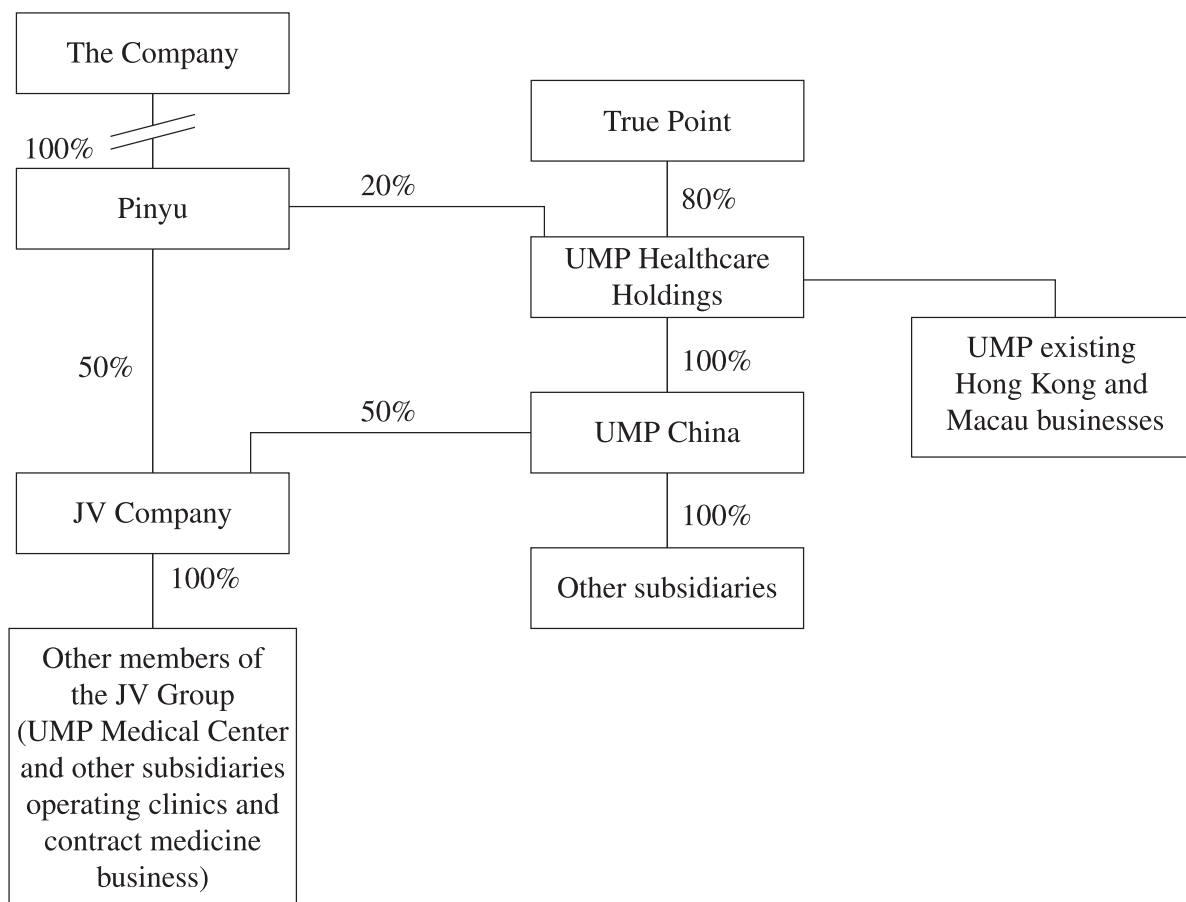
Concurrently with the execution of the Share Purchase Agreement and the UMP Shareholders' Agreement on 13 July 2015 (after trading hours), True Point, UMP Healthcare Holdings, UMP China, the Company, Pinyu and the JV Company entered into the JV Shareholders' Agreement pursuant to which the JV Company shall, on 16 July 2015, issue such number of shares to Pinyu at nominal value so that the JV Company is held as to 50% by Pinyu and 50% by UMP China.

Following completion of the Acquisition and the issuance of shares by the JV Company to Pinyu, all members of the JV Group will become non-wholly owned subsidiaries of the Company. According to the JV Shareholders' Agreement, the JV Company will have a total capital commitment of RMB100 million, with Pinyu and UMP China contributing RMB50 million each, in the form of interest-free shareholders loan, to the JV Group to fund the establishment of outpatient clinics and to establish a contract medicine business and any other businesses as UMP Healthcare Holdings and the Company may agree in the Beijing-Tianjin-Hebei region in the PRC on an exclusive basis. It was agreed that UMP Medical Center will set up three self-owned clinics in Beijing as soon as practicable after execution of the JV Shareholders' Agreement and no less than ten clinics (including both self-owned and affiliated clinics) in Beijing within three years after the date of the JV Shareholders' Agreement. The aforesaid clinics will consist of family medicine practices, selected specialty practices, dental practices and a health checkup center equipped with X-Ray, ultra-sound and other equipment, as required. The aforesaid clinics will be established in accordance with the Joint Commission International accreditation standards and/or equivalent international medical accreditation standards.

The Company and UMP Healthcare Holdings will each provide support on operations, management, medical staff recruitment and training, and supply chain support to the JV Group. Doctors and other medical staff at the aforesaid clinics will be supervised and trained by the Committee (as defined in the March Announcement) comprising two representatives each from the Company and UMP Healthcare Holdings.

CORPORATE STRUCTURE OF UMP HEALTHCARE HOLDINGS

Abridged corporate structure of UMP Healthcare Holdings immediately upon completion of the Acquisition and the formation of the joint venture under the JV Company is as follows:



REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE PURCHASE AGREEMENT, THE UMP SHAREHOLDERS' AGREEMENT AND THE JV SHAREHOLDERS' AGREEMENT

The Company is of the view that the formation of the joint venture under the JV Company is a significant strategic initiative for the Company to expand further in the primary care segment of the healthcare industry. The Company's decision to invest jointly with UMP Healthcare Holdings to establish a primary care network in Beijing is in line with government policies of promoting the participation of private capital in establishing healthcare system in the multi-level healthcare delivery structure. The establishment of a primary care network will in turn lead to referrals of care cases to the Group's secondary and tertiary network of hospitals, under which the Company's medical staff and comprehensive medical facilities will be able to provide comprehensive and enhanced integrated healthcare services. The highly qualified general practitioners and physicians from Hong Kong could also support the development and improvement of the Company's current clinic networks, laying a solid foundation for the expansion of the Company's clinic services.

The Company also believes that the development of a clinic network and the introduction of health management schemes to Beijing based corporates and individuals will lay a foundation for the future development of commercial health insurance in the PRC. UMP Healthcare Holdings has been an essential partner of insurance companies in providing health insurance products to corporates and individuals in Hong Kong, working alongside insurance companies to tailor-make affordable and accessible quality healthcare solutions to its members. The Company is of the view that there is a great potential in the JV Group as a platform for future partnerships with insurance companies and offering competitive healthcare insurance products in the PRC.

The Acquisition and the establishment of the joint venture will lay a solid foundation for the deep cooperation between the Company and UMP Healthcare Holdings, which provides the Company with support in expanding the business chains and establishing multi-level healthcare delivery structure, as well as aligns the Company's interests with UMP Healthcare Holdings' interests in the sharing of resources in the industry, medical personnel, operation advantages, and marketing. The Acquisition is of strategic value for the business development of the Company and UMP Healthcare Holdings.

As such, the Board is of the view that the Transaction is in the interests of the Company and its shareholders as a whole.

INFORMATION OF UMP HEALTHCARE HOLDINGS

UMP Healthcare Holdings is a Hong Kong based health management organization delivering diversified healthcare services in Hong Kong, Macau, Beijing and Shanghai. The business of UMP Healthcare Holdings was established in 1990 by a group of physicians who are dedicated to the mission of delivering professional healthcare services. Together with its affiliates, UMP Healthcare Holdings offers approximately 600 points of service including outpatient specialists and dental clinics, laboratories and imaging centers in Hong Kong, Macau, Beijing and Shanghai. UMP Healthcare Holdings and its affiliates also provide administration services to both local and international companies and insurance companies. From its years of experience, UMP Healthcare Holdings has become one of the leading corporate healthcare solutions providers in Hong Kong, providing total healthcare management solutions to corporates and individuals.

For the year ended 31 December 2014, UMP Healthcare Holdings and its affiliates have delivered more than 1.3 million outpatient and dental consultations, serving a wide spectrum of industries and government organisations.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Transaction, on an aggregated basis, are more than 5%, the Transaction does not constitute a notifiable transaction under Chapter 14 of the Listing Rules and therefore, is exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules, and this announcement is made by the Company on a voluntary basis.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, True Point (together with its ultimate beneficial owners), UMP Healthcare Holdings, UMP China, UMP Medical Center and their respective subsidiaries are third parties that are independent of the Company and its associates (as defined under the Listing Rules) and connected persons (as defined under the Listing Rules).

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless otherwise specified:

“Acquisition”	the acquisition of 20% equity interests in UMP Healthcare Holdings by Pinyu from True Point pursuant to the Share Purchase Agreement
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Phoenix Healthcare Group Co. Ltd (鳳凰醫療集團有限公司), a company incorporated in the Cayman Islands with limited liability on 28 February 2013 and the issued shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JV Company”	UMP Phoenix Healthcare Limited (鳳凰聯合醫務有限公司), a limited liability company incorporated in the BVI, and a direct wholly owned subsidiary of UMP Healthcare Holdings as at the date of this announcement
“JV Group”	collectively, the JV Company and its subsidiaries
“JV Shareholders’ Agreement”	a shareholders’ agreement dated 13 July 2015 entered into between True Point, UMP Healthcare Holdings, UMP China, the Company, Pinyu and the JV Company relating to the formation of the joint venture under the JV Company and the regulation of the affairs of the JV Group
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Macau”	the Macau Special Administrative Region of the PRC
“March Announcement”	the announcement of the Company dated 18 March 2015
“Pinyu”	Pinyu Limited, an indirect wholly owned subsidiary of the Company, and a limited liability company incorporated in the BVI
“PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share Purchase Agreement”	an agreement entered into between the Company, True Point and Pinyu pursuant to which Pinyu has agreed to acquire, and True Point has agreed to sell, 20% equity interests in UMP Healthcare Holdings
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions contemplated by the Share Purchase Agreement, the UMP Shareholders’ Agreement and the JV Shareholders’ Agreement
“True Point”	True Point Holdings Limited, a limited liability company incorporated in the BVI
“UMP China”	UMP Healthcare China Limited, a limited liability company incorporated in the Cayman Islands, and a direct wholly owned subsidiary of UMP Healthcare Holdings
“UMP Healthcare Holdings”	UMP Healthcare Holdings Limited (聯合醫務控股有限公司), a limited liability company incorporated in the Cayman Islands, and a direct wholly owned subsidiary of True Point immediately prior to the execution and completion of the Share Purchase Agreement
“UMP Medical Center”	UMP Medical Center Management Limited, a limited liability company incorporated in Hong Kong and a holder of the “Hong Kong Service Provider” certificate granted by the Trade and Industry Department in Hong Kong

“UMP Shareholders Agreement”

a shareholders’ agreement entered into on 13 July 2015 between True Point, the Company, Pinyu and UMP Healthcare Holdings relating to the regulation of the affairs relating to UMP Healthcare Holdings and its subsidiaries

“%”

per cent.

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

Hong Kong, 13 July 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.