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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

CONDITIONAL PLACING OF SHARES OF THE COMPANY BY SUBSTANTIAL SHAREHOLDER

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

The Board hereby announces that it was informed by the Company's substantial shareholder, Speed Key, that on 22 October 2015 (after trading hours of the Stock Exchange), Speed Key entered into the Placing Agreement with the Placing Agent, under which the Placing Agent was appointed to the exclusion of all others to procure placees who are Independent Third Parties, on a reasonable efforts basis, to purchase up to 68,500,000 Placing Shares (representing approximately 8.22% of the total number of issued Shares as at the date of this announcement) at the placing price of HK\$13.05 per Placing Share during the placing period from the date of the Placing Agreement up to and including the Closing Date. Completion of the Placing is subject to certain conditions as stated in the Placing Agreement being fulfilled or waived by the Placing Agent. All the issued shares of Speed Key are held by the father of Ms Xu Jie, who is an executive Director.

As at the date of this announcement, Speed Key held a total of 249,901,360 Shares (representing approximately 29.97% of the total number of issued Shares as at the date of this announcement) and the total shareholding of the Xu Family in the Company amounts to 277,360,000 Shares (representing approximately 33.27% of the total number of issued Shares as at the date of this announcement). Assuming all the Placing Shares have been successfully placed, Speed Key's shareholding in the Company is expected to be reduced to 181,401,360 Shares (representing approximately 21.76 % of the

total number of issued Shares as at the date of this announcement) and that of the Xu Family to 208,860,000 Shares (representing approximately 25.05% of the total number of issued Shares as at the date of this announcement).

Pursuant to the Placing Agreement, Speed Key undertakes to the Placing Agent that for a period from the date of the Placing Agreement until and including the date being 90 days after the Closing Date, Speed Key will not, and will procure that none of its ultimate beneficial owner, nominee, person controlled by it, trust associated with it, or person acting on its or their behalf will (without the prior written consent of the Placing Agent) (i) offer, lend, pledge, charge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests therein or any securities convertible into or exercisable or exchangeable for any such shares or interests, or (ii) enter into any swap or similar agreement that transfers to another, in whole or in part, the economic risk of ownership of such Shares or a derivative instrument related to such shares, whether any such transaction described in paragraphs (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) agree or announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

The Board does not expect that the reduction of shareholding interest of Speed Key in the Company as a result of the Placing will have any material adverse effect on the operations of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

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| “Board” | the board of Directors; |
| “Business Day” | any day (excluding Saturday, Sunday and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong; |
| “Closing Date” | the second Business Day after the day on which all the conditions set out in the Placing Agreement for the completion of the sale of the Placing Shares have been fulfilled or waived by the Placing Agent, but in any event no later than 27 October 2015 (being the third Business Day after the date of the Placing Agreement), or such other date as Speed Key and the Placing Agent may agree; |

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| “Company” | Phoenix Healthcare Group Co. Ltd, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange; |
| “Director(s)” | director(s) of the Company from time to time; |
| “Group” | collectively, the Company and its subsidiaries; |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Independent Third Parties” | third parties (i) independent of and not acting in concert (as defined under the Code on Takeovers and Mergers) with Speed Key or any of its or the Company’s directors, chief executive or substantial shareholders, or any of their respective associates, (ii) independent of and not connected with the Company or Speed Key or the directors, chief executive, substantial shareholders or connected persons of the Company or Speed Key or any of their respective subsidiaries or any associates of any of them and (iii) who are not, and who will not become after completion of the sale of the Placing Shares, connected persons of the Company. For the purpose of this definition, “directors”, “associates” and “connected persons” shall have the meaning in Rules 1.01, 14A.11 and 14A.12 of the Listing Rules; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Placing” | the conditional placing of the Placing Shares on behalf of Speed Key, pursuant to the Placing Agreement; |
| “Placing Agent” | Morgan Stanley & Co. International PLC; |
| “Placing Agreement” | the placing agreement dated 22 October 2015 entered into between Speed Key and the Placing Agent in respect of the placing, on a reasonable efforts basis, of the Placing Shares; |
| “Placing Shares” | up to 68,500,000 Shares legally and beneficially owned by Speed Key; |
| “Shares” | ordinary shares of HK\$0.00025 each in the share capital of the Company; |
| “Speed Key” | Speed Key Limited, a limited liability company incorporated in the British Virgin Islands; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |

“substantial shareholder(s)” has the same meaning ascribed to it under the Listing Rules;

“Xu Family” comprising Ms. Xu Jie (an executive Director), Mr. Xu Baorui (the father of Ms. Xu Jie) and Ms. Xu Xiaojie (the daughter of Ms. Xu Jie);

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong; and

“%” per cent.

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

Hong Kong, October 22, 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. Sun Jianhua and Mr. Lee Kar Chung Felix as independent non-executive Directors.