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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)

CLARIFICATION ON POSITIVE PROFIT ALERT ANNOUNCEMENT

References are made to (i) the announcement of Phoenix Healthcare Group Co. Ltd (the “**Company**”) headlined “Inside Information, Acquisition of the Target Company, Possible Application for Whitewash Waiver and Resumption of Trading” dated April 8, 2016 (the “**Inside Information Announcement**”) and (ii) the positive profit alert announcement dated July 26, 2016 (the “**Positive Profit Alert Announcement**”). Capitalized terms used herein shall have the same meaning as those defined in the Inside Information Announcement. This clarification announcement is published in accordance with Practice Note 2 of the Takeovers Code.

The Board would like to clarify that as the Positive Profit Alert Announcement is regarded as a profit forecast under Rule 10 of the Takeovers Code and would need to be reported on by the Company’s financial adviser and auditors or consultant accountants in accordance with Rule 10.4 of the Takeovers Code, and their reports must be included in the next document to be sent to the Shareholders under Rule 10.4 of the Takeovers Code.

Since the Positive Profit Alert Announcement is required to be made pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which requires the Company to issue a profit alert announcement as soon as practicable, and given the time constraints, the Company has encountered practical difficulties in meeting the requirements set out in Rule 10.4 of the Takeovers Code. Accordingly, the Positive Profit Alert Announcement does not meet the standard required by Rule 10 of the Takeovers Code.

Pursuant to Practice Note 2 of the Takeovers Code, the reports from the Company’s financial adviser and auditors or consultant accountants on the profit forecasts are required to be included in the next document to be sent to the Shareholders. The unaudited interim results announcement of the Company

for the six months ended June 30, 2016 is expected to be published in August 2016. If the unaudited interim results of the Company is published prior to the despatch of the next document to be sent to the Shareholders, the requirement of Rule 10 of the Takeovers Code to report on the Positive Profit Alert Announcement will be superseded.

Save for the clarification stated in this announcement, all information in the Positive Profit Alert Announcement remains unchanged.

Shareholders and potential investors of the Company should note that the Positive Profit Alert Announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Positive Profit Alert Announcement in assessing the merits and demerits of the Acquisition and the Whitewash Waiver.

The Acquisition is subject to a number of conditions including Independent Shareholders' approval of the Sale and Purchase Agreement and the transaction contemplated thereunder, the issue of the Consideration Shares and the Whitewash Waiver, which may or may not be fulfilled. The terms and conditions of the Sale and Purchase Agreement are still subject to the negotiations between the parties. Shareholders of the Company and potential investors should exercise caution when they deal or contemplate dealing in the Shares or other securities of the Company.

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

Hong Kong, July 28, 2016

As at the date of this announcement, the Board comprises Ms. XU Jie, Mr. LIANG Hongze, Mr. ZHANG Xiaodan, Mr. XU Zechang, Mr. JIANG Tianfan, Mr. SHAN Baojie and Mr. CHENG Libing as executive Directors; Mr. KWONG Kwok Kong, Ms. CHENG Hong, Mr. SUN Jianhua and Mr. LEE Kar Chung Felix as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.