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华润凤凰

CR Phoenix

## China Resources Phoenix Healthcare Holdings Company Limited

華潤鳳凰醫療控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1515)

### PROFIT WARNING

This announcement is made by China Resources Phoenix Healthcare Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Company is in the course of preparing its consolidated final results for the year ended December 31, 2016. Based on the preliminary assessment, the Group is likely to record a loss attributable to the Shareholders for the year ended December 31, 2016 due to a one-off impairment on goodwill resulting from the acquisition of Ample Mighty Limited (the “**Acquisition**”). The Company entered into the term sheet (the “**Term Sheet**”), the supplemental term sheet (the “**Supplemental Term Sheet**”) and the sale and purchase agreement (the “**Sale and Purchase Agreement**”) in respect of the Acquisition on April 8, 2016, April 29, 2016 and August 30, 2016 respectively, pursuant to which the Company agreed to acquire 100% equity interests of Ample Mighty Limited at the consideration of HK\$3,721,824,669, which would be satisfied by the issue of approximately 463 million shares of the Company (the “**Consideration Shares**”) at the price of HK\$8.04 per Consideration Share. The Consideration Shares represent approximately 35.7% of the issued share capital of the Company at the date of this announcement and the Acquisition was completed on October 31, 2016 (the “**Completion Date**”). Further details of the Acquisition were set out in the announcements dated April 8, 2016, May 3, 2016 and August 30, 2016 and the circular dated October 7, 2016 of the Company.

In accordance with the International Financial Reporting Standard 3 “Business Combinations”, the goodwill arising from the Acquisition shall be determined based on the fair value of the identifiable assets and liabilities of the subject assets of the Acquisition and the fair value of the consideration for the Acquisition which would normally be based on the closing price of the shares of the Company on the Completion Date.

The shortfall between the fair value of the consideration for the Acquisition determined based on the closing price of HK\$12.34 per share of the Company on the Completion Date and the consideration for the Acquisition based on the price of HK\$8.04 per Consideration Share pursuant to the Term Sheet, the Supplemental Term Sheet and the Sale and Purchase Agreement has resulted in an increase in the aforesaid acquisition goodwill of approximately RMB1.7 billion. Given that there have been no substantial changes in the subject assets of the Acquisition for the period from the date of the Term Sheet to the Completion Date, the Company decided to make a full impairment provision for such acquisition goodwill of approximately RMB1.7 billion in accordance with International Accounting Standard 36 “Impairment of Assets” and the principle of prudence, and as a result the Group is likely to record a loss attributable to the Shareholders for the year ended December 31, 2016.

The Board would like to emphasize that this impairment loss on goodwill is purely an accounting treatment as required under International Accounting Standard and is a non-cash one-time profit or loss item in the income statement which will have no impact on the Group’s daily operations and cash flow. The Board believes that the Group is undergoing optimal expansion and fast development in its business and, based on the latest management accounts, the Group would record an increase in the operating profit from its principal businesses for the year ended December 31, 2016 as compared with the year ended December 31, 2015 if such impairment loss on goodwill was disregarded.

As the Company is still in the process of finalizing the Group’s consolidated annual results for the year ended December 31, 2016, this announcement is only based on the assessment by the Company after discussion with its auditors. The consolidated annual results (including the results of the goodwill impairment) are yet to be audited by the auditors.

**Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**China Resources Phoenix Healthcare Holdings Company Limited**  
**WU Potao**  
*Executive Director*

Beijing, January 25, 2017

*As at the date of this announcement, the Board comprises Mr. WANG Yin, Mr. WANG Yan, Mr. HE Xuan and Mr. LIANG Hongze as non-executive Directors; Mr. CHENG Libing, Mr. WU Potao and Mr. XU Zechang as executive Directors; Mr. KWONG Kwok Kong, Ms. CHENG Hong, Mr. SUN Jianhua and Mr. LEE Kar Chung Felix as independent non-executive Directors.*