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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to the provisions of inside information (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that based on the information currently available to the Company and the preliminary assessment by the Company's management with reference to the unaudited management accounts of the Group for the five months ended May 31, 2014, the Group is expected to record a significant increase in consolidated net profit attributable to the Shareholders of the Company for the six months ending June 30, 2014 as compared with the consolidated net profit attributable to the Shareholders of the Company of approximately RMB50.4 million for the six months ended June 30, 2013.

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

This announcement is made by Phoenix Healthcare Group Co. Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to the provisions of inside information (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (the “**Listing Rules**”) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Company and the preliminary assessment by the Company's management with

reference to the unaudited management accounts of the Group for the five months ended May 31, 2014, the Group is expected to record a significant increase in consolidated net profit attributable to the Shareholders of the Company for the six months ending June 30, 2014 as compared with the consolidated net profit attributable to the Shareholders of the Company of approximately RMB50.4 million for the six months ended June 30, 2013.

The Board considers that the expected improvement in the overall results of the Group for the six months ending June 30, 2014 as compared with the corresponding period in 2013 was mainly attributable to the following reasons:

- There was a significant decrease in finance costs arising from borrowings and finance leases over the five months ended May 31, 2014 as compared to the six months ended June 30, 2013; and
- As a result of the continuous business growth of the Group's in-network hospitals and clinics as well as the Group's further consolidation of the procurement needs of such hospitals and clinics, there was a significant improvement in profitability of general hospital services segment and supply chain business segment over the five months ended May 31, 2014 as compared to the five months ended May 31, 2013.

However, the Board would like to remind the Shareholders and potential investors that such remarkable performance may not be indicative of the Group's future performance.

The information contained in this announcement is only based on information currently available to the Company and the preliminary assessment by the Company's management with reference to the unaudited management accounts of the Group for the five months ended May 31, 2014, which have not been audited or reviewed by the Company's independent auditor or the audit committee of the Board. Shareholders and potential investors are advised to refer to the details in the interim results announcement of the Company for the six months ending June 30, 2014, which is to be released not later than August 31, 2014.

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

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

Hong Kong, June 25, 2014

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Liang Hongze, Ms. Xu Jie, Mr. Zhang Liang, Mr. Xu Zechang and Mr. Jiang Tianfan, as executive Directors; Mr. Yang Huisheng and Mr. Zhu Zhongyuan, as non-executive Directors; and Mr. Kwong Kwok Kong, Ms. Cheng Hong, Mr. Wang Bing and Mr. Sun Jianhua, as independent non-executive Directors.