

**PHOENIX HEALTHCARE GROUP COMPANY LTD:  
A VERY HEALTHY COMPANY**

The Global Offering of Phoenix Healthcare Group Company Ltd () (Code 1515, Main Board, The Stock Exchange of Hongkong Ltd) of November 18, 2013, was a resounding success by any standard, with the Hongkong Offer tranche of 20,091,000 Shares of a Nominal Value Per Share, being \$HK0.00025, being oversubscribed by approximately 534.40 times, while the International Offer tranche of 180,816,000 Shares was described as having been '*very significantly oversubscribed.*'

The net proceeds from this **Initial Public Offering (IPO)** was about \$HK1.38 billion, which was approximately 48 percent more than the Total Revenue that this Company obtained in respect of the 2012 Financial Year.

The money, raised in this IPO, is destined to be used for the following purposes, according to the Company's announcement of November 28 (last Thursday):

- Approximately 42 percent of the net proceeds, that is about \$HK581 million, to '*finance the expansion of our hospital network with strategic focus in Beijing, through PPP – Partnership between the Government of the People's Republic of China (PRC) and one or more private sector companies to provide public goods and services – and acquisition*';
- Approximately 25 percent of the net proceeds, that is about \$HK340 million, to '*repay the entire outstanding loan from our major shareholder, Speed Key Limited, at an interest rate of 12% per annum, in connection with the exchangeable notes issued by Speed Key Limited to Noteholders*';
- Approximately 10 percent of the net proceeds, that is about \$HK140 million, to be applied to '*capital expenditure to reconstruct certain facilities of, and to purchase medical equipment for, Jian Gong Hospital by 2015*';
- Approximately seven percent of the net proceeds, that is about \$HK101 million, to '*establish a premier clinical testing and laboratory center at Group level by 2015*';
- Approximately six percent of the net proceeds, that is about \$HK80 million, to the purchase of the Company's '*capital commitment to Yan Hua Hospital Group by 2015*'; and,
- Approximately 10 percent of the net proceeds, that is about \$HK138 million, to be tipped into the Working Capital Account.

In case Subscribers of **TARGET** () have not, at this point, realised it, Phoenix Healthcare Group is engaged in operating hospitals and clinics in the PRC.

**The History and Business**

Page 109 of the Global Offering Prospectus gives an insight into how this Company was founded by Ms Xu Jie () with the incorporation in the PRC of Beijing Phoenix United Hospital Management Consulting Company Ltd (), formerly known as Beijing Phoenix United Hospital Management Company Ltd ().

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