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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)

INSIDE INFORMATION STRATEGIC COOPERATION AGREEMENT

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on September 26, 2017, the Company (through its wholly-owned subsidiary) entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with Health and Family Planning Commission of Binzhou City of Shandong Province* (山東省濱州市衛生和計劃生育委員會) (“**Binzhou HFPC**”), Binzhou Central Hospital* (濱州市中心醫院) and Management Committee of Shandong Binzhou Economic and Technological Zone* (山東省濱州經濟技術開發區管理委員會) (“**ETC Committee**”) for the purpose of developing of the public healthcare services system and integrating the healthcare institutions in Binzhou.

KEY TERMS OF THE STRATEGIC COOPERATION AGREEMENT

Pursuant to the Strategic Cooperation Agreement, the Company will invest RMB500 million for the development of Binzhou Central Hospital, including equipment upgrade, specialty development, talent recruitment, information system centralization as well as facility construction of People’s Hospital of Binzhou Economic and Technological Zone* (濱州經濟技術開發區人民醫院) (the “**New Hospital**”). Binzhou Central Hospital and the New Hospital will form a consortium of healthcare institutions and further integrate medical institutions in Binzhou City and its vicinity (“**Binzhou Central Hospital Consortium**”) and the Company will be granted the right to manage and operate Binzhou Central Hospital Consortium for a term of 30 years (the “**Cooperation Term**”).

The Company will take hospital management advantages of the “group management, internationalization, professionalism and efficiency” and market-oriented mechanism, the Company will further provide support in the operation of Binzhou Central Hospital Consortium in areas such as medical technology, human resources, service capability and quality control, with the aim to promote long-term sustainable development of Binzhou Central Hospital Consortium. In return, the Group will be entitled to management fees depending on the revenue and surplus of Binzhou Central Hospital Consortium.

The Company, Binzhou HFPC, Binzhou Central Hospital and ETC Committee will appoint their respective representatives to form the management authority of Binzhou Central Hospital Consortium, responsible for operation and management, forming mid-term and long-term development plans and strategies, approving annual budgets and appointing the management team of Binzhou Central Hospital Consortium.

The Strategic Cooperation Agreement is legally binding and sets out the key principles agreed among the parties. Further agreements will be entered into to implement the cooperation for Binzhou Central Hospital Consortium.

INFORMATION ABOUT BINZHOU, SHANDONG PROVINCE AND BINZHOU CENTRAL HOSPITAL

The total population of Shandong Province is about 98.47 million. It is the third largest province in China in terms of GDP and has jurisdiction over 17 prefecture level cities, including Ji’nan, Qingdao, Zibo, Zaozhuang, Dongying, Yantai, Weifang, Jining, Tai’an, Weihai, Rizhao, Laiwu, Linyi, Dezhou, Liaocheng, Binzhou and Heze. Binzhou City is a prefecture level city in the north of Shandong Province and has a population of approximately four million. It is the largest administrative region in the the Yellow River Delta region.

Binzhou Central Hospital is a Grade IIIA general hospital located in Binzhou City and is one of the key healthcare centers in the north of Shandong Province with service coverage of regions including Binzhou (濱州), Zibo (淄博), Dezhou (德州), Cangzhou (滄州), Dongying (東營), Shanghe (商河) and Jiyang (濟陽). Binzhou Central Hospital will establish the New Hospital as its sponsor, which will mainly serve Shandong Binzhou Economic and Technological Zone* (山東省濱州經濟技術開發區), a national level economic and technological zone. Binzhou Central Hospital currently has 1,250 beds in operation and the total number of beds in operation for Binzhou Central Hospital Consortium will be 2,150 after the completion of the New Hospital.

Our investment in Binzhou Central Hospital is the Group’s first hospital investment project in Shandong Province, indicating that the Group has successfully expanded its business to the Shandong region.

REASONS AND BENEFITS OF THE STRATEGIC COOPERATION AGREEMENT

The Strategic Cooperation Agreement will significantly enhance the Group's healthcare industry management scale and medical service capabilities. Through cooperating with Binzhou HFPC and public medical institutions to establish a unified, market-oriented healthcare services system with the entire value chain and significant economies of scale, is achieved, combined with further synergies arising from the Group's and Binzhou Central Hospital's existing medical institution network. The Strategic Cooperation Agreement will further promote resources sharing between the Group and Binzhou Central Hospital Consortium, comprehensively optimising the Group's development layout and enhancing economies of scale. Through investing in Binzhou Central Hospital, the Group has expanded its business to the Shandong region, an economically developed province, which will bring significant strategic value to the Group in consolidating its leading industry position and its comprehensive hospital network.

The Board believes that the Strategic Cooperation Agreement will allow the Group to generate a stable long-term investment income and remarkably expand its hospital network. Accordingly, the Board is of the view that the Strategic Cooperation Agreement is in the interests of the Company and its shareholders as a whole.

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

Beijing, September 26, 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.

* *Denotes English translation of the name of a Chinese entity is provided for identification purpose only.*