

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any Shares.



CHINA RENJI MEDICAL GROUP LIMITED

中國仁濟醫療集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 648)

ISSUE OF UNLISTED WARRANTS UNDER GENERAL MANDATE

The Company is pleased to announce that on 5 July 2013 (after trading hours), the Company entered into the Warrant Subscription Agreement with the Subscriber, pursuant to which the Company agreed to issue and the Subscriber agreed to subscribe for a total of 2,700,000,000 Warrants at the Issue Price under the Tranche One Warrants and the Tranche Two Warrants, each of which comprises 1,350,000,000 Warrants, respectively.

Each of the Tranche One Warrants and each of the Tranche Two Warrants carries the right to subscribe for one Warrant Share at the Tranche One Warrants Subscription Price and the Tranche Two Warrants Subscription Price, respectively for a period of 5 years from the date of issue of the Warrants. Based on the total of 13,545,112,521 Shares in issue as at the date of this announcement, the total of 2,700,000,000 Warrants Shares to be issued upon full exercise of the subscription rights attached to the Warrants, represent approximately (i) 19.93% of the existing issued share capital of the Company and (ii) 16.62% of the issued share capital of the Company as enlarged by the issue of the Warrant Shares.

No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges, and an application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Warrant Shares on the Stock Exchange.

Completion of the Warrant Subscription is subject to the satisfaction of the conditions precedent in the Warrant Subscription Agreement. As the Warrant Subscription may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

THE WARRANT SUBSCRIPTION AGREEMENT

Date

5 July 2013 (after trading hours)

Parties

- (1) the Company as the issuer; and
- (2) the Subscriber, as the subscriber.

The Subscriber is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner(s), are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Conditions

Completion of the Warrant Subscription Agreement is subject to, among other things, the followings:

- (i) (if required) the Listing Committee having approved the issue of the Warrants either unconditionally or subject to conditions which neither the Company nor the Subscriber shall reasonably object and the satisfaction of such conditions;
- (ii) the Listing Committee having granted (either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall reasonably object) the listing of, and the permission to deal in, the Warrant Shares which may fall to be allotted and issued upon the exercise of the subscription rights attached to the Warrants;
- (iii) all necessary consent and approval to be obtained by the Company in respect of the issue of the Warrants having been obtained; and
- (iv) completion of a capital reorganisation (the "Capital Reorganisation") in such reasonable manner by the Company such that the nominal value of the Shares shall reduce from HK\$0.10 per Share to a value below the Tranche One Warrants Subscription Price and/or the Tranche Two Warrants Subscription Price.

Condition numbered (iv) above may be waived by the Subscriber provided that the Subscriber agrees to increase the Tranche One Warrants Subscription Price and/or the Tranche Two Warrants Subscription Price to HK\$0.1 per Warrant Share. For avoidance of doubt, the maximum number of Warrant Shares to be issued and allotted upon the full exercise of the Warrants if the Subscriber exercises its discretion to waive condition numbered (iv) above shall remain 2,700,000,000.

In the event that any of the conditions is not fulfilled on or before 30 June 2014 (the “Long Stop Date”), or such other date as may be agreed between the Company and the Subscriber, the Warrant Subscription Agreement shall lapse and become null and void and the parties to the Warrant Subscription Agreement shall be released from obligation thereunder, save for any liabilities for any antecedent breaches thereof.

Completion

Completion of the Warrant Subscription shall take place within three business days following the date on which the aforesaid conditions of the Warrant Subscription Agreement have been fulfilled or waived (as the case may be), or such other date as the Company and the Subscriber may agree.

PRINCIPAL TERMS OF THE WARRANTS

Number of Warrants

Pursuant to the Warrant Subscription Agreement, the Company has agreed to issue and the Subscriber has agreed to subscribe for a total of 2,700,000,000 Warrants under the Tranche One Warrants and Tranche Two Warrants, each of which comprises 1,350,000,000 Warrants, respectively.

Issue Price

The Issue Price for each Warrant to be issued under each of the Tranche One Warrants and the Tranche Two Warrants is HK\$0.0002 per Warrant and is arrived at after arm’s length negotiations between the Company and the Subscriber. It is estimated that the net issue price per Warrant amounts to approximately HK\$0.0002.

Number of Warrant Shares

Each of the Tranche One Warrants and each of the Tranche Two Warrants carries the right to subscribe for one Warrant Share at the Tranche One Warrants Subscription Price of HK\$0.022 per Warrant Share and the Tranche Two Warrants Subscription Price of HK\$0.05 per Warrant Share, respectively.

Based on the total of 13,545,112,521 Shares of the Company in issue as at the date of this announcement, 2,700,000,000 Warrant Shares will be issued upon the full exercise of the subscription rights attached to the Warrants represent (i) approximately 19.93% of the existing issued share capital of the Company and (ii) approximately 16.62% of the issued share capital of the Company as enlarged by the issue of the Warrant Shares.

Subscription Price

Tranche One Warrants Subscription Price

The Issue Price and the Tranche One Warrants Subscription Price are determined after arm’s length negotiations between the Company and the Subscriber, and taking into account the recent trading prices of the Shares.

The aggregate of the Issue Price and the Tranche One Warrants Subscription Price of approximately HK\$0.0222 represents:

- (i) a premium of approximately 0.9% over the closing price of HK\$0.022 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (ii) a premium of approximately 2.8% over the average closing prices of approximately HK\$0.0216 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the date of this announcement.

Tranche Two Warrants Subscription Price

The Issue Price and the Tranche Two Warrants Subscription Price are determined after arm's length negotiations between the Company and the Subscriber, and taking into account the recent trading prices of the Shares.

The aggregate of the Issue Price and the Tranche Two Warrants Subscription Price of approximately HK\$0.0502 represents:

- (i) a premium of approximately 128.2% over the closing price of HK\$0.022 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (ii) a premium of approximately 32.4% over the average closing prices of approximately HK\$0.0216 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the date of this announcement.

The Tranche One Warrants Subscription Price and the Tranche Two Warrants Subscription Price are subject to adjustments in the event of, among others, share consolidation, share subdivision, capital distribution, and capitalisation of profits or reserve of the Company and such adjustments will be certified by the auditors of the Company or an approved merchant bank. For avoidance of doubt, no adjustment will be made to the Tranche One Warrants Subscription Price and the Tranche Two Warrants Subscription Price if such subscription will cause the number of the Warrant Shares to be allotted and issued to exceed the maximum number of Shares which can be allotted and issued under the General Mandate or be below the nominal value of the Shares.

Exercise Period

The subscription rights attaching to the Warrants to be issued under the Tranche One Warrants and the Tranche Two Warrants can be exercised at any time during a period of 5 years from the date of issue of the Warrants.

Listing

No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges, and an application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Warrant Shares on the Stock Exchange.

Ranking of the Warrant Shares

The Warrant Shares, when issued and fully paid, will rank pari passu in all respects with the existing issued Shares as at the date of allotment.

Transferability

The Warrants are freely transferable in integral multiples of 1,000,000 Warrants and to person(s) who is (are) independent of and not connected with the Company or any of its associates (as defined in the Listing Rules). Any transfer of the Warrants to connected person(s) (as defined in the Listing Rules) of the Company shall be subject to the written consent of the Company and compliance with the Listing Rules.

Voting rights of the Warrants

The holder(s) of the Warrants will not have any right to attend or vote at any general meeting of the Company by reason of them being the holders of the Warrants. The holder(s) of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company by reason of them being the holders of the Warrants.

GENERAL MANDATE TO ISSUE THE WARRANT SHARES

The maximum number of 2,700,000,000 Warrant Shares that can be issued upon the full exercise of the subscription rights attached to the Tranche One Warrants and the Tranche Two Warrants will be issued under the General Mandate. As at the date of the Warrant Subscription Agreement, the General Mandate has not been utilized and a maximum number of 2,709,022,504 new Shares could be issued under the General Mandate. The Warrant Subscription is not subject to approval of the shareholders of the Company.

REASONS FOR THE ISSUE OF WARRANTS AND USE OF PROCEEDS

The Group is principally engaged in the provision of medical equipment and services for the network of its medical centres specialising in the diagnosis and treatment of tumours and/or cancer related diseases in The People's Republic of China.

The Company considers the issue of the Warrants being a good opportunity to raise further capital for the Group in that it will not have an immediate dilution effect on the shareholding of the existing shareholders of the Company but will strengthen the capital base of the Company and provide the Group with an opportunity to raise further fund when the Subscriber exercises the subscription rights attaching to the Warrants. The proceeds from the Warrant Subscription will amount to approximately HK\$0.5 million and will be used as the general working capital of the Group. Assuming the subscription rights attached to the Warrants having been exercised in full, the total funds available from the exercise of the subscription rights attached to the Warrants is expected to amount to approximately HK\$97 million. The proceeds obtained from the Warrant Subscription and the subsequent exercise of the rights attached to the Warrants will be used as general working capital of the Group.

The Directors consider that the Warrant Subscription Agreement was entered into on normal commercial terms after arm's length negotiations between the Company and the Subscriber and after having taken into account the premium of each of the Tranche One Warrants Subscription Price and the Tranche Two Warrants Subscription Price over the recent trading price of the Shares as described above, and are of the view that the terms of the Warrant Subscription Agreement (including the Issue Price, the Tranche One Warrants Subscription Price and the Tranche Two Warrants Subscription Price) are fair and reasonable and is in the interests of the Company and its shareholders as a whole.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 13,545,112,521 Shares in issue. The shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after the issue of the 2,700,000,000 Warrant Shares upon full exercise of the subscription rights attached to the Warrants are as follows:

	As at the date of this announcement		Immediately after the exercise of the subscription rights attaching to the Warrants in full	
	<i>No. of Shares (Shares)</i>	<i>Approximately (%)</i>	<i>No. of Shares (Shares)</i>	<i>Approximately (%)</i>
Yong Chang Investment Limited	2,439,000,000	18.01	2,439,000,000	15.01
Wuhu Long Yuan Investment Company Limited	1,950,000,000	14.40	1,950,000,000	12.01
Subscriber	—	—	2,700,000,000	16.62
Public shareholders	<u>9,156,112,521</u>	<u>67.60</u>	<u>9,156,112,521</u>	<u>56.36</u>
Total	<u>13,545,112,521</u>	<u>100.00</u>	<u>16,245,112,521</u>	<u>100.00</u>

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

IMPLICATION UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities remain to be issued upon exercise of any other subscription rights of the Company, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time when the Warrants are issued (options granted under share option schemes in compliance with Chapter 17 of the Listing Rules are excluded for the purpose of such limit). As at the date of this announcement, save for options which may be granted under the share option scheme of the Company adopted in October 2001, the Company has no securities with subscription rights outstanding and not yet exercised. Based on the total of 13,545,112,521 Shares in issue as at the date of this announcement, and assuming that (i) the subscription rights attaching to the Warrants have been exercise in full; and (ii) no Shares are further issued and repurchased, the total of 2,700,000,000 Warrant Shares that can be issued under the warrants represent (i) 19.93% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.62% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares. As such, the issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

GENERAL

Completion of the Warrant Subscription is subject to the satisfaction of the conditions precedent in the Warrant Subscription Agreement. As the Warrant Subscription may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“Company”	China Renji Medical Group Limited, a company incorporated in Hong Kong with limited liability and whose issued shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the resolution of the shareholders of the Company passed at the annual general meeting of the Company held on 16 May 2013 to allot, issue and deal with the Shares and to make or grant offers, agreements and options which may require Shares to be issued, allotted or dealt with, of up to 2,709,022,504 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Issue Price”	HK\$0.0002 per Warrant
“Listing Committee”	the listing sub-committee of the board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Wisdom Phoenix Limited, a company incorporated in British Virgin Islands with limited liability
“Tranche One Warrants Subscription Price”	an exercise price of HK\$0.022 per Warrant Share at which holder(s) of the Tranche One Warrants may subscribe for the Warrant Shares
“Tranche Two Warrants Subscription Price”	an exercise price of HK\$0.05 per Warrant Share at which holder(s) of the Tranche Two Warrants may subscribe for the Warrant Shares

“Tranche One Warrant(s)”	the 1,350,000,000 unlisted warrants to be issued by the Company pursuant to the Warrant Subscription Agreement
“Tranche Two Warrant(s)”	the 1,350,000,000 unlisted warrants to be issued by the Company pursuant to the Warrant Subscription Agreement
“Warrant(s)”	the total of 2,700,000,000 unlisted warrants to be issued by the Company under the Tranche One Warrants and the Tranche Two Warrants
“Warrant Shares”	the new Shares to be issued by the Company upon the exercise of the subscription rights attaching to the Warrants under the Tranche One Warrants and the Tranche Two Warrants at the Tranche One Warrants Subscription Price and the Tranche Two Warrants Subscription Price, respectively
“Warrant Subscription”	the subscription for the Warrants by the Subscriber pursuant to the Warrant Subscription Agreement
“Warrant Subscription Agreement”	the conditional warrant subscription agreement dated 5 July 2013 entered into between the Subscriber and the Company in relation to the Warrant Subscription
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of
China Renji Medical Group Limited
Tang Chi Chiu
Chairman

Hong Kong, 5 July 2013

As at the date of this announcement, the board of the Company comprises two executive directors, namely Mr. Tang Chi Chiu and Mr. Wang Jianguo, and three independent non-executive directors, namely Mr. Kwok Chung On, Mr. Wu Chi Keung and Ms. Wu Yan.