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China Renji Medical Group Ltd
中國仁濟醫療集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 648)

**CONNECTED TRANSACTION —
SUPPLEMENTAL WARRANT SUBSCRIPTION AGREEMENT IN
RELATION TO
THE ISSUE OF UNLISTED WARRANTS**

SUPPLEMENTAL WARRANT SUBSCRIPTION AGREEMENT

Following the appointment of Mr. Chan as the Director, the Company entered into the Supplemental Warrant Subscription Agreement with the Subscriber on 31 October 2013 to revise certain terms and conditions of the Warrant Subscription Agreement for compliance with the Listing Rules.

IMPLICATION UNDER THE LISTING RULES

Mr. Chan, the ultimate beneficial owner of the Subscriber, was appointed as the Director on 9 September 2013 and has therefore become a connected person of the Company. Accordingly, the transactions contemplated under the Warrant Subscription Agreement and the Supplemental Warrant Subscription Agreement will constitute connected transactions on the part of the Company under the Listing Rules and the Warrant Subscription is subject to, among other things, reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the independent shareholders of the Company as to the fairness and reasonableness of the transactions contemplated under the Warrant Subscription Agreement and the Supplemental Warrant Subscription Agreement. An independent financial adviser will be appointed to advise the Independent Board Committee and the independent shareholders of the Company in this regard. Since neither Mr. Chan, the Subscriber nor their respective associates held any Shares as at the date of this announcement, no shareholders of the Company are required to abstain from voting on the resolution(s) at the EGM of the Company to approve the Warrant Subscription under the Warrant Subscription Agreement and the Supplemental Warrant Subscription Agreement.

A circular containing, among other matters, further information on the Warrant Subscription, a letter from the independent financial adviser to the Independent Board Committee and the independent shareholders of the Company, a letter from the Independent Board Committee to the independent shareholders of the Company, a notice of the EGM to be convened regarding the transactions contemplated under the Warrant Subscription Agreement and the Supplemental Warrant Subscription Agreement and the corresponding proxy form will be despatched to the shareholders of the Company on or before 21 November 2013.

Reference is made to the announcements of the Company dated 5 July and 9 September 2013 (the “Announcements”) in relation to, among others, the Warrant Subscription Agreement and the appointment of Mr. Chan as the Director, respectively. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

SUPPLEMENTAL WARRANT SUBSCRIPTION AGREEMENT

Following the appointment of Mr. Chan, the ultimate beneficial owner of the Subscriber, as a Director on 9 September 2013, the transactions contemplated under the Warrant Subscription Agreement will constitute connected transactions under Chapter 14A of the Listing Rules and shall be subject to announcement, reporting and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Accordingly, after arm’s length negotiations, the Company entered into the supplemental warrant subscription agreement (the “Supplemental Warrant Subscription Agreement”) with the Subscriber on 31 October 2013 to revise certain terms and conditions of the Warrant Subscription Agreement for purpose of compliance with the Listing Rules.

Under the Supplemental Warrant Subscription Agreement, the following major amendments will be made on the Warrant Subscription Agreement:

Condition

The following additional clause will be included for completion of Warrant Subscription Agreement:

“(v) the passing of the necessary resolution(s) by the independent shareholders of the Company (other than the Subscriber and its associates) who are entitled to vote and not required to be abstained from voting under the Listing Rules at an extraordinary general meeting of the Company (the “EGM”) to be convened and held to approve the Warrant Subscription Agreement and the transactions contemplated hereunder”

Long Stop Date

In addition to the above, the Long Stop Date under the Warrant Subscription Agreement is also revised to the extent that in the event any of the conditions is not fulfilled (or waived, as the case may be) on or before the tenth business day following the completion of the Capital Reorganisation, or 28 February 2014 (whichever is later) or such other date as may be agreed between the Company and the Subscriber, the Warrant Subscription Agreement and the Supplemental Warrant Subscription Agreement shall lapse and become null and void and the parties to the Warrant Subscription Agreement and the Supplemental Warrant Subscription Agreement shall be released from obligation thereunder, save for any liabilities for any antecedent breaches thereof.

Specific Mandate to issue the Warrant Shares

Since the transactions contemplated under the Warrant Subscription Agreement will constitute connected transactions, the issue of the Warrants and the subsequent subscription of the Warrant Shares will no longer be issued under the General Mandate but is subject to the specific mandate under the approval of the independent shareholders of the Company at the EGM.

Right to request for exercise of Warrants by the Company

Pursuant to the Supplemental Warrant Subscription Agreement, further amendments will be made to the instrument constituting the Tranche One Warrants (the “Tranche One Warrants Instrument”) such that the Company is granted under the Tranche One Warrants Instrument the rights and discretion (the “Put Option”) which entitle the Company, during the underlying exercise period of the Tranche One Warrants, to request the then holder(s) of the Tranche One Warrants to exercise its/their rights to subscribe for the Warrant Shares at the Tranche One Warrants Subscription Price by written notice served by the Company to the holder(s) of the Tranche One Warrants.

For exercising the Put Option, the Company shall serve the relevant holder(s) of the Tranche One Warrants a written notice specifying the number of Tranche One Warrants to be exercised (provided that such number of Tranche One Warrants shall be in integral multiples of 1,000,000 Tranche One Warrants (or if at the time of the exercise of the Put Option, the outstanding number of Tranche One Warrants are less than 1,000,000 units, the whole but not in part of the outstanding Tranche One Warrants)). The then holders of the Tranche One Warrants shall within ten business days (or such longer period as stipulated on the written notice) upon receiving such written notice exercise the subscription rights attaching to the Tranche One Warrants to subscribe for the Warrant Shares at the Tranche One Warrants Subscription Price. In the event that there are more than one holder(s) of the Tranche One Warrants, the Company shall also have the discretion to request any of them to exercise the Tranche One Warrants and the Company shall not be obliged to request the exercise of the Tranche One Warrants on a pro rata basis. For the avoidance of doubt, the Put Options is vested in the Company and is not transferable and the exercise of the Put Option shall be at the absolute discretion of the Company.

Save as disclosed above, there is no other material change to the terms and conditions of the Warrant Subscription Agreement and all other material terms and conditions of the Warrant Subscription Agreement remain unchanged and in full force and effect. The terms of the Supplemental Warrant Subscription Agreement were arrived at after arm’s length negotiations between the Company and the Subscriber and for the purpose of the compliance with the

Listing Rules, the Directors consider that the terms of the Supplemental Warrant Subscription Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

Mr. Chan, the ultimate beneficial owner of the Subscriber, was appointed as the Director on 9 September 2013 and has therefore become a connected person of the Company following his appointment. Accordingly, the transactions contemplated under the Warrant Subscription Agreement and the Supplemental Warrant Subscription Agreement will constitute connected transactions on the part of the Company under the Listing Rules and the Warrant Subscription is subject to, among other things, reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The independent board committee (the "Independent Board Committee") comprising all the independent non-executive Directors will be formed to advise the independent shareholders of the Company as to the fairness and reasonableness of the transactions contemplated under the Warrant Subscription Agreement and the Supplemental Warrant Subscription Agreement. An independent financial adviser will be appointed to advise the Independent Board Committee and the independent Shareholders in this regard. Since neither Mr. Chan, the Subscriber nor their respective associates held any Shares as at the date of this announcement, no shareholders of the Company are required to abstain from voting on the resolution(s) at the EGM of the Company to approve the Warrant Subscription and the transactions contemplated thereunder.

A circular containing, among other matters, further information on the Warrant Subscription, a letter from the independent financial adviser to the Independent Board Committee and the independent shareholders of the Company, a letter from the Independent Board Committee to the independent shareholders of the Company, a notice of the EGM to be convened regarding the transactions contemplated under the Warrant Subscription Agreement and the Supplement Warrant Subscription Agreement and the corresponding proxy form will be despatched to the shareholders of the Company on or before 21 November 2013.

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

Hong Kong, 31 October 2013

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