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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)**

**RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY TWO SHARES HELD ON RECORD DATE  
AND  
RESUMPTION OF TRADING**

**Underwriter to the Rights Issue**



**SBI China Capital Financial Services Limited**

**RIGHTS ISSUE**

The Company proposes to raise approximately not less than approximately HK\$91.4 million and not more than approximately HK\$114.8 million, before expenses, by way of the rights issue of not less than 338,627,813 Rights Shares but not more than 425,289,113 Rights Shares to the Qualifying Shareholders at a subscription price of HK\$0.27 per Rights Share on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date. The Company plans to use the net proceeds from the Rights Issue to finance the Group's future investments identified/to be identified and/or as general working capital. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company on the Record Date. In order for their owners to be registered as members on the Record Date, any transfers of the Shares (with the relevant share certificates) must be lodged for registration by 4:30 p.m. on 26 August 2014.

**GENERAL**

The Rights Issue is fully underwritten by the Underwriter. As the Rights Issue would increase neither the issued share capital nor the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to Shareholders' approval under the Listing Rules.

The Prospectus Documents containing, among other things, further details of the Rights Issue are expected to be despatched by the Company to the Qualifying Shareholders on or before 1 September 2014 and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL PAID RIGHTS**

The Underwriting Agreement contains provisions granting the Underwriter a right to terminate their obligations under the Underwriting Agreement upon occurrence of certain events. The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If this condition is not fulfilled, the Rights Issue will not proceed and a further announcement will be made by the Company as and when appropriate in compliance with the Listing Rules.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Nil Paid Rights is advised to exercise caution when dealing in the Shares and/or the Nil Paid Rights.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the Nil Paid Rights up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

## **RIGHTS ISSUE**

### **Issue statistics**

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Subscription Price	:	HK\$0.27 per Rights Share
Number of Shares in issue at the date of this announcement	:	677,255,626 Shares
Minimum number of Rights Shares	:	338,627,813 Rights Shares (assuming no new Shares are issued on or before the Record Date (other than the Right Shares))
Maximum number of Rights Shares	:	425,289,113 Rights Shares (assuming new Shares are issued on or before the Record Date for the full exercise of (i) the subscription rights attached to the Warrants; (ii) the conversion rights attached to the Convertible Notes; and (iii) the subscription rights attached to the Existing Share Options
Underwriter	:	SBI China Capital Financial Services Limited

The Company and the Underwriter have entered into the Underwriting Agreement in respect of the Rights Issue on 16 August 2014.

The number of Rights Shares to be issued pursuant to the Rights Issue represents 50% of the issued share capital of the Company as at the date of this announcement and approximately 33.33% of issued share capital of the Company as enlarged by the issue of the Rights Shares immediately following the completion of the Rights Issue.

Save for (i) the 135,000,000 Warrants entitling the holders thereof to subscribe for up to 135,000,000 Shares; (ii) the Convertible Notes entitling the holders thereof to convert into a maximum of 12,500,000 Shares; and (iii) the 25,822,600 Existing Share Options which entitle to the holders thereof to subscribe for up to 25,822,600 Shares, as at the date of this announcement, the Company does not have any other options outstanding under any share option scheme or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

### **Subscription Price**

The Subscription Price is HK\$0.27 per Rights Share, payable in full upon acceptance under the PAL(s).

The Subscription Price represents:

- (i) a discount of approximately 52.6% to the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on 14 August 2014, being the last full trading day prior to the trading halt of the Shares on 15 August (the “Last Full Trading Day”);
- (ii) a discount of approximately 51.8% to the average closing price of approximately HK\$0.56 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Full Trading Day; and
- (iii) a discount of approximately 42.6% to the theoretical ex-rights price of approximately HK\$0.47 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.57 per Share as quoted on the Stock Exchange on the Last Full Trading Day.

The Subscription Price was arrived at after arm’s length negotiation between the Company and the Underwriter with reference to, among others, the prevailing market price and trading liquidity of the Shares. The Directors consider that the discount to the prevailing market price would encourage the Shareholders to participate in the Rights Issue to maintain their shareholdings in the Company and to enjoy the potential growth of the Group. In view of the above and the benefits of the Rights Issue, the Directors consider that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share is estimated to be approximately HK\$0.26.

### **Basis of provisional allotment**

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date. Acceptances of all or any part of a Qualifying Shareholder’s provisional allotment can be made only by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted.

## **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully-paid, shall rank pari passu in all respects with the Shares then in issue, including as to the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares. Dealings in the Rights Shares will be subject to payment of stamp duty in Hong Kong.

## **Fractional entitlements to the Rights Shares**

The Company will not provisionally allot to and will not accept applications for any fractions of Rights Shares from Qualifying Shareholders. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. Such fractional entitlements will be aggregated and the fractions of Rights Shares shall be provisionally allotted to a nominee of the Company. The Company shall procure such of its nominees, if possible, to sell all the fractions of the Nil Paid Rights in the market and the net proceeds of such sales, after deduction of expenses, will be aggregated and an equivalent amount will accrue for the benefit of the Company.

## **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder at the close of business on the Record Date. Overseas Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date whom the Company, based on legal opinions to be provided by legal advisers, considers necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place will not be regarded as Qualifying Shareholders.

The Company is in the process of considering the rights of the Overseas Shareholders and the arrangements in respect of the Rights Issue for them, including whether it is feasible to extend the Rights Issue to such Shareholders. The Company retains the right, in its discretion, to make any arrangement to avoid any offer of Rights Shares to the Shareholders outside Hong Kong.

Holders of the Existing Share Options who wish to participate in the Rights Issue should exercise the Existing Share Options in accordance with the terms and conditions of the share option scheme adopted by the Company in October 2001 and be registered as holders of the Shares on or before 26 August 2014.

Holders of the Convertible Notes who wish to participate in the Rights Issue should exercise the conversion rights attaching to the Convertible Notes in accordance with the terms and conditions of the Convertible Notes so as to enable them to be registered as members of the Company on or before 26 August 2014.

Holders of the Warrants who wish to participate in the Rights Issue should exercise the subscription rights attaching to the Warrants in accordance with the terms and conditions of the Warrants so as to enable them to be registered as members of the Company on or before 26 August 2014.

Further information in this connection will be set out in the Prospectus to be despatched to the Shareholders.

In order to be registered as members of the Company at the close of business on the Record Date, beneficial owners must lodge any transfers of Shares (together with the relevant share certificates) with the share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 26 August 2014.

The Company is expecting to send the Prospectus Documents to the Qualifying Shareholders on 1 September 2014. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders, for their information only but will not send any PAL to them.

### **Non-Qualifying Shareholders**

The Company will send the Prospectus only (without PAL) to the Non-Qualifying Shareholders for their information.

Arrangement will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold on the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be taken up by the Underwriters.

### **Closure of register of members**

The register of members of the Company will be closed from 27 to 28 August 2014 (both dates inclusive). No transfers of Shares will be registered during this period.

### **No Application for excess Rights Shares**

After arm's length negotiation with the Underwriters, the Directors has decided that the Qualifying Shareholders will not be entitled to subscribe for any additional Rights Shares in excess of their respective assured entitlements. Given that each Qualifying Shareholder will be given equal and fair opportunity to participate in the Rights Issue, the Directors considers that it will be burdensome to the Company to put in additional effort and costs to administer the excess application procedures. Any Rights Shares not taken up by the Qualifying Shareholders will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirement of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the existing board lots of 2,500 Rights Shares. Dealing in the Rights Shares registered in the register of members of the Company in Hong Kong will be subject to the payment of the stamp duty in Hong Kong.

### **Certificates of the Rights Shares**

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before 25 September 2014 to those who have accepted and paid for the Rights Shares, by ordinary post at their own risk.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon, among other things, the followings:

- (i) the passing of all necessary resolution(s) by the board of Directors approving the Rights Issue and the transactions contemplated hereunder by no later than the Posting Date of the Prospectus;
- (ii) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the posting date of the Prospectus and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (iii) the posting of the Prospectus Documents to Qualifying Shareholders on the Posting Date of the Prospectus;
- (iv) the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Posting Date;
- (v) compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement;
- (vi) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and that the Underwriting Agreement not being terminated in accordance with its terms;
- (vii) compliance with and performance of all undertakings and obligations of the Underwriter under the Underwriting Agreement; and
- (viii) there being no event occur prior to the latest time for termination of the Underwriting Agreement (the "Latest Time for Termination") which would render the warranties of the Company under the Underwriting Agreement untrue and incorrect.

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If this condition is not fulfilled, the Rights Issue will not proceed and a further announcement will be made by the Company as and when appropriate in compliance with the Listing Rules.



No parties to the Underwriting Agreement are capable to waive any of the above conditions. If the above conditions is not satisfied by the Latest Time for Termination or such other date as the Underwriter and the Company may agree in writing, the Underwriting Agreement shall be terminated (save in respect of any rights or obligations which may accrue under the Underwriting Agreement prior to the Latest Time for Termination), and no parties to the Underwriting Agreement will have any claim against any other parties for costs, damages, compensation or otherwise (except certain expenses of the Underwriter shall remain payable by the Company under the Underwriting Agreement). The Rights Issue will not proceed accordingly.

## **UNDERWRITING ARRANGEMENT FOR THE RIGHTS ISSUE**

Pursuant to the Underwriting Agreement, the Underwriter has agreed to fully underwrite not less than 338,627,813 Right Shares and not more than 425,289,113 Right Shares under the Right Issue. As such, the Rights Issue is fully underwritten by the Underwriter.

Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of Right Shares not being taken up by Qualifying Shareholders (the “Untaken Shares”) which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 20% of the voting rights of the Company upon the completion of the Rights Issue. The Underwriter shall also use all reasonable endeavours to ensure that each of the subscribers or purchasers of the Untaken Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the Listing Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue.

### **Commission**

The Company will pay the Underwriter an underwriting commission of 4% of the aggregate subscription price of the Rights Shares underwritten by it. The Directors consider that the underwriting commission accords with market rates.

### **Termination of the Underwriting Agreement**

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing given by it to the Company at any time prior to the Latest Time for Termination:

- (i) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than thirty consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue.

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (i) any material breach of any of the representation, warranties or undertakings under the Underwriting Agreement that come to the knowledge of the Underwriter; or



(ii) any events, which would render the warranties contained under the Underwriting Agreement untrue or incorrect in any material respect, comes to the knowledge of the Underwriter.

Upon the giving of notice of termination as referred to the above prior to the Latest Time for Termination, the obligations of all parties under the Underwriting Agreement (save and except for, among others, the fees and expenses payable by the Company) shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise, save for any antecedent breaches. If such notice of termination were served by the Underwriter, the Rights Issue will not proceed accordingly.

## CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

(i) *assuming no holders of the Existing Share Options, the Warrants and the Convertible Notes have exercised their rights for exchange of Shares:*

	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming no Rights Shares are subscribed by the Qualifying Shareholders) (Note 1)		Immediately after completion of the Rights Issue (assuming all Rights Shares are subscribed by the Qualifying Shareholders) (Note 1)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
The existing substantial shareholders	205,342,300	30.3%	205,342,300	20.2%	308,013,450	30.3%
Public shareholders	471,913,326	69.7%	471,913,326	46.5%	707,869,989	69.7%
Underwriter (Note 2)	—	—	338,627,813	33.3%	—	—
<b>Total</b>	<b>677,255,626</b>	<b>100.0%</b>	<b>1,015,883,439</b>	<b>100.0%</b>	<b>1,015,883,439</b>	<b>100.0%</b>

Note:

- This scenario is for illustrative purpose only and is subject to rounding error.
- Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 20% of the voting rights of the Company upon the completion of the Rights Issue. The Underwriter shall also use all reasonable endeavours to ensure that each of the subscribers or purchasers of the Untaken Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the Listing Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue.

(ii) assuming all holders of the Existing Share Options, the Warrants and the Convertible Notes have exercised their rights for exchange of Shares in full:

	As at the date of this announcement (Note 1)		Immediately after completion of the Rights Issue (assuming no Rights Shares are subscribed by the Qualifying Shareholders) (Note 2)		Immediately after completion of the Rights Issue (assuming all Rights Shares are subscribed by the Qualifying Shareholders) (Note 2)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
The existing substantial shareholders	205,342,300	24.1%	205,342,300	16.1%	308,013,450	24.1%
Public shareholders	471,913,326	55.5%	471,913,326	37.0%	707,869,989	55.5%
Holder of Warrants	135,000,000	15.9%	135,000,000	10.6%	202,500,000	15.9%
Holders of Convertible Notes	12,500,000	1.5%	12,500,000	1.0%	18,750,000	1.5%
Holders of Existing Share Options	25,822,600	3.0%	25,822,600	2.0%	38,733,900	3.0%
Underwriter (Note 3)	—	—	425,289,113	33.3%	0	—
<b>Total</b>	<b>850,578,226</b>	<b>100.0%</b>	<b>1,275,867,339</b>	<b>100.00%</b>	<b>1,275,867,339</b>	<b>100.0%</b>

Notes:

1. assuming all holders of the Existing Share Options, Warrants and Convertible Notes have exercised their rights for exchange of Shares as at the date of this announcement for illustration purpose.
2. This scenario is for illustrative purpose only and is subject to rounding error.
3. Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 20% of the voting rights of the Company upon the completion of the Rights Issue. The Underwriter shall also use all reasonable endeavours to ensure that each of the subscribers or purchasers of the Untaken Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the Listing Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue.

## REASONS FOR THE RIGHTS ISSUE 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 gross proceeds of the Rights Issue will amount to approximately HK\$91.4 million to approximately HK\$114.8 million (assuming the conversion or subscription rights (as the case may be) attaching to the Convertible Notes, the Warrants and the Existing Share Options have been exercised in full), respectively. The estimated net proceeds of the Rights Issue (after the deduction of, among other things, underwriting commission) will be approximately HK\$87 million to HK\$110 million (assuming the conversion or subscription rights (as the case may be) attaching to the Convertible Notes, the Warrants and the Existing Share Options have been exercised in full), respectively. The Company intends to apply up to 80% of the net proceeds from the Rights Issue for financing the Group's future investments identified/to be identified and the remaining for general working capital purpose.

The Directors consider that the Rights Issue will increase the capital base of the Company and give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following fund raising activities in the past 12 months immediately preceding the date of this announcement:

<u>Date of announcement/ circular</u>	<u>Event</u>	<u>Net Proceeds</u>	<u>Intended and Actual use of proceeds</u>
24 December 2013	Issue of Warrants	Approximately HK\$97 million upon exercise of the subscription rights attached to the Warrants in full	As general working capital of the Group
17 April 2014	Issue of Convertible Notes	Approximately HK\$10 million	As general working capital of the Group

## TENTATIVE TIMETABLE

**2014**

Last day of dealing in Shares on a cum-rights basis . . . . .	Friday, 22 August
First day of dealing in Shares on an ex-rights basis . . . . .	Monday, 25 August
Latest time for Shareholders to lodge transfer of Shares to qualify for the Rights Issue . . . . .	4:30 p.m. on Tuesday, 26 August
Closure of register of members (both days inclusive) . . . . .	Wednesday, 27 to Thursday, 28 August
Record date for determining entitlements to the Rights Issue . . . . .	Thursday, 28 August
Register of members re-opens . . . . .	Friday, 29 August
Despatch of Prospectus Document . . . . .	Monday, 1 September
First day of dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Wednesday, 3 September
Latest time for splitting nil-paid Rights Shares . . . . .	4:00 p.m. on Friday, 5 September

Last day of dealing in nil-paid Rights Shares . . . . .	4:00 p.m. on Thursday, 11 September
Latest time for acceptance of and payment for the Rights Shares . . . . .	4:00 p.m. on Wednesday, 17 September
Latest time for terminate the Underwriting Agreement and for the Rights Issue to become unconditional . . . . .	4:00 p.m. on Thursday, 18 September
Announcement of results of the Rights Issue . . . . .	Wednesday, 24 September
Certificates for fully paid Rights Shares to be despatched on or before . . . . .	Thursday, 25 September
Commencement of dealings in fully-paid Rights Shares . . . . .	Friday, 26 September

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

**WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES**

**The Shares will be dealt in on an ex-rights basis from Monday, 25 August 2014. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 3 September 2014 to Thursday, 11 September 2014 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed.**

**Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Wednesday, 3 September 2014 to Thursday, 11 September 2014 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.**

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS AND RESUMPTION OF TRADING**

The Directors also noted the increases in the price and trading volume of the Shares on 15 August 2014. Having made such enquiry with respect of the Company as is reasonable in the circumstances, the Directors confirm that save for the Rights Issue and the matters as disclosed in the announcements of the Company dated 8 and 17 August 2014, it is not aware of any reasons for these price and trading volume movements or of any information which must be announced to avoid a false market in the Shares or of any inside information that needs to be disclosed under Part XIVA of the SFO.

At the request of the Company, trading in the Shares on the Stock Exchange had been halted with effect from 10:13 a.m. on 15 August 2014 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9: 00 a.m. on 18 August 2014.

## GENERAL

As the Rights Issue would not increase either the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not required by the Listing Rules to be approved by the Shareholders in a general meeting.

The Prospectus Documents containing, among other things, further details of the Rights Issue is expected to be despatched by the Company to Qualifying Shareholders on or before 1 September 2014, and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

The Underwriter is a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owner(s) are independent third parties.

## DEFINITIONS

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

“Acceptance Time”	4:00 p.m. on Wednesday, 17 September 2014 (or such other time or date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment of, Rights Shares)
“Business Day”	a day (other than a Saturday, Sunday or public holiday or a day on which typhoon signal 8 or above or black rainstorm is hoisted in Hong Kong at 9:00 a.m.) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China Renji Medical Group Limited, a company incorporated in the Hong Kong with limited liability whose issued shares are listed on the main board of the Stock Exchange
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong or the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as the case may be
“Convertible Notes”	the convertible notes issued by the Company in the principal amount of HK\$10 million which entitle the holder thereof to convert into a maximum of 12,500,000 Shares
“Directors”	the directors of the Company
“Existing Share Options”	the outstanding share options granted pursuant to the share option scheme adopted by the Company in October 2001
“Group”	the Company and its subsidiaries
“HKSCC”	the Hong Kong Securities Clearing Company Limited



“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nil Paid Rights”	the nil-paid rights of Shareholders to be allotted pursuant to the Rights Issue
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Overseas Shareholder(s) on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“Posting Date”	Monday, 1 September 2014, or such other day as may be agreed between the Company and the Underwriter, being the expected date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus and PAL
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Thursday, 28 August 2014 or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the issue of the Rights Shares by way of rights to the Qualifying Shareholders for subscription on the terms to be set out in the Prospectus Documents and summarized herein

“Rights Share(s)”	not less than 338,627,813 and not more than 425,289,113 new Shares to be offered to the Qualifying Shareholders for subscription on the basis of one (1) Rights Share for every two (2) Shares held at the Record Date pursuant to Rights Issue
“Settlement Date”	Thursday, 18 September 2014, being daye the second Business Day following the Acceptance Time or such later date as the Company and the Underwriter may agree
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.27 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	SBI China Capital Financial Services Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 16 August 2014 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“Warrants”	the 135,000,000 warrants issued by the Company entitling the holder(s) thereof to subscribe for 135,000,000 Shares
“%”	percentage
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong

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

Hong Kong, 17 August 2014

*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. Chan Yee Ping, Michael, Ms. Hu Xuezheng and Ms. Wu Yan.*