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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)



**RUI KANG PHARMACEUTICAL GROUP
INVESTMENTS LIMITED**
銳康藥業集團投資有限公司
(Incorporated in the Cayman Islands and continued in
Bermuda with limited liability)
(Stock code: 8037)

**POSSIBLE
CONNECTED TRANSACTION**

**DISCLOSEABLE AND CONNECTED
TRANSACTION**

**JOINT ANNOUNCEMENT
FORMATION OF A JOINT VENTURE**

THE SUBSCRIPTION AGREEMENT

The China Renji Board and the Rui Kang Board are pleased to announce that after trading hours on 26 February 2015, the Subscriber, a wholly-owned subsidiary of Rui Kang, entered into the Subscription Agreement with the Investment Company and pursuant to which, the Subscriber has conditionally agreed to subscribe for, and the Investment Company has conditionally agreed to allot and issue, the Subscription Shares at the cash consideration of HK\$4.83 million. The Subscription Shares will represent 23% of the issued share capital of the Investment Company as enlarged by the allotment and issue of the Subscription Shares.

As at the date of this announcement, the Investment Company is a direct wholly-owned subsidiary of China Renji and holds 80% of the issued share capital of the Joint Venture. Pursuant to the Subscription Agreement, China Renji and the Investment Company will undergo the Restructuring, such that upon the completion of the Restructuring but before the Completion, (i) the Investment Company will be wholly owned by the China Renji's Nominee; and (ii) the Investment Company will hold 60% of the equity interest of the Joint Venture and 20% of the equity interest of the Joint Venture will be held by a wholly-owned subsidiary of China Renji.

Following the Completion, the Investment Company will be owned as to 77% and 23% by the China Renji's Nominee and the Subscriber, respectively, and the Investment Company will be accounted for as a non wholly-owned subsidiary of China Renji and an associate of Rui Kang.

On 27 August 2014, the Joint Venture entered into the MegaFit Acquisition Agreement for the acquisition of 55% equity interest of the Target Company. The Target Group is principally engaged in the investment, management and operations of a chain of sports clubs and fitness clubs in the PRC under the “MEGAFIT” brand. However, as at the date of this announcement, the completion of the MegaFit Acquisition has not taken place.

In addition, after the trading hours on 26 February 2015, the Call Option Holder, Mr. Chan (as the guarantor of the Call Option Holder) and the Subscriber also entered into the Option Deed, pursuant to which (i) the Call Option Holder has agreed to grant the Put Option to the Subscriber to require the Call Option Holder to acquire all of the Option Shares (being the Subscription Shares) and the Subscriber Indebtedness at the Put Option Exercise Price upon the exercise of the Put Option during the Exercise Period; and (ii) the Subscriber has also agreed to grant the Call Option to the Call Option Holder to require the Subscriber to dispose of all of the Option Shares and the Subscriber Indebtedness at the Call Option Exercise Price upon the exercise of the Call Option during the Exercise Period. The Exercise Period refers to a period of two years commencing from the 181st day after the date on which the conditions as set out in the Option Deed having been fulfilled.

IMPLICATIONS UNDER THE LISTING RULES AND THE GEM LISTING RULES

China Renji

Since the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription are less than 5%, the Subscription is not subject to the reporting and announcement requirements under the Listing Rules. However, as the exercise of the Call Option (by the Call Option Holder) or the Put Option (by the Subscriber) will result in the Call Option Holder having become a shareholder of the Investment Company, by virtue of the Call Option Holder being wholly-owned by Mr. Chan, an executive director and the chairman of China Renji, the Option Deed and the transaction contemplated thereunder will constitute a possible connected transaction of China Renji under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction contemplated under the Option Deed are less than 25% and the total consideration involved is less than HK\$10 million, the transaction contemplated under the Option Deed is only subject to the reporting and announcement requirements and is exempted from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Rui Kang

Since the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of each of (i) the Subscription and (ii) the grant of the Call Option are greater than 5% but less than 25%, each of (i) the Subscription and (ii) the grant of the Call Option will constitute a discloseable transaction of Rui Kang under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

As at the date of this announcement, China Renji is a substantial shareholder of Rui Kang, holding 257,812,500 shares of Rui Kang (representing 20.41% in the issued share capital of Rui Kang), and is therefore a connected person of Rui Kang. Accordingly, the Subscription also constitutes a connected transaction of Rui Kang under Chapter 20 of the GEM Listing Rules. Since (i) the terms of each of the Subscription Agreement and the Option Deed are on normal commercial terms and fair and reasonable; and (ii) each of the Subscription Price and the Put Option Exercise Price are less than HK\$10 million, the transactions contemplated under the Subscription Agreement and the Option Deed are only subject to the reporting and announcement requirements and are exempted from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

THE SUBSCRIPTION AGREEMENT

The China Renji Board and the Rui Kang Board are pleased to announce that after trading hours on 26 February 2015, the Subscriber, a wholly-owned subsidiary of Rui Kang, entered into the Subscription Agreement with the Investment Company. Major terms of the Subscription Agreement are set out below.

Date

26 February 2015

Parties to the Subscription Agreement

- (i) Silver Wisdom Development Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Rui Kang, as the subscriber; and
- (ii) New Health Elite International Limited, a direct wholly-owned subsidiary of China Renji as at the date of this announcement, as the issuer.

Details of the relationship between the Rui Kang Group and the China Renji Group are set out in the paragraph headed "Implications under the Listing Rules and the GEM Listing Rules" below. To the best of the knowledge, information and belief of the directors of Rui Kang after having made all reasonable enquiries, the Investment Company is principally engaged in investment holding. To the best of the knowledge, information and belief of the directors of China Renji after having made all reasonable enquiries, the Subscriber is principally engaged in investment holding.

Subscription Shares

Pursuant to the Subscription Agreement, the Investment Company has conditionally agreed to allot and issue and the Subscriber has conditionally agreed to subscribe for the Subscription Shares, representing 23% of the issued share capital of the Investment Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price is HK\$4.83 million and shall be payable by the Subscriber to the Investment Company in cash upon Completion.

The Subscription Price was determined with arm's length negotiation amongst the Investment Company and the Subscriber on normal commercial terms with reference to (i) the Investment Company's 60% equity interest in the Joint Venture upon the completion of the Restructuring; and (ii) the proportionate investment cost of HK\$21 million attributable to the Investment Company upon the completion of the Restructuring in respect of the investment sum of HK\$35 million for the acquisition of the 55% equity interest in the Target Company under the MegaFit Acquisition Agreement. The Subscription Price will be funded by the internal resources of the Rui Kang Group.

Conditions Precedent

Completion is subject to the following conditions precedent being fulfilled or waived (as the case may be):

- (i) the Subscriber being fully or substantially satisfied with the results of the due diligence review to be conducted on the Target Group;
- (ii) the completion of the Restructuring;
- (iii) all necessary consents, licences and approvals required to be obtained on the part of the Investment Company and China Renji in respect of the Subscription Agreement, the Option Deed and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (iv) all necessary consents, licences and approvals required to be obtained on the part of the Subscriber and Rui Kang in respect of the Subscription Agreement, the Option Deed and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (v) if necessary, approvals by government and regulatory authorities (including but not limited to the Stock Exchange) for the Subscription Agreement, the Option Deed and the transactions contemplated thereunder having been obtained;
- (vi) the Subscriber being satisfied that, from the date of the Subscription Agreement and at any time before the date of the Completion, that the Investment Company's warranties remaining true, correct and not misleading in all material respects and that no events have occurred that would result in any breach of any of the Investment Company's warranties or other provisions of the Subscription Agreement by the Investment Company; and
- (vii) the warranties in respect of the Subscriber under the Subscription Agreement remaining true and correct in all material respects.

The Subscriber may at its absolute discretion at any time at or before 5:00 p.m. on 30 June 2015 (or such later date as the Investment Company and the Subscriber may agree in writing) (the “**Long Stop Date**”) waive in writing any of the conditions (i) and (vi) (to the extent it is capable of being waived) and such waiver may be made subject to such terms and conditions as are determined by the Subscriber. The Investment Company may at its absolute discretion at any time on or before the Long Stop Date waive in writing the condition (vii) (to the extent it is capable of being waived) and such waiver may be made subject to such terms and conditions as are determined by the Investment Company. If the conditions set out above have not been satisfied on or before the Long Stop Date, the Subscription Agreement shall cease and terminate and save for any antecedent breach, neither party shall have any obligations and liabilities towards each other.

Completion

Completion shall take place on the fifth business day after the last outstanding condition precedent to the Subscription Agreement having been fulfilled or waived (or such other date agreed by the Subscriber and the Investment Company in writing).

Upon the Completion, the Investment Company will be owned as to 77% and 23% by the China Renji’s Nominee and the Subscriber respectively, and the Investment Company will become (i) a non wholly-owned subsidiary of China Renji with its financial results and positions being included in the consolidated financial statements of China Renji; and (ii) an associate of Rui Kang.

Buy-Back Option

Pursuant to the Subscription Agreement, the Investment Company has granted an option (“**Buy-Back Option**”) to the Subscriber to require the Investment Company to buy back the Subscription Shares from the Subscriber if the completion of the MegaFit Acquisition fails to take place on or before 30 June 2015 (or such other date as may be agreed between the Investment Company and the Subscriber) (the “**MegaFit Acquisition Long Stop Date**”). The Buy-Back Option may be exercised by the Subscriber within 1 month after the MegaFit Acquisition Long Stop Date. Upon the exercise of the Buy-Back Option, the Investment Company shall be obliged to buy back the Subscription Shares then held by the Subscriber at the consideration which shall be equal to the sum of the Subscription Price, and upon completion of such repurchase, the Subscriber will cease to have any interest in the Investment Company.

Given that the Completion will take place before the completion of the MegaFit Acquisition (if any), the inclusion of the Buy-Back Option in the Subscription Agreement as described above is for the protection of, and in the interests in, the Subscriber and the Rui Kang Group as a whole.

Information on the Investment Company, the Joint Venture and the Target Group

The Investment Company is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. Based on the unaudited financial information of the Investment Company, the Investment Company recorded (i) loss before and after tax of approximately HK\$0.01 million for the year ended 31 December 2014 and (ii) net liabilities of approximately HK\$0.01 million as at 31 December 2014.

As at the date of this announcement, the Investment Company is a direct wholly-owned subsidiary of China Renji and holds 80% equity interest of the Joint Venture. Under the Subscription Agreement, China Renji and the Investment Company will undergo the Restructuring so as to reorganise the shareholding structure of the Joint Venture such that immediately after the completion of the Restructuring but before the Completion, (i) the Investment Company will be wholly owned by the China Renji's Nominee; and (ii) the Investment Company will hold 60% of the equity interest of the Joint Venture and a wholly-owned subsidiary of China Renji will hold 20% of the equity interest of the Joint Venture.

The Joint Venture is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. Based on the unaudited financial information of the Joint Venture, the Joint Venture recorded (i) loss before and after tax of approximately HK\$0.38 million for the year ended 31 December 2014 and (ii) net liabilities of approximately HK\$0.38 million as at 31 December 2014.

As each of the Investment Company and the Joint Venture is a shelf company acquired by the China Renji Group in 2014, no profit/loss figures for year ended 31 December 2013 of these two companies are available.

As detailed in the China Renji's announcement dated 27 August 2014, the Joint Venture entered into the MegaFit Acquisition Agreement for the acquisition of 55% equity interest of the Target Company on 27 August 2014. The Target Group is principally engaged in the investment, management and operations of sports clubs and fitness clubs under the "MEGAFIT" brand in the PRC and as at the date of this announcement, there are over 20 sport clubs operated/to be operated under the "MEGAFIT" brand name.

Based on the latest consolidated financial information of the Target Group available, the Target Group recorded (i) consolidated loss before and after tax of approximately HK\$8.4 million for the year ended 31 March 2013; and (ii) consolidated loss before and after tax of approximately HK\$8.7 million for the year ended 31 March 2014, respectively. As at 30 September 2014, the Target Group had net liabilities of approximately HK\$118 million (comprising the loan from the shareholder of the Target Company of approximately HK\$64.3 million and the receipts in advance of approximately HK\$76.4 million (mainly comprising of the unamortised membership fees)). However, if (i) the loan from the shareholders of the Target Company (which will be capitalised upon the completion of the MegaFit Acquisition) and (ii) the receipt in advance which mainly comprised the unamortised membership fee (which will be progressively recognised as revenue of the Target Group) are excluded, the Target Group will record a consolidated net asset value of approximately HK\$22.7 million.

As at the date of this announcement, the completion of the MegaFit Acquisition has not taken place.

The Shareholders' Agreement

As disclosed in the paragraph headed "Information on the Investment Company, the Joint Venture and the Target Group" above, immediately after the completion of the Restructuring but before the Completion, (i) the Investment Company will be wholly owned by the China Renji's Nominee; and (ii) the Investment Company will hold 60% of the equity interest of the Joint Venture and a wholly-owned subsidiary of China Renji will hold 20% of the equity interest of the Joint Venture. At the Completion, the China Renji's Nominee, the Subscriber and the Investment Company will enter into a shareholders' agreement.

Board composition

The board of directors of the Investment Company shall consist of three directors, two of whom shall be nominated by the China Renji's Nominee and one of whom shall be nominated by the Subscriber. The quorum for a meeting of the board of directors of the Investment Company shall be two directors present in person or by their alternates, of which one is nominated by the China Renji's Nominee.

Restriction on encumbrances and transfer of shares of the Investment Company

Unless with the written consent of the China Renji's Nominee and the Subscriber, other than as contemplated under the Option Deed, no parties shall otherwise sell, mortgage, charge, or otherwise dispose of or encumber the whole or any part of its shareholding or assign or otherwise purport to deal with the beneficial interest in the Investment Company.

THE OPTION DEED

After trading hours on 26 February 2015, the Call Option Holder, Mr. Chan and the Subscriber also entered into the Option Deed and the major terms of which are summarised as follows.

Date

26 February 2015

Parties to the Option Deed

- (i) the Call Option Holder
- (ii) the Subscriber; and
- (iii) Mr. Chan, as the guarantor of the Call Option Holder.

Subject matter of the Option Deed

Pursuant to the Option Deed, the Call Option Holder has agreed to grant the Put Option to the Subscriber such that the Subscriber has the right to require the Call Option Holder to acquire the Option Shares and the Subscriber Indebtedness at the Put Option Exercise Price (as defined below) upon the exercise of the Put Option during the Exercise Period (as defined below). In addition, the Subscriber has also agreed to grant the Call Option to the Call Option Holder such that the Call Option Holder has the right to require the Subscriber to dispose of the Option Shares and the Subscriber Indebtedness at the Call Option Exercise Price (as defined below) during the Exercise Period.

Exercise Period

The Call Option and the Put Option can be exercised at any time during the period commencing on the 181st day after the date on which the conditions as set out in the Option Deed (see the paragraph headed “Conditions” below) having been fulfilled (the “**Option Commencement Date**”) and ending on the second anniversary of the Option Commencement Date (the “**Exercise Period**”). The exercise of the Call Option and the exercise of the Put Option are mutually exclusive.

Exercise Price

The exercise price (“**Put Option Exercise Price**”) of the Put Option shall be an aggregate of (i) the Subscription Price paid by the Subscriber for the Subscription under the Subscription Agreement and such other sums that the Subscriber has paid to the Investment Company by way of contribution to the share capital of the Investment Company after completion of Subscription Agreement; and (ii) (where applicable) the face value of the Subscriber Indebtedness. The Put Option Exercise Price was determined after arm’s length negotiation between the Call Option Holder and the Subscriber.

The exercise price (“**Call Option Exercise Price**”) of the Call Option was determined after arm’s length negotiation between the Call Option Holder and the Subscriber, and shall be as follows:

- (i) if the Call Option is exercised during the first year of the Exercise Period, an aggregate sum equal to (a) 115% of the Subscription Price; (b) the face value of such other sums that the Subscriber has paid to the Investment Company by way of contribution to the share capital of the Investment Company in addition to the Subscription Price; and (c) (where applicable) the face value of the Subscriber Indebtedness; or
- (ii) if the Call Option is exercised during the second year of the Exercise Period; an aggregate sum equal to (a) 125% of the Subscription Price; (b) the face value of such other sums that the Subscriber has paid to the Investment Company by way of contribution to the share capital of the Investment Company in addition to the Subscription Price; and (c) (where applicable) the face value of the Subscriber Indebtedness.

Conditions

The grant and exercise of the Call Option or the Put Option (as the case may be) is conditional upon:

- (i) the Call Option Holder and the Subscriber having obtained or satisfied any and all necessary relevant statutory and regulatory requirements, approvals and consents (including but not limited to those under the Listing Rules or, as the case may be, the GEM Listing Rules) in relation to the transactions contemplated hereof; and
- (ii) completion of the Subscription Agreement in accordance with the terms thereof.

If the above condition is not fulfilled on or before 5:00 p.m. on 30 June 2015 or such later date as may be agreed between the Call Option Holder and the Subscriber in writing, the Option Deed will lapse and become null and void and thereafter, the Call Option Holder and the Subscriber shall be released from all obligations hereunder, save for the liabilities for any antecedent breaches hereof.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND THE ENTERING OF THE OPTION DEED

China Renji is positioned as an integrated healthcare and well-being services provider (through investment in and operation of a network of medical centres specialising in the diagnosis and treatment of tumours and/or cancer related diseases in the PRC and one of the largest retail chains of optical products and eyecare services in Hong Kong). China Renji is also engaged in investments and asset management which include investments in securities, fixed/capital assets and distressed assets. As at the date of this announcement, China Renji is the single largest shareholder of Rui Kang and is interested in 20.41% equity interest of Rui Kang.

The Rui Kang Group is principally engaged in (i) manufacture, research and development, sale and distribution of consumer cosmetic, health related and pharmaceutical products, health supplement wine, dental materials and equipment in the PRC and Hong Kong; and (ii) trading of securities in Hong Kong.

Following completion of the MegaFit Acquisition, the China Renji Group will be able to gain an established platform to extend its business from diagnosis and treatment of tumours and/or cancer related diseases to the business of health management and well-being services. The provision of health management and well-being services covers a spectrum of services from fitness, gym, sports, physiotherapy, rehabilitation, recovery to health preservation. The directors of Rui Kang consider that the Subscription (which in substance involves the taking part in the investment in the MegaFit Acquisition) will enable the Rui Kang Group to diversify its business and revenue sources into the provision of health management and well-being services. The China Renji Board and the Rui Kang Board consider that through the Subscription, the Target Group will not only be able to leverage on the Rui Kang Group's expertise to complement its services and product offerings and establish a synergic strategic relationship between the China Renji Group and the Rui Kang Group, but will also enable the China Renji Group to apply the investment costs in the Joint Venture saved for its other business opportunities.

The Put Option will provide Rui Kang with an opportunity to protect its investment under the Subscription Agreement in the event that the financial performance of the Target Group is not satisfactory to Rui Kang during the Exercise Period while allowing China Renji to retain the proceeds obtained from the Subscription. In addition, the premium of the Call Option Exercise Price over the Subscription Price will also allow Rui Kang to gain a return on its investment under the Subscription Agreement if the Call Option is exercised by the Call Option Holder.

Given the above, each of the China Renji Board and the Rui Kang Board is of the view that each of the terms of the Subscription Agreement and the Option Deed is on normal commercial terms, fair and reasonable and the entering into of each of the Subscription Agreement and the Option Deed is in the interest of the shareholders of China Renji and Rui Kang as a whole, respectively.

IMPLICATION UNDER THE LISTING RULES AND THE GEM LISTING RULES

China Renji

Since the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription are less than 5%, the Subscription is not subject to the reporting and announcement requirements under the Listing Rules. However, as the exercise of the Call Option (by the Call Option Holder) or the Put Option (by the Subscriber) will result in the Call Option Holder having become a shareholder of the Investment Company, by virtue of the Call Option Holder being wholly-owned by Mr. Chan, an executive director and the chairman of China Renji, the Option Deed and the transaction contemplated thereunder will constitute a possible connected transaction of China Renji under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction contemplated under the Option Deed are less than 25% and the total consideration involved is less than HK\$10 million, the transaction contemplated under the Option Deed is only subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Rui Kang

Since the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of each of (i) the Subscription and (ii) the grant of the Call Option are greater than 5% but less than 25%, each of (i) the Subscription and (ii) the grant of the Call Option will constitute a discloseable transaction of Rui Kang under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

As at the date of this announcement, China Renji is a substantial shareholder of Rui Kang, holding 257,812,500 shares of Rui Kang (representing 20.41% in the issued share capital of Rui Kang), China Renji is therefore a connected person of Rui Kang. Accordingly, the Subscription also constitutes a connected transaction of Rui Kang under Chapter 20 of the GEM Listing Rules. Since (i) the terms of each of the Subscription Agreement and the Option Deed are on normal commercial terms and fair and reasonable; and (ii) each of the Subscription Price and the Put Option Exercise Price are less than HK\$10 million, the transactions contemplated under the Subscription Agreement and the Option Deed are only subject to the reporting and announcement requirements and are exempted from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

Further announcement will be made by Rui Kang if the Call Option or, as the case may be, the Put Option is exercised.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“BVI”	British Virgin Islands
“Call Option”	the call option granted by the Subscriber to the Call Option Holder which provide the Call Option Holder the right to require the Subscriber to sell the Option Shares and the Subscriber Indebtedness to the Call Option Holder
“Call Option Holder”	Choice Elite Holdings Limited, a company incorporated in Samoa with limited liability and wholly-owned by Mr. Chan
“China Renji”	China Renji Medical Group Limited, a company incorporated in Hong Kong with limited liability whose issued shares are listed on the Main Board of the Stock Exchange
“China Renji Board”	the board of directors of China Renji
“China Renji Group”	China Renji and its subsidiaries
“China Renji’s Nominee”	a wholly-owned subsidiary of China Renji, which will hold the entire equity interest of the Investment Company upon the completion of the Restructuring but before the Completion
“Completion”	completion of the Subscription
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Company”	New Health Elite International Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of China Renji as at the date of this announcement

“Joint Venture”	Golden Oasis Health Limited, a non-wholly-owned subsidiary of China Renji, which, as at the date of this announcement, is owned as to 80% by the Investment Company and upon completion of the Restructuring, will be owned as to 60% and 20% by the Investment Company and a wholly-owned subsidiary of China Renji respectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MegaFit Acquisition”	the acquisition of 55% equity interest of the Target Company by the Joint Venture pursuant to the MegaFit Acquisition Agreement, the details of which are disclosed in the announcement of China Renji dated 27 August 2014
“MegaFit Acquisition Agreement”	the sale and purchase agreement dated 27 August 2014 entered into by the Joint Venture for the acquisition of 55% equity interest of the Target Company
“Mr. Chan”	Mr. Chan Ka Chung, an executive director of China Renji and chairman of the China Renji Board
“Option Deed”	the option deed dated 26 February 2015 among, the Subscriber, the Call Option Holder and Mr. Chan in respect of the Put Option and the Call Option
“Option Shares”	the Subscription Shares to be owned by the Subscriber upon the Completion (and all other (if any) shares or stock resulting from any sub-division, consolidation or re-classification thereof)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Put Option”	the put option granted by the Call Option Holder to the Subscriber which provide the Subscriber the right to require the Call Option Holder to acquire the Option Shares and the Subscriber Indebtedness from the Subscriber

“Restructuring”	comprising (i) the transfer of the entire equity interest of the Investment Company from China Renji to the China Renji’s Nominee; and (ii) the transfer of 20% of the equity interest in the Joint Venture to a wholly-owned subsidiary of China Renji from the Investment Company
“Rui Kang”	Rui Kang Pharmaceutical Group Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on GEM
“Rui Kang Board”	the board of directors of Rui Kang
“Rui Kang Group”	Rui Kang and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Silver Wisdom Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Rui Kang
“Subscriber Indebtedness”	all the sums that the Investment Company and its subsidiaries owe to the Subscriber as at the date on which the Put Option or, as the case may be, the Call Option is exercised
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 26 February 2015 and entered into between the Investment Company as issuer and the Subscriber as subscriber in relation to the Subscription
“Subscription Price”	the subscription price of HK\$4.83 million for the Subscription Shares
“Subscription Shares”	23 new shares of the Investment Company to be allotted and issued to the Subscriber upon the Completion, representing 23% of the issued share capital of the Investment Company as enlarged by the allotment and issue of the Subscription Shares

“Target Company”	Mega Fitness (Shanghai) Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

On behalf of the Board
China Renji Medical Group Limited
CHEUNG Wai Kwan
Executive Director

By order of the Board
Rui Kang Pharmaceutical Group
Investments Limited
LEUNG Pak Hou Anson
Executive Director

Hong Kong, 26 February 2015

As at the date of this joint announcement, the board of directors of China Renji comprises four executive directors of China Renji, namely Mr. Chan Ka Chung, Dr. Hui Ka Chun, Mr. Cheung Wai Kwan and Mr. Wang Jianguo; and four independent non-executive directors of China Renji, namely, Mr. Chan Yee Ping, Michael, Ms. Hu Xuezhen, Mr. Lam Chun Ho and Ms. Wu Yan.

As at the date of this joint announcement, the executive directors of Rui Kang are Mr. CHEUNG Hung (Chairman), Mr. LEUNG Pak Hou Anson and Ms. CHEN Miaoping (Chief Executive Officer); and the independent non-executive directors of Rui Kang are Mr. YUEN Chun Fai, Mr. LEUNG Ka Fai and Mr. HO Fung Shan Bob.

This joint announcement, for which the directors of Rui Kang collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to Rui Kang. The directors of Rui Kang, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of Rui Kang at www.ruikang.com.hk.