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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)

ADOPTION OF SHARE AWARD SCHEME

The Board is pleased to announce that it has approved the adoption of the Share Award Scheme on 19 June 2015 as part of a long term incentive arrangement to attract and retain the Qualifying Grantees for the benefit of the Group. Pursuant to the Share Award Scheme, existing issued Shares may be acquired by Bank of Communication Trustee on the market, at the direction and cost of the Group, and new Shares may be allotted and issued to it under the general/specific mandates granted or to be granted from time to time. Such Shares will be held on trust by the Trustee until such Shares are granted to the Qualifying Grantees and become vested.

The maximum number of Shares held under the Share Award Scheme at any point of time shall not exceed 10% of the then total number of issued Shares.

The Share Award Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules.

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PURPOSE

The purpose of the Share Award Scheme is to recognise the contributions of the Qualifying Grantees and to provide them with incentives in order to attract and retain them for the continual operation and development of the Group.

ADMINISTRATION

The Share Award Scheme shall be administered by the Board in accordance with the Share Award Scheme Rules.

DURATION

Subject to any early termination as may be determined by the Board, the Share Award Scheme will be valid and effective for a period of 10 years commencing from the date of adoption of the Share Award Scheme (the “**Trust Period**”).

MAXIMUM LIMIT

The maximum number of Shares held under the Share Award Scheme at any point of time shall not exceed 10% of the then total number of issued Shares.

OPERATION OF THE SHARE AWARD SCHEME

The Board may, from time to time, at their absolute discretion select any Qualifying Grantee for participation in the Share Award Scheme and determines the terms and conditions of the Awards and the number of Shares to be awarded. The Board may (i) cause to be paid to the Trustee the purchase price and related purchase expenses to the Trustee from the Group’s resources in respect of the Awarded Shares to be purchased on the market by the Trustee, and/or (ii) allot and issue new Shares to the Trustee to be held by the Trustee under the general/specific mandates granted or to be granted by the Shareholders at the general meetings of the Company from time to time. The Trustee shall hold such Shares until the Awards granted to the relevant Award Holders are vested.

When an Award Holder has satisfied the vesting criteria and conditions specified by the Board and become entitled to the Awarded Shares, the Board will inform the relevant Award Holder of the vesting of the Awarded Shares and the means of effecting the vesting (including transfer of the vested Awarded Shares to the relevant Award Holders) which shall be determined by the Board at its sole discretion. Upon receipt by the Trustee of the transfer documents or any direction duly executed or given, as the case may be, by the Award Holders within the stipulated period, the Trustee will transfer the relevant vested Awarded Shares at no cost to such Award Holder.

The Trustee shall not exercise the voting right in respect of any Shares held for the Share Award Scheme.

RESTRICTIONS TO PURCHASE SHARES BY THE TRUSTEE

No offer shall be made to any Qualifying Grantees and no instructions shall be given to the Trustee to purchase Shares when the Board is in possession of unpublished inside information in relation to the Group or during the period where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

ISSUE OF NEW AWARDED SHARES

New Shares may be allotted and issued to the Trustee for purpose of the Share Award Scheme under general or specific mandates granted or to be granted by the Shareholders at general meetings of the Company from time to time. The Awarded Shares will be held on trust for the Award Holders until the vesting criteria and conditions have been satisfied.

The Company will comply with the relevant Listing Rules when issuing the new Shares as Awarded Shares and application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the new Shares to be issued pursuant to the Share Award Scheme. The Company will provide details of any specific mandate to be sought from the Shareholders for the issue and allotment of new Shares for the purpose of the Share Award Scheme by way of circulars as and when appropriate.

AWARDS TO CONNECTED PERSONS

Where any grant of an Award is proposed to be made to any Qualifying Grantee who is a Director, such grant must first be approved by the remuneration committee of the Company (excluding member of the remuneration committee of the Company to whom the grant of an Award is proposed to be made). The Company will also comply with the applicable requirements of Chapter 14A of the Listing Rules in respect of granting an Award to a connected person of the Company.

RIGHTS OF AWARD HOLDERS BEFORE VESTING

Prior to the Vesting Date, any Award made under the Share Award Scheme shall be personal to the Award Holder to whom it is made and shall not be assignable. No Award Holder shall in any way sell, transfer, mortgage, encumber or create any interest in favour of any person over or in relation to the Awarded Shares referable to him pursuant to such Award.

No Award Holder shall enjoy any of the rights of a Shareholder until such Awarded Shares are transferred to the Award Holder by the Trustee. Any Awarded Shares transferred to an Award Holder by the Trustee in respect of vesting of any Award shall rank *pari passu* in all respects with the existing Shares in issue on the date on which those Awarded Shares are transferred after the vesting of the Awards granted.

VESTING OF AWARDS

A Qualifying Grantee shall be entitled to receive the Awarded Shares in accordance with the vesting schedule upon satisfaction of the vesting criteria and conditions specified by the Board in the offer of the grant of the relevant Award.

In respect of an Award Holder who (a) dies or retires or (b) becomes physically or mentally disabled, prior to or on the Vesting Date, all the Awarded Shares of the Award Holder shall be deemed to be vested on such day as specified by the Share Award Scheme.

If there occurs an event of change in control of the Company (as specified in the Hong Kong Codes on Takeovers and Mergers and Shares Repurchases from time to time), whether by way of offer, merger, scheme of arrangement or otherwise prior to the Vesting Date, the Board shall determine at its discretion whether the Awarded Shares shall vest in the Award Holder and the time at which such Awarded Shares shall vest.

If notice is duly given by the Company to the Shareholders to convene a shareholders' meeting for purpose of the voluntary winding-up of the Company (otherwise than for the purpose of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor

company) or an order of winding up of the Company is made, the Board shall determine at its discretion whether the Awarded Shares shall vest in the Award Holders and the time at which such Award Shares shall vest.

DISQUALIFICATION OF AN AWARD HOLDER

Unless the Board determines otherwise, the circumstances under which a person shall be treated as having ceased to be an Award Holder shall include, without limitation:

- (i) the Board has passed a resolution confirming such person is no longer an Award Holder or Qualifying Grantee;
- (ii) the Award Holder has committed any act of fraud or dishonesty or serious misconduct;
- (iii) the Award Holder has been declared or adjusted to be bankruptcy by a competent court or government body, or has failed to pay his debts as they fall due or has entered into any arrangement or composition with his creditors or an administrator has taken possession of any of his assets;
- (iv) the Award Holder has been convicted of any criminal offence;
- (v) where the Award Holder is a corporate, it is not in good standing; or
- (vi) the Award Holder has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.

In the event that prior to the Vesting Date, an Award Holder is deemed to cease to be an Award Holder, the relevant Award made to such Award Holder shall automatically lapse forthwith and the relevant Award Share shall not vest on the relevant Vesting Date.

TERMINATION

The Share Award Scheme shall terminate on the earlier of (i) the expiry of the Share Award Scheme, or (ii) such date of early termination as determined by the Board.

Upon termination of the Share Award Scheme, no further grant of Awarded Shares may be made under the Scheme and all the Awarded Shares of the Award Holders granted under the Share Award Scheme shall continue to be held by the Trustee and become in the Award Holders according to the conditions of the Award. Upon expiration of the Trust Period, all Shares (except for any Awarded Shares subject to vesting on the Award Holders) remaining in the Share Award Scheme shall be sold by the Trustee and the proceeds (after deducting the relevant expenses) will be remitted to the company forthwith. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company.

DEFINITION

Unless the context otherwise requires, the following terms used in this announcement shall have the following meanings when used herein:

“affiliate”	any company which is (a) a holding company of the Company; or (b) a subsidiary of a holding company of the Company; or (c) a subsidiary of the Company; or (d) a controlling shareholder of the Company; or (e) a company controlled by a controlling shareholder of the Company; or (f) a company controlled by the Company; or (g) an associated company of a holding company of the Company; or (h) an associated company of the Company
“associate”	has the meaning ascribed to it under the Listing Rules
“Award”	an award of Shares by the Board to a Qualifying Grantee pursuant to the Share Award Scheme
“Award Holder”	means any Qualifying Grantee selected by the Board for participation in the Share Award Scheme who accepts an offer of the grant of an Award in accordance with the terms of the Share Award Scheme
“Awarded Shares”	in respect of an Award Holder, such number of Shares as awarded by the Board pursuant to the Share Award Scheme
“Bank of Communication Trustee” or “Trustee”	Bank of Communication Trustee Limited, the trustee appointed by the Company for the purpose of the Share Award Scheme, which is an independent third party not connected with any of the director, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Board”	the board of Directors and for the purpose of the Share Award Scheme, it shall include a duly authorised committee or sub-committee or person(s) delegated by the Board to administer the Share Award Scheme from time to time
“Company”	China Renji Medical Group Limited, a company incorporated in Hong Kong, the issued shares of which are listed on The Stock Exchange of Hong Kong Limited
“Director(s)”	the director(s) of the Company
“Employee”	means any employee (including without limitation any executive director) of any member of the Group
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Qualifying Grantee”	(i) any Employee; or any consultant, agent, representative or adviser of the Company or any affiliate; (ii) any person who provides goods or services to the Company or any affiliates; or (iii) any customer of the Company or any affiliates; or (iv) any business ally or joint venture partner of the Company or affiliates; or (v) any trustee of any trust established for the benefit of the Employees, who is not resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such grantee
“Share(s)”	shares of the Company
“Share Award Scheme”	the share award scheme adopted by the Board on 19 June 2015, as amended from time to time
“Share Award Scheme Rules”	the rules relating to the Share Award Scheme, as amended from time to time
“Shareholder(s)”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vesting Date”	the date or each such date on which the Awarded Shares are to vest
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC

By Order of the Board of
China Renji Medical Group Limited
Chan Ka Chung
Chairman

Hong Kong, 19 June 2015

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chan Ka Chung, Mr. Cheung Wai Kwan and Mr. Wang Jianguo; and four independent non-executive Directors, namely, Mr. Chan Yee Ping, Michael, Mr. Lam Chun Ho, Ms. Hu Xuezhen and Ms. Wu Yan.