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## **CHINA RENJI MEDICAL GROUP LIMITED**

### **中國仁濟醫療集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 648)**

#### **CLARIFICATION ANNOUNCEMENT**

The Board wishes to provide further information relating to the final results announcement of the Company for the year ended 31 December 2009.

The board of directors (the “Board” or “Directors”) of China Renji Medical Group Limited (the “Company”, together with its subsidiaries, the “Group”) wishes to provide further information relating to the final results announcement of the Company for the year ended 31 December 2009 dated 2 May 2010.

The Group invests in diagnostic imaging and radiotherapy related medical assets for the diagnosis and medical treatment of tumour and/or cancer related diseases in the medical centres (the “Medical Centres”) in 15 hospitals in 11 cities in the People’s Republic of China (“China”).

The medical and healthcare industry in China is primarily regulated by the Ministry of Health, the National Development of Reform Commission, the State Food and Drug Administration and the Ministry of Environment Protection. These government authorities have promulgated rules and regulations relating to the procurement of large medical equipment (such as the aforesaid diagnostic imaging and radiotherapy machines used by the Medical Centres) by state-owned hospitals as well as the licensing and operation of medical institutions in China. Currently, all of the Medical Centres have obtained the relevant required licenses/permits to carry on their daily operations except 5 Medical Centres which are still yet to obtain the required “large medical equipment procurement licenses” (the “Equipment Licenses”) although applications have been made to the relevant government authorities. Under the relevant Chinese rules and regulations, the underlying hospitals are responsible for the application of the Equipment Licenses. Failure in filing or obtaining these licenses may potentially lead to discontinuation of the Medical Centres’ business operations, deprivation of the revenue derived from the operation of those medical equipment which do not have the required licenses and imposition of penalties by the relevant government authorities. However, based on the legal opinion issued by the Company’s legal advisers as to Chinese laws, the aforesaid disciplinary actions and punishment by government authorities will be imposed only

on medical institutions which have “deliberately” purchased the large medical equipment without the filing to/obtaining the consent from the relevant government authorities. Given that the respective hospitals in which the 5 Medical Centres are situated have already initiated the application process for the Equipment Licenses, the Directors, after taking into account the legal opinion issued by the Company’s legal advisers as to Chinese laws, are of the view that it is unlikely for the said 5 Medical Centres to be considered as “deliberately” purchasing large medical equipments without the consent from the relevant government authorities.

By Order of the Board  
**China Renji Medical Group Limited**  
**Li Juewen**  
*Chairman*

Hong Kong, 6 May 2010

*As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Li Juewen, Mr. Yu Chung Hang, Lucian and Mr. Guo Bao Ping; and three Non-executive Directors, namely Professor Wang Yongchang, Mr. Wu Zhenfang and Mr. Wang Hai; and three Independent Non-executive Directors, namely Mr. Pang Wai Hong, Dr. Li Wing Chiu and Mr. Li Tieliu.*