

# CHINA MEDICAL (INTERNATIONAL) GROUP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200505118M)

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## PROPOSED RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE – WARRANTS ADJUSTMENT AND OPTIONS ADJUSTMENT

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### 1. INTRODUCTION

- 1.1. The Board of Directors (“**Directors**”) of China Medical (International) Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements made by the Company on 31 March 2017, 7 June 2017, 18 September 2017, 25 September 2017 and 3 October 2017 (the “**Previous Announcements**”) in relation to the proposed renounceable and non-underwritten rights issue of up to 10,107,788,721 new ordinary shares of the Company (the “**Rights Shares**”) with up to 10,107,788,721 free detachable warrants (the “**Warrants**”), on the basis of three (3) Rights Shares for every one (1) existing ordinary share (the “**Shares**”) of the Company held by entitled shareholders as at 5.00 p.m. (Singapore time) on 3 October 2017 (the “**Books Closure Date**”), and one (1) Warrant for every one (1) Rights Shares subscribed, fractional entitlements to be disregarded (the “**Rights cum Warrants Issue**”).
- 1.2. Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Previous Announcements. Any reference to the time of day and date herein shall be a reference to Singapore time and date, respectively.
- 1.3. The Directors wishes to announce that following the Rights cum Warrants Issue, there shall be adjustments to the number of Outstanding Warrants (as defined below) (the “**Warrants Adjustment**”) and the exercise prices and number of Share Options (as defined below) (the “**Options Adjustment**”) (collectively, the “**Adjustments**”).
- 1.4. The Company had also informed the Shareholders in the circular dated 4 August 2017 and the offer information statement dated 3 October 2017 that pursuant to the Rights cum Warrants Issue, the Adjustments would be made. The bases of the Adjustments are stated below.

### 2. WARRANTS ADJUSTMENT

- 2.1. As at the date of this announcement, there are 66,179,592 outstanding listed warrants (the “**Outstanding Warrants**”), each carrying the right to subscribe for one (1) new Share, at an exercise price of S\$0.005 for each new Share. The Outstanding Warrants are listed and quoted on the Catalist. The Outstanding Warrants were previously issued pursuant to a rights issue of new Shares with warrants undertaken by the Company in 2013, and are currently listed on Catalist under the counter “W180329”. The terms and conditions (the “**Terms and Conditions**”) of the Outstanding Warrants are set out in the 2013 Deed Poll executed by the Company for purposes of constituting the Outstanding Warrants.
- 2.2. The Rights cum Warrants Issue, as announced by the Company on 7 June 2017 constitutes an event giving rise to the Warrants Adjustment. Pursuant to the Terms and

Conditions of the Rights cum Warrants Issue, the Company is required to make the Warrants Adjustment.

- 2.3. Pursuant to Terms and Conditions, adjustments shall be made to both the number and exercise price of the Outstanding Warrants in the following manner:

Before Warrants Adjustment		After Warrants Adjustment	
Exercise Price	Number of Outstanding Warrants	Exercise Price	Number of Outstanding Warrants
S\$0.005	66,179,592	S\$0.005	172,377,983

- 2.4. Based on 66,179,592 Outstanding Warrants as at the date of this announcement, the Outstanding Warrants shall be adjusted:

2.4.1. on the basis of an indicative ratio of approximately 1.6047 additional Outstanding Warrants to be issued for every one (1) Outstanding Warrant held by each Warrantholder. The adjustment to the number of Outstanding Warrants held by each Warrantholder will be rounded down to the nearest whole Outstanding Warrant, fractional entitlements to be disregarded; and

2.4.2. the exercise price of the Outstanding Warrants shall remain at S\$0.005. Pursuant to the 2013 Deed Poll, the exercise price is to be adjusted based on a prescribed formula and rounded up to the nearest half cent. As the exercise price based on the said formula was less than half a cent, it was rounded up to S\$0.005 and remains the same as the original exercise price. Accordingly, there is no change to the exercise price which will remain at S\$0.005.

- 2.5. On the basis of 66,179,592 Outstanding Warrants, the Company will accordingly issue up to 106,198,391 additional Outstanding Warrants pursuant to the Warrants Adjustment (“**Additional Outstanding Warrants**”), such that there are in aggregate up to 172,377,983 Outstanding Warrants. Depending on the actual number of Outstanding Warrants as at the Warrants Adjustment Effective Date (as defined below), the total additional Warrants eventually issued will be confirmed and announced by the Company in due course.

- 2.6. Each Additional Outstanding Warrant carries the right to subscribe for one (1) Additional New Share at the exercise price of S\$0.005. Upon the exercise of the Additional Outstanding Warrants, the Company will issue up to 106,198,391 additional new Shares (the “**Additional New Shares**”).

- 2.7. As required by the terms and conditions of the Outstanding Warrants as set out in the 2013 Deed Poll, the Outstanding Warrants Adjustments have been certified by Nexia TS Public Accounting Corporation on 5 October 2017.

- 2.8. As of the date of this announcement, the Directors do not hold any Outstanding Warrants.

- 2.9. The Company will be applying for the listing and quotation of the Additional Outstanding Warrants arising from the Warrants Adjustment and the Additional New Shares that may be issued on the exercise of the Additional Outstanding Warrants. The

Company will update Shareholders upon receipt of the listing and quotation notice of the Additional Outstanding Warrants and the Additional New Shares.

- 2.10. Subject to the receipt of the listing and quotation notice of the Additional Outstanding Warrants and Additional New Shares being obtained from the SGX-ST, the Warrants Adjustment shall be effective from 24 October 2017 (the “**Warrants Adjustment Effective Date**”), being the market day next following the closing date of the Rights cum Warrants Issue.
- 2.11. Save for the Warrants Adjustment described above, the terms and conditions of the Outstanding Warrants remain unchanged.
- 2.12. The issue of the Additional Outstanding Warrants and the Additional New Shares will be undertaken pursuant to the general share issue mandate granted by the Shareholders at the annual general meeting of the Company held on 28 April 2017, pursuant to section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806(2) of the Listing Manual.

### 3. OPTIONS ADJUSTMENT

- 3.1. As at the date of this announcement, there are 103,950,000 outstanding share options (the “**Share Options**”) granted under Scheme May 2008, Scheme June 2008 and Scheme October 2014 (collectively, the “**Schemes**”), each carrying the right to subscribe for one (1) new Share, at the respective exercise prices.
- 3.2. The Rights cum Warrants Issue, as announced by the Company on 7 June 2017 constitutes an event giving rise to the Options Adjustment. Pursuant to the rules of the Schemes (the “**Rules**”), the Company is required to make the Options Adjustment as a result of the Rights cum Warrants Issue.
- 3.3. Based on the recommendation of the Remuneration Committee, the written confirmation of the Auditors of the Company that they have no comments to the Options Adjustment and the exercise price analysis report issued by the management of the Company, the exercise prices of the Share Options will be adjusted in the following manner:

Scheme	Before Options Adjustment		After Options Adjustment	
	Exercise Price	Number of Share Options	Exercise Price	Number of Share Options
<b>Scheme May 2008</b>	S\$0.0130	250,000	S\$0.01	630,000
<b>Scheme June 2008</b>	S\$0.0150	1,400,000	S\$0.01	3,531,000
<b>Scheme October 2014</b>	S\$0.0130	102,300,000	S\$0.01	258,182,000
	<b>Total</b>	<b>103,950,000</b>		<b>262,343,000</b>

- 3.4. Based on 103,950,000 Share Options as at the date of this announcement, the Share Options shall be adjusted:

- 3.4.1. on the basis of an indicative ratio of approximately 1.5238 additional Share Options to be issued for every one (1) Share Option. The adjustment to the number of Share Options will be rounded down to the nearest 1,000 Share Option; and
- 3.4.2. the exercise prices of the Share Options will be adjusted to the nearest half cent from S\$0.0130 or S\$0.0150 (as the case may be) to S\$0.01.
- 3.5. On the basis of 103,950,000 Share Options, the Company will accordingly issue up to 158,393,000 additional Share Options pursuant to the Options Adjustment (“**Additional Share Options**”), such that there are in aggregate up to 262,343,000 Share Options. The total additional Share Options eventually issued will be confirmed and announced by the Company in due course.
- 3.6. Each Additional Share Option carries the right to subscribe for one (1) Additional New Share at the adjusted exercise price of S\$0.01. Upon the exercise of the Additional Share Options, the Company will issue up to 158,393,000 Additional New Shares.
- 3.7. The Options Adjustment have been made in accordance with the rules of the Schemes and the Company’s auditors, Nexia TS Public Accounting Corporation, has confirmed that they have no comments on the adjusted exercise prices. The Options Adjustment shall take effect on 24 October 2017 on which the Company will give written notification to the holders of the Share Options of the Options Adjustment in accordance with the rules of the Schemes.
- 3.8. As of the date of this announcement, the number of Share Options granted to the Directors is as follows:

<b>Name of Director</b>	<b>Number of Share Options</b>
Mr Tai Kok Chuan	30,000,000
Mr Hano Maeloa	30,000,000
Mr Yap Siean Sin	Nil
Mr Chew Soo Lin	Nil

- 3.9. Mr Hano Maeloa, who is also a member of the Remuneration Committee has abstained and will abstain from recommending and voting on all matters relating to the Options Adjustment.
- 3.10. Save for the Options Adjustment described above, the terms and conditions of the Share Options remain unchanged.

**By Order of the Board**  
**11 October 2017**

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).*