

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this prospectus.

“Accountants’ Report”	the accountants’ report on the Group set out in Appendix I to this prospectus
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) in Hong Kong on which banks in Hong Kong are normally open for business
“BVI”	the British Virgin Islands
“Bye-laws”	the bye-laws of our Company conditionally adopted on 26 September 2013 with effect from the Listing Date and as amended from time to time, a summary of which is set out in Appendix IV to this prospectus
“CAGR”	compound annual growth rate
“Capitalisation Issue”	the issue of Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of the Company referred to in the paragraph headed “Resolutions in writing of the sole Shareholder passed on 26 September 2013” in Appendix V to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant

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“CFDA”	China Food and Drug Administration of the PRC (中華人民共和國國家食品藥品監督管理總局), formerly known as SFDA
“Co-Lead Managers”	Trinity Finance Investment Limited, a licenced corporation under the SFO to engage in type 1 (dealing in securities) of the regulated activities (as defined under the SFO); and Astrum Capital Management Limited, a licenced corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) of the regulated activities (as defined under the SFO), being the co-lead managers in respect of the Placing
“Co-Manager”	CNI Securities Group Limited, a licenced corporation under the SFO to engage in type 1 (dealing in securities) and type 2 (dealing in futures contracts) of the regulated activities (as defined under the SFO), being the co-manager in respect of the Placing
“Companies Act” or “Bermuda Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	New Ray Medicine International Holding Limited (新銳醫藥國際控股有限公司), a company incorporated in Bermuda on 9 August 2012 as an exempted company with limited liability
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“connected transactions”	the transactions stipulated and specified in Rule 20.13 of the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules and, in the context of this prospectus, means the controlling shareholders of the Company, namely, Town Health Pharmaceutical, Town Health (BVI) and Town Health International

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“Deed of Indemnity”	a deed of indemnity dated 17 October 2013 entered into between Town Health International and our Company, pursuant to which Town Health International has given certain indemnities in favour of our Company (for itself and as trustee for each of its subsidiaries) subject to and in accordance with the terms and conditions of the Deed of Indemnity, further particulars of which are set out in the sub-paragraph headed “Estate duty, tax indemnity and other indemnities” under the paragraph headed “Other Information” in Appendix V to this prospectus
“Director(s)”	director(s) of the Company
“Distributor Customer”	distributor and/or customer (as the case may be) which has a contractual relationship with the Group for purchase of the products distributed by the Group
“GDP”	gross domestic product
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“GEM Website”	the Internet website at www.hkgem.com operated by the Stock Exchange for the purposes of GEM
“Group”, “our Group”, “we” or “us”	the Company, its subsidiaries and its joint venture, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries and its joint venture
“Haikou Xin Lang”	Haikou Xin Lang Pharmaceutical Technology Co. Ltd.* (海口新朗醫藥科技有限公司), a company incorporated in the PRC with limited liability on 18 May 2011 and owned as to 50.1% by Zhejiang Xin Rui Pharmaceutical and 49.9% by an Independent Third Party, Lodays Pharmaceutical (Hubei) Company Limited* (朗天藥業(湖北)有限公司), respectively
“Hangzhou Xin Hong”	Hangzhou Xin Hong Bio-medical Technology Co. Ltd.* (杭州新泓生物醫藥科技有限公司) (formerly known as Hangzhou Rich Medical Technology Co. Ltd.* 杭州銳琪醫藥科技發展有限公司), a company incorporated in the PRC with limited liability on 14 March 2001 which was deregistered on 19 June 2012
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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“HKFRSs”	Hong Kong Financial Reporting Standards (including Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong New Rich”	China New Rich Medicine Holding Co. Limited (中國新銳醫藥控股有限公司) (formerly known as Rich (Hongkong) Holding Co., Limited (銳琪(香港)控股有限公司), a company incorporated in Hong Kong with limited liability on 7 February 2005 and an indirect wholly-owned subsidiary of our Company
“Hong Rui Bio-medical”	Hong Rui (Hangzhou) Bio-medical Technology Co. Ltd.* (泓銳(杭州)生物醫藥科技有限公司), a company incorporated in the PRC with limited liability on 8 July 2008 and an indirect wholly-owned subsidiary of our Company
“Hong Rui Trading”	Zhejiang Hong Rui Trading Co., Ltd* (浙江泓銳貿易有限公司) (formerly known as Zhejiang Rich Medicine Co., Ltd.* 浙江銳琪醫藥有限公司), a company incorporated in the PRC with limited liability on 6 September 2005 and an indirect wholly-owned subsidiary of our Company
“Independent Third Party(ies)”	(an) individual(s) or (a) company(ies) who or which is/are not connected with (within the meaning of the GEM Listing Rules) any Director, chief executive or substantial shareholder of the Company, or any of its subsidiaries and/or their respective associates
“Latest Practicable Date”	8 October 2013, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained in this prospectus
“Listing”	the listing of the Shares on GEM
“Listing Date”	the date on which dealings in the Shares first commence on GEM, which is expected to be 25 October 2013
“Lodays Pharma (Hubei)”	Lodays Pharmaceutical (Hubei) Company Limited* (朗天藥業(湖北)有限公司), a company incorporated in the PRC with limited liability and an Independent Third Party, which owns 49.9% equity interest in Haikou Xin Lang

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“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding options market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM and which, for the avoidance of doubt, excludes GEM
“Max Goodrich”	Max Goodrich International Limited, a company incorporated in the BVI with limited liability on 21 September 2007 and a direct wholly-owned subsidiary of our Company
“Max Goodrich Shareholders”	all the shareholders of Max Goodrich immediately prior to the signing of the deed for sale and purchase dated 26 September 2013 referred to in the section headed “Summary of material contracts” in Appendix V to this prospectus, namely, Town Health Pharmaceutical, Mr. Zhou, Mr. Dai, Ms. Yang, Mr. He and Festive Mood Group Ltd, who became our Shareholders pursuant to the Reorganisation
“Medical Insurance Drugs Catalogs”	the National Medical Insurance Drugs Catalog and the Provincial Medical Insurance Drugs Catalogs
“Memorandum” or “Memorandum of Association”	the memorandum of association of the Company adopted upon the incorporation of the Company and as amended, supplemented or modified from time to time, a summary of the current version of which is set out in Appendix IV to this prospectus
“Ministry of Human Resources and Social Security”	the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Dai”	Dai Haidong (戴海東), an executive Director, the chief executive officer of our Company, one of the founding members of our Group and a Shareholder
“Mr. He”	He Linxing (賀林興), one of the members of our senior management
“Mr. Zhou”	Zhou Ling (周凌), the chairman of our Company, an executive Director and one of the founding members of our Group, a substantial Shareholder and the spouse of Ms. Yang
“Ms. Yang”	Yang Fang (楊芳), an executive Director and the spouse of Mr. Zhou

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“National Bureau of Statistics”	the National Bureau of Statistics of China (中華人民共和國國家統計局)
“National List of Essential Drugs”	the National Essential Drugs List (國家基本藥物目錄), issued by the Ministry of Health in 2013
“National Medical Insurance Drugs Catalog”	the State Basic Medical Insurance, Work Injury Insurance and Maternity Insurance Drugs Catalog (國家基本醫療保險、工傷保險和生育保險藥品目錄), issued by the Ministry of Human Resources and Social Security in 2009, as amended
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NHFPC”	the National Health and Family Planning Commission of the PRC (中華人民共和國國家衛生和計劃生育委員會, the successor of the Ministry of Health of the PRC (中華人民共和國衛生部))
“Non-Competition Deed”	a deed of non-competition undertaking dated 26 September 2013 entered into by our Controlling Shareholders as covenantors in favour of our Company (for its own and for and on behalf of all members of our Group), details of which are set out in the paragraph headed “Non-Competition Undertaking by the Controlling Shareholders” in the section headed “Relationship with our Controlling Shareholders” in this prospectus
“PICO”	Guangzhou PICO Medicine Information Co., Ltd* (廣州標點醫藥信息有限公司), being principally engaged in the publication and information management businesses as an information collection, research and analysis services provider in the pharmaceutical industry and being an Independent Third Party indirectly owned by Southern Medicine Economic Research Institute (南方醫藥經濟研究所), which is in turn an entity directly controlled by SFDA
“PICO Report”	the industry report titled “The PRC Pharmaceutical Product Market Research Report 2009-2012” (2009-2012年我國醫藥行業市場研究報告) prepared and issued by PICO on 8 October 2013
“Placing”	the conditional placing of the Placing Shares by the Underwriters on behalf of the Company for cash at the Placing Price, as further described in the section headed “Structure and conditions of the Placing” in this prospectus

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“Placing Price”	the placing price of HK\$0.25 per Placing Share (exclusive of a brokerage fee of 1%, SFC transaction levy of 0.003% and the Stock Exchange trading fee of 0.005%)
“Placing Shares”	the 280,000,000 new Shares being offered by the Company for subscription at the Placing Price under the Placing
“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this prospectus only, Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Province” or “province”	each being a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the central government of the PRC
“Provincial Medical Insurance Drugs Catalogs”	the list of pharmaceutical products under Grade B of the National Medical Insurance Drugs Catalog as varied with limited changes by different provincial level authorities with respect to the medicines that are included in that grade, which results in some regional variations between different provinces with respect to the medicines that are included under the Provincial Medical Insurance Drugs Catalogs of the respective provinces
“Reorganisation”	the reorganisation arrangements undergone by our Group in preparation for the listing of the Shares on GEM, which are more particularly described in the section headed “History and development” in this prospectus
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAIC”	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFDA”	the State Food and Drug Administration (中華人民共和國國家食品藥品監督管理局), now known as CFDA

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme conditionally adopted by our Company pursuant to the written resolutions passed by the sole Shareholder on 26 September 2013 as described in the paragraph headed “Share Option Scheme” in Appendix V to this prospectus
“Sole Bookrunner” or “Sole Lead Manager” or “Kingsway Financial”	Kingsway Financial Services Group Limited, a licenced corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) of the regulated activities (as defined under the SFO), being the sole bookrunner and the sole lead manager in respect of the Placing
“Sole Sponsor” or “Kingsway Capital”	Kingsway Capital Limited (滙富融資有限公司) a licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities (as defined under the SFO), being the sole sponsor in respect of the Listing
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 2 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Repurchases issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Town Health (BVI)”	Town Health (BVI) Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Town Health International, which is a Controlling Shareholder

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“Town Health International”	Town Health International Investments Limited (康健國際投資有限公司) (formerly known as Town Health International Holdings Company Limited), a company incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 3886, being transferred from GEM (stock code: 8138) on 12 August 2008) and one of the Controlling Shareholders
“Town Health Pharmaceutical”	Town Health Pharmaceutical Limited (康健藥業有限公司) (formerly known as Sino Allied Development Limited), a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Town Health International through Town Health (BVI), which is a Controlling Shareholder
“Track Record Period”	the period comprising each of the two years ended 31 December 2011 and 2012 and the six months ended 30 June 2013
“Underwriters”	the underwriters of the Placing named in the paragraph headed “Underwriters” in the section headed “Underwriting” in this prospectus
“Underwriting Agreement”	the conditional underwriting agreement entered into on 17 October 2013 by the Company, the executive Directors (namely, Mr. Zhou, Mr. Dai, Ms. Yang and Mr. Lee Chik Yuet), the Controlling Shareholders, the Sole Sponsor, the Sole Bookrunner, the Co-Lead Managers, the Co-Manager and the Underwriters relating to the Placing, particulars of which are summarised in the section headed “Underwriting” in this prospectus
“US\$”	United States dollars, the lawful currency of the United States of America
“Zhejiang Xin Rui Pharmaceutical”	Zhejiang Xin Rui Pharmaceutical Co., Ltd* (浙江新銳醫藥有限公司) (formerly known as Zhejiang Yangtze River Delta Pharmaceutical Co., Ltd* 浙江長三角醫藥有限公司), a company incorporated in the PRC with limited liability on 26 April 2006 and an indirect wholly-owned subsidiary of our Company
“%”	per cent.

* *The English names of the PRC entities mentioned in this prospectus are translations from their Chinese names. If there is any inconsistency, the Chinese names shall prevail.*

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Unless otherwise expressly stated or the context otherwise requires, all data in this prospectus is as at the date of this prospectus.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For the purpose of illustration only and unless otherwise specified in this prospectus, amounts denominated in RMB have been translated into HK\$ at the respective rates of:

- (i) RMB0.8295 = HK\$1 for the year ended 31 December 2011;*
- (ii) RMB0.8114 = HK\$1 as at 31 December 2011;*
- (iii) RMB0.8080 = HK\$1 for the year ended 31 December 2012;*
- (iv) RMB0.8045 = HK\$1 as at 31 December 2012;*
- (v) RMB0.8153 = HK\$1 for the six months ended 30 June 2012;*
- (vi) RMB0.8192 = HK\$1 as at 30 June 2012;*
- (vii) RMB0.7981 = HK\$1 for the six months ended 30 June 2013;*
- (viii) RMB0.7917 = HK\$1 as at 30 June 2013;*
- (ix) RMB0.7962 = HK\$1 for the eight months ended 31 August 2013;*
- (x) RMB0.7879 = HK\$1 as at 31 August 2013;*
- (xi) RMB0.7965 = HK\$1 for the period from 1 January 2013 up to the Latest Practicable Date; and*
- (xii) RMB0.7885 = HK\$1 as at the Latest Practicable Date.*

No representation is made that the RMB amounts could have been, or could be, converted into HK\$ at such rates or at any other rate on such date or on any other date.