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New Ray Medicine
新銳醫藥

New Ray Medicine International Holding Limited

新銳醫藥國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8180)

DISCLOSEABLE TRANSACTION – CORNERSTONE INVESTMENT IN BBI LIFE SCIENCES

THE CORNERSTONE INVESTMENT AGREEMENT

The Board is pleased to announce that after trading hours on 12 December 2014, China New Rich (a wholly-owned subsidiary of the Company) as investor, and the Company as guarantor for China New Rich, entered into the Cornerstone Investment Agreement with BBI Life Sciences, Haitong Capital and Haitong Securities, pursuant to which China New Rich has agreed to subscribe for the Investor Shares at the Offer Price. The aggregate Offer Price for the Investor Shares is US\$2,500,000 (equivalent to approximately HK\$19,500,000).

IMPLICATIONS UNDER THE GEM LISTING RULES

As the relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the Cornerstone Investment exceed 5% but are less than 25%, the Cornerstone Investment Agreement and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

CORNERSTONE INVESTMENT IN BBI LIFE SCIENCES

The Board is pleased to announce that after trading hours on 12 December 2014, China New Rich (a wholly-owned subsidiary of the Company) as investor, and the Company as guarantor for China New Rich, entered into the Cornerstone Investment Agreement with BBI Life Sciences, Haitong Capital and Haitong Securities, pursuant to which China New Rich has agreed to subscribe for the Investor Shares at the Offer Price. The aggregate Offer Price for the Investor Shares is US\$2,500,000 (equivalent to approximately HK\$19,500,000).

In this announcement, for the purpose of illustration only, amounts quoted in US\$ has been converted into HK\$ at the rate of US\$1.00 to HK\$7.8. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

THE CORNERSTONE INVESTMENT AGREEMENT

Date

12 December 2014

Parties

- (1) China New Rich, as investor;
- (2) the Company, as guarantor for China New Rich;
- (3) BBI Life Sciences, as issuer;
- (4) Haitong Capital, as the Sole Sponsor; and
- (5) Haitong Securities, as the Sole Global Coordinator.

The Company joined as a party to the Cornerstone Investment Agreement to guarantee the due and punctual performance and observance by China New Rich of its obligations under the Cornerstone Investment Agreement.

The Sole Sponsor is a registered institution licensed by the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activities under the SFO.

The Sole Global Coordinator is a registered institution licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) regulated activities under the SFO.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiry, each of BBI Life Sciences, Haitong Capital, Haitong Securities and their respective ultimate beneficial owners are third parties independent of and not connected with the Company or its connected persons.

The Cornerstone Investment

Subject to the terms and conditions of the Cornerstone Investment Agreement, China New Rich has agreed to subscribe for, and BBI Life Sciences has agreed to allot and cause to be delivered to China New Rich, the Investor Shares at the Offer Price under and as part of the International Offering on the Listing Date through the Sole Global Coordinator (and/or its affiliates) in its capacities as the international underwriters of the relevant portion of the International Offering.

The aggregate Offer Price of the Investor Shares is US\$2,500,000 (equivalent to approximately HK\$19,500,000), together with the related brokerage and levies in respect of the Investor Shares.

China New Rich will be allocated the Investor Shares, which will be equal to the Hong Kong dollar equivalent of US\$2,500,000 (to be calculated at the exchange rate to be published by The Hongkong Shanghai Banking Corporation at 9:00 a.m. Hong Kong time on the date on which the Offer Price is fixed for the purposes of the Global Offering) divided by the Offer Price, rounded down to the nearest whole board lot of 1,500 shares. The number of Investor Shares might be affected by the re-allocation of shares of BBI Life Sciences between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering and the actual number of Investor Shares shall be determined conclusively by the Sole Global Coordinator and BBI Life Sciences and notified to China New Rich as soon as practicable after the determination of the Offer Price.

The Company anticipates that, upon completion of the Global Offering, the Investor Shares shall represent no more than 2.4% of all shares of BBI Life Sciences then in issue. The Investor Shares will, when issued and delivered, be fully paid and free from all options, liens, charges, mortgages, pledges, claims, equities, encumbrances and other third party rights and shall rank *pari passu* with the shares of BBI Life Sciences then in issue and to be listed on the Stock Exchange.

BBI Life Sciences is seeking a listing on the Main Board of the Stock Exchange by way of a Global Offering comprising (i) the Hong Kong Public Offering and (ii) the International Offering. The Cornerstone Investment forms part of the International Offering. Please refer to the public documents to be announced by BBI Life Sciences on the Stock Exchange for further details of the Global Offering.

BBI Life Sciences has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, among other things, the Investor Shares.

The aggregate Offer Price of the Investor Shares was agreed between the parties to the Cornerstone Investment Agreement after arm's length negotiations with reference to the prospect of BBI Life Sciences and current market conditions. The aggregate Offer Price of the Investor Shares payable by China New Rich will be financed out of part of the net proceeds the Company received from the top-up placing of 160,000,000 Shares which was completed on 5 November 2014.

Conditions Precedent

The obligation of China New Rich to subscribe for, and the obligation of BBI Life Sciences and the Sole Global Coordinator to issue, place, allocate and deliver (as the case may be), the Investor Shares are conditional upon:

- (1) the underwriting agreement for the Hong Kong Public Offering and the underwriting agreement for the International Offering being entered into, having become effective and unconditional by no later than the time and date as specified in those underwriting agreements (in accordance with their respective original terms, as subsequently varied by agreement of the parties thereto or waived, to the extent it may be waived, by the relevant parties);
- (2) neither of the aforesaid underwriting agreements having been terminated;
- (3) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the shares of BBI Life Sciences and that such approval or permission having not been revoked;
- (4) the respective representations, warranties, undertakings, confirmations, agreements and acknowledgements of China New Rich, the Company and BBI Life Sciences in the Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the Listing Date) accurate and true in all material respects and not misleading and there being no material breach of the Cornerstone Investment Agreement on the part of China New Rich; and
- (5) no laws shall have been enacted or promulgated which prohibit the consummation of the transactions contemplated in the Cornerstone Investment Agreement and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions.

If any of the conditions set out above have not been fulfilled or if such conditions have not been waived by the parties to the Cornerstone Investment Agreement (except that the condition (3) above cannot be waived and that the condition (4) above can only be waived by the Sole Global Coordinator and the Sole Sponsor) on or before 24 December 2014 (or such other date as may be agreed among BBI Life Sciences, China New Rich, the Sole Global Coordinator and the Sole Sponsor), the obligation of China New Rich to purchase, and the obligations of BBI Life Sciences and the Sole Global Coordinator to issue, place, allocate and deliver (as the case may be), the Investor Shares shall cease and any amount paid by China New Rich under the Cornerstone Investment Agreement will be repaid to China New Rich without interest and the Cornerstone Agreement will terminate subject to its terms and be of no effect and all obligations or liabilities on the part of BBI Life Sciences, the Sole Sponsor or the Sole Global Coordinator shall cease and terminate, provided that termination of the Cornerstone Investment Agreement shall be without prejudice to the accrued rights or liabilities of any party to the other parties of the Cornerstone Investment Agreement in respect of the terms therein at or before such termination.

Closing

The Investor Shares will be subscribed and acquired contemporaneously with the closing of the International Offering, which is expected to be no later than 9:00 a.m. Hong Kong time on the Listing Date.

Restrictions on Disposal

Pursuant to the Cornerstone Investment Agreement, China New Rich covenanted with and undertook to BBI Life Sciences and each of the Sole Sponsor and the Sole Global Coordinator that unless it has obtained prior written consent of each of the Company, the Sole Sponsor and the Sole Global Coordinator to do otherwise, it will not, and will cause its affiliates not to, whether directly or indirectly, at any time during the period of six months from the Listing Date (the “**Lock-up Period**”):

- (1) directly or indirectly dispose of any of the Investor Shares to be subscribed by it pursuant to the Cornerstone Investment Agreement and any shares or other securities of BBI Life Sciences which are derived therefrom pursuant to any rights issue, capitalisation issue or other form of capital reorganisation (whether such transactions are to be settled in cash or otherwise) and any interest therefrom (“**Relevant Shares**”) or interest in any company or entity holding any of the Relevant Shares;
- (2) enter into any swaps or other arrangements that transfer to another, in whole or in part, any economic consequences of ownership of the Relevant Shares;

- (3) enter into any transactions directly or indirectly with the same economic effect as any transactions described in paragraphs (1) and (2) above;
- (4) agree or contract to, or publicly announce any intention to enter into, any transactions described in paragraphs (1) to (3) above;

whether any such transactions described in paragraphs (1) or (2) or (3) above is to be settled by delivery of such Relevant Shares or other securities, in cash or otherwise.

At any time after the expiry of the Lock-up Period, in the event that China New Rich enters into any transactions covered in paragraphs (1) to (4) above, or agrees or contracts to, or publicly announces an intention to enter into any such transactions:

- (1) it shall first inform BBI Life Sciences and the Sole Global Coordinator in writing prior to the disposal and it shall take all reasonable steps to ensure that it will not create a disorderly or false market in the shares of BBI Life Sciences and comply with all applicable laws and regulations and rules of securities exchanges of all competent jurisdictions including the Rules Governing the Listing of Securities on the Stock Exchange, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the SFO; and
- (2) it will not, and will cause its affiliates not to, enter into any such transaction with a person who engages directly or indirectly in a business that competes or potentially competes with the business of BBI Life Sciences or with any other entity that is a holding company, subsidiary or associate (as defined in the Rules Governing the Listing of Securities on the Stock Exchange) of such person without the prior written consent of each of BBI life Sciences and the Sole Global Coordinator.

INFORMATION OF BBI LIFE SCIENCES

BBI Life Sciences is an investment holding company which, together with its subsidiaries, is principally engaged in the development, manufacture and sale of various life sciences research products used in scientific research, and the provision of life sciences related services. The products and services include mainly DNA synthesis products, genetic engineering services, life sciences research consumables and protein and antibody related products and services.

Set out below are certain audited consolidated financial information of BBI Life Sciences for the financial years ended 31 December 2012 and 2013, and the six months ended 30 June 2014:

	For the year ended 31 December 2012 <i>RMB'000</i>	For the year ended 31 December 2013 <i>RMB'000</i>	For the six months ended 30 June 2014 <i>RMB'000</i>
Profit before tax	42,079	49,576	53,195
Profit after tax	35,314	42,347	42,799
	As at 31 December 2012 <i>RMB'000</i>	As at 31 December 2013 <i>RMB'000</i>	As at 30 June 2014 <i>RMB'000</i>
Total Assets	322,424	373,626	432,356
Net Assets	193,111	301,753	347,856

REASONS FOR AND BENEFITS OF THE CORNERSTONE INVESTMENT

The Group is principally engaged in pharmaceutical distribution business in the PRC.

Products of BBI Life Sciences include, among others, DNA synthesis products and genetic engineering services which are broadly applied in basic research in various disciplines, including biology, clinical medicine, pharmacy, environmental science, biotechnology and bioengineering. The Group is optimistic about the life sciences industry, especially it is broadly applied in pharmaceutical development and the research and development areas of pharmaceutical industry, such as that of drug development. The Group is optimistic about the pharmaceutical industry. The Group considers that the Cornerstone Investment represents a good opportunity for the Group to participate in the life sciences research product and service industry, which is a key industry for the development of pharmaceutical industry.

The Directors are of the view that the terms of the Cornerstone Investment Agreement are fair and reasonable, on normal commercial terms and are beneficial to the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the Cornerstone Investment exceed 5% but are less than 25%, the Cornerstone Investment Agreement and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“BBI Life Sciences”	BBI Life Sciences Corporation (BBI生命科學有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands and the shares of which are proposed to be listed on the Main Board of the Stock Exchange
“Board”	the board of Directors
“business day”	means any day (other than Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for normal banking business and on which the Stock Exchange is open for business of dealing in securities
“China New Rich”	China New Rich Medicine Holding Co. Limited (中國新銳醫藥控股有限公司), a company incorporated in the Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Company”	New Ray Medicine International Holding Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning as ascribed to it in the GEM Listing Rules

“Cornerstone Investment”	the subscription of the Investor Shares contemplated under the Cornerstone Investment Agreement
“Cornerstone Investment Agreement”	the Cornerstone Investment Agreement dated 12 December 2014 entered into amongst China New Rich, the Company, BBI Life Sciences, Haitong Capital and Haitong Securities in relation to the Cornerstone Investment
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Global Offering”	the global offering of shares of BBI Life Sciences comprising (1) the Hong Kong Public Offering; and (2) the International Offering
“Group”	the Company and its subsidiaries
“Haitong Capital”	Haitong International Capital Limited, a registered institution licensed by the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, and the Sole Sponsor
“Haitong Securities”	Haitong International Securities Company Limited, a registered institution licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) regulated activities under the SFO, and the Sole Global Coordinator
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Public Offering”	an offer for subscription by BBI Life Sciences of its shares by the public in Hong Kong

“International Offering”	a conditional placing of shares of BBI Life Sciences with professional and institutional investors and other investors outside the United States of America including professional and institutional investors in Hong Kong in reliance on Regulation S under the United States Securities Act of 1933 or any other available exemption from registration under the United States Securities Act of 1933
“Investor Shares”	the shares of BBI Life Sciences to be purchased by China New Rich under the Cornerstone Investment Agreement, the number of which shall be equal to (1) the Hong Kong dollars equivalent of US\$2,500,000 (to be calculated at the exchange rate to be published by The Hongkong Shanghai Banking Corporation at 9:00 a.m. Hong Kong time on the date on which the Offer Price is fixed for the purposes of the Global Offering) divided by (2) the Offer Price, rounded down to the nearest whole board lot of 1,500 shares and might be affected by the re-allocation of shares of BBI Life Sciences between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering. The actual number of Investor Shares shall be determined conclusively by the Sole Global Coordinator and BBI Life Sciences and notified to China New Rich as soon as practicable after the determination of the Offer Price
“Listing Date”	the date on which the shares of BBI Life Sciences are first listed on the Stock Exchange
“Offer Price”	the final Hong Kong dollar price per share of BBI Life Sciences (exclusive of brokerage and levies) at which the shares of BBI Life Sciences are to be issued and sold pursuant to the Global Offering, to be determined by agreement between BBI Life Sciences and the Sole Global Coordinator (on behalf of the underwriters) in connection with the Global Offering
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sole Global Coordinator”	Haitong Securities, the sole global coordinator to the Global Offering
“Sole Sponsor”	Haitong Capital, the sole sponsor of the listing of the shares of BBI Life Sciences on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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By order of the Board
New Ray Medicine International Holding Limited
Lee Chik Yuet
Executive Director

Hong Kong, 12 December 2014

As of the date of this announcement, the executive Directors are Mr. Zhou Ling, Mr. Dai Haidong, Ms. Yang Fang and Mr. Lee Chik Yuet; and the independent non-executive Directors are Mr. Ho Hau Cheung, BBS, MH, Mr. Sung Hak Keung, Andy and Mr. Leung Chi Kin.

This announcement, for which the Directors 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 the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this 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 announcement misleading.

This announcement will remain on the GEM Website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at <http://www.newraymedicine.com>.