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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in New Ray Medicine International Holding Limited ("Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(I) PROPOSED REFRESHMENT OF
GENERAL MANDATE TO ISSUE SHARES;
(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(III) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

VEDA | CAPITAL
智略資本

A letter from the Independent Board Committee is set out on page 10 of this circular and a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 17 of this circular.

A notice convening the SGM to be held at 1/F., Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, Hong Kong on Friday, 13 February 2015 at 9:00 a.m. is set out on pages 18 to 21 of this circular. A form of proxy for use by the shareholders at the SGM is enclosed herein.

Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

This circular will remain on the "Latest Company Announcements" page of the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the website of the Company at <http://www.newraymedicine.com>.

22 January 2015

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 29 May 2014
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended from time to time
“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
“Current Issue Mandate”	the general mandate granted to the Directors at the AGM to allot, issue and deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM
“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$10,000,000 (divided into 1,000,000,000 Shares) to HK\$20,000,000 (divided into 2,000,000,000 Shares) by the creation of an additional 1,000,000,000 Shares

DEFINITIONS

“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate
“Independent Financial Adviser”	Veda Capital Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate
“Independent Shareholders”	Shareholders other than any controlling Shareholders or their associates or, where there are no controlling Shareholders, any Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates who shall hold Shares as at the date of the SGM
“Latest Practicable Date”	19 January 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Refreshed General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the SGM to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution
“SGM”	the special general meeting of the Company convened to be held at 9:00 a.m. on Friday, 13 February 2015 at 1/F., Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, Hong Kong for the Shareholders to consider and, if thought fit, approve the proposed grant of the Refreshed General Mandate and the proposed Increase in Authorised Share Capital, the notice of which is set out on pages 18 to 21 of this circular

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Zhou Ling (*Chairman*)
Mr. Dai Haidong (*Chief Executive Officer*)
Ms. Yang Fang
Mr. Lee Chik Yuet

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Ho Hau Cheung, *BBS, MH*
Mr. Sung Hak Keung, *Andy*
Mr. Leung Chi Kin

Headquarter:

B-C, 37/F.
Dikai International Center
19 Dangui Road
Hangzhou, PRC

Principal place of business in Hong Kong:

Room 517, 5th Floor,
Town Health Technology Centre,
10-12 Yuen Shun Circuit,
Siu Lek Yuen, Shatin,
New Territories, Hong Kong

22 January 2015

To the Shareholders

Dear Sir or Madam,

**(I) PROPOSED REFRESHMENT OF
GENERAL MANDATE TO ISSUE SHARES; AND
(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

1. INTRODUCTION

The purpose of this circular is to provide you with (i) information in respect of the resolution to be proposed at the SGM regarding the proposed grant of the Refreshed General Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate; (iv) information in respect of the resolution to be proposed at the SGM regarding the proposed Increase in Authorised Share Capital; and (v) notice of the SGM.

LETTER FROM THE BOARD

2. PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

Background

Pursuant to an ordinary resolution passed by the Shareholders at the AGM, the Directors were granted the Current Issue Mandate to allot and issue up to 160,000,000 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. There had not been any refreshment of the Current Issue Mandate since the AGM up to the Latest Practicable Date.

Fund raising activity under the Current Issue Mandate

Save for the fund raising activity mentioned below, the Company had not carried out any equity fund raising activities under the Current Issue Mandate since the AGM up to the Latest Practicable Date.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
27 October 2014 and 5 November 2014	Top-up Placing of 160,000,000 Shares at HK\$0.56 per Share	Approximately HK\$84.8 million	As to about 20% for general working capital of the Group and as to about 80% for potential investment when opportunities arise. As set out in the Company's announcement dated 11 December 2014 and 12 December 2014, the Board proposed to utilise parts of the net proceeds of the top-up placing to finance (i) its portion of the capital contribution to the joint venture company to be incorporated ("JV Company") (i.e. HK\$2) and the initial shareholders' loan (where applicable) to the JV Company (i.e. HK\$60 million) and (ii) the Company's proposed subscription of shares in BBI Life Sciences Corporation (BBI生命科學有限公司) at the aggregate offer price of US\$2,500,000 (equivalent to approximately HK\$19,500,000) respectively.	Approximately HK\$19.6 million have been utilised for the proposed subscription of shares in BBI Life Sciences Corporation (BBI生命科學有限公司), details of which are set out in the Company's announcement dated 12 December 2014.

LETTER FROM THE BOARD

Utilisation under the Current Issue Mandate

Subsequent to the completion of the top-up placing of 160,000,000 new Shares on 5 November 2014 as set out above, the Current Issue Mandate has been utilised in full as at the Latest Practicable Date.

Reasons for the Proposed Grant of the Refreshed General Mandate

Having considered that (i) the Current Issue Mandate has been fully utilised as at the Latest Practicable Date; (ii) the Refreshed General Mandate would provide the Group with financial flexibility to raise capital expeditiously for its operations and expansion; (iii) the Refreshed General Mandate would strengthen the capital base and financial position of the Company; (iv) the Refreshed General Mandate would allow the Company to raise equity capital promptly rather than the more costly and time consuming process of applying for a specific mandate should the need for capital arise; (v) other financing alternatives such as debt financing may incur interest burden to the Group; and (vi) in the case of alternative pro-rata equity fund raising such as rights issue and open offer, lengthy discussion with potential commercial underwriters might result in failure of raising financing for business developments and/or acquisition of investment opportunities in a timely manner and additional expenses such as commission would be incurred, the Directors are of the view that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole. Having considered the above, the Company wishes to seek approval of the Independent Shareholders at the SGM to grant the Refreshed General Mandate to the Directors.

As at the Latest Practicable Date, the Company has not yet formulated any concrete plan for raising capital by issuing new Shares under the Refreshed General Mandate. If any appropriate investment opportunity arises, the Directors will consider and may conduct an equity fund raising exercise by issuing new Shares under the Refreshed General Mandate, the proceeds of which may be used for the purposes of strengthening the Group's core business position.

In view of the above and notwithstanding that the Group has no current intention nor plans to utilize the proceeds from the Refreshed General Mandate as at the Latest Practicable Date, the Board considers that the Refreshed General Mandate will empower the Directors to issue new Shares under the refreshed limit speedily as and when necessary, and without the need to seek further approval from the Shareholders. This could provide the Company with flexibility and ability to capture any appropriate capital raising or investment opportunities promptly when they arise in the future, which is in the interests of the Company and the Shareholders as a whole.

Based on the total number of issued Shares as at the Latest Practicable Date (i.e. 960,000,000 Shares) and assuming that the Company does not issue or repurchase any Shares prior to the SGM, the Refreshed General Mandate, if granted, will allow the Directors to issue and allot up to 192,000,000 Shares.

LETTER FROM THE BOARD

The Refreshed General Mandate, if granted, will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the end of the period within which the Company is required by the Bye-laws or any applicable laws to hold its next annual general meeting; and (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

3. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Company had an authorised share capital of HK\$10,000,000 divided into 1,000,000,000 Shares of which 960,000,000 Shares were in issue as at the Latest Practicable Date.

In order to cater for the possible issue of new Shares in the future, the Board proposes to increase the authorised share capital of the Company to HK\$20,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,000,000,000 new Shares. Such new Shares, upon issued and fully paid, shall rank *pari passu* in all respects with the Shares then in issue.

As at the Latest Practicable Date, the Board had no present intention to issue any part of the increased authorised share capital of the Company. Further announcement(s) will be made by the Company if it proposes to issue any new Shares in the future.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM. The Board is of the view that the Increase in Authorised Share Capital will provide flexibility to the Company in determining its future business plan, and is therefore in the interest of the Company and the Shareholders taken as a whole.

4. SGM

The SGM will be held at 9:00 a.m. on Friday, 13 February 2015 at 1/F., Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, Hong Kong for (i) the Independent Shareholders to consider and, if thought fit, approve the proposed grant of the Refreshed General Mandate and (ii) the Shareholders to consider and, if thought fit, approve the proposed Increase in Authorised Share Capital. The notice of the SGM is set out on pages 18 to 21 of this circular.

In compliance with the GEM Listing Rules, the resolutions will be voted on by way of a poll at the SGM.

According to Rule 17.42A(1) of the GEM Listing Rules, any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution regarding the proposed grant of the Refreshed General Mandate. No Shareholder is required to abstain from voting on the resolution regarding the Increase in Authorised Share Capital.

LETTER FROM THE BOARD

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, (i) the Company had no controlling Shareholder; (ii) Mr. Zhou Ling, being an executive Director and the chairman of the Board, was interested in 104,396,190 Shares; (iii) Ms. Yang Fang, being an executive Director and the wife of Mr. Zhou Ling, was interested in 42,763,810 Shares; and (iv) Mr. Dai Haidong, being an executive Director and the chief executive officer of the Company, was interested in 60,840,000 Shares. As such, Mr. Zhou Ling, Ms. Yang Fang and Mr. Dai Haidong, together with other Directors (excluding the independent non-executive Directors) and associates of the Directors who as at the date of the SGM shall hold Shares, are required to abstain from voting in favour of the resolution regarding the proposed grant of the Refreshed General Mandate at the SGM.

The Independent Board Committee, comprising Mr. Ho Hau Cheung, *BBS, MH*, Mr. Sung Hak Keung, Andy and Mr. Leung Chi Kin, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. The Independent Financial Adviser has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

A notice convening the SGM to be held at 9:00 a.m. on Friday, 13 February 2015 at 1/F., Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, Hong Kong is set out on pages 18 to 21 of this circular. You will find enclosed a form of proxy for use at the SGM. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

5. RECOMMENDATION

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 10 of this circular and the letter of advice from the Independent Financial Adviser set out on pages 11 to 17 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate and the principal factors considered by it in arriving at its recommendation.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the best interests of the Company and the Shareholders as a whole and recommend the Independent Shareholders to vote in favour of the resolution relating to the proposed grant of the Refreshed General Mandate to be proposed at the SGM.

LETTER FROM THE BOARD

Accordingly, the Directors (including the independent non-executive Directors) consider that the proposed grant of the Refreshed General Mandate and the proposed Increase in Authorised Share Capital are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolution on the proposed grant of the Refreshed General Mandate and the Shareholders to vote in favour of the resolution on the proposed Increase in Authorised Share Capital to be proposed at the SGM.

6. RESPONSIBILITY STATEMENT

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

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



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)

22 January 2015

To the Independent Shareholders

Dear Sir/Madam,

**PROPOSED REFRESHMENT OF
GENERAL MANDATE TO ISSUE SHARES**

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the proposed grant of the Refreshed General Mandate, details of which are set out in the circular of the Company to the Shareholders dated 22 January 2015 (“**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the letter of advice from the Independent Financial Adviser in relation thereto as set out in the Circular, we are of the view that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the proposed grant of the Refreshed General Mandate.

Yours faithfully,
Independent Board Committee

Mr. Ho Hau Cheung, BBS, MH
*Independent non-executive
Director*

Mr. Sung Hak Keung, Andy
*Independent non-executive
Director*

Mr. Leung Chi Kin
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from the Independent Financial Adviser in connection with the proposed grant of the Refreshed General Mandate which has been prepared for the purpose of inclusion in this circular.

VEDA | CAPITAL
智 略 資 本

Veda Capital Limited
Suite 3711, 37/F
Tower II, Times Square
1 Matheson Street
Causeway Bay, Hong Kong

22 January 2015

*To the Independent Board Committee and the Independent Shareholders of
New Ray Medicine International Holding Limited*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 22 January 2015 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms used herein have the same meanings as those defined in the Circular unless the context requires otherwise.

As set out in the Board Letter, approval from the Independent Shareholders will be sought at the SGM by way of poll for the approval of the granting of the Refreshed General Mandate. According to Rule 17.42A(1) of the GEM Listing Rules, any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution regarding the proposed grant of the Refreshed General Mandate at the SGM.

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, (i) the Company had no controlling Shareholder; (ii) Mr. Zhou Ling, being an executive Director and the chairman of the Board, was interested in 104,396,190 Shares; (iii) Ms. Yang Fang, being an executive Director and the wife of Mr. Zhou Ling, was interested in 42,763,810 Shares; and (iv) Mr. Dai Haidong, being an executive Director and the chief executive officer of the Company, was interested in 60,840,000 Shares. As such, Mr. Zhou Ling, Ms. Yang Fang and Mr. Dai Haidong, together with other Directors (excluding the independent non-executive Directors) and associates of the Directors who as at the date of the SGM shall hold Shares, are required to abstain from voting in favour of the resolution regarding the proposed grant of the Refreshed General Mandate at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Ho Hau Cheung, *BBS, MH*, Mr. Sung Hak Keung, Andy and Mr. Leung Chi Kin, all being the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the proposed grant of the Refreshed General Mandate is fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon accuracy of the information and representations contained in the Circular and information provided to us by the Company, the Directors and the management of the Company. We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company, for which they are solely and wholly responsible, were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due and careful enquiry and were based on honestly-held opinions.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statements in the Circular misleading. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and management of the Company.

As at the Latest Practicable Date, we were not aware of any relationships or interest between us and the Company or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 17.96 of the GEM Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the undertaking and the transactions contemplated thereunder. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations on the terms of the undertaking and the transactions contemplated thereunder. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and the appointment in connection with the formation of a joint venture company and the transactions contemplated thereunder jointly announced by Town Health International Medical Group Limited and the Company on 11 December 2014 as an independent financial adviser of the Company to the relevant independent board committee and the independent shareholders of the Company, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the proposed grant of the Refreshed General Mandate, we have taken the following principal factors and reasons into consideration:

1. Background to and reasons for the proposed grant of the Refreshed General Mandate

Pursuant to an ordinary resolution passed by the Shareholders at the AGM, the Directors were granted the Current Issue Mandate to allot and issue up to 160,000,000 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. There had not been any refreshment of the Current Issue Mandate since the AGM up to the Latest Practicable Date.

On 27 October 2014, the Company announced the top-up placing of 160,000,000 Shares (the “**Top-up Placing**”) under the general mandate of the Company at the price of HK\$0.56 per Share for net proceeds in the amount of approximately HK\$84.8 million (the “**Placing Proceeds**”). Subsequent to the completion of the Top-up Placing on 5 November 2014, the Current Issue Mandate has been utilized in full as at the Latest Practicable Date. The Company proposed to seek approval of the Independent Shareholders at the SGM to grant the Refreshed General Mandate. Based on the total number of issued Shares as at the Latest Practicable Date (i.e. 960,000,000 Shares) and assuming that the Company will not issue or repurchase any Shares prior to the SGM, the Refreshed General Mandate, if granted, will allow the Directors to issue and allot up to 192,000,000 Shares.

Save for the fund raising activity pursuant to the Top-up Placing, the Company had not carried out any equity fund raising activities under the Current Issue Mandate since the AGM up to the Latest Practicable Date.

Having considered that (i) the Current Issue Mandate has been fully utilized; (ii) the Refreshed General Mandate would provide the Group with financial flexibility to raise capital expeditiously for its operations and expansion; (iii) the Refreshed General Mandate would strengthen the capital base and financial position of the Company; (iv) the Refreshed General Mandate would allow the Company to raise equity capital promptly rather than the more costly and time consuming process of applying for a specific mandate should the need for capital arise; (v) other financing alternatives such as debt financing may incur interest burden to the Group; and (vi) in the case of alternative pro-rata equity fund raising such as rights issue and open offer, lengthy discussion with potential commercial underwriters might result in failure of raising financing for business developments and/or acquisition of investment opportunities in a timely manner and additional expenses such as commission would be incurred, the Directors are of the view that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole and wishes to seek approval of the Independent Shareholders at the SGM to grant the Refreshed General Mandate to the Directors.

2. Current resources and financial flexibility

As set out in the 2014 interim report of the Company, the unaudited consolidated cash and bank balances of the Group were approximately HK\$66.28 million as at 30 June 2014. Moreover, as advised by the Directors, the Group had no outstanding bank borrowings as at 30 June 2014 as well as at the Latest Practicable Date.

We are given to understand that on 11 December 2014, Brilliant Dream Holding Limited ("**Brilliant Dream**"), a wholly-owned subsidiary of the Company, has entered into the a joint venture agreement (the "**JV Agreement**") with Sharp Shine International Limited ("**Sharp Shine**"), a wholly-owned subsidiary of Town Health Pharmaceutical Limited (a substantial shareholder of the Company), to form a joint venture company (the "**JV Company**"), details of which were disclosed in the announcement of the Company dated 11 December 2014 (the "**JV Announcement**"). The JV Company is proposed to invest in medical and healthcare related business in the PRC (the "**Proposed Business**"). The proposed initial issued capital of the JV Company shall be contributed in cash as to 80% (i.e. HK\$8) by Sharp Shine and as to 20% (i.e. HK\$2) by Brilliant Dream. Upon the payment of the respective capital contribution by both parties, the issued share capital of the JV Company shall be owned as to 80% by Sharp Shine and 20% by Brilliant Dream (the "**Agreed Proportion**"). It is agreed by the parties to the JV Agreement that subject to the incorporation of the JV Company and appropriate investment opportunity(ies) in the Proposed Business having been identified, Sharp Shine and Brilliant Dream will provide the interest-free initial shareholders' loan in an aggregate sum of up to HK\$300 million (the "**Initial Shareholders' Loan**") to the JV Company in immediately available and transferable funds in the Agreed Proportion with a view to financing the Proposed Business. Based on the above Initial Shareholders' Loan agreed, Brilliant Dream is required to provide Initial Shareholders' Loan of up to 20% of HK\$300 million, i.e. HK\$60 million to the JV Company in immediately available and transferable funds.

Furthermore, each of Sharp Shine and Brilliant Dream has agreed that, if at any time after the incorporation of the JV Company and the provision of the Initial Shareholders' Loan, any further financing is required by the JV Company as determined by the board of directors of the JV Company, it will provide additional shareholder's loan to the JV Company in the Agreed Proportion.

We are given to understand that on 12 December 2014, China New Rich Medicine Holding Co. Limited ("**China New Rich**"), a wholly-owned subsidiary of the Company, as investor, and the Company as guarantor for China New Rich, entered into a cornerstone investment agreement (the "**Cornerstone Investment Agreement**") with BBI Life Sciences Corporation ("**BBI Life Science**"), Haitong International Capital Limited and Haitong International Securities Company Limited, pursuant to which China New Rich has agreed to subscribe for the shares of BBI Life Science (the "**Investor Shares**") at the aggregate offer price of

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US\$2,500,000 (equivalent to approximately HK\$19,500,000), details of which were disclosed in the announcement of the Company dated 12 December 2014 (the “**BBI Announcement**”).

As set out in the JV Announcement and BBI Announcement, the Company intends to finance (i) its portion of capital contribution of HK\$2 and the Initial Shareholders’ Loan up to HK\$60 million (where applicable) to the JV Company pursuant to the JV Agreement; and (ii) the aggregate offer price of the Investor Shares payable by China New Rich pursuant to the Cornerstone Investment Agreement out of part of the Placing Proceeds, whereby approximately HK\$19.6 million of the Placing Proceeds have been utilised for the subscription of the Investor Shares pursuant to the BBI Announcement as disclosed in the Board Letter. Accordingly, if the Placing Proceeds were used in accordance with the JV Announcement and the BBI Announcement (i.e. approximately HK\$79.6 million in aggregate), and approximately HK\$5.2 million will be left for further financing of the JV Company and/or other potential investment(s).

We were given to understand by the Company that after taking into account the net balance of the proceeds in the amount of approximately HK\$65.2 million from the Top-up Placing which remained unused as at the Latest Practicable Date, the existing cash resources of the Group are sufficient for it to meet its daily operations and present working capital requirements. As disclosed in the Board Letter, as at the Latest Practicable Date, the Company has not yet formulated any concrete plan for raising capital by issuing new Shares under the Refreshed General Mandate. If any appropriate investment opportunity arises, the Directors will consider and may conduct an equity fund raising exercise by issuing new Shares under the Refreshed General Mandate, the proceeds of which may be used for the purposes of strengthening the Group’s core business position.

We are further advised by the Directors that in order to diversify and broaden the Group’s business, the Group is always looking for suitable investment opportunities, the decision of which may have to be made within a short period of time. However, there is no certainty that such cash resources will be adequate for acquisition of appropriate investment(s) that may be identified by the Company in the future. Moreover, the next general meeting of the Company is not expected to be held until the end of May 2015, it will take another four to five months from the Latest Practicable Date before the Directors could be granted a new general mandate at the next general meeting of the Company. In the event that the Group identifies a suitable investment opportunity but does not have sufficient cash resources on hand, and if it fails to obtain debt financing which the Directors consider acceptable to the Group or raise fund from the equity capital market, or it cannot find other alternatives to finance the acquisition of such investment opportunity in a timely manner, the Group may be in a disadvantageous position and may lose its bid in an otherwise favourable investment.

We have also been advised by the Directors that apart from raising funds by way of equity financing, the Directors have also consider other financing alternatives such as debt financing, which include bank borrowings, to be other

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possible fund raising methods for the Group to meet its financial requirements. However, the Directors are of the view that the ability of the Group to obtain debt financing usually depends on the Group's profitability, financial position and the then market condition. Any additional debt financing will inevitably increase the interest burden of the Group. In addition, such alternative may be subject to lengthy due diligence and negotiations between the Group and the relevant financiers. In view of the above, the Directors consider equity financing, such as issuance of new Shares for cash through placing, to be a feasible and appropriate method for the Group to obtain additional funding to meet the Group's financial requirements.

Having considered that (i) the Current Issue Mandate had not been refreshed since the AGM and has been utilized in full upon completion of the Top-up Placing; (ii) the Placing Proceeds were used to subscribe for the Investor Shares and the balance of which were intended to be used to finance the JV Company and for the Initial Shareholders' Loan pursuant to the JV Agreement; (iii) the cash position of the Group; (iv) the Refreshed General Mandate may provide the Group with financial flexibility to raise capital and strengthen the capital base of the Group, if and when required, to raise capital for cash or as consideration by allotting and issuing new Shares for funding of appropriate investment(s) that may be identified by the Company in the future; and (v) the Refreshed General Mandate may represent a feasible and effective equity financing alternative for the Group to raise capital in a timely manner, we are of the view that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

3. Potential dilution to the shareholding of the public Shareholders

Upon the utilisation of the Refreshed General Mandate to the maximum extent of 20% of the issued share capital of the Company at the SGM, and assuming no Shares will be issued or repurchased by the Company from the Latest Practicable Date to the date of the SGM, the maximum dilution to shareholding of the public Shareholders may be up to approximately 16.7% from the shareholding of approximately 52.33% as at the Latest Practicable Date to that of approximately 43.61% upon the utilisation of the Refreshed General Mandate to the maximum extent.

Taken into account that the Refreshed General Mandate will (i) provide alternative means for the Company to raise capital; (ii) allow the Directors to issue new Shares when necessary, providing the Company with extra financial flexibility to raise further capital should suitable investment opportunities arise and/or improving the liquidity position of the Group; and the fact that the shareholding of the Shareholders will be diluted in proportion to their respective shareholdings upon any utilisation of the Refreshed General Mandate, we consider such potential dilution to the shareholdings of the Independent Shareholders to be justifiable.

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RECOMMENDATION

Having taken into consideration of the above principal factors and reasons, we are of the view that the grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the proposed grant of the Refreshed General Mandate.

Yours faithfully,
For and on behalf of
Veda Capital Limited
Julisa Fong
Managing Director

Note: Ms. Julisa Fong is a licensed person under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to engage in Type 6 (advising on corporate finance) regulated activity and has over 18 years of experience in investment banking and corporate finance.

NOTICE OF SGM



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of New Ray Medicine International Holding Limited (“Company”) will be held at 9:00 a.m. on Friday, 13 February 2015 at 1/F., Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, Hong Kong to consider and, if thought fit, approve the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

- (1) “THAT:
 - (a) the authorised share capital of the Company be and is hereby increased from HK\$10,000,000 divided into 1,000,000,000 ordinary shares of HK\$0.01 each (“Shares”) to HK\$20,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,000,000,000 Shares (“Increase in Authorised Share Capital”); and
 - (b) the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”
- (2) “THAT, subject to and conditional upon the passing of Resolution (1) above:
 - (a) the general mandate granted to the directors of the Company (“Directors”) to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 29 May 2014 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);

NOTICE OF SGM

- (b) subject to paragraph (d) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the authorised and unissued shares in the capital of the Company (each a “**Share**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers after the expiry of the Relevant Period;
- (d) the aggregate nominal amount of share capital of the Company allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (b) above, otherwise than pursuant to or in consequence of:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of any options granted under the share option scheme or similar arrangement adopted by the Company from time to time;
 - (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company and other relevant regulations in force from time to time; or
 - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants, convertible bonds, debentures notes or any securities of the Company which are convertible into Shares;

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (b) of this resolution shall be limited accordingly; and

NOTICE OF SGM

(e) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange outside Hong Kong).”

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

Hong Kong, 22 January 2015

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Headquarter:
B-C, 37/F.
Dikai International Center
19 Dangui Road
Hangzhou, PRC

Principal place of business in Hong Kong:
Room 517, 5th Floor,
Town Health Technology Centre,
10-12 Yuen Shun Circuit,
Siu Lek Yuen, Shatin,
New Territories, Hong Kong

NOTICE OF SGM

Notes:

1. The resolutions to be proposed at the SGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) and the results of the poll will be published on the websites of the GEM and the Company in accordance with the GEM Listing Rules.
2. Any member of the Company entitled to attend and vote at the SGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the SGM. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. To be valid, the instrument appointing a proxy and (if required by the board of Directors (“Board”)) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the office of the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the SGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the SGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the SGM or any adjournment thereof if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.

As of the date of this notice, 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 notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited 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 notice 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 notice misleading.

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