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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)**

**MEMORANDUM OF UNDERSTANDING  
IN RESPECT OF POSSIBLE ACQUISITION OF  
50% OF EQUITY INTEREST IN SAIKE INTERNATIONAL  
AND  
DISCLOSEABLE TRANSACTION IN RELATION TO PAYMENT OF  
EARNEST MONEY**

**THE MOU**

The Board is pleased to announce that on 14 February 2015, Major Bright (a wholly-owned subsidiary of the Company) and the Prospective Seller entered into the MOU in respect of the Proposed Acquisition of 50% of the equity interest of the Target Company.

Pursuant to the MOU, Major Bright has agreed to pay the Earnest Money in cash to the Prospective Seller within one month from the date of the signing of the MOU as part payment of the consideration for the Proposed Acquisition.

The Target Group upon completion of the Target Restructuring will be principally engaged in the trading of medical devices and equipments in the PRC. Save for the provisions relating to payment and refund of Earnest Money, confidentiality and exclusivity referred to below, the MOU is not legally binding.

The MOU may or may not lead to the entering into of the Definitive Agreement and the transactions contemplated thereunder may or may not be consummated. The Proposed Acquisition, if materialised, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

#### **IMPLICATIONS UNDER THE GEM LISTING RULES**

As the relevant percentage ratios under the GEM Listing Rules in respect of the payment of the Earnest Money exceed 5% but are less than 25%, the payment of the Earnest Money under the MOU constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

#### **THE MOU**

The Board is pleased to announce that on 14 February 2015, Major Bright (a wholly-owned subsidiary of the Company) and the Prospective Seller entered into the MOU in respect of the Proposed Acquisition.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Prospective Seller is an individual who is an Independent Third Party.

#### **Principal terms of the MOU**

Pursuant to the MOU:

1. subject to satisfaction of the due diligence review on the Target Group by Major Bright as set out in paragraph (3) below, Major Bright proposes to acquire 50% of the equity interest of the Target Company from the Prospective Seller;
2. the consideration for the Proposed Acquisition is subject to further negotiations between the parties to the MOU and will be adjusted with reference to the consolidated net profit of the Target Group after taxation for the year ending 2015, 2016 and 2017;

3. Major Bright is entitled to carry out the due diligence review on the Target Group during the period from the date of the MOU to 30 April 2015 (such period is referred to as the “**Exclusivity Period**”);
4. the Prospective Seller shall procure the completion of the Target Restructuring to take place before the signing of the Definitive Agreement;
5. during the Exclusivity Period, Major Bright has exclusive negotiation right regarding the Proposed Acquisition and the Prospective Seller shall not negotiate with, or in any form, discuss with, any third party in regard to the Proposed Acquisition unless the MOU is terminated prior to the expiry of the Exclusivity Period; and
6. Major Bright has agreed to pay an earnest money in the amount of RMB20 million (equivalent to approximately HK\$25 million) (“**Earnest Money**”) in cash to the Prospective Seller within one month from the date of the signing of the MOU as part payment of the consideration for the Proposed Acquisition. If Major Bright and the Prospective Seller have not entered into the Definitive Agreement within the Exclusivity Period, the Prospective Seller shall refund to the Company, without interest, a sum which is equal to the Earnest Money on or before 6 May 2015.

The MOU was intended to record the preliminary mutual understanding between the parties to the MOU and to serve as a platform for further negotiations and was not intended to be legally binding on the relevant parties (save for the provisions relating to payment and refund of the Earnest Money, confidentiality, exclusivity and certain miscellaneous matters).

### **Information of the Target Group**

The Target Company is incorporated in the BVI and is principally engaged in investment holding. Currently, the Target Company holds 100% of the issued share capital of Saike HK, which is principally engaged in investment holding. Hangzhou Saike is currently a domestic enterprise principally engaged in the trading of medical devices and equipments in the PRC.

The Target Company, through Saike HK, is undergoing the Target Restructuring for Hangzhou Saike. After the completion of the Target Restructuring, Saike HK will hold 100% of the equity interest of Hangzhou Saike.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

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

Pursuant to the MOU, during the Exclusivity Period, the Group has exclusive negotiation right regarding the subject matter contemplated under the MOU and none of the party to the MOU shall negotiate with, or in any form, discuss with, any third party with regard to the subject matter contemplated under the MOU. The Directors consider that the payment of the Earnest Money can secure the exclusive negotiation right of the Group in relation to the Proposed Acquisition.

The Directors believes that the entering of the MOU and the Proposed Acquisition will enable the Group to diversify its business into the trading of medical devices and equipments business in the PRC which will be beneficial to the long-term development of the Group.

The Directors consider that the terms of the MOU are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As the relevant percentage ratios under the GEM Listing Rules in respect of the payment of the Earnest Money exceed 5% but are less than 25%, the payment of the Earnest Money under the MOU constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **GENERAL**

The MOU may or may not lead to the entering into of the Definitive Agreement and the transactions contemplated thereunder may or may not be consummated. The Proposed Acquisition, if materialised, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

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

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	New Ray Medicine International Holding Limited, 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
“Definitive Agreement”	the formal sale and purchase agreement to be negotiated and entered into between the Prospective Seller and the Company with respect to the Proposed Acquisition
“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
“Hangzhou Saike”	杭州賽科醫療器械有限公司 (in English, for identification purpose, Hangzhou Saike Medical Devices Co., Ltd.), a domestic enterprise established in the PRC with limited liability and which will become a wholly foreign owned enterprise and a direct wholly-owned subsidiary of Saike HK upon completion of the Target Restructuring
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party who is not a connected person of the Company and is independent of the Company and its connected persons

“Major Bright”	Major Bright Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“MOU”	the memorandum of understanding dated 14 February 2015 entered into between the Company and the Prospective Seller
“PRC”	the Peoples’ Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospective Seller”	Ms. Zhao Lei
“Proposed Acquisition”	the proposed acquisition of 50% of the equity interest of the Target Company by Major Bright
“RMB”	Renminbi, the lawful currency of the PRC
“Saike HK”	Saike (China) Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company” or “Saike International”	Saike International Medical Group Limited, a company incorporated in the BVI with limited liability and is wholly owned by the Prospective Seller
“Target Group”	the group of companies consisting of the Target Company, Saike HK and (upon completion of the Target Restructuring) Hangzhou Saike
“Target Restructuring”	the acquisition of the entire registered capital of Hangzhou Saike by Saike HK and the conversion of Hangzhou Saike into a wholly foreign owned enterprise

*In this announcement, for the purpose of illustration only, amounts quoted in RMB has been converted into HK\$ at the rate of RMB1.00 to HK\$1.25. Such exchange rate has been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

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

Hong Kong, 14 February 2015

*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 “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://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>.*