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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: 6108)

DISCLOSEABLE TRANSACTION: ACQUISITION OF 5% OF THE ISSUED SHARE CAPITAL OF THE TARGET

THE ACQUISITION

The Board is pleased to announce that after trading hours on 16 March 2017, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the SP Agreement pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares, representing 5% of the issued share capital of the Target at the Consideration of HK\$25,500,000.

After the 2016 Acquisition and immediately before Completion, the Group held 9% of the issued share capital of the Target. Immediately after Completion, the Group holds 14% of the issued share capital of the Target. The Target will be accounted for as an investment of the Group in its financial statements.

The Target Group is principally engaged in the provision of contracted medical schemes for integrated medical and health care check-up services.

IMPLICATIONS UNDER THE LISTING RULES

The 2016 Acquisition itself was a discloseable transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of each of (i) the Acquisition (standing alone); and (ii) the Acquisition and the 2016 Acquisition (in aggregate) exceeds 5% and all applicable percentage ratios (as defined under the Listing Rules) are less than 25%, each of (i) the Acquisition (standing alone); and (ii) the Acquisition and the 2016 Acquisition (in aggregate) constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board is pleased to announce that after trading hours on 16 March 2017, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the SP Agreement pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares, representing 5% of the issued share capital of the Target at the Consideration of HK\$25,500,000.

THE SP AGREEMENT

The major terms of the SP Agreement are set out below:

Date:

16 March 2017

Parties:

Vendor: Eagle Networks Company Limited 鷹匯網絡有限公司, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Finsoft Financial Investment Holdings Limited whose shares are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8018).

Purchaser: Major Bright Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, (i) the Vendor is principally engaged in investment holding; and (ii) the Vendor and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired:

The Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares, representing 5% of the issued share capital of the Target, free from all encumbrances and together with all rights now or thereafter attaching thereto including all dividends or distributions which may be paid, declared or made in respect thereof at any time on or after the Completion Date.

Consideration:

The Consideration for the Acquisition is HK\$25,500,000 and is payable by the Purchaser to the Vendor in cash upon Completion. The Consideration is funded by the net proceeds from the Rights Issue (as defined in the prospectus of the Company dated 10 February 2017) conducted by the Company in March 2017.

Basis of the Consideration:

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to (i) the historical financial performance of the Target Group; (ii) the price-to-earnings ratio of various listed companies in Hong Kong engaged in healthcare industry; (iii) the network of over 700 specialist and general practitioner doctors with whom the Target Group has entered into contracts; (iv) the existing contract customers of the Target Group; and (v) the business potential of the Target Group.

Completion:

Completion took place immediately after the signing of the SP Agreement.

After the 2016 Acquisition and immediately before Completion, the Group held 9% of the issued share capital of the Target. Immediately after Completion, the Group holds 14% of the issued share capital of the Target. The Target will be accounted for as an investment of the Group in its financial statements.

INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in the Cayman Islands with limited liability on 15 January 2016 and is principally engaged in investment holding. The Target Group is principally engaged in the provision of contracted medical schemes (“**Schemes**”) for integrated medical and healthcare check-up services. The customers of the Target Group are corporate clients, which have engaged the Target Group to provide the Schemes mainly in Hong Kong so as to allow the employees of such corporate clients to seek medical and healthcare services offered by the network of the Target Group. Currently, the Target Group has a network of over 700 specialist and general practitioner doctors for providing medical and healthcare services under the Schemes.

The unaudited consolidated total asset value and net asset value of the Target Group as at 31 October 2016 are approximately HK\$566,172,000 and approximately HK\$513,808,000 respectively.

Premium Healthcare (Asia-Pacific) Limited (“**Premium Healthcare**”) is a wholly-owned subsidiary of the Target. Premium Healthcare and its subsidiaries (“**Premium Healthcare Group**”) are the principal operating subsidiaries of the Target Group as at the date of this announcement. Certain unaudited consolidated financial information of the Premium Healthcare Group for the two years ended 31 March 2016 is as follows:

| | For the year ended 31 March 2015 <i>HK\$’000</i> (approximately) | For the year ended 31 March 2016 <i>HK\$’000</i> (approximately) |
|----------------------------|---|---|
| Revenue | 172,998 | 173,889 |
| Net profit before taxation | 32,556 | 32,737 |
| Net profit after taxation | 27,303 | 27,423 |

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in pharmaceutical distribution business in The People's Republic of China.

As disclosed in the announcement of the Company dated 13 March 2017 (“**Announcement**”), without prejudice to the 2016 Acquisition which was completed on 31 October 2016, the Acquisition Agreement (as defined in the Announcement) in relation to the acquisition of an aggregate of 26% of the issued share capital of the Target was terminated since the Group and JFA Capital could not come to a consensus to the extension of the Second Tranche Long Stop Date (as defined in the Announcement), the parties have agreed not to proceed with the Second Tranche Acquisition (as defined in the Announcement) as contemplated under the Acquisition Agreement.

The Target Group has a network of more than 700 contracted specialist and general practitioner doctors for providing medical and healthcare services under the Schemes and the management team of the Target Group has extensive experience in the management of the Schemes.

According to the feature article “Hong Kong Population Projections for 2015 to 2064” published by Hong Kong Census and Statistics Department (which forms the government statistical service together with statistical units established in various government bureaux and departments in Hong Kong, representing a network for the provision of government statistical services) in October 2015, the proportion of elderly aged 65 and over in Hong Kong is projected to increase from 15% in 2014 to 23% in 2024 and 30% in 2034, and further rise to 36% in 2064. The proportion of the population aged under 15 in Hong Kong is projected to decrease from 12% in 2014 to 9% in 2064. Meanwhile, the median age in Hong Kong will rise from 43.7 in 2014 to 53.5 in 2064. It is also noted from latest information available in the website of Hong Kong Census and Statistics Department that provisional proportion of elderly aged 65 and over, and aged under 15 in Hong Kong amounted to 15.9% and 11.2% respectively as at mid of 2016.

The Board believes that the aging population and the increasing demand for corporate medical solutions services in Hong Kong are favourable to the development of the Schemes business. Based on the foregoing, the Board is of the view that the increase in holding of interest in the Target Group through the Acquisition is expected to bring greater returns to the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement (including the Consideration) are on normal commercial terms and are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The 2016 Acquisition itself was a discloseable transaction of the Company under the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of each of (i) the Acquisition (standing alone); and (ii) the Acquisition and the 2016 Acquisition (in aggregate) exceeds 5% and all applicable percentage ratios (as defined under the Listing Rules) are less than 25%, each of (i) the Acquisition (standing alone); and (ii) the Acquisition and the 2016 Acquisition (in aggregate) constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

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|--------------------|--|
| “2016 Acquisition” | the acquisition of 9% of the issued share capital of the Target by the Group under the Acquisition Agreement, completion of which took place on 31 October 2016 |
| “Acquisition” | the acquisition of the Sale Shares |
| “Board” | the board of Directors |
| “Company” | New Ray Medicine International Holding Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange |
| “Completion” | completion of the sale and purchase of the Sale Shares in accordance with the terms of the SP Agreement |

| | |
|--------------------------------|---|
| “Completion Date” | the date of the SP Agreement |
| “connected persons” | has the meaning as ascribed to it in the Listing Rules |
| “Consideration” | the sum of HK\$25,500,000, being the consideration for the sale and purchase of the Sale Shares |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of The People’s Republic of China |
| “Independent Third Party(ies)” | third party(ies) who is/are independent of and not connected with the Company and its connected persons |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Purchaser” | Major Bright Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company |
| “Sale Shares” | the aggregate of 500 Target Shares, representing 5% of the issued share capital of the Target as at Completion |
| “Shares” | ordinary share(s) of HK\$0.05 each in the share capital of the Company and each a “Share” |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “SP Agreement” | the sale and purchase agreement dated 16 March 2017 entered into between the Purchaser and the Vendor in relation to the Acquisition |

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|-------------------|--|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target” | C&C International Healthcare Group Limited, a company incorporated in the Cayman Islands with limited liability |
| “Target Group” | the group of companies consisting of the Target and its subsidiaries and various joint venture companies |
| “Target Share(s)” | ordinary share(s) of par value HK\$0.01 each in the share capital of the Target |
| “Vendor” | Eagle Networks Company Limited 鷹匯網絡有限公司, a company incorporated in the British Virgin Islands with limited liability |
| “%” | per cent. |

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

Hong Kong, 16 March 2017

As of the date of this announcement, the executive Directors are Mr. Zhou Ling, 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.