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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)

UPDATE ON PROFIT WARNING

This announcement is made by New Ray Medicine International Holding Limited ("**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 9 February 2018 (the "**Profit Warning Announcement**") in relation to the profit warning of the Group for the financial year ended 31 December 2017 ("**FY 2017**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement.

As announced in the Profit Warning Announcement, the Group is expected to record a substantial increase in loss for FY2017 which was primary attributable to the impairment losses of approximately HK$67.1 million on the Group's available-for-sale investments ("**AFS Investments**") for FY2017, which were mostly related to the impairment losses of approximately HK$62.8 million on the investment in the shares of Town Health, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3886).

Based on the preliminary valuation on the fair value of Group's investment in the shares of Town Health as at 31 December 2017 prepared by an independent valuer, in which the fair value of the shares of Town Health as at 31 December 2017 was estimated under the market approach method by reference to Price/Sales multiple and Enterprise value/EBITDA multiple of companies in similar industry, it is expected that there will be a further decrease in the fair value of the Group's investment in the shares of Town Health as Town Health has been suspended in its trading in shares on the Stock Exchange since 27 November 2017. The Group is expected to record an impairment loss of approximately HK$127.5 million on the investment in the shares of Town Health as at 31 December 2017. It is expected that the impairment losses on the Group's AFS Investments would therefore amount to approximately HK$131.8 million. The actual amount of the impairment loss on the Group's AFS Investments will be subject to finalisation of the valuation by the independent valuer and further review by Moore Stephens CPA Limited, the new auditor of the Group. The Board wishes to state that such losses are non-cash in nature and they do not affect the Group's cash flow condition.

As the Company is still in the process of preparing and finalising its consolidated financial statements for FY2017, information contained in this update on the Profit Warning Announcement is only based on a preliminary assessment made by the Board with reference to the information currently available. It is not based on any data or information being audited or reviewed by the auditor of the Group. There may be adjustments following further review and finalisation of the consolidated financial information of the Group by the Board.

Further information and other details of the Group's financial performance for FY2017 will be disclosed in the forthcoming annual results announcement in due course.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

On behalf of the Board
New Ray Medicine International Holding Limited
Zhou Ling
Chairman & Executive Director

Hong Kong, 26 March 2018

As of the date of this announcement, the executive Directors are Mr. Zhou Ling and Ms. Yang Fang; and the independent non-executive Directors are Mr. Ho Hau Cheung, SBS, MH, Mr. Leung Chi Kin and Ms. Li Sin Ming, Ivy.