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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 RECENT DEVELOPMENT OF SUSPENSION AND UPDATE ON PROFIT WARNING

This periodic announcement is made by New Ray Medicine International Holding Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (“**Listing Rules**”). This announcement is also made pursuant to Rule 13.09(2) of the 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 announcements of the Company dated 6 October 2017 and 12 January 2018 in relation to the suspension of trading (“**Suspension**”) in the shares of the Company (“**Shares**”) and the announcements of the Company dated 25 May 2018, 4 June 2018, 1 August 2018, 1 November 2018, 1 February 2019 and 2 May 2019 in relation to the periodic update on the Suspension (collectively, the “**Periodic Update Announcements**”). Reference is also made to the announcement of the Company dated 27 June 2019 in relation to, among other things, profit warning of the Company for the six months ended 30 June 2019 (“**1H 2019**”) (“**Profit Warning Announcement**”) and the announcement of the Company dated 7 May 2019 in relation to its business update (together with the Periodic Update Announcements and the Profit Warning Announcement, referred to as the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless defined otherwise.

RECENT DEVELOPMENT OF RESUMPTION

As mentioned in the Periodic Update Announcements, the IBC has been established for the purpose of, among other things, conducting an independent investigation into the issues relating to the Acquisitions. Grant Thornton Advisory Services Limited (“**Independent Investigator**”) has been appointed as the independent investigator to the IBC to assist in the investigation. The Independent Investigator is in the progress of preparing its independent investigation report.

The Company has also engaged PKF Hong Kong Limited (“**PKF**”) as its internal control adviser to review the effectiveness of the Group’s internal control systems in relation to investment procedure (including mergers and acquisitions and new projects). PKF is in the progress of preparing its report on the Group’s internal control systems.

Up to the date of this announcement, the IBC’s investigation into the affairs of the Acquisitions is still under progress. The Company is also seeking legal advice to address and resolve the SFC’s concerns with the aim of resuming trading in the Shares. However, the Company is not in a position to disclose the details due to its statutory secrecy obligations under the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong). In view of the circumstances, the Company is not in a position to formulate any practicable resumption plan with a clear timeframe at this stage. The Company will continue to seek legal advice with a view to resuming trading of the Shares as soon as practicable.

BUSINESS UPDATE

The Directors wish to point out that notwithstanding the Suspension, the Group has been carrying on its businesses as usual and continues to focus on the distribution and trading of pharmaceutical products and the provision of marketing and promotion services in the PRC.

UPDATE ON PROFIT WARNING

As mentioned in the Profit Warning Announcement, it is expected that the Group will record a loss for 1H 2019 as compared to a net profit of the Group of approximately HK\$14.2 million for the six months ended 30 June 2018 primarily due to, among other matters, the significant decrease in revenue and gross profit mainly as a result of the sales decline of the Product. Detailed information on the principal reasons leading to the expected turnaround from profit to loss is disclosed in the Profit Warning Announcement. Based on a further review and analysis of the latest available unaudited consolidated financial information of the Company, it is expected that the Group will record a loss of not more than HK\$8 million for 1H 2019.

The Company is still in the process of finalising its unaudited consolidated financial statements for 1H 2019. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the currently available information, which has not been reviewed or audited by the auditors of the Company and may be subject to changes. Shareholders and potential investors are advised to refer to the details of the Group’s financial results for 1H 2019, which are expected to be published in August 2019.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares has been suspended with effect from 9:00 a.m. on 6 October 2017 by the Stock Exchange as directed by the SFC in accordance with Rule 8(1) Direction. Trading in the Shares will remain suspended until further notice.

The Company reminds the Shareholders and potential investors that they should refer to the announcements published on the respective websites of the Stock Exchange and the Company for any information relating to the Group.

The Company will keep the Shareholders and potential investors informed of any material development in connection with the above matters by way of periodic announcements and/or further announcement(s) as and when appropriate. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board
New Ray Medicine International Holding Limited
Liu Yang
Chairman & Executive Director

Hong Kong, 2 August 2019

As of the date of this announcement, the executive Directors are Mr. Liu Yang, Mr. Huo Zhihong and Ms. Wang Qiuqin; and the independent non-executive Directors are Mr. Leung Chi Kin, Ms. Li Sin Ming, Ivy and Mr. Sy Lai Yin, Sunny.