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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)

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 (“**Stock Exchange**”) (“**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (“**Directors**”) of the Company (“**Board**”) wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on a preliminary review and analysis of the latest available unaudited consolidated management accounts of the Company, it is expected that the Group will record a loss of approximately HK\$36.5 million for the six months ended 30 June 2020 (“**1H 2020**”) as compared to a loss of approximately HK\$7.8 million recorded by the Group for the six months ended 30 June 2019 (“**1H 2019**”).

The loss of the Group for 1H 2020 was primarily due to (i) the decrease in the gross profit due to the decrease in the average selling price of the Group’s major product under the second generation of Cephalosporins (二代頭孢產品) (“**Product**”) (1.0g) under the newly implemented centralised drug procurement policy in some regions in the People’s Republic of China; (ii) the slowdown in trading activities and business operations of the Group due to the outbreak of the Covid-19 pandemic in 2020; (iii) the decrease in share of profit of associates as a result of the slowdown in the trading activities due to the outbreak of the Covid-19 pandemic in 2020; (iv) the recognition of impairment losses in respect of the Group’s interest in Saike International Medical Group Limited, an associate of the Group, of approximately HK\$22.2 million for 1H 2020, while there were no such impairment losses for 1H 2019; and (v) the recognition of an expected credit loss allowance of approximately HK\$3.0 million on the

Group's trade and other receivables for 1H 2020, while there was no such expected credit loss allowance for 1H 2019.

The Company is still in the process of preparing and finalising its unaudited consolidated financial statements for 1H 2020. The information contained in this announcement is only based on preliminary assessment made by the Board with reference to the information currently available, which has not been reviewed or audited by the auditors of the Company and may be subject to change. Shareholders and potential investors are advised to refer to the details of the Group's financial results for 1H 2020, which are expected to be published on 27 August 2020.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company (“**Shares**”) has been suspended with effect from 9:00 a.m. on 6 October 2017 by the Stock Exchange as directed by the Securities and Futures Commission in accordance with a direction under Section 8(1) of the Securities and Futures (Stock Market Listing) Rules. As disclosed in the announcement of the Company dated 8 January 2020, the Stock Exchange has withheld exercising its right to delist the Company although trading in the Shares remained suspended on 31 January 2020. As such, trading in the Shares will continue to be suspended until further notice. The Company will endeavour to resume trading in the Shares as soon as practicable.

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.

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, 20 August 2020

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.