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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 – AMENDMENTS TO COOPERATION AGREEMENT

Reference is made to the announcement of New Ray Medicine International Holding Limited (“**Company**”) dated 11 July 2022 (“**Announcement**”) and the supplemental announcement dated 26 July 2022 (“**Supplemental Announcement**”) in respect of, among other things, the entering into of the Cooperation Agreement. Unless otherwise specified, capitalised terms used in this announcement shall have the same meaning as defined in the Announcement.

UPDATE ON THE TARGET COMPANY

The Board wishes to inform the Shareholders and the investing public about the recent development in respect of the Target Company after the signing of the Cooperation Agreement as follows:

1. The Target Company was established in Shengzhou, Zhejiang Province, the PRC on 22 July 2022 under the name of 嵊州新銳萬馬實業有限公司 (in English, for identification only, Shengzhou Xin Rui Wan Ma Enterprises Co., Ltd.*).
2. After the establishment of the Target Company, the Parties have engaged in further discussions on the funding needs of the Target Company and have decided to increase the respective amount of (i) the registered capital and (ii) the shareholder’s loans to be granted to the Target Company for working capital purpose. Accordingly, the Parties entered into a supplemental agreement to the Cooperation Agreement to vary certain terms and conditions of the Cooperation Agreement. A summary of which is set out below.

SUPPLEMENTAL AGREEMENT

In view of the additional funding needs of the Target Company, the Parties entered into a supplemental agreement to the Cooperation Agreement on the following terms:

Date

16 January 2023

Parties

- (1) Partner A, an Independent Third Party;
- (2) China New Rich, an indirect wholly-owned subsidiary of the Company; and
- (3) Partner B, an Independent Third Party.

For the background on the Parties, please refer to the Announcement.

Amendments to the Cooperation Agreement

Increase in registered capital

The registered capital of the Company will be increased from RMB50,000,000 to RMB56,300,000 and the capital contribution to the initial registered capital of the Target Company by each of the Parties shall be adjusted as follows:

	Capital contribution	% of equity interest in the Target Company
Partner A	RMB22,520,000 (approximately HK\$26,199,000)	40%
China New Rich	RMB21,957,000 (approximately HK\$25,544,000)	39%
Partner B	RMB11,823,000 (approximately HK\$13,754,000)	21%

Increase in shareholder's loan

As set out in “The Cooperation Agreement – Shareholder’s Loans” in the Announcement, in addition to the capital contribution of the initial registered capital of the Target Company, each Party shall grant to the Target Company a shareholder’s loan. In view of the additional funding needs of the Target Company, the Parties have agreed to increase their respective share of the shareholder’s loan to be granted to the Target Company.

The revised aggregate shareholder’s loan to be made by the Parties to the Target Company will now be RMB23,700,000, of which RMB9,243,000 (equivalent to approximately HK\$10,753,000) will be made by China New Rich. The revised amount of the shareholder’s loan to be made by China New Rich to the Target Company is in proportion to its share of the registered capital of the Target Company.

The additional amount of the registered capital and the shareholder’s loan is expected to be funded by internal resources of the Group.

Save as disclosed above, all other terms and conditions of the Cooperation Agreement as disclosed in the Announcement remain unchanged.

Listing Rules Implications

The Board considers that the amendments to the Cooperation Agreement as contemplated under the supplemental agreement are fair and reasonable and are in line with the business scope and needs of the Target Company and thus on normal commercial terms.

For the benefits of the entering into of the Cooperation Agreement, please refer to the Announcement and the Supplemental Announcement.

The Group’s additional contribution to the registered capital of and the shareholder’s loan to the Target Company, when aggregated with its capital and other financial commitment as contemplated under the Cooperation Agreement as disclosed in the Announcement, constitutes a discloseable transaction of the Company.

In the event that the Group is required to provide other financial assistance to the Target Company in the future, which will constitute a notifiable transaction of the Company under the Listing Rules, the Company will comply with the applicable requirements under the Listing Rules as and when appropriate.

In this announcement, amounts quoted in RMB has been converted into HK\$ at the rate of RMB0.85958 to HK\$1. Such exchange rate has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at such rate or any other rates or at all.

On behalf of the Board
New Ray Medicine International Holding Limited
Wang Qiuqin
Chairman & Executive Director

Hong Kong, 16 January 2023

The English translation of a Chinese name which is marked with “” has been provided for identification purpose only.*

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