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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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **2025 FINANCIAL HIGHLIGHTS**

- The Group recorded a revenue of approximately HK\$130.4 million for the year ended 31 December 2025 (2024: approximately HK\$93.9 million), representing an increase of approximately 38.9% as compared to 2024.
- The Group's gross profit was approximately HK\$16.1 million for the year ended 31 December 2025 (2024: approximately HK\$11.5 million), representing an increase of approximately 40.0% as compared to 2024.
- Net loss attributable to owners of the Company was approximately HK\$20.1 million for the year ended 31 December 2025 (2024: loss of approximately HK\$31.0 million), representing a decrease of approximately 35.2% as compared to 2024.
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).
- The Group had a gearing ratio (defined as total bank and other borrowings divided by total equity) of zero as at 31 December 2025 (2024: zero).

The board (the “**Board**”) of directors (the “**Directors**”) of New Ray Medicine International Holding Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”) together with the comparative figures for the year ended 31 December 2024 (“**FY 2024**”) as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Revenue	3	<b>130,374</b>	93,945
Cost of sales		<u><b>(114,225)</b></u>	<u>(82,453)</u>
		<b>16,149</b>	11,492
Other income, gains and losses, net	5	<b>681</b>	2,052
Selling and distribution expenses		<b>(9,127)</b>	(15,877)
Administrative expenses		<b>(15,438)</b>	(14,724)
Finance costs		<b>(143)</b>	(102)
Impairment loss on trade and other receivables		<b>(7,885)</b>	(5,712)
Impairment loss on inventories		–	(13,114)
Fair value (loss) gain on financial assets at fair value through profit or loss		<u><b>(4,179)</b></u>	<u>3,925</u>
Loss before taxation		<b>(19,942)</b>	(32,060)
Income tax (expense) credit	6	<u><b>(125)</b></u>	<u>1,047</u>
Loss for the year attributable to owners of the Company	7	<u><b>(20,067)</b></u>	<u>(31,013)</u>
<b>Other comprehensive (expense) income for the year</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of functional currency to presentation currency		<b>10,215</b>	(8,184)
Fair value (loss) gain on equity instruments at fair value through other comprehensive income		<u><b>(44,298)</b></u>	<u>29,900</u>
Other comprehensive (expense) income for the year		<u><b>(34,083)</b></u>	<u>21,716</u>
<b>Total comprehensive expense for the year attributable to owners of the Company</b>		<u><b>(54,150)</b></u>	<u>(9,297)</u>
			(Restated)
Loss per share	9		
Basic and diluted ( <i>HK cents</i> )		<u><b>(11.94)</b></u>	<u>(18.55)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>9,336</b>	10,639
Right-of-use assets		<b>18,874</b>	20,171
Equity instruments at fair value through other comprehensive income		<b>42,659</b>	102,367
Financial assets at fair value through profit or loss		<b>41,017</b>	44,138
		<u><b>111,886</b></u>	<u>177,315</u>
<b>Current assets</b>			
Inventories		<b>23,365</b>	20,104
Right to returned goods asset		<b>4,719</b>	–
Trade and other receivables	10	<b>259,115</b>	241,456
Prepayment for a distribution right		–	2,105
Financial assets at fair value through profit or loss		<b>8,004</b>	–
Bank balances and cash		<b>29,417</b>	64,255
		<u><b>324,620</b></u>	<u>327,920</u>
<b>Current liabilities</b>			
Trade and other payables	11	<b>5,021</b>	26,167
Lease liabilities		<b>782</b>	1,145
		<u><b>5,803</b></u>	<u>27,312</u>
<b>Net current assets</b>		<u><b>318,817</b></u>	<u>300,608</u>
<b>Total assets less current liabilities</b>		<u><b>430,703</b></u>	<u>477,923</u>
<b>Non-current liabilities</b>			
Lease liabilities		<b>1,683</b>	2,404
Deferred tax liabilities		<b>4,805</b>	4,563
		<u><b>6,488</b></u>	<u>6,967</u>
		<u><b>424,215</b></u>	<u>470,956</u>
<b>Capital and reserves</b>			
Share capital	12	<b>2,006</b>	83,592
Share premium and reserves		<b>422,209</b>	387,364
Equity attributable to owners of the Company		<u><b>424,215</b></u>	<u>470,956</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

### 1. GENERAL

New Ray Medicine International Holding Limited was incorporated on 9 August 2012 and registered as an exempted company with limited liability in Bermuda.

The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the registered office and principal place of business in Hong Kong of the Company are Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Room 911B, 9th Floor, Tower 1, Silvercord, No. 30 Canton Road, Kowloon, Hong Kong, respectively.

The Company is an investment holding company. Its principal subsidiaries are principally engaged in the distribution and trading of pharmaceutical and related products and the provision of marketing and promotion services in the People’s Republic of China (the “**PRC**”).

The Company’s functional currency is Renminbi (“**RMB**”). However, the consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) for the convenience of shareholders as it is listed in Hong Kong.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

#### **Amendments to HKFRS Accounting Standard that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 3. REVENUE

Disaggregation of revenue from contracts with customers by segments is as follows:

Revenue represents the aggregate of the net amounts received and receivable, recognised at a point in time basis, for the year. An analysis of the Group's revenue for the year is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Distribution and trading of pharmaceutical and related products	<u>127,934</u>	<u>88,708</u>
Provision of marketing and promotion services	<u>2,440</u>	<u>5,237</u>
	<u><b>130,374</b></u>	<u><b>93,945</b></u>

The Group recognises the marketing and promotion fee from its customers at the time when the ultimate users placed orders to the Group's customers and it is highly probable that a significant reversal in the cumulative revenue recognised will not occur, this is also the time when the services were completed and the Group has the enforceable right for payment.

### 4. SEGMENT INFORMATION

The Group is principally engaged in the distribution and trading of pharmaceutical and related products and the provision of marketing and promotion services in the PRC and the management has organised the Group on the basis of these two types of business activities. Information reported to the chief operating decision maker (the "CODM"), being the executive directors of the Company, for the purposes of resources allocation and assessment of segment performance focuses on types of business activities.

Specifically, the Group's reportable and operating segments are as follows:

- (i) Distribution and trading of pharmaceutical and related products – distribution and trading of drugs and chemical reagents for pharmaceutical; and
- (ii) Provision of marketing and promotion services – provision of marketing and promotion services of drugs and chemical reagents for pharmaceutical.

Segment profit represents the gross profit attributable to each segment after deducting impairment loss on trade and other receivables attributable to each segment. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

#### 4. SEGMENT INFORMATION (Cont'd)

Segment information about these reportable and operating segments is presented below.

##### Year ended 31 December 2025

	<b>Distribution and trading of pharmaceutical and related products <i>HK\$'000</i></b>	<b>Provision of marketing and promotion services <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
REVENUE			
External sales and segment revenue	<u>127,934</u>	<u>2,440</u>	<u>130,374</u>
RESULT			
Segment profit ( <i>Note</i> )	<u>6,975</u>	<u>1,289</u>	8,264
Other income, gains and losses, net			681
Selling and distribution expenses			(9,127)
Administrative expenses			(15,438)
Finance cost			(143)
Fair value loss on financial assets at fair value through profit or loss (“FVTPL”)			<u>(4,179)</u>
Loss before taxation			<u>(19,942)</u>
Included in arriving at segment profit:			
Impairment loss on trade and other receivables	<u>(6,920)</u>	<u>(965)</u>	<u>(7,885)</u>

#### 4. SEGMENT INFORMATION (Cont'd)

Year ended 31 December 2024

	Distribution and trading of pharmaceutical and related products <i>HK\$'000</i>	Provision of marketing and promotion services <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE			
External sales and segment revenue	<u>88,708</u>	<u>5,237</u>	<u>93,945</u>
RESULT			
Segment (loss) profit ( <i>Note</i> )	<u>(12,079)</u>	<u>4,745</u>	<u>(7,334)</u>
Other income, gains and losses, net			2,052
Selling and distribution expenses			(15,877)
Administrative expenses			(14,724)
Finance cost			(102)
Fair value gain on financial assets at FVTPL			<u>3,925</u>
Loss before taxation			<u>(32,060)</u>
Included in arriving at segment (loss) profit:			
(Impairment loss) reversal of impairment loss on trade and other receivables	(5,886)	174	(5,712)
Impairment loss on inventories	<u>(13,114)</u>	<u>–</u>	<u>(13,114)</u>

*Note:* The segment profit (loss) included the impact of impairment loss on trade and other receivables and impairment loss on inventories.

Information of assets and liabilities for operating segments is not provided to CODM for their review. Therefore, no analysis of the Group's assets and liabilities by reportable and operating segments is presented.

#### Geographical information

The Group's operations are located in the PRC (country of domicile). The geographical location of the Group's non-current assets is substantially situated in the PRC.

All of the Group's revenue from external customers is attributed to the Group entities' country of domicile (i.e. in the PRC).

#### 4. SEGMENT INFORMATION (Cont'd)

##### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A <sup>1</sup>	<b>13,354</b>	13,327
Customer B <sup>1</sup>	<b>31,715</b>	13,379
Customer C <sup>2</sup>	<b>33,849</b>	40,897
	<b><u>          </u></b>	<b><u>          </u></b>

<sup>1</sup> The revenue was derived from the distribution and trading of pharmaceutical products.

<sup>2</sup> The revenue was derived from the distribution and trading of pharmaceutical related products.

#### 5. OTHER INCOME, GAINS AND LOSSES, NET

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	<b>544</b>	1,971
Others	<b>10</b>	49
Dividend income from equity instruments at fair value through other comprehensive income (“FVTOCI”)	<b>141</b>	561
Net exchange loss	<b>(129)</b>	(671)
Gain on disposal of property, plant and equipment	<b>115</b>	142
	<b><u>          </u></b>	<b><u>          </u></b>
	<b><u>          </u></b>	<b><u>          </u></b>
	<b>681</b>	2,052

## 6. INCOME TAX EXPENSE (CREDIT)

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)	–	73
Deferred tax	<u>125</u>	<u>(1,120)</u>
	<u><b>125</b></u>	<u><b>(1,047)</b></u>

Under the Laws of the PRC on Enterprise Income Tax (the “EIT Laws”) and Implementation Regulations of the EIT Laws, the tax rate of the PRC subsidiaries was 25% for the years ended 31 December 2025 and 2024.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in those jurisdictions.

No provision for Hong Kong Profits Tax is made in the consolidated financial statements as the Group did not derive any assessable profits from Hong Kong for both years.

## 7. LOSS FOR THE YEAR

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year has been arrived at after charging (crediting):		
Directors’ emoluments, including contributions to retirement benefits scheme and equity-settled share-based payment expenses	2,775	3,083
Other staff’s salaries, bonus and other benefits	7,831	5,105
Contributions to retirement benefits scheme, excluding directors	<u>694</u>	<u>531</u>
Total staff costs	<u><b>11,300</b></u>	<u><b>8,719</b></u>
Depreciation of property, plant and equipment	1,757	1,701
Depreciation of right-of-use assets	1,776	1,610
Amortisation of prepayment for a distribution right	2,105	3,493
Auditor’s remuneration	1,000	1,350
Legal and professional fees (included in administrative expenses)	1,679	2,328
Gain on disposal of property, plant and equipment	(115)	(142)
Impairment loss on trade and other receivables	7,885	5,712
Impairment loss on inventories	–	13,114
Fair value loss (gain) on financial assets at FVTPL	4,179	(3,925)
Cost of inventories recognised as an expense (excluded impairment loss on inventories)	<u><b>114,225</b></u>	<u><b>82,453</b></u>

## 8. DIVIDENDS

No dividend was paid or proposed for holders of ordinary shares of the Company during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

## 9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(20,067)</u>	<u>(31,013)</u>
	<b>Number of ordinary shares</b>	
	2025	2024
	<i>'000 of shares</i>	<i>'000 of shares</i> (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>168,009</u>	<u>167,185</u>

The comparative weighted average number of ordinary shares used in the calculation of basic and diluted loss per share has been adjusted retrospectively to reflect the share consolidation as disclosed in note 12.

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options since their assumed exercise would result in decrease in loss per share for the year ended 31 December 2025 and 2024.

## 10. TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	135,353	104,704
Less: allowance for credit loss	<u>(52,438)</u>	<u>(44,311)</u>
Trade receivables (net of allowance for credit loss)	82,915	60,393
Other prepayments	309	1,600
Other deposits	250	247
Prepayments to a supplier	25,137	42,547
Deposits paid to suppliers (net of allowance for credit loss)	145,047	131,391
Value-added tax recoverable	4,292	5,143
Others	<u>1,165</u>	<u>135</u>
	<u>259,115</u>	<u>241,456</u>
Current portion	<u>259,115</u>	<u>241,456</u>

## 10. TRADE AND OTHER RECEIVABLES (Cont'd)

The Group allows a credit period ranging from 0 to 365 days to its trade customers. The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the dates of goods delivery notes, which approximated the respective revenue recognition dates, at the end of the reporting period.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables:		
0–30 days	46,835	24,550
31–60 days	9,297	7,253
61–90 days	1,164	1,474
91–180 days	4,473	1,274
181–365 days	2,473	4,200
Over 365 days	18,673	21,642
	<u>82,915</u>	<u>60,393</u>

Prepayments and deposits paid to suppliers represent the prepayments and deposits paid to its suppliers as a condition of acquiring the distribution rights of specific products and as securing for purchase of products. The Group was required to make prepayments and deposits to certain suppliers to secure regular supply of products. The amount of prepayments to suppliers varied with the terms of supplier contracts entered into with different suppliers, which was determined based on the amount of goods purchased from the suppliers. The amounts of deposits required vary on a case by case basis. The deposits paid will be refunded upon expiry of contracts.

## 11. TRADE AND OTHER PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables ( <i>note (i)</i> )	–	21,613
Deposits received from customers	1,063	637
Contract liabilities	1,050	30
Accruals	2,908	3,887
	<u>5,021</u>	<u>26,167</u>

## 11. TRADE AND OTHER PAYABLES (Cont'd)

Note:

- (i) An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date or issue date is as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables:		
0–30 days	–	10,286
31–60 days	–	4,114
61–90 days	–	5,431
Over 90 days	–	1,782
	<u>–</u>	<u>21,613</u>
	<u>–</u>	<u>21,613</u>

The trade payables are non-interest-bearing. The trade payables are normally settled on terms of 180 days upon receipt of suppliers' invoices.

## 12. SHARE CAPITAL OF THE COMPANY

The movements of share capital of the Company are as follows:

	<b>Number of shares '000</b>	<b>Amount HK\$'000</b>
Ordinary shares		
Authorised:		
At 1 January 2024, 31 December 2024 and 1 January 2025	3,000,000	150,000
Share Consolidation ( <i>note (a)(i)</i> )	(2,700,000)	–
Share Sub-division ( <i>note (a)(iii)</i> )	14,700,000	–
	<u>15,000,000</u>	<u>150,000</u>
At 31 December 2025	<u>15,000,000</u>	<u>150,000</u>
Issued and full paid:		
At 1 January 2024, 31 December 2024 and 1 January 2025	1,671,847	83,592
Share Consolidation ( <i>note (a)(i)</i> )	(1,504,662)	–
Capital Reduction ( <i>note (a)(ii)</i> )	–	(81,920)
Issue of shares upon share placing ( <i>note (b)</i> )	33,432	334
	<u>33,432</u>	<u>334</u>
At 31 December 2025	<u>200,617</u>	<u>2,006</u>

## 12. SHARE CAPITAL OF THE COMPANY (Cont'd)

*Notes:*

- (a) During the year ended 31 December 2025, the Company implemented the capital reorganisation (the “**Capital Reorganisation**”), which became effective on 22 July 2025, involving the following steps:
- (i) every ten (10) then issued and unissued ordinary shares of par value of HK\$0.05 each in the share capital of the Company were consolidated into one (1) consolidated share of par value of HK\$0.50 each (the “**Share Consolidation**”);
  - (ii) immediately following the Share Consolidation, the issued share capital of the Company was reduced by (a) rounding down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (b) a reduction of the par value of each of the Company’s issued ordinary shares from HK\$0.50 to HK\$0.01 per issued ordinary share (the “**Capital Reduction**”) which reduction comprised of a cancellation of such amount of the paid-up capital on each issued ordinary share and an extinguishment and reduction of any part of the capital not paid up on any issued ordinary share so that each existing issued ordinary share was treated as one fully paid up share of par value of HK\$0.01 each in the share capital of the Company immediately following the Capital Reduction and the change arising from the Capital Reduction was credited to the Company’s share premium; and
  - (iii) immediately following the Capital Reduction, each of the then authorised but unissued Consolidated Shares was sub-divided into fifty (50) new shares of par value of HK\$0.01 each (the “**Share Sub-division**”).

Details of the above Capital Reorganisation are set out in the Company’s announcements dated 6 June 2025 and 18 July 2025 and the Company’s circular dated 26 June 2025.

- (b) On 5 December 2025, the Company and a placing agent entered into a placing agreement pursuant to which the placing agent agreed to procure not less than six placees to subscribe up to 33,432,000 placing shares at a price of HK\$0.225 per placing share (the “**Placing**”). The Placing was completed on 23 December 2025 and a total of 33,432,000 shares were issued. The gross proceeds from the Placing amounted to HK\$7,522,000, and the transaction costs directly attributable to the Placing amounted to HK\$113,000. Details of the Placing were disclosed in announcements of the Company dated 5 December 2025 and 23 December 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Chinese government has implemented a series of policies to reform its healthcare system, such as the volume-based procurement (帶量採購), which was officially initiated in 11 cities in the PRC in 2018, and the expansion of the volume-based procurement nationwide since 2019. The first, second and third batches of the national volume-based procurement were successfully implemented during the years 2019 to 2020. The fourth, fifth, sixth, seventh, eighth, ninth, tenth and eleventh batches were completed in February 2021, June 2021, November 2021, July 2022, March 2023, November 2023, December 2024 and November 2025, respectively. The Group expects that the drug pricing pressure and loss of market share will continue, which may result in further loss of sales and drop in the average profit margin of the Group's products.

Facing the market challenges, the Group has been actively tightening the cooperation with suppliers and end customers (e.g. hospitals) to improve our sales and marketing capabilities and make efforts to expand its distribution network in the PRC so as to minimise the impact of unfavourable external factors on the Group.

For the Year, the total revenue of the Group was approximately HK\$130.4 million, representing an increase of approximately 38.9% as compared to FY 2024. The increase in revenue was mainly attributable to (i) the Group having launched a product of chemical reagents for pharmaceutical in the PRC since the second half year of 2024 and launched a drug product in the Year and (ii) partially offset by the decrease in the demand for the Group's major product under the second generation of Cephalosporins (二代頭孢產品) (1.0g) (“**Product**”) during the Year due to the continuously adverse impact from the further strengthened policy on the adoption of stratified and categorised management of antibacterial drugs in various regions in mainland China. As a result, the demand for the Product has declined during the Year.

During the Year, the Group recorded a net loss of approximately HK\$20.1 million for the Year (2024: loss of approximately HK\$31.0 million), representing a decrease of approximately 35.2% as compared to FY 2024. The decrease in net loss was primarily due to (i) the absence of impairment loss on inventories of approximately HK\$13.1 million recorded for FY 2024 due to the slow-moving inventories that were close to their expiry date; (ii) the decrease in promotion costs of approximately HK\$2.1 million; (iii) the decrease in marketing services fee of approximately HK\$3.7 million; and (iv) decrease in the amortisation of prepayment for a distribution right of approximately HK\$2.1 million (FY 2024: approximately HK\$3.5 million).

## FUTURE PROSPECTS

### (i) Industry Outlook

The PRC pharmaceutical industry is facing many challenges as a result of the release of a series of policies by the Chinese government to reform its healthcare system, such as the volume-based procurement (帶量採購), which was officially initiated in 11 cities in the PRC in 2018, and the expansion of the volume-based procurement nationwide since 2019. The first, second and third batches of the national volume-based procurement were successfully implemented during the years 2019 to 2020. The fourth, fifth, sixth, seventh, eighth and ninth batches were completed in February 2021, June 2021, November 2021, July 2022, March 2023 and November 2023, respectively. The fourth batch of the volume-based procurement involved 45 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced by approximately 52% as compared to the average original bidding prices, with the biggest price reduction of one variety being approximately 96% as compared to its original bidding price. The fifth batch of the volume-based procurement involved 62 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced by approximately 56% as compared to the average original bidding prices, with the biggest price reduction of one variety being approximately 98% as compared to its original bidding price. The sixth batch of the volume-based procurement involved 42 varieties of insulin products, and the average price of the shortlisted varieties was reduced by approximately 49% as compared to the average original bidding prices, with the biggest price reduction of one variety being approximately 74% as compared to its original bidding price. The seventh batch of the volume-based procurement involved 60 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced by approximately 48% as compared to the average original bidding prices. The eighth batch of the volume-based procurement (“**8th Batch**”) was completed in March 2023. The 8th Batch involved 39 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced by approximately 56% as compared to the average original bidding prices. The ninth batch of the volume-based procurement (“**9th Batch**”) was completed in November 2023. The 9th Batch involved 41 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced by approximately 58% as compared to the average original bidding prices.

The renewal batch of the volume-based procurement for insulin products was completed in April 2024. This renewal batch involved 6 varieties of insulin products, with the average price being 3.8% lower than that of the sixth batch of the volume-based procurement for insulin products. Moreover, the tenth batch of the volume-based procurement (“**10th Batch**”) was completed in December 2024. The 10th Batch involved 385 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced over 60% as compared to the average original bidding prices.

The eleventh batch of the volume-based procurement (“**11th Batch**”) was completed in November 2025. The 11th Batch involved 55 varieties of pharmaceutical products, and the average price of the shortlisted varieties was reduced over 58% as compared to the average original bidding prices.

It is expected that the national volume-based procurement will continue in the future, and the scope of drugs under such procurement scheme will become wider and the downward pressure of the price of drugs is anticipated. The above-mentioned policies may put the pharmaceutical distribution and trading enterprises in the PRC, including the Group, in a challenging position and may affect the profitability of these companies in the future.

**(ii) Growth Strategies**

***(a) Continue to diversify the existing product portfolio***

The Group intends to seek to acquire distribution rights of new products to enhance its product portfolio. Looking ahead to 2026, the Group will continue to enhance its product portfolio, distribution channels, marketing, and promotion strategy in order to achieve a better and sustainable long-term development.

***(b) Continue to enhance and expand the sales and marketing capabilities***

In order to strengthen its competitive advantages over its competitors in the PRC, the Group will continue to enhance its local distribution network and sales and marketing capabilities. In addition, the Group has been exploring different opportunities to enhance its distribution capabilities.

***(c) Focus on long term growth***

As a long-term business strategy, the Group intends to focus on its core businesses of the distribution and trading of pharmaceutical and related products and the provision of marketing and promotion services in respect of pharmaceutical products in the PRC by reallocating its resources to the future development of these businesses. Besides, the Group will continue to seek potential merger and acquisition opportunities to bring higher return for its shareholders.

## BUSINESS REVIEW

The Group is principally engaged in the distribution and trading of pharmaceutical and related products and the provision of marketing and promotion services in the PRC. The Group will continue to participate in the distribution of the prescription drug market in the PRC with its unremitting efforts in business development.

The table below sets out the revenue and gross profit margin of the Group (by segment) for the Year and FY 2024 respectively.

	Revenue contributed from each business segment				Gross profit margin	
	2024		2025		2024	2025
	HK\$'000	%	HK\$'000	%	%	%
(1) <i>Distribution and trading of pharmaceutical and related products</i>	88,708	94.4	<b>127,934</b>	<b>98.1</b>	7.5	<b>10.9</b>
(2) <i>Provision of marketing and promotion services</i>	<u>5,237</u>	<u>5.6</u>	<u><b>2,440</b></u>	<u><b>1.9</b></u>	N/A	N/A
Total	<u><u>93,945</u></u>	<u><u>100.0</u></u>	<u><u><b>130,374</b></u></u>	<u><u><b>100.0</b></u></u>		

### (1) Distribution and Trading of Pharmaceutical and related Products

This segment generated revenue of approximately HK\$127.9 million for the Year (FY 2024: approximately HK\$88.7 million), representing an increase of approximately 44.2% as compared to FY 2024. The increase in revenue in this segment was primarily attributable to (i) the Group having launched a product of chemical reagents for pharmaceutical in the PRC since the second half of 2024 and launched a drug product in the Year and (ii) partially offset by the decrease in the demand for the Product during the Year due to the continuously adverse impact from the further strengthened policy on the adoption of stratified and categorised management of antibacterial drugs in various regions in mainland China. As a result, the demand for the Product has declined during the Year.

## **(2) Provision of Marketing and Promotion Services**

This segment generated revenue of approximately HK\$2.4 million for the Year (FY 2024: approximately HK\$5.2 million), representing a decrease of approximately 53.8% as compared to FY 2024. Under the implementation of the “Two-Invoice” System (兩票制) in the PRC since 2017, the Group has started to develop its business of the provision of marketing and promotion services in respect of pharmaceutical products in the PRC. The Group’s marketing and promotion model involves formulating marketing and promotion strategies and conducting academic promotion programs of the Group’s products in return for service income from the suppliers. The revenue generated by this segment decreased by over 50% for the Year as compared to that for FY 2024.

## **FINANCIAL REVIEW**

### **Revenue**

The total revenue for the Year was approximately HK\$130.4 million, representing an increase of approximately 38.9% from approximately HK\$93.9 million for FY 2024. The increase in revenue was primarily attributable to (i) the Group having launched a product of chemical reagents for pharmaceutical in the PRC since the second half of 2024 and launched a drug product in the Year and (ii) partially offset by the decrease in the demand for the Product during the Year due to the continuously adverse impact from the further strengthened policy on the adoption of stratified and categorised management of antibacterial drugs in various regions in mainland China. As a result, the demand for the Product has declined during the Year.

### **Cost of Sales**

The cost of sales for the Year was approximately HK\$114.2 million, representing an increase of approximately 38.4% from approximately HK\$82.5 million for FY 2024. The increase in cost of sales was in line with the increase in sales volume of the chemical reagents product for pharmaceutical and a new drug product during the Year.

### **Gross Profit and Gross Profit Margin**

Gross profit increased by approximately HK\$4.6 million, or approximately 40%, from approximately HK\$11.5 million for FY 2024 to approximately HK\$16.1 million for the Year. The increase in gross profit of the Group for the Year was mainly attributable to (i) the Group having launched a product of chemical reagents for pharmaceutical in the PRC since the second half year of 2024 and launched a drug product in the Year. The Group’s gross profit margin for the Year was approximately 12.4%, which has slightly increased by 0.2 percentage points when compared to that for FY 2024.

### **Other Income, Gains and Losses, Net**

The net other gain for the Year were approximately HK\$0.7 million (2024: approximately HK\$2.1 million). The decrease was primarily attributable to the decrease in the bank interest income to approximately HK\$0.5 million (2024: approximately HK\$2.0 million) during the Year.

### **Selling and Distribution Expenses**

Selling and distribution expenses for the Year were approximately HK\$9.1 million, representing a decrease of 42.8% from approximately HK\$15.9 million for FY 2024. The decrease in selling and distribution expenses was primarily attributable to decrease in (i) amortisation of prepayment for a distribution right of approximately HK\$1.4 million; (ii) promotion costs of approximately HK\$2.1 million; and (iii) marketing services fee of approximately HK\$3.7 million, in each case, recorded in the consolidated financial statements for FY 2024.

### **Administrative Expenses**

Administrative expenses for the Year were approximately HK\$15.4 million, representing an increase of approximately 4.8% from approximately HK\$14.7 million for FY 2024. The administrative expenses was relatively stable for the Year as compared to that for FY 2024.

### **Impairment Loss on Trade and Other Receivables**

The Group has provided for impairment loss on trade and other receivables of approximately HK\$7.9 million (2024: impairment loss of HK\$5.7 million) during the Year based on the provision matrix.

### **Impairment Loss on Inventories**

The Group has not provided for impairment loss on inventories (2024: impairment loss of approximately HK\$13.1 million in respect of the slow-moving inventories which were close to their expiry date).

### **Income Tax (Expense) Credit**

Income tax expense for the Year was approximately HK\$0.1 million (2024: income tax credit of approximately HK\$1.0 million). Such change was primarily due to the increase in deferred tax for tax purposes.

## **Loss for the Year**

Loss for the Year was approximately HK\$20.1 million, representing a decrease in net loss of approximately 35.2% from approximately HK\$31.0 million for FY 2024.

The Group recorded a decrease in net loss for the Year of approximately 35.2% as compared to FY 2024 primarily due to (i) the absence of impairment loss on inventories of approximately HK\$13.1 million recorded for FY2024 due to the slow-moving inventories that were close to their expiry date; (ii) the decrease in promotion costs of approximately HK\$2.1 million; (iii) the decrease in marketing services fee of approximately HK\$3.7 million; and (iv) decrease in the amortisation of prepayment for a distribution right of approximately HK\$2.1 million (FY 2024: approximately HK\$3.5 million).

## **Equity Instruments at Fair Value through Other Comprehensive Income**

The Group's equity instruments at fair value through other comprehensive income ("FVTOCI") comprise (i) equity instruments at FVTOCI listed in Hong Kong which have been determined based on the quoted market prices available on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") and (ii) equity instruments at FVTOCI for unlisted investments in companies incorporated in Hong Kong with limited liability and stated at fair value based on valuations prepared by independent valuers.

### ***Equity instruments at FVTOCI listed in Hong Kong***

#### ***Town Health International Medical Group Limited***

As at 31 December 2025, the Group's securities investment in the shares ("**TH Shares**") of Town Health International Medical Group Limited ("**Town Health**") (a company whose shares being listed on the Main Board of the Stock Exchange with stock code: 3886) had a fair value of approximately HK\$29.4 million and an investment amount of approximately HK\$142.0 million. As at 31 December 2025, the fair value of the Group's investment in Town Health accounted for approximately 6.7% of the Group's total assets. The Group recognised a fair value gain of approximately HK\$0.6 million on its investment in the TH Shares for the Year. The Group received dividend income from Town Health of approximately HK\$141,000 for the Year (2024: approximately HK\$141,000). During the Year, the Group did not dispose of any of its holding in TH Shares.

As at 31 December 2025 and the date of this announcement, the Group held 117,602,000 TH Shares, representing approximately 1.74% of the total issued share capital of Town Health. Town Health and its subsidiaries are principally engaged in the provision of medical and dental services in Hong Kong, managing healthcare networks and the provision of third party medical network administrator services in Hong Kong, the provision of medical and dental services in the PRC, the provision of hospital management services and related services, and leasing properties. According to the announcement of interim results of Town Health for the six months ended 30 June 2024, in 1989, Town Health established its first medical centre in Sha Tin to serve residents in the community. In 2024, Town Health reached an important milestone of its 35th anniversary. At the important milestone, Town Health has adopted a new logo that better highlights the core values and corporate commitment, demonstrating Town Health's original intention and enthusiasm to provide quality healthcare services. The new logo is based on the design concept of caring and sense of responsibility. It presents a simple "house" shape. The house is constructed from the initial "T" and "h" of the English name "Town Health", and "T" and "h" also form the Chinese character "仁 (benevolence)", implying doctors' benevolence and excellent medical skills. The new corporate colours, i.e. blue and lake green, are fresh and calm, and inject vitality into Town Health's corporate image. Town Health has expanded from a community medical centre to the present industry leader with its business extending into multiple areas of healthcare, which is all due to the trust and support of every shareholder, customer and business partner. With a new image, Town Health will provide high-quality healthcare services from primary care to high-end cross-specialty services, to meet a full range of needs of customers from prevention, outpatient, diagnosis and surgery to rehabilitation and nursing. Looking ahead, Town Health will continue to support the government's primary healthcare development strategy and proactively participate in government-funded and public-private partnership programmes for primary healthcare. Meanwhile, Town Health seeks to integrate the healthcare resources of various business segments in Hong Kong and the Mainland China to establish a full-cycle, integrated and one-stop healthcare service ecosystem in the Guangdong-Hong Kong-Macao Greater Bay Area.

The Group disposed of certain equity securities listed in Hong Kong during the Year as disclosed in the sub-section headed "Material Acquisitions or Disposals and Significant Investments" in the section headed "Management Discussion and Analysis" in this announcement. The Group will continue to monitor its investments cautiously in view of recent uncertain market conditions.

## Financial Asset At FVTPL

The Group's financial assets at FVTPL include investment in 嵊州新銳萬馬實業有限公司 (in English, for identification purpose only, Shengzhou Xin Rui Wan Ma Enterprises Co., Ltd.) ("**Shengzhou Xin Rui Wan Ma**") and investment in 嵊州新銳萬霖智造有限公司 (formerly known as 嵊州新銳萬霖企業管理有限公司) (in English, for identification purpose only, Shengzhou Xinrui Wanlin Enterprise Management Co., Ltd.) ("**Shengzhou Xinrui Wanlin**").

As at 31 December 2025 and the date of this announcement, the Group held approximately 39% equity interest in Shengzhou Xin Rui Wan Ma through the Group's holding of 39 ordinary shares of, representing 39% of, the paid up capital of New Ray Wanma International Holding Company Limited ("**New Ray Wanma**"). New Ray Wanma is the ultimate holding company holding the entire paid up capital of Shengzhou Xin Rui Wan Ma with a fair value of approximately HK\$26.4 million. As at 31 December 2025, the fair value of the Group's investment in Shengzhou Xin Rui Wan Ma accounted for approximately 6.0% of the Group's total assets. The Group recognised a fair value loss of approximately HK\$4.1 million on its investment in the Shengzhou Xin Rui Wan Ma for the Year. This fair value loss was recognised in profit or loss for the Year as part of the Group's investment in Shengzhou Xin Rui Wan Ma. No dividend income was received from Shengzhou Xin Rui Wan Ma during the Year, and the Group did not dispose of any of its holdings in Shengzhou Xin Rui Wan Ma.

The purpose of Shengzhou Xin Rui Wan Ma is to engage in a project which involves the investment and construction of a healthcare industrial park in Shengzhou, Zhejiang Province, the PRC ("**Project**"). The Project includes the acquisition of the land use right of a project land by public tender and the construction, development and operation of the related facilities and buildings thereon. During the Year, Shengzhou Xin Rui Wan Ma was constructing and developing a healthcare industrial park in Shengzhou, Zhejiang Province, PRC.

The Group considered that the investment of Shengzhou Xin Rui Wan Ma undertaking the Project presents a good opportunity for the Group to utilise its available funds for a return and to expand investment portfolio with quality assets and to broaden the Group's strategic cooperation opportunities with other stakeholders in the PRC healthcare industry.

In Phase 1, the construction area covers 58,297.28 square meters and includes 16 buildings with a total of 28 units. Meanwhile, in Phase 2, the construction area covers 68,275.12 square meters, consisting of 13 buildings with a total of 32 units. All units in Phase 1 had been sold. For Phase 2, Shengzhou Xin Rui Wan Ma has contracted to sell 30 units, with a total contract sum of approximately RMB205.2 million. As at 31 December 2025, Shengzhou Xin Rui Wan Ma has received a total sum of approximately RMB393.6 million for its sale of units of Phase 1 and 2.

The Group will continue to monitor its investments cautiously in view of recent uncertain market conditions.

## **Liquidity, Financial Resources and Capital Structure**

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, various reserves and retained profits.

During the Year, the long-term funding and working capital required by the Group were primarily derived from the income generated from its core business operations. The Group's liquidity position was well-managed in the Year.

The Group's cash and cash equivalents amounted to approximately HK\$29.4 million in total as at 31 December 2025 (2024: approximately HK\$64.3 million), among which approximately 33.8% (2024: approximately 13.6%) were denominated in Hong Kong dollars, approximately 66.2% (2024: approximately 86.4%) were denominated in Renminbi. The Group did not have any bank loan nor any other borrowing as at 31 December 2025 (31 December 2024: nil).

The Group's gearing ratio (defined as total bank and other borrowings divided by total equity) was zero as at 31 December 2025 (2024: zero).

The Group's financial resources are sufficient to support its business operations. The Group will also consider other financing activities when appropriate business opportunities arise under favourable market conditions.

## **Foreign Currency Risk**

The Group carries out its business in the PRC and most of the transactions are denominated in Renminbi. However, the Group has foreign currency bank balances in Hong Kong dollars which expose the Group to foreign currency risk. To mitigate the foreign currency risk, the Group continuously assesses and monitors the exposure of the exchange rate fluctuations. During the Year, the Directors did not consider it necessary to adopt a foreign currency hedging policy as the potential impact on the profit or loss of the Group due to the exchange rate fluctuations was immaterial.

## **Employee Information**

As at 31 December 2025, the Group had 31 employees (2024: 29) with staff costs for the Year including Directors' emolument, amounting to approximately HK\$11.3 million (2024: approximately HK\$8.7 million). The Group's remuneration policy is based on the positions, duties and performance of the employees. The employees' remunerations vary according to their positions, which include salaries, overtime allowances, bonuses and/or various subsidies. The Group offers comprehensive and competitive remuneration and benefits packages to all its employees. In addition, the Group has adopted a share option scheme for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations.

The Group also provides other employee benefits including a provident fund scheme for its employees in Hong Kong as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485, the Laws of Hong Kong), and participates in employee pension schemes organised and governed by the relevant local governments for its employees in the PRC.

### **Contingent Liabilities**

As at 31 December 2025, the Group did not have any significant contingent liabilities.

### **Material Acquisitions or Disposals and Significant Investments**

#### *Signing of the Cooperation Agreement and the establishment of the Target Company*

On 12 August 2025, China New Rich Medicine Holding Co. Limited (“**China New Rich**”), an indirect wholly owned subsidiary of the Company, Hong Kong Xin Rui Wan Ma Healthcare Industrial Company Limited (香港新銳萬馬健康產業有限公司) (“**Partner A**”) and Yiheng Technology Development HK Limited (逸恒科技發展香港有限公司) (“**Partner B**”) entered into a cooperation agreement (“**Cooperation Agreement**”) in respect of, among others, the capital contribution and operation and management of the affairs of a company with limited liability to be established in Hong Kong or the PRC and to be held as to 60% by Partner A, 20% by China New Rich and 20% by Partner B (“**Target Company**”).

Pursuant to the Cooperation Agreement, the initial capital of the Target Company is HK\$82.5 million (or an equivalent amount in RMB), and 60%, 20% and 20% of the capital contribution shall be made by Partner A, China New Rich and Partner B respectively. As such, China New Rich will contribute HK\$16.5 million (or an equivalent amount in RMB), which will be funded by the Group’s internal resources, and Partner A and Partner B will contribute HK\$49.5 million (or an equivalent amount in RMB) and HK\$16.5 million (or an equivalent amount in RMB) respectively.

The purpose of the Target Company is to engage in a project which involves the investment and construction of an industrial park for the healthcare industry in Shengzhou, Zhejiang Province, the PRC. The project includes the acquisition of the land use right of a parcel of land located in Shengzhou, Zhejiang Province, the PRC (“**Project Land**”) by public tender and the construction, development and operation of the related facilities and buildings thereon. After the signing of the Cooperation Agreement, Partner A is responsible for the operation and management of the Target Company which will undertake the development, operation, and day-to-day management of the project.

It is intended that the Target Company shall acquire the land use right of the Project Land for carrying out the business of the Target Company. The Project Land is a parcel of land located in Shengzhou, Zhejiang Province, the PRC with site area of approximately 105,511 m<sup>2</sup>. The Project Land is for industrial use.

The Group's investment in the Target Company would be recognised as a financial asset at fair value through profit or loss of the Company.

The capital contribution shall be made to the Target Company within 180 working days after the execution of the Cooperation Agreement, unless the amount of the capital contribution is amended upon agreement of the Parties. As at 31 December 2025 and the date of this announcement, neither Partner A, China New Rich nor Partner B has made any capital contribution to the capital of the Target Company.

Please refer to the announcement of the Company dated 12 August 2025 for further details of the Cooperation Agreement.

### ***Disposal of investment in Jiangxi Rimag Group Co., Ltd. (“Jiangxi Rimag”)***

On 6 August 2025, China New Rich, an indirect wholly-owned subsidiary of the Company, disposed on the open market of an aggregate of 801,000 overseas listed foreign shares (each, a H Share) in the share capital of Jiangxi Rimag with nominal value of RMB1.00 each (“**Jiangxi Rimag Shares**”) at an aggregate consideration of approximately HK\$12.8 million (exclusive of transaction costs). The average selling price (exclusive of transaction costs) for the disposal of each Jiangxi Rimag Share is approximately HK\$15.94.

The Jiangxi Rimag Shares sold by the Group were acquired by the Group as one of the cornerstone investors of Jiangxi Rimag when Jiangxi Rimag launched its global offering of its H Shares in 2024. Please refer to the announcement of the Company dated 30 May 2024 published in this connection for details.

The Group considered that the disposal represents an opportunity of the Group to realise the investment in Jiangxi Rimag and enhance the liquidity of the Group. The Group has received gross proceeds of approximately HK\$12.8 million in connection with the disposal. The Group intends to use such proceeds for general working capital. The fair value loss was recognised in other comprehensive income or loss of approximately HK\$44.1 million for the Year in connection with such disposal.

Please refer to the announcement of the Company dated 6 August 2025 for further details of the disposal of investment in Jiangxi Rimag.

Save as disclosed above, the Group did not make any significant investments and material acquisitions or disposals during the Year and up to the date of this announcement.

### **Capital Reorganisation**

During the Year, the Capital Reorganisation (as defined below) was approved and became effective on 22 July 2025.

As disclosed in the Company's announcement dated 6 June 2025 and circular dated 27 June 2025, the Board, on 6 June 2025, proposed to implement the capital reorganisation ("**Capital Reorganisation**") of the Company which involved (i) the proposed consolidation of every ten (10) then issued and unissued existing shares of par value of HK\$0.05 each into one (1) consolidated share ("**Consolidated Share**") of par value of HK\$0.50 ("**Share Consolidation**"); (ii) the proposed cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation and the proposed reduction of the issued share capital of the Company whereby the par value of each of the then issued Consolidated Shares would be reduced from HK\$0.50 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.49 on each of the then issued Consolidated Shares (collectively "**Capital Reduction**"); and (iii) the proposed subdivision of each of the then authorised but unissued Consolidated Share of par value HK\$0.50 each into fifty (50) new shares ("**New Shares**") of par value of HK\$0.01 each ("**Share Sub-division**") to the intent that immediately following the completion of the Capital Reorganisation, all shares of the Company in issue and to be issued would have a par value of HK\$0.01 each.

The credit arising from the Capital Reorganisation was transferred to the contributed surplus account for use by the Board in any manner as the Board may deem fit as may be permitted under the applicable laws and the bye-laws of the Company.

The Capital Reorganisation was conditional upon, among others, the passing of a special resolution at the special general meeting of the Company held on 18 July 2025, where the special resolution to approve the Capital Reorganisation was duly passed by the shareholders of the Company by way of poll. The Capital Reorganisation became effective on 22 July 2025.

Immediately prior to the Capital Reorganisation having become effective, the Company had a total of 1,671,846,657 shares of par value of HK\$0.05 each in issue. Upon the Capital Reorganisation becoming effective on 22 July 2025, the authorised share capital of the Company has become HK\$150,000,000 divided into 15,000,000,000 New Shares of par value of HK\$0.01 per New Share, 167,184,665 of which are in issue.

All New Shares in issue immediately following the Capital Reorganisation becoming effective rank *pari passu* in all respects with each other and the Capital Reorganisation has not resulted in any change in the relative rights of the Shareholders.

Please refer to the announcements of the Company dated 6 June 2025 and 18 July 2025 and the circular of the Company dated 27 June 2025 for further details of the Capital Reorganisation.

## Placement of new shares

On 5 December 2025, the Company and Cheong Lee Securities Limited (“**Placing Agent**”) entered into the placing agreement dated 5 December 2025 entered into between the Company and the Placing Agent (“**Placing Agreement**”) pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best endeavour basis, up to 33,432,000 placing shares (“**Placing Shares**”), to not less than six placees who and whose ultimate beneficial owner are independent third parties at a price of HK\$0.225 per Placing Share (“**Placing**”). The reasons for the Placing were to strengthen the financial position of the Group by providing additional working capital to the Group to meet any future development and obligations. The Placing also represented a good opportunity to broaden the shareholders’ base and the capital base of the Company. The condition of the Placing under the Placing Agreement had been fulfilled and completion took place on 23 December 2025 in accordance with the terms and conditions of the Placing Agreement. A total of 33,432,000 Placing Shares, representing approximately 16.66% of the issued share capital of the Company as at 23 December 2025 immediately after the completion of the Placing, have been placed to not less than six placees at the placing price of HK\$0.225 per Placing Share. The net proceeds from the Placing are approximately HK\$7.3 million and the net price per Placing Share was approximately HK\$0.218. As at the date of this announcement, the entire amount of the net proceeds from the Placing has been fully utilised for the acquisition of additional distribution rights for the Group’s core business.

## Capital Structure

The capital of the Company comprises ordinary shares. As at 31 December 2025, the Group had shareholders’ equity of approximately HK\$424.2 million (2024: approximately HK\$471.0 million).

## Pledge of Assets

As at 31 December 2025, the Group had no charges on its assets (31 December 2024: nil).

## Future Plans for Material Investments

The Group may consider the possibility of disposing of the business or assets in respect of its non-core business currently held by the Group in the coming future.

## Litigation

On 17 November 2020, the Company was served a sealed copy of a petition dated 16 November 2020 filed in the High Court of the Hong Kong Special Administrative Region (“**Court**”) by the Securities and Futures Commission (“**SFC**”) pursuant to section 214 of the Securities and Futures Ordinance (“**SFO**”) (“**Petition**”). The Petition named three respondents. Apart from the Company, the other two parties named as respondents by the Petition are two former Directors, namely, Mr. Zhou Ling (“**1st Respondent**”) and Mr. Dai Haidong (“**2nd Respondent**”). The 1st Respondent and the 2nd Respondent retired and resigned from their positions as executive Directors on 27 June 2018 and 5 November 2015 respectively.

Pursuant to the Petition, the SFC alleged that, during the period from 2015 to 2018, each of the 1st Respondent and the 2nd Respondent has been wholly or partly responsible for the business or affairs of the Company having been conducted in a manner (i) involving misfeasance or other misconduct towards it or its members or any part of its members; (ii) resulting in its members or any part of its members not having been given all the information with respect to its business or affairs that they might reasonably expect; and/or (iii) unfairly prejudicial to its members or any part of its members. In particular, the SFC alleged that, *inter alia*,

- (1) the 1st Respondent and the 2nd Respondent had breached their duties as directors of the Company in relation to the Group's acquisition of 50% interest in Saike International (details of such acquisition were disclosed in the announcements of the Company dated 14 February 2015, 20 March 2015, 26 June 2015 and 16 July 2015);
- (2) the 1st Respondent had made a secret profit in the sum of HK\$26 million out of the Group's acquisition of 15% interest in Eternal Charm International Limited (now known as WinHealth International Company Limited) (details of such acquisition were disclosed in the announcements of the Company dated 5 December 2016 and 14 March 2017); and
- (3) the 1st Respondent was responsible for misfeasance and/or misconduct which was unfairly prejudicial to the members or any part of the members of the Company, comprising various artificial transactions involving dealings in a number of pharmaceutical products.

In the Petition, the SFC applies for, *inter alia*, an order that the 1st Respondent do pay to the Company the sum of HK\$26 million with interest thereon at such rate and for such period as the Court thinks fit. No order or relief is sought against the Company in the Petition. The Petition was fixed to be heard on 11 May 2021.

On 4 May 2021, the SFC, the Company, the 1st Respondent and the 2nd Respondent made a joint application by way of consent summons ("**Consent Summons**") in respect of the vacation of the hearing date fixed for the Petition. On 5 May 2021, the Court made an order in terms of the Consent Summons as amended, among other things, that the hearing date of the Petition scheduled to be held on 11 May 2021 be vacated and leave be granted to the parties to fix a case management conference on a date in consultation with counsel's diaries. Details of the Petition are disclosed in the Company's announcements dated 18 November 2020 and 10 May 2021. The said case management conference was subsequently fixed on 24 August 2022. At the said case management conference held on 24 August 2022, it was ordered that, among other things, a second case management conference was fixed to be held on 2 December 2022. The case was subsequently heard in July 2024.

The Company was excused by the Court from the hearing. On 23 July 2024, the Court made an order to, among other things, grant leave to other parties to the proceedings to file and serve certain documents.

On 13 September 2024, the Court handed down the judgment (“**Judgment**”) of the Petition, pursuant to which, *inter alia*, a costs order nisi (“**Costs Order Nisi**”) was made that, *inter alia*, (i) the SFC should pay the Company 75% of the costs of and occasioned by the Petition including all costs reserved, to be taxed if not agreed; and (ii) the 1st Respondent and the 2nd Respondent should pay the Company 25% of the costs of and occasioned by the Petition including all costs reserved, to be taxed if not agreed (“**Costs Awarded to the Company**”). No order was made against the Company in the Judgment.

On 27 September 2024, the 1st Respondent and the 2nd Respondent filed a summons for an application to vary the Costs Order Nisi (“**Application to Vary Costs Order Nisi**”).

On 10 October 2024, the SFC filed a notice of appeal in respect of the Judgment for an order that, *inter alia*, (i) the Judgment in respect of certain transactions be set aside; and (ii) certain matters pleaded in the Petition and the reliefs relating to such matters be remitted to the Court of First Instance for retrial and/or reconsideration (“**Appeal**”). A notice of setting down an appeal in respect of the Appeal was filed by the SFC on the same day to notify the parties that the Appeal had been set down in the list of appeals.

On 20 November 2024, the Application to Vary Costs Order Nisi was heard and the Court made an order to vary the Costs Order Nisi, yet the Costs Awarded to the Company remained unchanged.

On 10 December 2024, the Petitioner filed a supplementary notice of appeal, setting forth further or alternative grounds of appeal in respect of the Appeal. The Appeal will be heard in the Court of Appeal on 22 September 2026.

As at the date of this announcement, the Appeal is still ongoing.

As at 31 December 2025 and the date of this announcement, save as disclosed above, so far as was known to the Directors, no member of the Group was involved in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was pending or threatened against any member of the Group.

## **CORPORATE GOVERNANCE**

The Board is committed to maintaining a good corporate governance standard. The Board believes that a good corporate governance standard will provide a framework for the Group to formulate its business strategies and policies, and manage the associated risks through effective internal control procedures. It will also enhance the transparency of the Group and strengthen the accountability to its shareholders and creditors. In this regard, a corporate governance committee of the Board has been established with primary responsibility of developing and reviewing the Company’s policies and practices on corporate governance and making recommendations to the Board.

The Company has adopted the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (“**CG Code**”) as its own code of corporate governance.

During the Year, the Company had complied with the code provisions of the then prevailing CG Code for the Year with the exception of code provision C.2.1, details of which would be explained below.

Ms. Wang Qiuqin, an executive Director and the chief executive officer of the Company (“**Chief Executive Officer**”), was also appointed as the chairman of the Board (“**Chairman**”). As Ms. Wang Qiuqin is performing both the roles of the Chairman and the Chief Executive Officer, this constitutes a deviation from Code Provision C.2.1 of the CG Code which requires that the roles of the chairman and chief executive should be separate and should not be performed by the same individual.

The Board believes that vesting both the roles of the Chairman and the Chief Executive Officer in the same person gains the benefit of ensuring consistent leadership within the Group. The balance of power and authority for such arrangement are not impaired as all major decisions are made in consultation with the Board members and the senior management of the Company. Nevertheless, the Group will review the structure from time to time in light of the prevailing circumstances and may look for suitable candidate to take up the role of the Chairman and will make announcement as and when appropriate.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the Year (including sale of treasury shares). As at 31 December 2025, the Company did not hold any treasury shares.

## **DIVIDEND**

The Board does not recommend the payment of a final dividend for the Year.

## **EVENTS AFTER THE REPORTING PERIOD**

There were no significant events affecting the Group after 31 December 2025 and up to the date of this announcement.

## **SCOPE OF WORK OF MOORE CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the Year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by Moore CPA Limited on the preliminary announcement.

## **REVIEW BY AUDIT COMMITTEE**

The annual results of the Company for the Year have been reviewed by the audit committee of the Board.

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

Hong Kong, 25 March 2026

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