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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

CONVOY  **康宏**

Convoy Securities Limited

After trading hours on 1 September 2015, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has appointed the Placing Agent to procure, on a best endeavour basis, Placers to subscribe for up to 241,000,000 Placing Shares at a price of HK\$0.285 per Placing Share.

The maximum number of Placing Shares (being 241,000,000 Placing Shares) represents (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming the maximum number of the Placing Shares are placed). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$2,410,000.

Assuming the maximum number of the Placing Shares are placed, the gross proceeds from the Placing will be approximately HK\$68.7 million and the net proceeds will be approximately HK\$66.2 million. It is intended that the net proceeds from the Placing will be utilised as to 80% for potential acquisitions and investments of the Group and 20% for general working capital of the Group.

The Placing Price of HK\$0.285 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents: (i) a discount of approximately 16.18% to the closing price of HK\$0.340 per Share as quoted on the Stock Exchange on 1 September 2015, which is the date of the Placing Agreement; and (ii) a discount of approximately 14.67% to the average closing price of HK\$0.334 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 15 June 2015. The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date:

1 September 2015

Issuer:

The Company

Placing Agent:

Convoy Securities Limited (康宏證券有限公司)

The Placing Agent has conditionally agreed to procure, on a best endeavour basis, Places to subscribe for up to 241,000,000 Placing Shares. The Placing Agent will receive a placing commission of 3.5% of the aggregate Placing Price for the Placing Shares placed by the Placing Agent on behalf of the Company pursuant to its obligations under the Placing

Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent is independent of and not connected with the Company and its connected persons or any of their respective associates (as defined under the Listing Rules).

Placees:

The Placing Shares are to be placed on a best endeavour basis to not less than six Placees, who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Agent will use its reasonable endeavours to ensure that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the Listing Rules) of the Company.

Placing Price:

The Placing Price of HK\$0.285 per Placing Share represents:

- (i) a discount of approximately 16.18% to the closing price of HK\$0.340 per Share as quoted on the Stock Exchange on 1 September 2015, which is the date of the Placing Agreement; and
- (ii) a discount of approximately 14.67% to the average closing price of HK\$0.334 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market prices of the Shares.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming the maximum number of the Placing Shares are placed, the gross proceeds from the Placing will be approximately HK\$68.7 million and the net proceeds will be approximately HK\$66.2 million. On such basis, the net issue price will be approximately HK\$0.275 per Placing Share.

Placing Shares:

The maximum number of Placing Shares (being 241,000,000 Placing Shares) represents (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming the maximum number of the Placing Shares are placed). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$2,410,000.

Ranking:

The Placing Shares will rank, when issued and fully paid up, *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Condition of the Placing:

Completion of the Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares to be placed pursuant to the Placing Agreement on or before 21 September 2015 (“**Long Stop Date**”).

If the above condition is not satisfied on or before the Long Stop Date, the obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and neither the Placing Agent nor the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of (i) any antecedent breach of any obligation thereunder; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements).

Completion:

Completion of the Placing shall take place on the third Business Day after the fulfilment of the above condition or on such other date as the Company and the Placing Agent may agree in writing.

Force majeure:

The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the date of completion of the Placing if, in the reasonable opinion of the Placing Agent, after consultation with the Company:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or

- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties under the Placing Agreement.

Upon termination of the Placing Agreement as described above, all liabilities of the parties to the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements.

The Directors are not aware of the occurrence of any of the above events as at the date of this announcement.

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Under the General Mandate, the Company is authorised to allot and issue up to 241,000,000 Shares until the revocation, variation or expiration of the General Mandate. The Company has not exercised the power to allot and issue any new Shares pursuant to the General Mandate as at the date of this announcement.

The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in pharmaceutical distribution business in the People's Republic of China.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide funding to the Group to meet any future development and obligations. The Placing also represents good opportunities to broaden the Shareholders' base and the capital base of the Company. The Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

As disclosed above, assuming the maximum number of the Placing Shares are placed, the net proceeds from the Placing are estimated to be approximately HK\$66.2 million. It is intended that the net proceeds from the Placing will be utilised as to 80% for potential acquisitions and investments of the Group and 20% for general working capital of the Group.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Apart from the fund raising activities mentioned below, the Company had not conducted any other fund raising activities in the past 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Net proceeds (approximately)	Intended use of net proceeds	Actual use of net proceeds as at the date of this announcement
27 February 2015 and 12 May 2015	Placing of 245,000,000 Shares at HK\$0.425 per Share	Approximately HK\$100 million	As to about 10% for general working capital of the Group; and as to about 90% for financing the acquisition of 50% equity interest in Saike International Medical Group Limited (“ Saike International ”), details of which are disclosed in the announcements of the Company dated 14 February 2015, 20 March 2015, 26 June 2015 and 16 July 2015.	Approximately HK\$10.0 million have been utilised as general working capital of the Group; and approximately HK\$90.0 million have been utilised for the acquisition of 50% equity interest in Saike International.
27 October 2014 and 5 November 2014	Top-up placing of 160,000,000 Shares at HK\$0.56 per Share	Approximately HK\$84.8 million	As to about 20% for general working capital of the Group and as to about 80% for potential investment when opportunities arise. As set out in the Company’s announcement dated 11 December 2014 and 12 December 2014, the Board proposed to utilise part of the net proceeds of the top-up placing to finance (i) its portion of the capital contribution to the joint venture company to be incorporated (“ JV Company ”) (i.e. HK\$2) and the initial shareholders’ loan (where applicable) to the JV Company (i.e. HK\$60 million) and (ii) the Company’s proposed subscription of shares in BBI Life Sciences Corporation (BBI 生命科學有限公司) at the aggregate offer price of US\$2,500,000 (equivalent to approximately HK\$19,500,000) respectively.	Approximately HK\$17.0 million (representing approximately 20% of the net proceeds) have been utilised as general working capital of the Group; approximately HK\$19.6 million have been utilised for the subscription shares in BBI Life Sciences Corporation, details of which are set out in the announcement of the Company dated 12 December 2014; HK\$2 have been utilised for the capital contribution to the JV Company; approximately HK\$31.5 million have been utilised for the subscription shares in Golden Throat Holdings Group Company Limited; approximately HK\$3.8 million have been utilised for financing the acquisition of Saike International; and approximately HK\$8.2 million have been utilised for the acquisitions of the listed securities in healthcare and medical related industries. As at the date of this announcement, the unutilised net proceeds of approximately HK\$4.7 million remained in the bank accounts of the Group.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing) are set out as below:

Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Town Health Pharmaceutical Limited (<i>Note 1</i>)	249,600,000	20.71	249,600,000	17.26
Mr. Zhou Ling (<i>Note 2</i>)	104,396,190	8.66	104,396,190	7.22
Mr. Dai Haidong (<i>Note 2</i>)	60,840,000	5.05	60,840,000	4.21
Ms. Yang Fang (<i>Note 2</i>)	42,763,810	3.55	42,763,810	2.96
Placees (<i>Note 3</i>)	–	–	241,000,000	16.67
Other public shareholders	<u>747,400,000</u>	<u>62.02</u>	<u>747,400,000</u>	<u>51.69</u>
Total	<u>1,205,000,000</u>	<u>100.00</u>	<u>1,446,000,000</u>	<u>100.00</u>

Notes:

1. Town Health Pharmaceutical Limited is a wholly-owned subsidiary of Town Health (BVI) Limited which is a wholly-owned subsidiary of Town Health International Medical Group Limited. Mr. Lee Chik Yuet who is an executive Director, is currently also a director of Town Health International Medical Group Limited, Town Health (BVI) Limited and Town Health Pharmaceutical Limited.
2. Each of Mr. Zhou Ling, Mr. Dai Haidong and Ms. Yang Fang is an executive Director. Ms. Yang Fang is the spouse of Mr. Zhou Ling.
3. It is a term of the Placing Agreement that none of the Placees shall become a substantial Shareholder (within the meaning of the Listing Rules) of the Company upon completion of the Placing. Accordingly, the shareholding held by the Placees is regarded as held by the public.
4. The aggregate percentage may not add up to 100% due to rounding.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 15 June 2015 at which the General Mandate was granted to the Directors
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	New Ray Medicine International Holding Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 241,000,000 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of, not connected or acting in concert (as defined in the Code on Takeovers and Mergers) with the Company and any of its connected persons or any of their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	any individuals, corporates, institutional investors or other investors to be procured by or on behalf of the Placing Agent under the Placing
“Placing”	the placing by the Placing Agent, on a best endeavour basis, of up to 241,000,000 new Shares to be allotted and issued to the Placees pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Convoy Securities Limited (康宏證券有限公司), a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 1 September 2015 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.285 per Placing Share
“Placing Shares”	a maximum of 241,000,000 new Shares to be placed pursuant to the Placing Agreement and each a “Placing Share”
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
New Ray Medicine International Holding Limited
Lee Chik Yuet
Executive Director

Hong Kong, 1 September 2015

As of the date of this announcement, the executive Directors are Mr. Zhou Ling, Mr. Dai Haidong, Ms. Yang Fang and Mr. Lee Chik Yuet; and the independent non-executive Directors are Mr. Ho Hau Cheung, BBS, MH, Mr. Sung Hak Keung, Andy and Mr. Leung Chi Kin.