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 ("**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) 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 substantial decrease in profit or even a loss for the six months ended 30 June 2016 ("**1H 2016**") as compared with a net profit recorded by the Group for the six months ended 30 June 2015 ("**1H 2015**"). Such expected change was primarily attributable to the following factors:

1. the decrease in the revenue of the Group for 1H 2016 as compared with that for 1H 2015 due to the decrease in revenue from the cessation of sales of the Group's products with relatively low gross profit margin after the price cut for drugs in the public hospitals drug procurement list imposed by the several city governments in Zhejiang since the third quarter of 2015;

2. the decrease in the average gross profit margin and gross profit of the Group for 1H 2016 as compared with that for 1H 2015 due to the (i) price cut for drugs in the public hospitals drug procurement list imposed by the several city governments in Zhejiang since the third quarter of 2015 and (ii) increase in expenses to obtain an injection drug's exclusive distribution right and increase in amortisation expenses on the trademark of an injection drug; and

3. the realised fair value losses and impairment losses of the Group's available-for-sale investments of approximately HK$5.5 million for 1H 2016 as a result of the volatile stock market in Hong Kong in the first half of 2016. No realised fair value losses and impairment losses of the Group's available-for-sale investments were recorded for the 1H 2015.

The Company is still in the process of finalising its unaudited consolidated financial statements for 1H 2016. 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 2016, which are expected to be published in August 2016.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

On behalf of the Board
New Ray Medicine International Holding Limited
LEE Chik Yuet
Executive Director

Hong Kong, 29 July 2016

As of the date of this announcement, the executive Directors are Mr. Zhou Ling, 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.