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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)**

### **(1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL; AND (2) PROPOSED RIGHTS ISSUE OF 1,249,344,000 RIGHTS SHARES AT HK\$0.275 PER RIGHTS SHARE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE IN ISSUE HELD ON THE RECORD DATE**

**Underwriter**

**Nuada Limited**

**Independent Financial Adviser**

**AmCap**

**Ample Capital Limited**

**豐盛融資有限公司**

#### **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$40,000,000 divided into 800,000,000 Shares, of which 416,448,000 Shares are in issue.

In order to facilitate the proposed Rights Issue, to accommodate the future expansion and growth of the Group and to provide the Company with greater flexibility for future expansion in the share capital of the Company, the Directors propose that the authorised share capital of the Company be increased from HK\$40,000,000 divided into 800,000,000 Shares to HK\$150,000,000 divided into 3,000,000,000 Shares by the creation of 2,200,000,000 additional Shares, which will, upon issue and being fully paid, rank pari passu in all respects with the Shares in issue.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM.

## **PROPOSED RIGHTS ISSUE**

The Company proposes, subject to the Increase in Authorised Share Capital becoming effective, and other conditions, to raise approximately HK\$343.6 million (before expenses) by issuing 1,249,344,000 Rights Shares at the Subscription Price of HK\$0.275 per Rights Share on the basis of three (3) Rights Shares for every one (1) Share in issue held by the Qualifying Shareholders on the Record Date.

The estimated net proceeds of the Rights Issue will be approximately HK\$330 million. The Company intends to apply the net proceeds from the Rights Issue as to approximately HK\$215 million to fund the remaining consideration and related professional fees payable for the acquisitions mentioned in the section headed “Reasons for the Rights Issue and use of proceeds” of this announcement; as to approximately HK\$17 million to repay bank borrowings; and as to the remaining approximately HK\$98 million for funding the Imported Drug Distribution Business Expansion (as defined below).

After trading hours on 9 December 2016, the Company and the Underwriter entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite all the Underwritten Shares subject to the terms and conditions set out in the Underwriting Agreement. As one of the conditions precedent to the obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement, the Company has obtained the Option Holders’ Undertakings in relation to the non-exercise of the subscription rights attached to the Exercisable Share Options up to the day immediately after the Latest Time for Termination. Details of the Underwriting Arrangement are set out in the paragraph headed “Underwriting Agreement” below. If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Rights Issue will not proceed.

## **LISTING RULES IMPLICATIONS**

As the Rights Issue will increase the issued share capital of the Company by more than 50%, in compliance with Rule 7.19(6) of the Listing Rules, the Rights Issue must be made conditional on approval of the Independent Shareholders by way of poll at the SGM and any controlling Shareholder and their respective associates or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this announcement, (1) the Company has no controlling Shareholders; (2) Mr. Zhou, an executive Director and chairman of the Board, holds 20,879,238 Shares; (3) Ms. Yang, an executive Director and the chief executive officer of the Company holds 8,552,762 Shares; and (4) save as aforesaid, none of the Directors and the chief executive of the Company and their respective associates hold any Shares.

On 2 December 2016, China New Rich, a wholly-owned subsidiary of the Company, and CWY Healthcare entered into a sale and purchase agreement, pursuant to which CWY Healthcare had agreed to sell and China New Rich had agreed to acquire an aggregate of approximately 29.0% of the issued share capital of RK Pharmaceutical. As at the date of this announcement, CWY Healthcare, through its controlled corporation, is interested in 8.25% of the issued share capital of the Company. As it is intended that part of the net proceeds from the Rights Issue will be used for funding the consideration of the RK Acquisition, CWY Healthcare accordingly has a material interest in the Rights Issue and shall abstain from voting in favour of the resolution relating to the Rights Issue pursuant to Rule 2.15 of the Listing Rules.

Save for Mr. Zhou, Ms. Yang, CWY Healthcare and their respective associates, no other Shareholder will be required to abstain from voting on the resolution approving the Rights Issue to be proposed at the SGM.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser, Ample Capital Limited, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **GENERAL**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital and for the Independent Shareholders to consider and, if thought fit, approve the Rights Issue. The Circular containing, among other things, further details of (i) the Increase in Authorised Share Capital; (ii) the Rights Issue; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders setting out its recommendation in respect of the Rights Issue; and (v) the notice of the SGM, will be despatched to the Shareholders as soon as practicable.

To determine the entitlements to attend the SGM, the register of members of the Company will be closed from Tuesday, 24 January 2017 to Thursday, 26 January 2017 (both days inclusive). No transfer of shares of the Company will be registered during this period.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder. The Record Date falls on Thursday, 9 February 2017. In order to be registered as members of the Company at the close of business on Thursday, 26 January 2017 (being the record date for attendance and voting at the SGM), investors must lodge any transfer of the Shares (together with the share certificates) with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Monday, 23 January 2017.

Subject to the approval of the Rights Issue by the Independent Shareholders at the SGM, the Increase in Authorised Share Capital becoming effective and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Prospectus (without the PAL and EAF) will be despatched to the Excluded Shareholders for information only.

## **WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Rights Issue is conditional upon the fulfillment of the conditions set out under the sub-section headed “Proposed Rights Issue – Conditions of the Rights Issue” of this announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.**

**Any Shareholder or other person contemplating selling or purchasing the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company. Any Shareholder or other person contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.**

## **ADJUSTMENTS IN RELATION TO THE EXERCISABLE SHARE OPTIONS**

As at the date of this announcement, the Exercisable Share Options entitle the holders thereof to subscribe for up to an aggregate of 16,000,000 Shares. The Rights Issue may cause adjustments to the exercise price of the Exercisable Share Options and/or the number of Shares to be allotted and issued upon exercise of the Exercisable Share Options. The Company will make further announcement in respect of such adjustments as and when appropriate.

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$40,000,000 divided into 800,000,000 Shares, of which 416,448,000 Shares are in issue.

In order to facilitate the proposed Rights Issue, to accommodate the future expansion and growth of the Group and to provide the Company with greater flexibility for future expansion in the share capital of the Company, the Directors propose that the authorised share capital of the Company be increased from HK\$40,000,000 divided into 800,000,000 Shares to HK\$150,000,000 divided into 3,000,000,000 Shares by the creation of 2,200,000,000 additional Shares, which will, upon issue and being fully paid, rank pari passu in all respects with the Shares in issue.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM.

The Board is of the view that the Increase in Authorised Share Capital will provide flexibility to the Company for future expansion in the share capital of the Company, and is therefore in the interest of the Company and the Shareholders taken as a whole.

As at the date of this announcement, the Board has no present intention to issue any part of the proposed increased authorised share capital of the Company other than the issue of the Shares pursuant to (i) the exercise of the Exercisable Share Options; and (ii) the Rights Issue (subject to, among other matters, the approval of the Independent Shareholders at the SGM). Further announcement(s) will be made by the Company in accordance with the Listing Rules if it proposes to issue any further Shares in the future.

## **PROPOSED RIGHTS ISSUE**

After trading hours on 9 December 2016, the Company and the Underwriter entered into the Underwriting Agreement in respect of the Rights Issue. The Company proposes to raise approximately HK\$343.6 million (before expenses) by way of the Rights Issue, details of such are set out as follows:

### **Issue statistics**

Basis of the Rights Issue : Three (3) Rights Shares for every one (1) Share in issue held on the Record Date

Number of : 416,448,000 Shares  
existing Shares in  
issue as at the date of  
this announcement

Exercisable Share Options as at the date of this announcement	:	The Exercisable Share Options entitle the holders thereof to subscribe for an aggregate of 16,000,000 new Shares (subject to adjustment). As a condition precedent to the Rights Issue, the Company has obtained from the holders of the Exercisable Share Options an undertaking from them undertaking to the Company and the Underwriter that they would not exercise the subscription rights attached to the Exercisable Share Options held by them respectively from the date of the Underwriting Agreement up to and including the day immediately after the Latest Time for Acceptance.
Number of Rights Shares	:	1,249,344,000 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date)
Number of Underwritten Shares	:	1,249,344,000 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date). The Rights Issue is fully underwritten by the Underwriter.
Subscription Price	:	HK\$0.275 per Rights Share
Underwriter	:	Nuada Limited (洛爾達有限公司)
Enlarged issued share capital of the Company upon completion of the Rights Issue	:	1,665,792,000 Shares
Funds raised before expenses	:	Approximately HK\$343.6 million (assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date)

Save for the Exercisable Share Options as disclosed above, the Company has no other derivatives, outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date, the 1,249,344,000 Rights Shares proposed to be allotted pursuant to the Rights Issue represent: (i) 300.00% of the issued share capital of the Company as at the Record Date; and (ii) 75.00% of the existing issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

### **Qualifying Shareholders**

Subject to the passing of the resolution approving the Rights Issue by the Independent Shareholders at the SGM and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will send the Prospectus Documents to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be a Shareholder whose name appears on the register of members of the Company on the Record Date; and
2. not be an Excluded Shareholder.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder. The Record Date falls on Thursday, 9 February 2017. In order to be registered as members of the Company at the close of business on the Record Date, investors must lodge any transfer of the Shares (together with the relevant share certificates) with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Thursday, 2 February 2017.

### **Closure of register of members**

The Company's register of members will be closed from Tuesday, 24 January 2017 to Thursday, 26 January 2017, both dates inclusive, to determine the identity of the Shareholders entitled to attend and vote at the SGM.



The Company's register of members will be closed from Friday, 3 February to Thursday, 9 February 2017, both dates inclusive, to determine the entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

### **Rights of Overseas Shareholders**

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

The Company will make enquiries pursuant to Rule 13.36(2) of the Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders and no provision allotment of nil-paid Rights Shares will be made to them. Further information in this connection will be set out in the Prospectus. The Company will send copies of the Prospectus (without the PAL and EAF) to the Excluded Shareholders for their information only.

The Company will provisionally allot the Rights Shares which represent the entitlements of the Excluded Shareholders to a nominee of the Company in nil-paid form and the Company will procure that such nominee will endeavour to sell such nil-paid Rights Shares as soon as practicable after dealings in nil-paid Rights Shares commence and in any event on or before the last day of dealings in nil-paid Rights Shares at a net premium. If and to the extent that such nil-paid Rights Shares can be so sold, the nominee will account to the Company for the net proceeds of sale (after deducting the expenses of sale, if any), on the basis that the net proceeds after deducting the expenses of sale (if any) attributable to the sale of the nil-paid Rights Shares that would otherwise have been allotted to the Excluded Shareholders shall be distributed pro rata to their shareholdings as at the Record Date (but rounded down to the nearest cent) to the Excluded Shareholders provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any of such nil-paid Rights Shares which are not sold as aforesaid will be dealt with as Rights Shares not accepted in accordance with the terms of the Underwriting Agreement.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

### **Subscription Price**

The Subscription Price for the Rights Shares is HK\$0.275 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (1) a discount of approximately 31.25% to the closing price of HK\$0.400 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 32.27% to the average closing price of approximately HK\$0.406 per Share for the five consecutive trading days prior to the Last Trading Day;
- (3) a discount of approximately 33.09% to the average closing price of approximately HK\$0.411 per Share for the ten consecutive trading days prior to the Last Trading Day; and
- (4) a discount of approximately 10.13% to the theoretical ex-rights price of approximately HK\$0.306 per Share based on the closing price of HK\$0.400 per Share as quoted on the Stock Exchange on the Last Trading Day.

Based on the Subscription Price of HK\$0.275, the estimated gross proceeds of the Rights Issue will be approximately HK\$343.6 million. The net proceeds from the Rights Issue to be received by the Company is expected to be HK\$330 million. Based on the net proceeds of approximately HK\$330 million, after deducting all relevant expenses relating to the Rights Issue, the net issue price per Rights Share is approximately HK\$0.264.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Shares and the market conditions. The Directors (excluding the independent non-executive Directors whose view will be formed after considering the opinion of the Independent Financial Adviser) consider that the discount of the Subscription Price would encourage the Shareholders to participate in the Rights Issue and accordingly maintain their pro-rata shareholdings in the Company and participate in the future growth of the Group, and that the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Basis of provisional allotment**

The basis of the provisional allotment will be three (3) Rights Shares (in nil-paid form) for every one (1) Share in issue held by Qualifying Shareholders at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before the Latest Time for Acceptance.

### **Matching services**

No odd lot matching services is expected to be provided for the Rights Shares.

### **Status of the Rights Shares**

The Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of the allotment of the Rights Shares in their fully-paid form.

### **Share certificates for the Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Monday, 6 March 2017.

### **Application for excess Rights Shares**

Qualifying Shareholders shall be entitled to apply for (i) Rights Shares representing the entitlement of the Excluded Shareholders and which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the EAF for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares to the Qualifying Shareholders who have applied for excess application on a pro rata basis on the excess Rights Shares applied by them, without involving allocation of any fractional Rights Share. No preference will be given to applications made for topping odd lot holdings to whole board lot holdings.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

### **Application for listing**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 8,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty and applicable fees and charges in Hong Kong.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions being fulfilled:

- (1) the Increase in Authorised Share Capital becoming effective by the Record Date;
- (2) the passing of an ordinary resolution by the Independent Shareholders at the SGM to approve the Rights Issue by no later than the Prospectus Posting Date;
- (3) the Stock Exchange granting or agreeing to grant (subject to allotment) the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Prospectus Posting Date and the Stock Exchange not having withdrawn or revoked such listings and permission on or before the Latest Time for Termination;
- (4) the filing and registration of all documents relating to the Rights Issue, which are required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) by no later than the Prospectus Posting Date;
- (5) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date;
- (6) the compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement by the Latest Time for Termination;

- (7) the delivery to the Company and the Underwriter on or before the date of the Underwriting Agreement the Option Holders' Undertakings duly executed by each holder of the Exercisable Share Options;
- (8) compliance with and performance of all the undertakings and obligations of the signatory of the Option Holders' Undertakings; and
- (9) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination.

None of the above conditions precedent is capable of being waived by the Underwriter and the Company other than the condition (6) above. The Underwriter may waive the condition (6) above in whole or in part by written notice to the Company.

If the above conditions are not satisfied and/or waived in whole or in part by the respective dates specified above (or such other time and/or dates as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall terminate (save in respect of the provisions in relation to fees and expenses, announcements and confidentiality, indemnity, notices and governing law and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for cost, damages, compensation or otherwise.

## **UNDERWRITING AGREEMENT**

The principal terms of the Underwriting Agreement are as follows:

Date : 9 December 2016

Underwriter : Nuada Limited (洛爾達有限公司)

As at the date of this announcement, the Underwriter did not hold any Shares. To the best of the Directors' knowledge and information after having made all reasonable enquiries, the Underwriter is an Independent Third Party.

- Irrevocable Undertaking : As at the date of the Underwriting Agreement, the given by the holders of the Exercisable Share Options
- Exercisable Share Options entitle the holders thereof to subscribe for an aggregate of 16,000,000 new Shares. As a condition precedent to the Underwriting Agreement, the Company has obtained from the holders of the Exercisable Share Options an undertaking from them undertaking to the Company and the Underwriter that they would not exercise the subscription rights attached to the Exercisable Share Options held by them respectively from the date of the Underwriting Agreement up to and including the day immediately after the Latest Time for Acceptance.
- Total number of Underwritten Shares : 1,249,344,000 Rights Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the Record Date).
- Commission : The Underwriter will receive a commission in respect of its underwriting of the Rights Issue at 3.5% of the aggregate Subscription Price in respect of the number of the Underwritten Shares

The Board (excluding the independent non-executive Directors whose view will be formed after considering the opinion of the Independent Financial Adviser) considers that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable as compared to the market practice.

Under the Underwriting Agreement, if the conditions of the Rights Issue are fulfilled on or before the Latest Time for Acceptance (or such later time and/or date as the Company and the Underwriter may determine in writing) and the Underwriting Agreement becomes unconditional and is not terminated in accordance with the terms thereof, and in the event that by the Latest Time for Acceptance any of the Underwritten Shares have not been taken up (“**Untaken Shares**”), the Company shall as soon as practicable thereafter and in any event before 6:00 p.m. on the first Business Day after the Latest Time for Acceptance, notify or procure the branch share registrar and transfer office of the Company in Hong Kong on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up. Pursuant to the Underwriting Agreement, when the Underwriter is being called upon to subscribe for or procure subscription for the Untaken Shares:

- (1) the Underwriter shall ensure that none of the subscribers of the Untaken Shares will, upon allotment and issue of the Rights Shares, together with parties acting in concert with it, be holding 29.9% or more of the issued share capital of the Company;
- (2) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters), shall be third party independent of, not acting in concert with and not connected with any connected person of the Company and their respective associates and close associates;
- (3) the Underwriter shall procure the sub-underwriter(s) to procure independent subscribers to take such number of Underwritten Shares as necessary to ensure sufficient public float be maintained upon the allotment and issue of the Rights Issue in compliance with Rule 8.08 of the Listing Rules; and
- (4) in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Rights Issue solely because of the Underwriter’s performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 8.08 of the Listing Rules.



## **Termination of the Underwriting Agreement**

The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if:

- (1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
  - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position of the Group as a whole or is materially adverse in the context of the Rights Issue;
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring, or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature (whether or not ejusdem generic with any of the forgoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;
  - (c) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of the Group as a whole;
  - (d) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
  - (e) any suspension in the trading of securities generally or the Shares on the Stock Exchange for a period of more than 20 consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or

- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities and a change in currency conditions includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) the Prospectus in connection with the Rights Issue when published contain information (either as to the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to apply for its provisional allotment of Rights Shares under the Rights Issue.

The Underwriter shall be entitled by notice in writing to the Company served prior to the Latest Time for Termination, to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (1) any material breach of any of the warranties or undertakings of the Company contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings given by the Company contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter.

**In the event that the Underwriter exercises its rights to terminate or rescind the Underwriting Agreement as described above, the Rights Issue will not proceed.**

## **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

The Rights Issue is conditional upon the fulfillment of the conditions set out under the sub-section headed “Proposed Rights Issue – Conditions of the Rights Issue” of this announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms. Accordingly, the Rights Issue may or may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company. Any Shareholder or other person contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

### **EXPECTED TIMETABLE**

The expected timetable for the Rights Issue is set out below:

<b>Event</b>	<b>Date and time (if appropriate)</b>
Expected date of despatch of Circular with notice and proxy form of the SGM. . . . .	Tuesday, 10 January 2017
Latest time for lodging transfer of the Shares to qualify for attendance and voting at the SGM. . . . .	4:30 p.m. on Monday, 23 January 2017
Closure of register of members of the Company for transfer of the Shares to determine the right to attend the SGM. . . . .	Tuesday, 24 January 2017 to Thursday, 26 January 2017 (both days inclusive)
Latest time for lodging the form of proxy for the SGM . . . . .	9:00 a.m. on Tuesday, 24 January 2017

<b>Event</b>	<b>Date and time (if appropriate)</b>
Record date for attendance and voting at the SGM . . . . .	Thursday, 26 January 2017
Expected time and date of the SGM . . . . .	9:00 a.m. on Thursday, 26 January 2017
Announcement of the results of the SGM . . . . .	Thursday, 26 January 2017
Effective date and time for increase in authorised share capital . . . . .	5:00 p.m. on Thursday, 26 January 2017
Last day of dealings in the Shares on cum-rights basis . . . . .	Friday, 27 January 2017
Commencement of dealings in the Shares on ex-rights basis . . . . .	Wednesday, 1 February 2017
Latest time for lodging transfer of the Shares to qualify for the Rights Issue . . . . .	4:30 p.m. on Thursday, 2 February 2017
Closure of register of members of the Company for transfer of Shares to determine entitlements under the Rights Issue. . . . .	Friday, 3 February 2017 to Thursday, 9 February 2017 (both days inclusive)
Record Date for the Rights Issue. . . . .	Thursday, 9 February 2017
Despatch of the Prospectus Documents. . . . .	Friday, 10 February 2017
First day of dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Tuesday, 14 February 2017

<b>Event</b>	<b>Date and time (if appropriate)</b>
Latest time for splitting nil-paid Rights Shares . . . . .	4:30 p.m. on Thursday, 16 February 2017
Last day and time of dealings in nil-paid Rights Shares . . . . .	4:00 p.m. on Tuesday, 21 February 2017
Latest Time for Acceptance. . . . .	4:00 p.m. on Friday, 24 February 2017
Latest Time for Termination of the Underwriting Agreement . . . . .	4:00 p.m. on Monday, 27 February 2017
Announcement of allotment results of the Rights Issue. . . . .	Friday, 3 March 2017
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if any). . . . .	Monday, 6 March 2017
Commencement of dealings in fully-paid Rights Shares . . . . .	9:00 a.m. on Tuesday, 7 March 2017

*Note:* If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day (i) at anytime before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; and (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be extended to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

All times and dates specified in this announcement refer to Hong Kong local times and dates. Dates stated in this announcement for event mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as and when appropriate in accordance with the Listing Rules.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The table below set out the shareholding structure of the Company assuming that (i) there is no change in the shareholding structure of the Company from the date of this announcement to immediately after completion of the Rights Issue save as specified below; and (ii) there is no Excluded Shareholder.

Shareholders	As at the date of this announcement		Full acceptance by Qualifying Shareholders under the Rights Issue		No acceptance by Qualifying Shareholders under the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Classic Estate Investments Limited ( <i>Note 1</i> )	34,356,960	8.25	137,427,840	8.25	34,356,960	2.06
Mr. Zhou ( <i>Note 2</i> )	20,879,238	5.01	83,516,952	5.01	20,879,238	1.25
Ms. Yang ( <i>Note 2</i> )	8,552,762	2.05	34,211,048	2.05	8,552,762	0.51
Underwriter or subscribers procured by it ( <i>Note 3</i> )	-	-	-	-	1,249,344,000	75.00
Public Shareholders	<u>352,659,040</u>	<u>84.68</u>	<u>1,410,636,160</u>	<u>84.68</u>	<u>352,659,040</u>	<u>21.17</u>
Total	<u><u>416,448,000</u></u>	<u><u>100.00</u></u>	<u><u>1,665,792,000</u></u>	<u><u>100.00</u></u>	<u><u>1,665,792,000</u></u>	<u><u>100.00</u></u>

### Notes:

- Such 34,356,960 Shares were held by Classic Estate Investments Limited, a wholly-owned subsidiary of CWY Healthcare, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 648). Accordingly, CWY Healthcare is deemed to be interested in the 34,356,960 Shares held by Classic Estate Investments Limited under Part XV of the SFO.
- Mr. Zhou is an executive Director and chairman of the Board. Ms. Yang is an executive Director and the chief executive officer of the Company and the spouse of Mr. Zhou.
- Pursuant to the Underwriting Agreement, when the Underwriter is being called upon to subscribe for or procure subscription for the Untaken Shares:
  - the Underwriter shall ensure that none of the subscribers of the Untaken Shares will upon allotment and issue of the Rights Shares, together with parties acting in concert with it, be holding 29.9% or more of the issued share capital of the Company;

- (ii) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters), shall be third party independent of, not acting in concert with and not connected with any connected person of the Company and their respective associates and close associates;
- (iii) the Underwriter shall procure the sub-underwriter(s) to procure independent subscribers to take such number of Underwritten Shares as necessary to ensure sufficient public float be maintained upon the allotment and issue of the Rights Issue in compliance with Rule 8.08 of the Listing Rules; and
- (iv) in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Rights Issue solely because of the Underwriter's performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 8.08 of the Listing Rules.

Details of the sub-underwriting arrangement (if any) will be disclosed in the Circular.

4. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Group is principally engaged in pharmaceutical distribution business in the People's Republic of China. Recently, the Group has entered into various agreements to make investments in certain different group of companies, namely, (1) a 26% equity interest in a group ("**C&C Group**") which has a network of more than 700 contracted specialist and general practitioner doctors for providing medical and healthcare services under the contracted medical schemes for integrated medical and healthcare check-up services principally in Hong Kong (for details, please refer to the announcements of the Company dated 18 October 2016 and 30 November 2016); (2) approximately 29.0% of the issued shares of RK Pharmaceutical, a company whose shares are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8037) and whose subsidiaries are engaged in (i) manufacture, research and development, sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong ("**RK Acquisition**"); (ii) provision of medical laboratory testing services and health check services in Hong Kong; and (iii) trading of securities in Hong Kong (for details, please refer to the announcement of the Company dated 2 December 2016); and (3) a 12% equity interest in a group ("**Eternal Charm Group**") of companies whose principal business is the distribution of pharmaceutical products in the PRC and whose management team has extensive experience in obtaining exclusive distribution rights of the imported prescription drugs in the PRC (for details, please refer to the announcement of the Company dated 5 December 2016).

While none of the above transactions, which are underway, will result in the Group acquiring a controlling stake in any of C&C Group, RK Pharmaceutical and Eternal Charm Group, the Directors consider that all of the above acquisitions are in the interests of the Company and the Shareholders as a whole as the above investments either will diversify the Group's investment portfolio and are expected to bring new income source to the Group or will foster a closer business relationship between the Group and its invested entities so as to enable the two groups complement each other with a view to bringing more benefits to each other.

In addition, the PRC government continued commitment to and invest in the healthcare sector as part of its long-term healthcare reform plan in the long run coupled with the problems arising from the aging population, urbanization and increase in chronic diseases are expected to drive the demand for medical treatments in the PRC market. The Directors believe such drive fills the pharmaceutical industry with new opportunities and momentum for growth in the long term.

To strengthen the Group's foothold in the pharmaceutical product distribution industry in the PRC, the Group is committed to become one of the leading distributors of pharmaceutical products in the PRC. The Group has begun distributing imported prescription drugs since 2014. The Group is currently distributing the followings imported prescription drugs, namely Cefamandole Nafate for Injection (注射用頭孢孟多酯鈉), Italy Levocarnitine Injection (意大利左卡尼丁注射液) and Monosialotetrahexosylganglioside Sodium Injection (單唾液酸四己糖神經節苷脂鈉注射液). The revenue generated from distributing imported prescription drugs amounted to a total of HK\$44.6 million, HK\$104.0 million and HK\$56.5 million in the year ended 31 December 2014, year ended 31 December 2015 and 6 months ended 30 June 2016 respectively. The Group will learn from its own successful experience of distributing business of the imported prescription drugs and gradually obtaining the other exclusive distribution rights of the imported prescription drugs in order to achieve future growth. In line with such strategy, the Group plans to invest more resources in its business of distribution of imported prescription drugs in the PRC ("**Imported Drug Distribution Business Expansion**") by obtaining exclusive distribution rights of the imported prescription drugs which have superior features and quality as the Group expects that the demand for imported prescription drugs will grow faster than that for the domestically manufactured drugs. In this connection, as mentioned above, the Group has decided to make a strategic investment in the Eternal Charm Group whose management team has extensive experience in obtaining exclusive distribution rights of the imported prescription drugs in the PRC.



The estimated net proceeds of the Rights Issue will be approximately HK\$330 million. The Company intends to apply the net proceeds from the Rights Issue as to approximately HK\$215 million to fund the remaining consideration and related professional fees payable for the acquisitions mentioned above; as to approximately HK\$17 million to repay bank borrowings which was drawn down by a subsidiary of the Company in the PRC in November 2016 for payment in connection with distribution rights of certain products; and as to the remaining approximately HK\$98 million for funding the Imported Drug Distribution Business Expansion.

The Directors consider that it is prudent to finance the Group's long term growth by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position without increasing finance costs, but will also allow all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a price lower than the current market price of the Shares. The Directors (other than the independent non-executive Directors whose view will be formed after considering the opinion of the Independent Financial Adviser regarding the Rights Issue) consider that the terms of the Rights Issue are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS**

Apart from the fund raising activities mentioned below, the Company had not raised any other funds by equity issue in the past 12 months immediately preceding the date of this announcement:

<b>Date of announcements</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds as at the date of this announcement</b>
7 April 2016 and 28 April 2016	Placing of 57,840,000 shares at HK\$0.4 per share	HK\$22.1 million	As general working capital and/or for the future investment of the Group as and when opportunities arise	Approximately HK\$18.3 million has been utilised as general working capital of the Group. As at the date of this announcement, the unutilised net proceeds of approximately HK\$3.8 million remained in the bank accounts of the Group.
29 August 2016 and 22 September 2016	Placing of 69,408,000 shares at HK\$0.34 per share	HK\$22.6 million	As general working capital and/or for the future investment of the Group as and when opportunities arise	Approximately HK\$22.6 million have been utilised for the acquisition of 9% equity interest in the C&C Group.

## **ADJUSTMENTS IN RELATION TO THE EXERCISABLE SHARE OPTIONS**

As at the date of this announcement, the Exercisable Share Options entitle the holders thereof to subscribe for up to an aggregate of 16,000,000 Shares. The Rights Issue may cause adjustments to the exercise price of the Exercisable Share Options and/or the number of Shares to be allotted and issued upon exercise of the Exercisable Share Options. The Company will make further announcement in respect of such adjustments as and when appropriate.

## **LISTING RULES IMPLICATIONS**

### **Increase in Authorised Share Capital**

The Increase in Authorised Share Capital is subject to the approval by the Shareholders. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on any of the resolutions in respect of the Increase in Authorised Share Capital.

### **Rights Issue**

As the Rights Issue will increase the issued share capital of the Company by more than 50%, in compliance with Rule 7.19(6) of the Listing Rules, the Rights Issue must be made conditional on approval of the Independent Shareholders by way of poll at the SGM and any controlling Shareholder and their respective associates or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this announcement, (1) the Company has no controlling Shareholders; (2) Mr. Zhou, an executive Director and chairman of the Board, holds 20,879,238 Shares; (3) Ms. Yang, an executive Director and the chief executive officer of the Company holds 8,552,762 Shares; and (4) save as aforesaid, none of the Directors and the chief executive of the Company and their respective associates hold any Shares.

On 2 December 2016, China New Rich, a wholly-owned subsidiary of the Company, and CWY Healthcare entered into a sale and purchase agreement, pursuant to which CWY Healthcare had agreed to sell and China New Rich had agreed to acquire an aggregate of approximately 29.0% of the issued share capital of RK Pharmaceutical. As at the date of this announcement, CWY Healthcare, through its controlled corporation, is interested in 8.25% of the issued share capital of the Company. As it is intended that part of the net proceeds from the Rights Issue will be used for funding the consideration of the RK Acquisition, CWY Healthcare accordingly has a material interest in the Rights Issue and shall abstain from voting in favour of the resolution relating to the Rights Issue pursuant to Rule 2.15 of the Listing Rules.

Save for Mr. Zhou, Ms. Yang, CWY Healthcare and their respective associates, no other Shareholder will be required to abstain from voting on the resolution approving the Rights Issue to be proposed at the SGM.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to make recommendations to the Independent Shareholders in respect of the Rights Issue. An independent financial adviser, Ample Capital Limited, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **GENERAL**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital and for the Independent Shareholders to consider and, if thought fit, approve the Rights Issue. The Circular containing, among other things, further details of (i) the Increase in Authorised Capital; (ii) the Rights Issue; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders setting out its recommendation in respect of the Rights Issue; and (v) the notice of the SGM, will be despatched to the Shareholders as soon as practicable.

To determine the entitlements to attend the SGM, the register of members of the Company will be closed from Tuesday, 24 January 2017 to Thursday, 26 January 2017 (both days inclusive). No transfer of shares of the Company will be registered during this period.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder. The Record Date falls on Thursday, 9 February 2017. In order to be registered as members of the Company at the close of business on Thursday, 26 January 2017 (being the record date for attendance and voting at the SGM), investors must lodge any transfer of the Shares (together with the share certificates) with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Monday, 23 January 2017.

Subject to the approval of the Rights Issue by the Independent Shareholders at the SGM, the Increase in Authorised Share Capital becoming effective and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Prospectus (without the PAL and EAF) will be despatched to the Excluded Shareholders for information only.

## **DEFINITIONS**

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China New Rich”	China New Rich Medicine Holding Co. Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“CWY Healthcare”	China Wah Yan Healthcare Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 648)
“Circular”	the circular of the Company, to be despatched by the Company to the Shareholders for the purpose of, among other matters, providing further details regarding the Increase in Authorised Share Capital and the Rights Issue
“close associate”	has the meaning ascribed to it under the Listing Rules
“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 (stock code: 6108)
“connected person”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter

“Exercisable Share Options”	the share options granted by the Company under the share option scheme adopted by the Company which entitle the holders thereof to subscribe for up to an aggregate of 16,000,000 new Shares as at the date of this announcement
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) as at the close of business on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$40,000,000 divided into 800,000,000 Shares to HK\$150,000,000 divided into 3,000,000,000 Shares by the creation of 2,200,000,000 additional Shares
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in respect of the Rights Issue

“Independent Financial Adviser”	Ample Capital Limited 豐盛融資有限公司, a licensed corporation to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Independent Shareholder(s)”	any Shareholder(s) other than (i) the controlling Shareholder(s) and their respective associates or, where there are no controlling Shareholder(s), the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates and (ii) for the purpose of the resolution to approve the Rights Issue, excluding CWY Healthcare and its associates
“Independent Third Party”	a third party independent of the Company and its connected persons
“Last Trading Day”	9 December 2016, being the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Friday, 24 February 2017 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for application and payment for the Rights Shares and payment for the excess Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; and (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be extended to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

“Latest Time for Termination”	4:00 p.m. on the first Business Day after the Latest Time for Acceptance, or such later time as may be agreed between the Company and the Underwriter
“Mr. Zhou”	Mr. Zhou Ling, an executive Director, the chairman of the Board and the spouse of Ms. Yang
“Ms. Yang”	Ms. Yang Fang, an executive Director and the chief executive officer of the Company and the spouse of Mr. Zhou
“Option Holders’ Undertakings”	the irrevocable undertakings to be given by the holders of the Exercisable Share Options
“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown in the register of members of the Company as at the close of business on the Record Date) which is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in connection with the Rights Issue and expected to be dated the Prospectus Posting Date
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Friday, 10 February 2017 or such other date as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents to Qualifying Shareholders



“Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Thursday, 9 February 2017 or such other date as may be agreed between the Company and the Underwriter in accordance with the relevant regulations or requirements
“Rights Issue”	the proposed issue of the Rights Shares on the basis of three (3) Rights Shares for every one (1) Share in issue held on the Record Date at the Subscription Price pursuant to the Prospectus Documents and as contemplated under the Underwriting Agreement
“RK Pharmaceutical”	Rui Kang Pharmaceutical Group Investments Limited, a non wholly-owned subsidiary of CWY Healthcare as at the date of this announcement and the issued shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8037)
“Rights Share(s)”	the Share(s) proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Increase in Authorised Share Capital and the Rights Issue
“Share(s)”	the ordinary share(s) of HK\$0.05 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.275 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“Underwriter”	Nuada Limited (洛爾達有限公司), a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 9 December 2016 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	such number equal to the number of the Rights Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 9 December 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.*