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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)

COMPLETION OF ACQUISITION OF 50% INTEREST IN THE TARGET AND PUT OPTION

Reference is made to the announcements of New Ray Medicine International Holding Limited (“**Company**”, which together with its subsidiaries, the “**Group**”) dated 20 March 2015 (“**First Announcement**”) and 26 June 2015 in relation to, among other things, the acquisition of 50% of the issued share capital in Saike International Medical Group Limited. Capitalised terms used herein shall have the same meanings as those defined in the First Announcement unless the context requires otherwise.

COMPLETION OF ACQUISITION OF 50% INTEREST IN THE TARGET

The Board is pleased to announce that all conditions precedent set out in the SP Agreement have been fulfilled and the Completion took place on 16 July 2015 in accordance with the terms of the SP Agreement. Immediately after the Completion, the Purchaser, a wholly-owned subsidiary of the Company, holds 50% of the issued share capital in the Target and each member of the Target Group becomes an associate of the Company.

PUT OPTION

In connection with the Completion, on 16 July 2015, the Purchaser and the Vendor entered into a put option deed (“**Put Option Deed**”), pursuant to which the Vendor granted a put option (“**Put Option**”) to the Purchaser entitling the Purchaser to require the Vendor to purchase the Sale Shares from the Purchaser at the put option exercise price (“**Put Option Exercise Price**”) in accordance with the terms and conditions of the Put Option Deed.

Exercise of the Put Option

The Put Option is exercisable by the Purchaser commencing from the Completion Date and ending on the earlier of (i) 30 April 2017; or (ii) the day on which the option notice is served by the Purchaser to the Vendor.

Put Option Exercise Price

As set out in the First Announcement, the Consideration paid by the Purchaser to the Vendor for the Acquisition shall be subject to downward adjustments as follows:

- (i) in the event that the 2015 Audited Profits are less than RMB19 million (equivalent to approximately HK\$23.8 million) (“**2015 Target Profits**”), the Vendor shall pay to the Purchaser within 10 business days after the 2015 Accounts is made available to the Purchaser a sum in cash equal to the difference between the 2015 Target Profits and the 2015 Audited Profits (“**2015 Adjustment Sum**”);
- (ii) in the event that the 2016 Audited Profits are less than RMB22 million (equivalent to approximately HK\$27.6 million) (“**2016 Target Profits**”), the Vendor shall pay to the Purchaser within 10 business days after the 2016 Accounts is made available to the Purchaser a sum in cash equal to the difference between the 2016 Target Profits and the 2016 Audited Profits (“**2016 Adjustment Sum**”); and
- (iii) in the event that the 2017 Audited Profits are less than RMB25 million (equivalent to approximately HK\$31.4 million) (“**2017 Target Profits**”), the Vendor shall pay to the Purchaser within 10 business days after the 2017 Accounts is made available to the Purchaser a sum in cash equal to the difference between the 2017 Target Profits and the 2017 Audited Profits.

The Put Option Exercise Price shall be (i) the aggregate of (1) RMB95,000,000 (“**Principal**”), being the Consideration; and (2) an amount (“**Premium**”) in RMB calculated at a rate of 8% per annum on the Principal to be accrued daily from the Completion Date and up to the date on which the option notice is served by the Purchaser to the Vendor less (ii) the

aggregate amount of the 2015 Adjustment Sum (if any) and/or the 2016 Adjustment Sum (if any) actually received by the Purchaser from the Vendor. For the avoidance of doubt, in the event that the 2015 Adjustment Sum (if any) and/or the 2016 Adjustment Sum (if any) are not paid by the Vendor in accordance with the terms of the SP Agreement, the Put Option Exercise Price shall be the aggregate of the Principal and the Premium.

The Put Option Exercise Price was determined based on the Consideration. The Put Option Exercise Price and the terms of the Put Option Deed were arrived at after arm's length negotiations between the Purchaser and the Vendor.

REASONS FOR AND BENEFITS OF THE ENTERING OF THE PUT OPTION DEED

Taking into account that the introduction of the new product of the sterile disposable non-injection transfer pipettes (一次性使用免推注式無菌溶藥移液器) will enhance the income stream of the Target Group and the prospect in the medical devices industry in the PRC is optimistic but there are uncertainties in the PRC economy environment and possible changes in PRC laws and regulations in respect of the medical devices industry which might affect the financial performance of the Target Group, the Directors consider that the entering of the Put Option Deed will provide an opportunity to protect its investment in the Target Group in the event that the financial performance of the Target Group for the two years ending 31 December 2016 is not satisfactory. Therefore the Directors are of the view that the terms of the Put Option Deed are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company will comply with all relevant requirements of the Listing Rules if the Put Option is exercised.

By order of the Board
New Ray Medicine International Holding Limited
LEE Chik Yuet
Executive Director

Hong Kong, 16 July 2015

As at 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.