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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)

UPDATE ON RECENT DEVELOPMENT OF SUSPENSION

This periodic announcement is made by New Ray Medicine International Holding Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (“**Listing Rules**”).

Reference is made to the announcements of the Company dated 6 October 2017 and 12 January 2018 in relation to the suspension of trading (“**Suspension**”) in the shares of the Company (“**Shares**”) and the announcements of the Company dated 25 May 2018, 4 June 2018, 1 August 2018, 1 November 2018 and 1 February 2019 in relation to the periodic update on the Suspension (collectively, the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless defined otherwise.

RECENT DEVELOPMENT OF RESUMPTION

As mentioned in the Announcements, the IBC has been established for the purpose of, among other things, conducting an independent investigation into the issues relating to the Acquisitions. Grant Thornton Advisory Services Limited (“**Independent Investigator**”) has been appointed as the independent investigator to the IBC to assist in the investigation. The Independent Investigator is in the progress of preparing its independent investigation report.

The Company has also engaged PKF Hong Kong Limited (“**PKF**”) as its internal control adviser to review the effectiveness of the Group’s internal control systems in relation to investment procedure (including mergers and acquisitions and new projects). PKF is in the progress of preparing its report on the Group’s internal control systems.

Up to the date of this announcement, the IBC's investigation into the affairs of the Acquisitions is still under progress. The Company is also seeking legal advice to address and resolve the SFC's concerns with the aim of resuming trading in the Shares. However, the Company is not in a position to disclose the details due to its statutory secrecy obligations under the Securities and Futures Ordinance. In view of the circumstances, the Company is not in a position to formulate any practicable resumption plan with a clear timeframe at this stage. The Company will continue to seek legal advice with a view to resuming trading of the Shares as soon as practicable.

BUSINESS UPDATE

The Directors wish to point out that notwithstanding the Suspension, the Group has been carrying on its businesses as usual and continues to focus on the distribution and trading of pharmaceutical products and the provision of marketing and promotion services in the PRC.

On 28 February 2019, the Group received a letter from 杭州市市場監督管理局 (Hangzhou Municipal Administration for Market Regulation) (the English name is for identification purposes only) ("**Hangzhou Market Administration**") requesting the Group to stop selling its major product under the second generation of Cephalosporins (二代頭孢產品) ("**Product**") and to recall all batches of the Product on the market pursuant to the instruction of 浙江省藥品監督管理局 (Zhejiang Food and Drug Administration) ("**ZFDA**") after the identification of defective batches of the Product during the course of an unannounced inspection. The Group had stopped selling the Product and is the course of recalling all batches of the Product from customers accordingly.

As the national exclusive distributor of the Product, the Group attached great importance to this incident. After the incident, the Group has communicated with the manufacturer of the Product and requested the manufacturer to conduct a review of the manufacturing process of the Product as soon as possible. The Group has also maintained close communication with the manufacturer on the return of the Product recalled and to be recalled from its customers and on the actions taken and to be taken by the manufacturer to ensure product quality.

Based on the latest available information of the Group, the total sales amount of the Product recalled and to be recalled was expected to be approximately RMB50 million.

The Group and the manufacturer of the Product are currently addressing the concerns of Hangzhou Market Administration and ZFDA regarding the Product. The manufacturer has performed test on the Product in its plant inventory, which reveals that the Product meets the requirements of the Pharmacopoeia of the People's Republic of China (中華人民共和國藥典). In April 2019, the Group has applied to Hangzhou Market Administration and ZFDA for the resumption of trading of the Product. The application has been approved by Hangzhou Market Administration and is still pending the approval of ZFDA.

The Company will keep the Shareholders and potential investors updated should there be any material development in relation to the resumption of trading of the Product.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares has been suspended with effect from 9:00 a.m. on 6 October 2017 by the Stock Exchange as directed by the SFC in accordance with Rule 8(1) Direction. Trading in the Shares will remain suspended until further notice.

The Company reminds the Shareholders and potential investors that they should refer to the announcements published on the respective websites of the Stock Exchange and the Company for any information relating to the Group.

The Company will keep the Shareholders and potential investors informed of any material development in connection with the above matters by way of periodic announcements and/or further announcement(s) as and when appropriate. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board
New Ray Medicine International Holding Limited
Liu Yang
Chairman & Executive Director

Hong Kong, 2 May 2019

As of the date of this announcement, the executive Directors are Mr. Liu Yang, Mr. Huo Zhihong and Ms. Wang Qiuqin; and the independent non-executive Directors are Mr. Leung Chi Kin, Ms. Li Sin Ming, Ivy and Mr. Sy Lai Yin, Sunny.