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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)**

### **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 (“**Stock Exchange**”) (“**Listing Rules**”) and the Inside Information Provisions 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 loss of not less than HK\$65.6 million for the year ended 31 December 2022 (“**FY 2022**”) as compared to a loss of approximately HK\$2.8 million for the year ended 31 December 2021 (“**FY 2021**”).

The expected loss of the Group for FY 2022 was primarily due to (i) the substantial decrease in the gross profit owing to the decrease in the revenue of the Group’s major product under the second generation of Cephalosporins (二代頭孢產品)(1.0g) (“**Product**”) as a result of (a) the resurgence of coronavirus disease (Covid-19) cases in the mainland China in FY 2022 causing the slowdown in the trading activities and business operations of the Group and (b) the adverse impact from the further tightened policy on the adoption of stratified and categorised management of antibacterial drugs in various regions in mainland China; (ii) the decrease in gross profit owing to the decrease in sales volume of the Product along with the fixed amortisation costs, classified as cost of sales, which have remained unchanged for FY 2022; (iii) the recognition of equity-settled share-based payment expenses of approximately HK\$10.4 million for the grant of share options by the Group to the Directors and employees in June 2022 and the Group did not record such expenses for FY 2021; (iv) the recognition of

the net exchange losses of approximately HK\$10.6 million for FY 2022 as compared to the net exchange gain of approximately HK\$4.2 million for FY 2021; and (v) the recognition of the impairment losses on inventories of not less than HK\$32.6 million for FY2022 in respect of the slow-moving inventories which were close to their expiry date.

The Company is still in the process of preparing and finalising its unaudited consolidated financial statements for FY 2022. The information contained in this announcement is only based on a 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 or adjustments. Shareholders and potential investors are advised to refer to the details of the Group's financial results for FY 2022, which are expected to be published in late March 2023.

**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**  
**Wang Qiuqin**  
*Chairman & Executive Director*

Hong Kong, 17 February 2023

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