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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 (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (“**Board**”) of directors (“**Directors**”) of the Company 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 over HK\$21 million for the six months ended 30 June 2022 (“**1H 2022**”) as compared to a profit of approximately HK\$1.1 million recorded by the Group for the six months ended 30 June 2021 (“**1H 2021**”).

The expected loss of the Group for 1H 2022 was primarily due to (i) the 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 1H 2022 causing the slowdown in trading activities and business operations of the Group and (b) the adverse impact from the further strengthened policy on the adoption of stratified and categorised management of antibacterial drugs in various regions in mainland China; (ii) the decrease in gross profit margin owing to the decrease in sales volume of the Product along with the fixed amortisation costs, classified as cost of sales, remain unchanged for 1H 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 (iv) the recognition of the net exchange losses of approximately HK\$6.9 million for 1H 2022 as compared to the net exchange gain of approximately HK\$1.8 million for 1H 2021.

The Company is still in the process of preparing and finalising its unaudited consolidated financial statements for 1H 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. Shareholders and potential investors are advised to refer to the details of the Group's financial results for 1H 2022, which are expected to be published on 25 August 2022.

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
Wang Qiuqin
Chairman & Executive Director

Hong Kong, 12 August 2022

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.