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LUYE PHARMA GROUP LTD.

绿叶制药集团有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 02186)

**APPROVAL FOR CLINICAL TRIAL FOR
NEW DRUG TRIPTORELIN ACETATE EXTENDED-RELEASE
MICROSPHERES FOR INJECTION IN CHINA**

The board of directors (the “**Board**”) of Luye Pharma Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that the Group’s product candidate, Triptorelin Acetate Extended Release Microspheres for Injection (“**Triptorelin Microspheres**”) (LY01007), has obtained the approval from the China Food and Drug Administration to initiate clinical trials for the treatment of prostate cancer, precocious puberty, endometriosis (stage I to IV), female infertility and breast cancer and the treatment of uterine fibroids prior to surgery.

Triptorelin Microspheres is the Group’s monthly extended release microspheres for intramuscular formulation of triptorelin acetate, a gonadotropin-releasing hormone agonist, applying the Group’s microspheres injection technology. It is an oncology product candidate for the treatment of certain cancers, including breast cancer, prostate cancer and so on.

Triptorelin Microspheres uses a unique formulation and preparation process. Compared to the marketed product, Triptorelin Microspheres has higher drug loading, lower dose dumping, lower irritation on injection site and a smoother drug release.

The Company has filed a Patent Cooperation Treaty application for its Triptorelin Microspheres pharmaceutical composition and such application entered into China, the United States (“**U.S.**”) and Europe in 2014.

According to IMS Health Incorporated, the market size for gonadotropin-releasing hormone agonist products in China in 2015 was approximately RMB2.79 billion, and grew at a compound annual growth rate of 21.6% from 2013 to 2015. The market size for triptorelin in China in 2015 was RMB900 million, with a compound annual growth rate of 6.3% from 2013 to 2015.

The Company believes that Triptorelin Microspheres has a good marketing potential and will provide an impetus to the Group's development in the oncology therapeutic area. In addition to this drug, the Company is also registering another gonadotropin-releasing hormone agonist, Goserelin Acetate Extended Release Microspheres for Injection, which has obtained clinical trial approvals both in China and the U.S.

Apart from these two oncology drugs, the Company is currently developing several new microsphere products both in China and the U.S., including Risperidone Extended Release Microspheres for Injection (LY03004), which had been confirmed by the United States Food and Drug Administration for New Drug Application for submission in the U.S. without additional clinical trials and Rotigotine Extended Release Microspheres for Injection (LY03003), which had completed phase I trials in the U.S., etc.

By Order of the Board
LUYE PHARMA GROUP LTD.
Liu Dian Bo
Chairman

Hong Kong, 1 November 2016

As at the date of this announcement, the executive directors of the Company are Mr. LIU Dian Bo, Mr. YANG Rong Bing, Mr. YUAN Hui Xian and Ms. ZHU Yuan Yuan; and the independent non-executive directors of the Company are Mr. ZHANG Hua Qiao, Professor LO Yuk Lam, Mr. LEUNG Man Kit and Mr. CHOY Sze Chung Jojo.