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LUYE PHARMA GROUP LTD.

绿叶制药集团有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 02186)

VOLUNTARY ANNOUNCEMENT

APPROVAL OF NEW INDICATION FOR SEROQUEL XR 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 Drug Administration of the People’s Republic of China (“**China**”) has recently approved the inclusion of “depression arising from bipolar disorder” under the indication for Seroquel XR (Quetiapine Fumarate XR), one of the Central Nervous System products of the Group.

ABOUT SEROQUEL XR

Seroquel XR is an atypical antipsychotic (APP) drug for anti-depression. It is mainly used for schizophrenia and bipolar disorder treatment, and is permitted for depression and generalized anxiety disorder treatment in some markets. It is the first time for Seroquel XR to have a new approved indication, namely “depression arising from bipolar disorder”, in addition to schizophrenia in China. The Company believes that this can greatly expand the patient base, thereby creating significant demand for the product and generate growth in its sales. The Group acquired AstraZeneca’s rights relating to Seroquel and Seroquel XR in China and other territories in the first-half of 2018, and the closing of the acquisition took place in June 2018.

According to the Guidelines on Bipolar Disorder Prevention and Treatment of China, quetiapine is the only first-tier medicine for the treatment of depression arising from type II bipolar disorder. Compared with Seroquel (quetiapine fumarate tablets), Seroquel XR is taken once a day only, which can produce a more rapid onset with better tolerability and patient compliance. Moreover, upon successful negotiations, Seroquel XR has been included in Category B of the National Health Insurance Drug List in July 2017.

ABOUT CENTRAL NERVOUS SYSTEM PIPELINE PROJECTS

Apart from products under the Seroquel Series, the Group has several products under development for Central Nervous System treatment and is concurrently expanding its operations in China and overseas markets, such as the projects on Risperidone Extended Release Microspheres for Injection (LY03004) (in relation to schizophrenia and bipolar disorder), Ansofaxine Hydrochloride Extended Release Tablets (LY03005) (in relation to depression research), Rotigotine Extended Release Microspheres for Injection (in relation to Parkinson's disease) (LY03003) and Rivastigmine Multi-Day Transdermal Patch (in relation to mild to moderate Alzheimer's disease). Registration of the such pipeline products is in process in strategic markets such as China, the United States, Europe and Japan, and they are expected to be launched in those strategic markets and aimed at a global market expansion.

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

Hong Kong, 19 July 2018

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; the non-executive director of the Company is Mr. SONG Rui Lin; 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.