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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)

ANNOUNCEMENT MADE PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by the board (the “**Board**”) of directors of Luye Pharma Group Ltd. (the “**Company**”) and together with its subsidiaries, the “**Group**”) pursuant to the disclosure requirements under Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

THE FACILITY AGREEMENT

The Board announces that, on 2 August 2018 (after trading hours), Luye Pharma Switzerland AG (“**Luye Switzerland**”), an indirect wholly-owned subsidiary of the Company as borrower, entered into a term facility agreement (the “**Facility Agreement**”) with a bank (the “**Bank**”), as lender, pursuant to which the Bank has agreed to grant to Luye Switzerland a term loan facility of up to EUR120 million for a term of 60 months from the date of initial utilisation under the Facility Agreement. The loan under the Facility Agreement will be applied by Luye Switzerland to repay its shareholder’s loan with a view to generally lower the finance cost of the Group given that the loan under Facility Agreement has a relatively low interest rate.

SPECIFIC PERFORMANCE OBLIGATIONS

Under the Facility Agreement, in the event that Luye Pharmaceutical Investment Co., Ltd. (“**Luye Pharma Investment**”) ceases to be (i) the actual controller; or (ii) the first majority/single largest shareholder of the Company, all or any part of the commitments under the Facility Agreement may be cancelled and all amounts outstanding under the Facility Agreement may become immediately due and payable.

The Company will, in compliance with Rule 13.21 of the Listing Rules, include appropriate disclosure in its interim and annual reports for so long as the circumstances giving rise to the disclosure obligation under Rule 13.18 of the Listing Rules in respect of the Facility Agreement continue to exist.

As at the date of this announcement, Luye Pharma Investment, a controlling shareholder (as defined under the Listing Rules) of the Company, holds 1,517,113,930 ordinary shares of the Company, representing approximately 46.32% of the entire issued share capital of the Company.

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

Hong Kong, 2 August 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.