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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)

VOLUNTARY ANNOUNCEMENT

**LUYE PHARMA GRANTED EXCLUSIVE COMMERCIALIZATION RIGHTS
OF RIVASTIGMINE TRANSDERMAL PATCH
IN THE MAINLAND OF CHINA TO GENSCI**

The board of directors (the “**Board**”) of Luye Pharma Group Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that Luye Pharma Switzerland AG (“**Luye Switzerland**”), a wholly owned subsidiary of the Company, and Changchun GeneScience Pharmaceutical Co., Ltd. (“**GENSCI**”) have entered into an agreement (the “**Agreement**”) under which GENSCI was granted the exclusive commercialization rights of Rivastigmine Single-Day Transdermal Patch and Rivastigmine Multi-Day Transdermal Patch, in the mainland of China (the “**Territory**”).

According to the Agreement, Luye Switzerland has granted GENSCI the exclusive, non-transferable, sub-licensable and perpetual commercialization rights for the import, promotion, marketing, sale and use of Rivastigmine Single-Day Transdermal Patch and Rivastigmine Multi-Day Transdermal Patch in the Territory, while Luye Switzerland continues to hold asset rights, registration permit and other rights other than commercialization rights in the Territory. GENSCI will pay an upfront payment of RMB70 million to Luye Switzerland upon signing of the related agreements. The total transaction amount of the Agreement is up to RMB216 million.

Alzheimer's disease remains a major global health issue, and the number of patients is constantly growing. According to the "World Alzheimer Report 2019", it is estimated that there are over 50 million people living with dementia globally, a figure which is set to more than triple, to 152 million by 2050. Over 50% of Alzheimer's patients' caregivers indicated that their personal health had suffered as a result of caring responsibilities, with the annual cost of dementia treatment globally estimated at around US\$1 trillion.

Progression of new drug development in the field of Alzheimer's disease is relatively slow, and at present there are only a very limited number of therapeutic options available to patients. Rivastigmine is a first-line drug in the treatment of dementia associated with Alzheimer's disease and is currently marketed worldwide.

Rivastigmine Transdermal Patch is indicated for the treatment of mild to moderate dementia associated with Alzheimer's disease and is developed and produced by the Group's transdermal drug delivery technology platform in Europe. Its product portfolio includes Rivastigmine Single-Day Transdermal Patch (administered through the skin once a day) and Rivastigmine Multi-Day Transdermal Patch (administered through the skin twice a week). Among them, Rivastigmine Single-Day Transdermal Patch has been marketed in the United States, Europe, China and other countries and regions around the world. Rivastigmine Multi-Day Transdermal Patch has received marketing authorization for several European countries in 2021 and it has been approved to initiate clinical trials in the Territory.

With global trends in population aging, the Board believes that Rivastigmine Transdermal Patch has promising market prospects. It is expected that GENSCI, as a well-known pharmaceutical company with a strong business operation system in anti-aging area, will increase the accessibility of the product in the Territory to benefit patients with demands. At the same time, the Group will further focus its resources in core areas with advantages such as mental illness in the Territory, and create greater value in these therapeutic areas to better serve patients.

ABOUT RIVASTIGMINE TRANSDERMAL PATCH

Rivastigmine is in a class of medicines called cholinesterase inhibitors. These medicines can improve cognitive functions such as memory and thinking by increasing the amount of certain natural substance in the brain and amplifying the communication channels between nerve cells, which are less active in individuals with mild to moderate Alzheimer's disease. The drug is currently available in the form of tablets and patches.

Due to its transdermal route of administration, Rivastigmine Transdermal Patch is convenient for patients who have difficulty in swallowing, and it might have the potential to lower the incidence of gastrointestinal adverse reactions such as nausea and vomiting compared with the oral form. In addition, Rivastigmine Multi-Day Transdermal Patch is administered through the skin twice a week, which has a lower frequency of application enabling it to improve patients' medication adherence.

ABOUT GENSCI

GENSCI was established in 1996, and is a holding subsidiary of Changchun High-tech Industry (Group) Inc. (Stock Code: 000661.SZ, hereinafter referred to as “Changchun High-tech”). GENSCI is a genetic engineering pharmaceutical enterprise integrating independent R&D, production, marketing and service. GENSCI invests substantial amounts of funds every year for the R&D and construction of future product lines. At present, GENSCI’s products under research cover the fields of reproduction, tumor, autoimmunity, ophthalmology, nervous system, metabolic diseases and others, which are establishing a leading position with core competitive advantages in many fields. Taking the improvement of human health and even the quality of life as the goal, GENSCI will also continue to pay attention to the field of children’s growth, infertility, and anti-aging.

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

Hong Kong, 22 December 2021

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 directors of the Company are Mr. SONG Rui Lin and Mr. Sun Xin; 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.