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Pharma
绿叶制药

LUYE PHARMA GROUP LTD.
绿叶制药集团有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 02186)

DISCLOSEABLE TRANSACTION
ISSUE OF EXCHANGEABLE PREFERENCE SHARES BY A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

THE ISSUE OF EXCHANGEABLE PREFERENCE SHARES

The Board announces that, on 21 November 2025, the Issuer (a wholly-owned subsidiary of the Company), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber agrees to subscribe for, and the Issuer agrees to allot and issue, Exchangeable Preference Shares for an Aggregate Subscription Price of USD150,000,000. The Exchangeable Preference Shares are exchangeable into Boan Biotech Shares on terms set out in the Subscription Agreement.

LISTING RULES IMPLICATIONS

As the Group's shareholding in Boan Biotech will reduce after the exercise of the exchange rights attaching to the Exchangeable Preference Shares, the Subscription constitutes a deemed disposal by the Company of its equity interest in Boan Biotech under Rule 14.29 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of (i) the issue of the Exchangeable Preference Shares; and (ii) the Issuer's right to redeem the Exchangeable Preference Shares pursuant to the terms of the Exchangeable Preference Shares is each more than 5% but less than 25%, the issue of the Exchangeable Preference Shares and the Issuer's right to redeem the Exchangeable Preference Shares each constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements, but exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION AGREEMENT

The salient terms of the Subscription Agreement are summarised as follows:

Date

21 November 2025

Parties

1. The Issuer, a wholly-owned subsidiary of the Company

2. The Company

3. The Subscriber, a third party independent of the Company and its connected persons

Subscription

Subject to the conditions precedent set out in the Subscription Agreement, the Subscriber agrees to subscribe for, and the Issuer agrees to allot and issue, 1,500,000 Exchangeable Preference Shares for an Aggregate Subscription Price of USD150,000,000, representing a subscription price of USD100 per share. The Exchangeable Preference Shares are exchangeable into Boan Biotech Shares on terms set out in the Subscription Agreement. Upon full exercise of the exchange rights attaching to the Exchangeable Preference Shares (assuming no change in the issued share capital of Boan Biotech from the date of this announcement up to the day of full exercise), Boan Biotech will cease to be a subsidiary of the Company.

The Company has agreed to guarantee the Issuer's performance of its obligations under the Subscription Agreement.

Conditions precedent

Completion is conditional on, among others, (i) the adoption of the amended Issuer Articles containing terms of the Exchangeable Preference Shares; (ii) the warranties provided by parties remain true, accurate and correct in all material respects; and (iii) the Subscriber having received the relevant legal opinions and other documentation set out in the Subscription Agreement.

Completion

Completion is scheduled to take place on the date that is 15 business days after the date of the Subscription Agreement. Subject to and at Completion, the Issuer shall pay an upfront fee equal to 2% of the Aggregate Subscription Price to the Subscriber, which will be set off against, and deducted from, the payment of the Aggregate Subscription Price at Completion.

Principal terms of the Exchangeable Preference Shares

Dividends	Fixed cumulative preferential cash dividends at the rate of 4.75% per annum on the subscription price per Exchangeable Preference Share, payable semi-annually, subject to the laws of the Cayman Islands.
Voting	The Exchangeable Preference Shares do not carry voting rights, except for a resolution which is being proposed to vary the rights of Exchangeable Preference Shares, to amend the Issuer Articles, or to wind up the Issuer.
Transferability	The Exchangeable Preference Shares are freely transferable, except that no Exchangeable Preference Shares may be transferred to any direct competitor of any member of the Group.
Term	Any Exchangeable Preference Shares which remain outstanding as at the date falling on the expiry of 60 months from the Completion Date (the "**Term**") shall, without further action, automatically and mandatorily be exchanged into Boan Biotech Shares at the prevailing Exchange Price.
Exchange rights	Each Exchangeable Preference Share entitles its holder to exchange such share into Boan Biotech Shares at any time commencing on and including the Completion Date and until the end of the Term. Upon any exercise of the exchange right, the number of Boan Biotech Shares to be delivered in respect of each Exchangeable Preference Share shall be equal to the quotient obtained by dividing the subscription price paid for such Exchangeable Preference Share by the Exchange Price applicable at the time of exchange. Using the Initial Exchange Price of HKD11.718, the aggregate maximum number of Boan Biotech Shares deliverable upon the exchange of all Exchangeable Preference Shares is 100,486,431.
Exchange Price	The Initial Exchange Price is HKD11.718. The Exchange Price is subject to customary anti-dilution adjustments as a result of corporate actions taken by Boan Biotech, such as share consolidations or subdivisions, capitalisations and scrip dividends, cash or in specie distributions, rights issues, issues of shares or convertible/exchangeable securities at discounts, modifications of such securities, and other shareholder offers to be conducted by Boan Biotech.

Transfer to custodian account	Within 15 business days following Completion, the Issuer and the Company shall procure the transfer of 100,486,431 Boan Biotech Shares into a designated custodian account of the Issuer. Such transfer is to ensure that the Issuer is able to satisfy its obligations to deliver Boan Biotech Shares upon the exercise of the exchange rights attaching to the Exchangeable Preference Shares. In the event that the Issuer and the Company shall fail to complete the required transfer of the relevant Boan Biotech Shares into the designated custodian account within the said 15 business days' period, the Issuer is obliged to forthwith redeem in full all outstanding Exchangeable Preference Shares in accordance with their terms.
Issuer's redemption right	The Issuer shall have the right to redeem any Exchangeable Preference Shares at any time on or after the date falling six months from Completion. The price payable by the Issuer to the holder of the Exchangeable Preference Shares upon the exercise of its redemption right shall be an amount equal to 1.35 times the Exchange Price in effect immediately prior to the redemption date, multiplied by the number of Boan Biotech Shares that would have been deliverable upon an exchange of the relevant Exchangeable Preference Shares immediately prior to the redemption date.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors believe that the issuance of the Exchangeable Preference Shares will provide the Company with immediate access to cash funding while maintaining strategic flexibility. The exchange feature enables a measured, systematic monetisation of the Company's investment in Boan Biotech over an extended timeframe and, by virtue of the embedded premium in the Exchange Price, at prices above the current market level. This approach supports paced and opportunistic value realisation and is expected to deliver better outcomes compared with large block disposals, which are typically executed at a discount.

The proceeds from the Subscription will be used for the general working capital purposes of the Group.

Having considered the above, the Directors (including the independent non-executive Directors) consider that the Subscription Agreement, the Aggregate Subscription Price and the transactions contemplated thereunder are on normal commercial terms and entered into after arm's length negotiations, and that the terms of the Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE ISSUER

As at the date of this announcement, the Issuer is a wholly-owned subsidiary of the Company. The Issuer is a company incorporated in the Cayman Islands in 2025 solely for the purpose of issuing the Exchangeable Preference Shares.

INFORMATION ON THE GROUP AND BOAN BIOTECH

The Group is an international pharmaceutical group dedicated to the research and development, manufacturing and sale of innovative medications. The Group has established research and development centres in China, the U.S. and Europe, with a robust pipeline of over 30 drug candidates in China and more than 10 drug candidates in other international markets. Along with a number of new drugs and new formulations in the central nervous system and oncology therapeutic areas under study in the U.S., Europe and Japan, the Group has reached high-level international standards in novel drug delivery technologies including microspheres, liposomes, and transdermal drug delivery systems, as well as actively making strategic developments in the fields of biological antibodies, cell therapies and gene therapies, among others. The Group is developing a global supply chain of eight manufacturing sites with over 30 production lines in total, establishing GMP quality management and international standard control systems. With more than 30 products covering the central nervous system, oncology, cardiovascular, metabolism and other therapeutic areas, business of the Group is conducted in over 80 countries and regions around the world, including the largest pharmaceutical markets – China, the U.S., Europe and Japan, as well as in fast growing emerging markets.

Boan Biotech is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 06955). As at the date of this announcement, the Group (through subsidiaries) holds 360,596,456 Boan Biotech Shares, representing approximately 57.94% of Boan Biotech's issued share capital.

INFORMATION ON THE SUBSCRIBER

The Subscriber is an exempted company limited by shares incorporated under the laws of the Cayman Islands. RRJ Capital Master Fund IV, L.P. is the direct shareholder, and holds 100% of the outstanding share capital of, the Subscriber. The Subscriber's principal business is investment holding activities.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As the Group's shareholding in Boan Biotech will reduce after the exercise of the exchange rights attaching to the Exchangeable Preference Shares, the Subscription constitutes a deemed disposal by the Company of its equity interest in Boan Biotech under Rule 14.29 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of (i) the issue of the Exchangeable Preference Shares and (ii) the Issuer's right to redeem the Exchangeable Preference Shares pursuant to the terms of the Exchangeable Preference Shares (taking into account the highest possible monetary value of such right) is each more than 5% but less than 25%, the issue of the Exchangeable Preference Shares and the Issuer's right to redeem the Exchangeable Preference Shares each constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements, but exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"Aggregate Subscription Price"	USD150,000,000, being the aggregate subscription price payable for the Subscription by the Subscriber
"Board"	the board of directors of the Company
"Boan Biotech"	Shandong Boan Biotechnology Co., Ltd. (山東博安生物技術股份有限公司), a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 06955)
"Boan Biotech Shares"	the overseas listed foreign invested ordinary shares in the share capital of Boan Biotech, with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange
"Company"	Luye Pharma Group Ltd., a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Completion"	the completion of the subscription of the Exchangeable Preference Shares in accordance with the terms of the Subscription Agreement
"Completion Date"	the date on which Completion occurs
"Directors"	the directors of the Company

"Exchange Price"	the price per share at which the Exchangeable Preference Shares may be exchanged into Boan Biotech Shares
"Exchangeable Preference Shares"	exchangeable preference shares with a nominal value of USD0.0001 each in the capital of the Issuer, having the terms and rights as further set out in the Subscription Agreement
"Group"	the Company and its subsidiaries, from time to time
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Initial Exchange Price"	HKD11.718 for each Boan Biotech Share
"Issuer"	Luye Geneora Holding Limited, an exempted company with limited liability incorporated in the Cayman Islands and a wholly-owned subsidiary of the Company
"Issuer Articles"	the memorandum and articles of association of the Issuer, as amended from time to time
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Bluebell Asset Holding Ltd.
"Subscription"	the subscription of the Exchangeable Preference Shares by the Subscriber pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 21 November 2025 entered into between the Issuer, the Company and the Subscriber, in relation to the Subscription
"USD"	United States dollars, the lawful currency of the United States of America

In this announcement, the terms "connected person" and "subsidiary" have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

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

Hong Kong, 21 November 2025

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. HUANG Liming; and the independent non-executive directors of the Company are Mr. ZHANG Hua Qiao, Professor LO Yuk Lam, Mr. LEUNG Man Kit, Mr. CHOY Sze Chung Jojo and Ms. XIA Lian.