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

THE PHASE 2 CLINICAL TRIAL IN CHINA OF THE GROUP'S NEW DRUG LY03015 (A VMAT2 INHIBITOR/SIGMA-1R AGONIST) FOR THE TREATMENT OF TARDIVE DYSKINESIA HAS ACHIEVED POSITIVE RESULTS

The board of directors (the "**Board**") of Luye Pharma Group Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") announces that a phase 2 clinical trial in China for LY03015, a class 1 innovative drug developed by the Group for the treatment of tardive dyskinesia ("**TD**"), has been completed with positive results and has met its primary endpoint. LY03015 is the world's first drug designed to inhibit vesicular monoamine transporter 2 ("**VMAT2**") and activate sigma-1 receptor ("**Sigma-1R**") that has entered clinical trials, and is intended for the treatment of TD and chorea associated with Huntington's disease ("**HD**").

TD is a hyperkinetic movement disorder associated with long-term use of antipsychotic medications. It is primarily characterized by involuntary, rhythmic, repetitive, and stereotyped movements, including abnormal movements of facial and trunk muscles. Symptoms may persist after discontinuation of the causative medication and can have a significant impact on patients' mental health and quality of life. Globally, the average prevalence of TD among patients receiving antipsychotic treatment is approximately 25.3%. The Cortellis database indicates that the current market size for drugs used to treat this condition is approximately USD 5 billion annually and is growing rapidly.

Public data indicate that existing therapeutic drugs have serious safety risks, either due to off-target effects of metabolites or due to drug inactivation via the highly polymorphic CYP2D6 metabolic pathway. Furthermore, results from registrational double-blind clinical trials of existing therapeutic drugs show that, after treatment with single-target VMAT2 inhibitors, approximately 60% of patients still fail to achieve a clinically meaningful response (defined as a ≥50% improvement in items 1-7 of the Abnormal Involuntary Movement Scale ("**AIMS**")). This suggests insufficient efficacy and a substantial unmet medical need.

Through the Group's AI-enabled drug design platform, the Group designed LY03015, a small-molecule drug with a novel structure, which addresses the safety risks posed by existing therapeutic drugs and effectively targets VMAT2 and Sigma-1R. This allows LY03015 to achieve both "symptom control" and "pathological modification". On the one hand, by inhibiting VMAT2 transport function, LY03015 reduces presynaptic dopamine ("**DA**") release, which reduces DA binding to postsynaptic D2 receptors and therefore alleviates symptoms. On the other hand, by activating Sigma-1R, LY03015 promotes the release of brain-derived neurotrophic factor (BDNF) and synaptic remodeling, repairing damaged cortico-striatal synaptic connections which is expected to help sustain symptom relief and reduce disease recurrence rates.

The clinical study conducted in China was a multicenter, randomized, double-blind, placebo-controlled, parallel-group phase 2 clinical trial designed to evaluate the efficacy and safety of LY03015 in patients with TD. A total of 121 patients with moderate or severe TD participated in the study and were divided into four groups, randomized in a 1:1:1:1 ratio to receive one of three doses of LY03015 (5 mg, 10 mg, or 20 mg) or placebo. LY03015 was administered for six consecutive weeks, followed by a two-week follow-up period after discontinuation. The results showed the following:

- Superior efficacy against historical benchmarks: the AIMS response rates in the three treatment groups demonstrated a clear dose-response relationship, ranging from 25.9% to 76.5%. Both the 10 mg and 20 mg groups showed statistically significant differences compared with the placebo group ($p<0.01$). Notably, the response rate in the 20 mg group was 76.5% — nearly double the historical data from double-blind, controlled, registrational clinical trials of current first-line therapeutic drugs;

- Rapid and significant improvement in TD symptoms: for the primary endpoint, the change from baseline in the total score of AIMS items 1-7 at the end of week 6 was evaluated. All three treatment groups achieved a mean reduction of more than 4 points (least-squares (LS) mean: 4.0 to 4.7), with statistically significant differences compared with the placebo group ($p<0.05$);

- Minimal symptom rebound following treatment cessation: following treatment cessation, patients exhibited minimal symptom rebound. Across all three groups, the AIMS total score maintained approximately a 3-point improvement from baseline (from 2.9 to 3.9), indicating a clinically meaningful sustained benefit; and

- Favorable safety and tolerability profile: no treatment-related serious adverse events (SAEs) were reported. Common adverse events ("**AEs**") included somnolence, akathisia, and dizziness. The vast majority of AEs were mild to moderate in severity and generally resolved or improved. Crucially, no treatment-related QT prolongation events were reported across the treatment groups.

The Group has long been committed to the Central Nervous System ("**CNS**") therapeutic area. LY03015 is one of the Group's novel drugs being developed in both China and the U.S. In addition to the completion of the phase II clinical trial for TD treatment in China, the U.S.-based pharmacokinetic (PK) bridging trial for LY03015 has achieved the Last Subject Out (LSO) milestone.

The Group believes that the study has preliminarily demonstrated the efficacy and safety profile of LY03015 for the treatment of TD. Specifically, the trial demonstrated high clinical response rates, minimal symptom rebound after treatment cessation, and favorable tolerability of LY03015. These findings suggest that Sigma-1R agonism may provide additive therapeutic benefits beyond those achieved through VMAT2 inhibition alone. Consequently, the Group plans to rapidly advance phase III clinical trials in both China and the U.S.

The Group has independently established its AI-enabled drug development platform covering target identification, drug design, and ADMET profiling. Crucially, this platform is a closed-loop development model, integrating AI design, synthesis and screening, in vivo and in vitro evaluation, and iterative data optimization.

Leveraging this AI-enabled platform, the Group has built a differentiated CNS pipeline of small-molecule class 1 drugs for indications including schizophrenia, depression, and Alzheimer's disease. Among the pipeline candidates, LY03015 is a leading drug candidate and represents a first-in-class therapy targeting VMAT2 and Sigma-1R for the treatment of TD and chorea associated with HD. Other innovative candidates include LY03017, which is a next-generation 5-HT_{2A}R inverse agonist and 5-HT_{2C}R antagonist intended to treat Parkinson's disease psychosis, Alzheimer's disease-related psychosis, negative symptoms of schizophrenia, major depressive disorder, and bipolar disorder, and LY03020, which is a next-generation antipsychotic and the world's first agonist against both TAAR1 and 5-HT_{2C}R intended to treat schizophrenia, Alzheimer's disease-related psychosis, and bipolar disorder. Both are currently undergoing phase II clinical trials. In addition, LY03021, which is a first-in-class $GABA_A$R PAM/NET/DAT inhibitor intended to treat major depressive disorder, is progressing through phase I clinical development. The Group will continue to drive innovation by leveraging AI technology and steadily expanding its global portfolio of differentiated CNS therapeutics.

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

Hong Kong, 16 June 2026

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.