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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)

ANNOUNCEMENT

(1) COMPLETION OF ISSUE OF NEW SHARES UNDER GENERAL MANDATE

(2) COMPLETION OF SALE OF EXISTING SHARES

BY CONTROLLING SHAREHOLDER

AND

(3) APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of Luye Pharma Group Ltd. (the “**Company**”) dated 31 January 2021 in relation to the issue of new shares by the Company under general mandate and the sale of existing shares by a controlling shareholder of the Company. Unless otherwise defined, capitalised terms used herein have the same meanings ascribed to them in that announcement.

COMPLETION OF ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The Board announces that all of the conditions of the Subscription Agreement have been fulfilled and that the completion of the Subscription under the Subscription Agreement took place on 8 February 2021. Accordingly, 292,406,881 Subscription Shares have been allotted and issued to Hillhouse NEV at the Subscription Price of HK\$4.28 per Share pursuant to the terms and conditions of the Subscription Agreement.

Having deducted the fees and related expenses in connection with the issue of the Subscription Shares, the total amount of net proceeds received by the Company is approximately HK\$1,251.00 million. The Company intends to apply such net proceeds for general working capital of the Group.

COMPLETION OF SALE OF EXISTING SHARES BY CONTROLLING SHAREHOLDER

The Company has been informed by LuYe Investment that it completed the sale of 259,917,227 Shares to Hillhouse NEV on 2 February 2021 pursuant to the Sale and Purchase Agreement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out a summary of the shareholding structure of the Company (i) before the completion of the Subscription and the Sale; and (ii) as at the date of this announcement, following the completion of the Subscription and the Sale:

	(I) Before the completion of the Subscription and the Sale		(II) As at the date of this announcement	
	<i>Number of Shares held</i>	<i>%</i>	<i>Number of Shares held</i>	<i>%</i>
LuYe Investment	1,517,113,930	46.70	1,257,196,703	35.50
Hillhouse NEV	—	—	552,324,108	15.60
Other Shareholders	<u>1,731,851,413</u>	<u>53.30</u>	<u>1,731,851,413</u>	<u>48.90</u>
Total issued shares	<u>3,248,965,343</u>	<u>100%</u>	<u>3,541,372,224</u>	<u>100%</u>

Following completion of the Subscription and the Sale, Hillhouse NEV has become a substantial shareholder and a connected person of the Company and the Shares held by Hillhouse NEV is not considered as part of the public float.

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. SUN Xin (孫欣) has been appointed as a non-executive director of the Company with effect from 8 February 2021.

SUN Xin, aged 40, is currently a Managing Director at Hillhouse Capital and has been a member of the healthcare private equity team since 2017. He has more than 10 years of experience in financial service and healthcare industries. Prior to joining Hillhouse Capital, he was a Vice President at Affinity Equity Partners, an Asia-focused private equity fund based in Hong Kong. Prior to that, he worked at the Investment Banking Division of Goldman Sachs in New York, with a focus on healthcare M&A and financing. He started his career in pharmaceutical and biotech industry as a research scientist at Boehringer Ingelheim and Genentech, respectively. Mr. Sun received his Master of Business Administration from Columbia Business School, his Master of Science from Duke University and Bachelor of Science from Peking University.

Save as disclosed above, Mr. Sun (i) does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company; (ii) does not have and is not deemed to have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iii) has not held any other directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not hold any other positions in the Company and its subsidiaries.

Save as disclosed in the announcement, there is no other information that needs to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to the appointment of Mr. Sun that need to be brought to the attention of the shareholders of the Company.

Pursuant to the Company's Bye-Laws, Mr. Sun is subject to retirement and is eligible for re-election at the forthcoming annual general meeting of the Company. Subject to Mr. Sun being re-elected as a non-executive director of the Company at the forthcoming annual general meeting of the Company, Mr. Sun will hold office for an initial term of two years commencing 8 February 2021. During Mr. Sun's tenure, his appointment may be terminated by either party giving the other not less than one month's notice in writing. Mr. Sun will not be paid any director fees.

The Board would like to extend its welcome to Mr. Sun for joining the Board.

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

Hong Kong, 8 February 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.