

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



LUYE PHARMA GROUP LTD.

绿叶制药集团有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 02186)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of Luye Pharma Group Ltd. (the “**Company**”) will be held at Taishan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 13 June 2017 at 3:00 p.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and of the auditors of the Company (the “**Auditors**”) for the year ended 31 December 2016.
2. To declare a final dividend of RMB0.035 (equivalent to HK\$0.039) per share for the year ended 31 December 2016;
3.
 - (a) To re-elect Ms. ZHU Yuan Yuan as an executive Director;
 - (b) To re-elect Mr. SONG Rui Lin as a non-executive Director;
 - (c) To re-elect Mr. ZHANG Hua Qiao as an independent non-executive Director;
 - (d) To re-elect Mr. CHOY Sze Chung Jojo as an independent non-executive Director; and
 - (e) To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the Directors.
4. To re-appoint Ernst & Young as the Auditor to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration for the year ending 31 December 2017.

5. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

(A) “**That:**

- (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with any unissued ordinary shares in the share capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which might require the shares in the capital of the Company to be issued either during or after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal value of the Shares so allotted or issued or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) an issue of Shares upon the exercise of options which may be granted under any share option schemes or similar arrangement;
 - (iii) any scrip dividend scheme or other similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company from time to time in effect (the “**Bye-laws**”);
 - (iv) exercise of any subscription or conversion rights attaching to any warrants or any securities which are convertible into Shares in issue prior to the date of passing of this resolution 5(A); or

- (v) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed the aggregate of:
 - (a) 20% of the issued share capital of the Company as at the date of passing this resolution 5; and
 - (b) (if the Board is so authorised by resolution 5(C)) the aggregate nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of resolution 5(B) (up to a maximum equivalent to 10% of the issued share capital of the Company as at the date of passing resolution 5(B)),

and the approval shall be limited accordingly; and
- (d) for the purpose of this resolution 5(A):
 - (a) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company unless renewed by an ordinary resolution of the shareholders of the Company in a general meeting, either unconditionally or subject to conditions;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any other applicable laws to be held; or
 - (3) the date when it is varied or revoked by an ordinary resolution of the shareholders of the Company in a general meeting; and
 - (b) “**Rights Issue**” means an offer of Shares or issue of options, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to the holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

(B) **“That:**

(a) having considered an explanatory statement set out in the circular, subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers for and on behalf of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the securities may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved; the aggregate nominal amount of the Shares, which may be repurchased pursuant to the approval in paragraph (i) above of this resolution 5(B) shall not exceed 10% of the issued share capital of the Company as at the date of passing of this resolution 5(B), and the said approval shall be limited accordingly;

(b) for the purposes of this resolution 5(B):

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company unless renewed by an ordinary resolution of the shareholders of the Company in a general meeting, either unconditionally or subject to conditions;
- (2) the expiration of the period within which the Company’s next annual general meeting is required by the Bye-laws or any other applicable laws to be held; or
- (3) the date when it is varied or revoked by an ordinary resolution of the shareholders of the Company in a general meeting;” and

(C) **“That** conditional upon resolutions 5(A) and 5(B) set out in this notice being passed, the aggregate nominal amount of Shares which are repurchased by the Company after the date of passing of resolution 5(B) (up to a maximum of 10% of the issued share capital of the Company as at the date of passing of resolution 5(B)), shall be added to the aggregate nominal amount of share capital that may be (or agreed conditionally or unconditionally to be) allotted, issued and otherwise dealt with by the Directors pursuant to resolution 5(A).”

By order of the Board
LUYE PHARMA GROUP LTD.
LIU Dian Bo
Chairman

Hong Kong, 29 April 2017

<i>Registered Office:</i>	<i>Head Office and Principal Place of Business in China:</i>	<i>Principal Place of Business in Hong Kong:</i>
Clarendon House 2 Church Street Hamilton HM 11 Bermuda	No. 15 Chuang Ye Road High-tech Industrial Development Zone Yantai, Shandong 264003 People's Republic of China	Unit 3207, 32/F Champion Tower 3 Garden Road Central Hong Kong
	Building 12 Shanghai Business Park III No. 1036 Tianlin Road Shanghai People's Republic of China	

Notes:

- (i) A shareholder entitled to attend and vote at the above Annual General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder.
- (ii) In the case of joint holders of any Share, any one of such persons may vote at the above Annual General Meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the above Annual General Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be completed, signed and returned to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and delivery of the form of proxy shall not preclude the shareholders from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if they so wish.
- (iv) The transfer books and register of members of the Company will be closed from 8 June 2017 to 13 June 2017, both days inclusive, to determine the entitlement of shareholders to attend and vote at the Annual General Meeting, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 7 June 2017.

In addition, the transfer books and register of members of the Company will be closed from 19 June 2017 to 21 June 2017, both days inclusive, to determine the entitlement to the proposed final dividend, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 16 June 2017.

- (v) In respect of the ordinary resolution 3 above, Ms. ZHU Yuan Yuan, Mr. SONG Rui Lin, Mr. ZHANG Hua Qiao and Mr. CHOY Sze Chung Jojo will retire and be eligible to stand for re-election at the Annual General Meeting. Details of the above retiring Directors standing for re-election are set out in Appendix I to the circular dated 29 April 2017 containing this notice.
- (vi) In respect of the ordinary resolution 5(A) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from shareholders of the Company as a general mandate for the purposes of the Listing Rules.
- (vii) In respect of the ordinary resolution 5(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the circular dated 29 April 2017 containing this notice.

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 are Mr. ZHANG Hua Qiao, Professor LO Yuk Lam, Mr. LEUNG Man Kit and Mr. CHOY Sze Chung Jojo.