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## LUYE PHARMA GROUP LTD.

绿叶制药集团有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 02186)

### ANNOUNCEMENT MADE PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by the board (the “**Board**”) of directors of Luye Pharma Group Ltd. (the “**Company**”) pursuant to the disclosure requirements under Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

#### THE FACILITY AGREEMENT

The Board announces that, on 21 June 2018 (after trading hours), Luye Pharma Hong Kong Limited (“**Luye Hong Kong**”), a wholly-owned subsidiary of the Company as borrower, entered into a term loan facility agreement (the “**Facility Agreement**”) with, among other parties, UBS AG, Singapore Branch (the “**Bank**”), as original lender, pursuant to which the Bank has agreed to grant to Luye Hong Kong a term loan facility of up to US\$300 million for a term of 364 days from the date of initial utilization under the Facility Agreement.

#### SPECIFIC PERFORMANCE OBLIGATIONS

Under the Facility Agreement, the occurrence of any of the following events could result in the cancellation of all or any part of the commitments under the Facility Agreement and all amounts outstanding under the Facility Agreement becoming immediately due and payable:

- (a) Mr. Liu Dianbo (“**Mr. Liu**”), the chairman, chief executive officer and an executive director of the Company, together with the beneficiaries of the discretionary trust set up by Mr. Liu for the benefit of his family members, ceases to beneficially own, whether directly or indirectly, at least 70% of the entire issued share capital of LuYe Pharmaceutical Investment Co., Ltd. (“**Luye Pharma Investment**”);
- (b) Mr. Yuan Huixian (“**Mr. Yuan**”), an executive director of the Company, ceases to beneficially own, whether directly or indirectly, at least 15% of the entire issued share capital of Luye Pharma Investment;

- (c) Mr. Yang Rongbing (“**Mr. Yang**”), an executive director of the Company, ceases to beneficially own, whether directly or indirectly, at least 15% of the entire issued share capital of Luye Pharma Investment;
- (d) Luye Pharma Investment ceases to beneficially own, whether directly or indirectly, at least 38% of the entire issued share capital of the Company;
- (e) a person or persons (acting in concert) directly or indirectly gain a percentage of the voting issued shares of the Company greater than that of Luye Pharma Investment; and
- (f) Mr. Liu ceases to hold office as the executive chairman of the Board and chief executive officer of the Company, and ceases to be involved in the management and business of the Company and its subsidiaries.

The Company will, in compliance with Rule 13.21 of the Listing Rules, include appropriate disclosure in its interim and annual reports for so long as the circumstances giving rise to the disclosure obligation under Rule 13.18 of the Listing Rules in respect of the Facility Agreement continue to exist.

As at the date of this announcement, Mr. Liu, Mr. Yuan and Mr. Yang are interested in 70%, 15% and 15% of the entire issued share capital of Luye Pharma Investment, respectively. Luye Pharma Investment is a controlling shareholder (as defined under the Listing Rules) of the Company and it holds 1,517,113,930 ordinary shares of the Company, representing approximately 46.32% of the entire issued share capital of the Company.

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

Hong Kong, 21 June 2018

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