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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)

(Bond Stock Code: 05818)

- (1) PROPOSED CONCURRENT REPURCHASE OF US\$180,000,000 6.25 PER CENT. CONVERTIBLE BONDS DUE 2028;
AND
(2) PROPOSED ISSUE OF USD-DENOMINATED CONVERTIBLE BONDS**



PROPOSED CONCURRENT REPURCHASE OF US\$180,000,000 6.25 PER CENT. CONVERTIBLE BONDS DUE 2028

Reference is made to the announcement of the Company dated 6 July 2023 in relation to the issue of the US\$180,000,000 6.25 per cent. convertible bonds due 2028 (Bond stock code: 05818; ISIN: XS2645731220) by the Company.

Pursuant to Condition 8(F) (Purchase) of the terms and conditions of the Existing Convertible Bonds, the Company or any of its Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase the Existing Convertible Bonds at any price in the open market or otherwise. The Company now proposes to repurchase the Existing Convertible Bonds pursuant to such terms and conditions.

On 3 June 2026, the Company and the Dealer Manager entered into the Dealer Manager Agreement, pursuant to which the Dealer Manager has been appointed in connection with the proposed Concurrent Repurchase to, amongst others, assist the Company in collecting indications of interest from holders of the Existing Convertible Bonds who may be willing to sell their Existing Convertible Bonds to the Company.

Completion of the Concurrent Repurchase is subject to the satisfaction and/or waiver of the conditions precedent contained in the Dealer Manager Agreement. In addition, the Dealer Manager Agreement may be terminated under certain circumstances. As the Concurrent Repurchase may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Concurrent Repurchase will be made by the Company as and when appropriate.

PROPOSED ISSUE OF USD-DENOMINATED CONVERTIBLE BONDS

Concurrent with the Concurrent Repurchase, the Company proposes to issue the Bonds to institutional investors. The Manager has been appointed to coordinate the pricing of the proposed issue of the Bonds. Upon finalisation of the terms of the Bonds, including the size, issue price and other terms, the Manager will enter into a subscription agreement in respect of the proposed issue of the Bonds with the Company.

None of the Bonds will be placed with the retail public in Hong Kong and it is expected that each of the Placees of the Bonds (and their respective ultimate beneficial owners) will be an Independent Third Party of the Company. The Bonds have not been and will not be registered under the Securities Act. The Bonds will only be offered outside of the United States in compliance with Regulation S under the Securities Act.

If the proposed issue of the Bonds completes, the Company intends to use the net proceeds from the issue of the Bonds to refinance existing indebtedness (including without limitation, for funding the Concurrent Repurchase) and general corporate purposes.

As no binding agreement in respect of the proposed issue of the Bonds has been entered into as at the time of publication of this announcement, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the proposed issue of the Bonds will be made by the Company as and when appropriate.

REASONS FOR AND BENEFITS OF THE CONCURRENT REPURCHASE AND BONDS ISSUE

The Board considers that pursuant to the Concurrent Repurchase and the Bonds Issue, the Company will be able to extend the debt maturity profile of the Company. The proposed issue of the Bonds also renders additional benefits of (i) not having an immediate dilution effect on the shareholding of the existing Shareholders; and (ii) enhancing the Company's capital base as well as benefiting the long term development of the Company in the event that the Bonds are converted into new Shares.

GENERAL MANDATE

By resolutions of the Shareholders passed at the annual general meeting held on 28 May 2025, the Company granted a general mandate to the Directors to allot, issue and/or deal with additional Shares and to sell or transfer Treasury Shares (if any) not exceeding 20% of the total number of issued Shares (excluding any treasury shares, if any) (the "**Issue Mandate**"), a repurchase mandate to the Directors to repurchase Shares representing not exceeding 10% of the total number of issued Shares (excluding treasury shares, if any) (the "**Repurchase Mandate**"), and the extension of the Issue Mandate to include Shares repurchased pursuant to Repurchase Mandate (collectively, the "**General Mandate**").

As at the date of this announcement, no Shares have been issued or committed to be issued pursuant to the Issue Mandate. Accordingly, as of the date of this announcement, the number of Shares that the Company may issue pursuant to the General Mandate is 752,334,128, representing approximately 20% of the issued share capital of the Company of 3,761,670,643 Shares as at the date on which the General Mandate was granted.

It is intended that any Shares which may be allotted and issued by the Company upon conversion of the Bonds will be issued under the General Mandate and no additional approval from the Shareholders is required for the allotment and issue of such Shares.

DEFINITIONS

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

"Board"	the board of Directors
"Bonds"	the USD-denominated convertible bonds proposed to be issued by the Company
"Bonds Issue"	the proposed issue of the Bonds by the Company
"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

“Concurrent Repurchase”	the proposed concurrent repurchase of the Existing Convertible Bonds
“connected person”	has the meaning given to it in the Listing Rules
“Dealer Manager”	UBS AG Hong Kong Branch
“Dealer Manager Agreement”	the dealer manager agreement dated 3 June 2026 between the Company and the Dealer Manager in connection with the Concurrent Repurchase
“Director(s)”	director(s) of the Company
“Existing Convertible Bonds”	the US\$180,000,000 6.25 per cent. convertible bonds due 2028 issued by the Company on 6 July 2023 (Bond stock code: 05818)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	any entity or person who is not a connected person of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Manager”	UBS AG Hong Kong Branch
“Placees”	any professional investors (as defined under the SFO) procured by the Manager to subscribe for any Bonds
“Regulation S”	Regulation S under the U.S. Securities Act of 1933, as amended
“Securities Act”	the US Securities Act of 1933, as amended
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of par value US\$0.02 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiaries”	in relation to any person means (a) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person
“United States”	the United States of America
“USD” or “US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 3 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.