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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)**

## **DISCLOSEABLE AND CONNECTED TRANSACTION CAPITAL INJECTION IN NANJING LUYE**

### **CAPITAL INJECTION IN NANJING LUYE**

On 26 January 2026, Shenzhen Luye, NJ Xinshi, Nanjing Xinan, Ningbo Cinda and Nanjing Luye entered into the Capital Injection Agreements, whereby Nanjing Xinan and Ningbo Cinda have agreed to provide further capital to Nanjing Luye for a total amount of RMB285,000,000. Upon completion of the Capital Injection, Nanjing Luye shall be held by Shenzhen Luye, NJ Xinshi, Nanjing Xinan and Ningbo Cinda as to 70.01%, 23.34%, 4.32% and 2.33%, respectively.

In connection with the capital injection in Nanjing Luye by Nanjing Xinan and Ningbo Cinda, the Group has entered into a series of further transactions:

#### **Call Options**

Under the Nanjing Luye Equity Option Agreements, Yantai Luye has the right to require each of the Cinda Subscribers to sell its respective equity interests in Nanjing Luye to Yantai Luye.

#### **Put Options**

Under the Nanjing Luye Equity Option Agreements, each of the Cinda Subscribers has the right to request Yantai Luye to purchase their respective equity interests in Nanjing Luye upon the occurrence of certain events.

## **Guarantee**

The Company has agreed to provide a guarantee in favour of the Cinda Subscribers for the due performance of all the obligations of Yantai Luye under the Nanjing Luye Equity Option Agreements.

## **LISTING RULES IMPLICATIONS**

### **Chapter 14 of the Listing Rules**

#### ***Capital Injection***

As the percentage equity interest of Shenzhen Luye in Nanjing Luye is reduced from 75.00% to 70.01% upon completion of the Capital Injection, the transactions contemplated under the Capital Injection Agreements constitute a deemed disposal of equity interest in Nanjing Luye under Rule 14.29 of the Listing Rules.

#### ***Put Options***

As the exercise of each of the Put Options is not at the Company's discretion, pursuant to Rule 14.74(1) of the Listing Rules, each of the Put Options will be classified as if such options had been exercised. As one or more of the applicable percentage ratios in respect of the exercise of both of the Put Options are more than 5% and less than 25%, the grant of each of the Put Options constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, but exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

#### ***Call Options***

The exercise of each of the Call Options is at the discretion of Yantai Luye. According to Rule 14.75(1) of the Listing Rules, on the grant of the Call Options, only the premium will be taken into consideration for the purpose of transaction classification. As no premium is payable for the grant of the Call Options to Yantai Luye, the grant of the Call Options does not constitute notifiable transactions of the Company. The Company will comply with all applicable requirements under Chapter 14 of the Listing Rules upon the exercise of any of the Call Options by Yantai Luye.

#### ***Previous Transactions***

Reference is made to the Previous Announcements in relation to the Previous Transactions.

As the Transactions (which includes the Capital Injection, the Put Options and the Guarantee) are conducted within 12 months from the date of the Group entered into the Previous Transactions, the Transactions and the Previous Transactions shall be aggregated for the purpose of Rules 14.22 and 14.23 of the Listing Rules. Since one or more of the applicable percentage ratios in respect of such transactions, when aggregated, is more than 5% but all applicable percentage ratios are less than 25%, such transactions on an aggregated basis constitute a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements, but exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **Chapter 14A of the Listing Rules**

Nanjing Luye is a subsidiary of the Company and is held as to 75% by Shenzhen Luye and 25% by NJ Xinshi as at the date of this announcement. NJ Xinshi is a connected person of the Company at the subsidiary level by virtue of its being a substantial shareholder of Nanjing Luye. China Cinda is a limited partner of, and holding approximately 66.4% in, NJ Xinshi. As such, China Cinda is an associate of NJ Xinshi and a connected person of the Company. Nanjing Xinan and Ningbo Cinda, each being a subsidiary of China Cinda, is also a connected person of the Company. Accordingly, the Transactions (which includes the Capital Injection, the Put Options and the Guarantee) constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since (i) each of NJ Xinshi, Nanjing Xinan and Ningbo Cinda are connected persons of the Company at the subsidiary level; (ii) the Board has approved the Transactions; and (iii) the independent non-executive Directors have confirmed that the terms of the Transactions are fair and reasonable, and that the Transactions is on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Transactions are subject to the announcement requirement but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## **CAPITAL INJECTION IN NANJING LUYE**

Reference is made to the announcement published by the Company on 28 December 2025 and 26 January 2026 (the “**Previous Announcements**”) in relation to, among other things, the transfer of 25% interest in Nanjing Luye to NJ Xinshi and the associated financing and options framework.

Further to such previous transactions, the Cinda Subscribers have agreed to provide further capital to Nanjing Luye. In this connection, Nanjing Xinan, Ningbo Cinda and the Group have entered into a series of transactions which are summarised as follows:

## 1. Capital Injection Agreements

### Date

26 January 2026

### Parties

1. Shenzhen Luye
2. NJ XInshi
3. Nanjing Xinan and Ningbo Cinda (as the case may be), as capital contributor
4. Nanjing Luye, as the target company

### Capital injection

Pursuant to the Capital Injection Agreements, the Cinda Subscribers agreed to make the following capital contribution to Nanjing Luye:

| Cinda Subscriber   | Nanjing Xinan   | Ningbo Cinda    |
|--|-----------------|-----------------|
| Amount of capital contribution to Nanjing Luye   | RMB185,000,000  | RMB100,000,000  |
| Amount of registered capital in Nanjing Luye subscribed                                    | RMB8,189,464.36 | RMB4,426,737.49 |
| % of registered capital in Nanjing Luye held following completion of the Capital Injection | 4.32%           | 2.33%           |

The Capital Injection in the total amount of RMB285,000,000 by the Cinda Subscribers was determined based on arm's length negotiations among the parties with reference to, among other things, the net asset value of Nanjing Luye, as well as the business prospects and financial conditions of Nanjing Luye including liquidity and working capital needs. The agreed amount also took into account prevailing market conditions, the competitive and regulatory environment of the relevant industry that Nanjing Luye engages in, comparable capital injections and financing transactions observed in the market and those conducted by China Cinda, and the expected risk-adjusted returns to the Cinda Subscribers as investors. Further, the parties also took into account the proven track record and business prospects of Nanjing Luye. In particular, it is a leading oncology company renowned for its technological expertise. With its experience in independent R&D and commercial operations, Nanjing Luye has developed a portfolio of differentiated products with significant clinical value, including Lipusu®, Tiandixin®, Tiandida®, and Zepzelca®.

## **Intended use of proceeds**

The proceeds from the Capital Injection are intended to be applied by Nanjing Luye to repay existing financial indebtedness or operating liabilities.

## **Completion**

The capital injection funds shall be paid in cash to Nanjing Luye in full within ten business days following the satisfaction of certain conditions, which include among others the following:

- (i) the parties having obtained the internal approval and authorization in relation to the relevant Capital Injection from its relevant authorities and persons including but not limited to any board and shareholders resolutions;
- (ii) the parties having obtained the external approval and consents, permits and registrations from all relevant authorities and no legal documents prohibiting or restricting the implementation and/or completion of the relevant Capital Injection;
- (iii) all parties having duly executed and delivered the agreements related to the relevant Capital Injection;
- (iv) the articles of association of Nanjing Luye having been amended with effect from completion;
- (v) the representations and warranties made by each of Nanjing Luye and its existing shareholders under the transaction documents in respect of the relevant Capital Injection are being true, complete and accurate as at completion; and
- (vi) no material adverse change to Nanjing Luye having occurred as at completion.

## **Shareholding structure of Nanjing Luye before and after the Capital Injection**

The shareholding structure of Nanjing Luye immediately before and after completion of the Capital Injection is set out below:

| Shareholders  | Immediately before completion of the Capital Injection |                            | Immediately after completion of the Capital Injection |                            |
|---------------|--|----------------------------|---|----------------------------|
|               | Registered capital (RMB)                               | Approximate percentage (%) | Registered capital (RMB)                              | Approximate percentage (%) |
| Shenzhen Luye | 132,782,238.77   | 75.00                      | 132,782,238.77  | 70.01                      |
| NJ Xinshi     | 44,260,746.26  | 25.00                      | 44,260,746.26   | 23.34                      |
| Nanjing Xinan | –  | –                          | 8,189,464.36  | 4.32                       |
| Ningbo Cinda  | –  | –                          | 4,426,737.49  | 2.33                       |
| <b>Total</b>  | <b>177,042,985.03</b>                                  | <b>100.00</b>              | <b>189,659,186.88</b>                                 | <b>100.00</b>              |

After completion of the Capital Injection, Nanjing Luye remains a subsidiary of the Company.

## 2. Nanjing Luye Equity Option Agreements

### Date

26 January 2026

### Parties

1. Nanjing Xinan and Ningbo Cinda (as the case may be)
2. Yantai Luye

### Call Options

Yantai Luye is granted the right to require each of the Cinda Subscribers to sell its equity interest in Nanjing Luye to Yantai Luye at the Call Purchase Price. The Call Options are exercisable at any time from the expiry of 12 months after completion of the respective Capital Injection by the Cinda Subscribers.

### Put Options

Under the Nanjing Luye Equity Option Agreements, each of the Cinda Subscribers is granted the right to request Yantai Luye to repurchase their respective equity interests in Nanjing Luye (the “**Put Option(s)**”) at any time upon the occurrence of any one of the events specified, which include:

- (a) (in respect of Nanjing Xinan) by the expiry of 60 months from the date of completion of the Capital Injection by Nanjing Xinan, Nanjing Luye has not achieved a separate listing on a recognized stock exchange (“**Proposed Listing**”);
- (b) (in respect of Ningbo Cinda) by the expiry of 54 months from the date of completion of the Capital Injection by Ningbo Cinda, Nanjing Luye has not achieved a Proposed Listing;
- (c) the relevant Cinda Subscriber elects not to support the Proposed Listing;
- (d) if the aggregate Net Profits of Nanjing Luye for the three financial years 2025, 2026 and 2027 are less than RMB1,086.0 million, and the aggregate Net Profits of Nanjing Luye for the two financial years 2028 and 2029 are less than RMB857.0 million, and Yantai Luye fails to make a cash top-up of such shortfall to Nanjing Luye (the “**Top-up Contribution**”);

- (e) Nanjing Luye fails (i) in each year to approve the payment of dividends of not less than 40% of the Net Profits of Nanjing Luye in the prior year; and (ii) in respect of any Top-up Contribution, a distribution of not less than 40% of the Top-up Contribution as special dividend, and Nanjing Luye fails to distribute 40% of such additional distribution to the relevant Cinda Subscriber in proportion to its respective shareholding in Nanjing Luye, and in each case, Yantai Luye fails to make a cash top-up of any such shortfall to the relevant Cinda Subscriber;
- (f) change of control of Nanjing Luye;
- (g) Shenzhen Luye or its affiliates engaging in a competing business to Nanjing Luye, which has a material adverse effect on the Proposed Listing;
- (h) material breaches by Nanjing Luye or Shenzhen Luye or its affiliates of the relevant transaction documents including the Capital Injection Agreements, which has a material adverse effect on the Proposed Listing;
- (i) material breaches of laws and regulations by Nanjing Luye or Shenzhen Luye leading to Nanjing Luye's business licence revocation or principal business shutdown or suspension exceeding three months, which has a material adverse effect on the Proposed Listing;
- (j) any major defaults of major transactions or guarantees by Nanjing Luye or Shenzhen Luye or its affiliates which has a material adverse effect on the Proposed Listing, except those with the consent of the relevant Cinda Subscriber;
- (k) defaults on bank loans by Nanjing Luye or Shenzhen Luye or its affiliates; and
- (l) in respect of a Proposed Listing outside the PRC, failure by Nanjing Luye to complete all shareholding requirements in compliance with the CSRC rules.

The Put Options are exercisable at any time during the 36-month period from the expiry of 60 months (in the case of Nanjing Xinan) or 54 months (in the case of Ningbo Cinda) after the completion of the respective Capital Injection by the Cinda Subscribers.

### **Purchase price for the Call Options and the Put Options**

The amount which Yantai Luye shall pay the Cinda Subscribers upon the exercise of Call Options (the “**Call Purchase Price**”) and the Put Options (the “**Put Purchase Price**”) shall be determined as follows:

$$\text{Call Purchase Price} = A + (A \times Y \times (B/360) - C)$$

$$\text{Put Purchase Price} = A + (A \times Z \times (B/360) - C)$$

Where:

A = the balance of the paid-in capital of the relevant Cinda Subscriber to Nanjing Luye.

B = the number of days from the date of completion of the Capital Injection to the date of completion of the purchase of equity interest in Nanjing Luye pursuant to the exercise of the Put Option.

C = Any corresponding dividends and other amounts already received by the relevant Cinda Subscriber from Nanjing Luye.

Y = 10% (in the case of Nanjing Xinan) or 9.5% (in the case of Ningbo Cinda).

Z = 9% (in the case of Nanjing Xinan) or 8.5% (in the case of Ningbo Cinda).

If Yantai Luye fails to pay the Put Purchase Price in full, the relevant Cinda Subscriber may sell its equity interest in Nanjing Luye to any third party at a price to be determined by such Cinda Subscriber as fair and may recover from Yantai Luye any shortfall between the Put Purchase Price and such third-party transfer price.

Assuming the Call Options are exercised at the end of the exercise period, the maximum amount of the Call Purchase Price which Yantai Luye shall pay each of Nanjing Xinan and Ningbo Cinda upon the exercise of Call Options is RMB299.43 million and RMB153.15 million, respectively.

Assuming the Put Options are exercised at the end of the exercise period, the maximum amount of the Put Purchase Price which Yantai Luye is required to pay each of Nanjing Xinan and Ningbo Cinda is RMB284.63 million and RMB145.65 million, respectively.

### **Basis of the purchase price for the Call Options and the Put Options**

The percentages of 10%, 9%, 9.5% and 8.5% represent the parties' agreed annualised base return rates, applied on a day-count basis from completion of the relevant capital injection to completion of the option exercise, and net of any distributions, as set out in the formulas.

These base return rates were agreed after arm's length negotiations among the parties to the Nanjing Luye Equity Option Agreements and set within the range of similar carried interest provisions typically adopted by funds and co-investment vehicles in which China Cinda or its affiliates have participated as well as third party return benchmarks observed in historical transactions involving the Company's other subsidiaries including Shandong Boan Biotechnology Co., Ltd. In agreeing the rates, the parties considered, among other factors: (i) the paid-in amounts and minority nature of the investors' interests; (ii) the timing of Yantai Luye's call options; (iii) the put-option triggers tied to listing timelines and performance/distribution targets; and (iv) that dividends and other distributions are captured in the formulas. Against that backdrop, the rate of 10% for Nanjing Xinan's Call Option, 9% for Nanjing Xinan's Put Option, and the rate of 9.5% for Ningbo Cinda's Call Option and 8.5% for Ningbo Cinda's Put Option reflect the investors' negotiated base return expectations for their capital, applied pro rata for days outstanding and reduced by amounts already received.

### **3. Guarantee Agreements**

#### **Date**

26 January 2026

#### **Parties**

1. Nanjing Xinan and Ningbo Cinda (as the case may be)
2. The Company

#### **Guarantee**

The Company has agreed to provide a guarantee in favour of the Cinda Subscribers for the due performance of all the obligations of Yantai Luye under the Nanjing Luye Equity Option Agreements, including the obligations to pay the Put Purchase Price in respect of the Put Options. If Yantai Luye fails to perform any of its obligations under the Nanjing Luye Equity Option Agreements when due, the Cinda Subscribers may require the Company to assume liability and to make payment directly to the Cinda Subscribers.

### **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Transactions are designed to provide a robust, time-efficient and cost-effective funding solution to support the Group's strategic reorganisation of Nanjing Luye's shareholder base, including the introduction of institutional capital to Nanjing Luye. In particular, the Transactions build on the Previous Transactions, and further formalise capital support directly at the Nanjing Luye level through the Capital Injection and by implementing ancillary arrangements that align incentives and protect stakeholders. The Directors consider the Transactions will benefit the Group in the following ways:

- From a financing perspective, the Previous Transactions established a blended structure combining a bank facility with partnership capital and contractual options, which together were calibrated to fund the consideration for the equity transfer of 25% interest in Nanjing Luye and to control overall funding costs under defined horizons. The Capital Injection into Nanjing Luye by the Cinda Subscribers complements and strengthens that architecture by delivering additional paid-in capital directly into Nanjing Luye to support its business and capital structure, while preserving the Group's operational control and timetable flexibility. This provides certainty of funding at the operating subsidiary level and enhances balance sheet resilience in anticipation of Nanjing Luye's growth and pathway to any potential listing. As set out above, the proceeds from the Capital Injection are intended to be applied by Nanjing Luye to repay existing financial indebtedness or operating liabilities.

- The introduction of the Cinda Subscribers, both of which are wholly-owned subsidiaries of China Cinda, as new capital contributors to Nanjing Luye adds institutional sponsorship from China Cinda, reinforcing governance and external validation of Nanjing Luye's outlook and anticipating Nanjing Luye's pathway to any potential listing. This institutional participation is aligned with the framework of the Previous Transactions, under which China Cinda committed capital to NJ Xinshi as limited partner with defined base return economics and orderly exit options, and it deepens the relationship by positioning members of China Cinda as minority investors directly at the level of Nanjing Luye. This layered approach spreads funding across partnership-level and operating-company-level channels, lowering reliance on any single source and thereby improving overall funding robustness.
- The Nanjing Luye Equity Option Agreements serve two principal strategic purposes. Firstly, the Call Options in favour of Yantai Luye over the equity interests of the Cinda Subscribers provide the Group with an option to consolidate ownership in Nanjing Luye once defined seasoning periods have elapsed after completion of each capital injection, thereby preserving long-term strategic flexibility and the potential to re-align the capitalisation prior to or in conjunction with the Proposed Listing. Secondly, the Put Options granted to the Cinda Subscribers are tightly delineated to specified events, and they operate within capped, formula-based purchase price mechanics. This construct provides the Cinda Subscribers with predictable exit mechanics, while anchoring a disciplined performance framework for Nanjing Luye as it executes its growth plan and prepares for a potential separate listing. As such, these options calibrate risk-sharing and align incentives among the Group and the Cinda Subscribers as new investors around value creation milestones and listing readiness.
- The Transactions are integrated with the performance of Nanjing Luye's business and outlook. The option triggers embed quantified profitability and distribution targets and hard timelines associated with the Proposed Listing, while preserving Yantai Luye's ability to exercise the Call Options after defined periods to consolidate strategic control if desirable. The resulting shareholding structure of Nanjing Luye immediately after completion of the Capital Injection delivers both capital and diversified institutional representation while maintaining the Group's majority control.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that while the Transaction Agreements and the transactions contemplated thereunder (including the Capital Injection, Call Options, Put Options and the Guarantee) are not entered into in the ordinary course of business of the Group, they are fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

## **INFORMATION ON THE GROUP**

### **The Company and the Group**

The Company is an investment holding company and the holding company of the Group. The Group is an international pharmaceutical group dedicated to the research and development, manufacturing and sale of innovative medications. The Group has established research and development centres in China, the U.S. and Europe, with a robust pipeline of over 30 drug candidates in China and more than 10 drug candidates in other international markets. Along with a number of new drugs and new formulations in the central nervous system and oncology therapeutic areas under study in the U.S., Europe and Japan, the Group has reached high-level international standards in novel drug delivery technologies including microspheres, liposomes, and transdermal drug delivery systems, as well as actively making strategic developments in the fields of biological antibodies, cell therapies and gene therapies, among others. The Group is developing a global supply chain of eight manufacturing sites with over 30 production lines in total, establishing GMP quality management and international standard control systems. With more than 30 products covering the central nervous system, oncology, cardiovascular, metabolism and other therapeutic areas, business of the Group is conducted in over 80 countries and regions around the world, including the largest pharmaceutical markets – China, the U.S., Europe and Japan, as well as in fast growing emerging markets.

### **Nanjing Luye**

As at the date of this announcement, Nanjing Luye is owned as to 75% by Shenzhen Luye and 25% by NJ Xinshi. Nanjing Luye and its subsidiaries are principally engaged in the manufacture and sale of pharmaceutical products with a focus on the therapeutic area of oncology.

The net assets of Nanjing Luye as at 31 December 2024 are approximately RMB 1,098.5 million. For the financial years ended 31 December 2023 and 2024, the net profits before tax of Nanjing Luye are RMB 405.9 million and RMB 410.1 million, respectively, and the net profits after tax of Nanjing Luye are RMB 334.7 million and RMB 405.0 million, respectively.

### **Yantai Luye and Shenzhen Luye**

Each of Yantai Luye and Shenzhen Luye is a wholly-owned subsidiary of the Company. Each of Yantai Luye and Shenzhen Luye is principally engaged in investment holding.

## **INFORMATION ON NJ XINSHI**

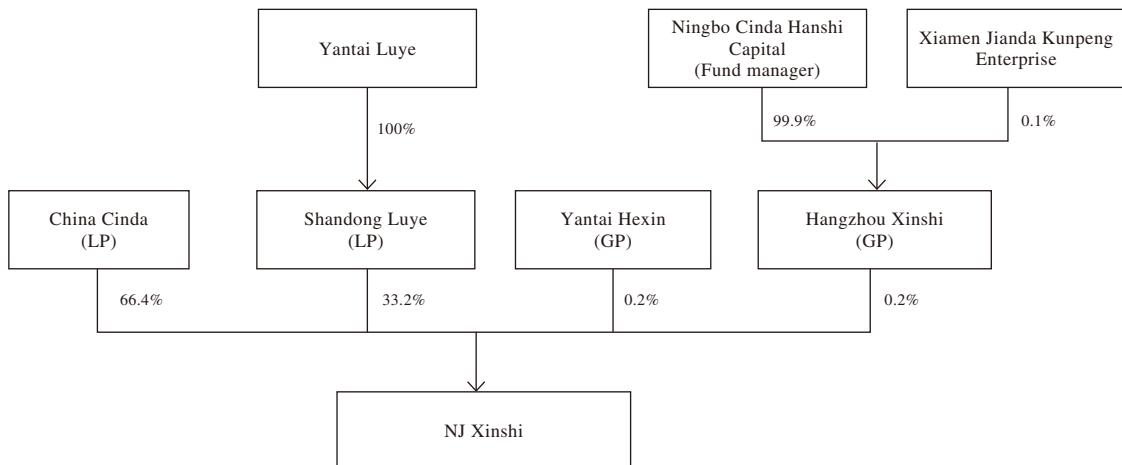
NJ Xinshi is a limited partnership established under the laws of the PRC. Its general partners are Yantai Hexin and Hangzhou Xinshi. China Cinda and Shandong Luye are each a limited partner of NJ Xinshi. To the best of the Directors' knowledge, information and belief after making all reasonable enquiries, save for their respective interests in Nanjing Luye through NJ Xinshi, each of China Cinda, Yantai Hexin and Hangzhou Xinshi and their respective ultimate beneficial owners would be third parties independent of the Company and its connected persons.

China Cinda is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 01359 and 04621 (preference shares)). It is principally engaged in distressed asset management and provides customised financial solutions and differentiated asset management services to its clients through the synergistic operation of its diversified business platforms. The ultimate beneficial owner of China Cinda is the State Council of the PRC, which is a third party independent of the Company and its connected persons.

Hangzhou Xinshi is a limited liability company incorporated in the PRC and is primarily engaged in investment management, investment consulting (other than securities and futures) and corporate management consulting. It is an investment fund managed by Ningbo Cinda Hanshi Capital.

Yantai Hexin is a limited liability company incorporated in the PRC and is primarily engaged in managing private equity and venture capital investment funds in the PRC, subject to registration with the Asset Management Association of China. To the best of the Directors' knowledge, information and belief after making all reasonable enquiries, Yantai Hexin is ultimately controlled by Mr. Du Yong, who is a third party independent of the Company and its connected persons.

The following chart shows a simplified structure of NJ Xinshi as at the date of this Announcement:



## INFORMATION ON NANJING XINAN AND NINGBO CINDA

Nanjing Xinan is a limited liability company incorporated in the PRC and is primarily engaged in investment activities and equity investments. It is a wholly owned subsidiary of China Cinda.

Ningbo Cinda is a limited liability company incorporated in the PRC and is primarily engaged in industrial investment, investment management and related advisory services. It is a wholly owned subsidiary of China Cinda.

## **FINANCIAL EFFECT OF THE CAPITAL INJECTION**

Immediately prior to the entering into of the Capital Injection Agreements, Nanjing Luye is a subsidiary of the Company. Upon completion of the Capital Injection, Nanjing Luye will be owned as to 70.01% by Shenzhen Luye and therefore will continue to be treated as a subsidiary of the Company, and the financial results of Nanjing Luye will continue to be consolidated into the financial statements of the Group.

As the decrease in Shenzhen Luye's equity interest in Nanjing Luye arising from the Capital Injection will not result in the Group losing its control over Nanjing Luye, the Capital Injection will be accounted for as an equity transaction and the Company will not record any gain or loss in the consolidated statement of profit or loss from the Capital Injection. It is currently intended that the proceeds of the Capital Injection will be used by Nanjing Luye to repay short term financial indebtedness and to meet operating liabilities, including working capital needs such as payroll and taxes payable. The Capital Injection will bring in more capital to the Group, achieve a decrease in the Group's gearing ratio, improve its gearing structure, increase the Group's financing capacity in the future and mitigate its financial risks.

## **LISTING RULES IMPLICATIONS**

### **Chapter 14 of the Listing Rules**

#### *Capital Injection*

As the percentage equity interest of Shenzhen Luye in Nanjing Luye is reduced from 75.00% to 70.01% upon completion of the Capital Injection, the transactions contemplated under the Capital Injection Agreements constitute a deemed disposal of equity interest in Nanjing Luye under Rule 14.29 of the Listing Rules.

#### *Put Options*

As the exercise of each of the Put Options is not at the Company's discretion, pursuant to Rule 14.74(1) of the Listing Rules, each of the Put Options will be classified as if such options had been exercised. As one or more of the applicable percentage ratios in respect of the exercise of both of the Put Options are more than 5% and less than 25%, the grant of each of the Put Options constitutes discloseable transactions of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements, but exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

#### *Call Options*

The exercise of each of the Call Options is at the discretion of Yantai Luye. According to Rule 14.75(1) of the Listing Rules, on the grant of the Call Options, only the premium will be taken into consideration for the purpose of transaction classification. As no premium is payable for the grant of the Call Options to Yantai Luye, the grant of the Call Options does not constitute notifiable transactions of the Company. The Company will comply with all applicable requirements under Chapter 14 of the Listing Rules upon the exercise of any of the Call Options by Yantai Luye.

## ***Previous Transactions***

Reference is made to the Previous Announcements in relation to the Previous Transactions.

As the Transactions (which includes the Capital Injection, the Put Options and the Guarantee) are conducted within 12 months from the date of the Group entered into the Previous Transactions, the Transactions and the Previous Transactions shall be aggregated for the purpose of Rules 14.22 and 14.23 of the Listing Rules. Since one or more of the applicable percentage ratios in respect of such transactions, when aggregated, is more than 5% but all applicable percentage ratios are less than 25%, such transactions on an aggregated basis constitute a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements, but exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **Chapter 14A of the Listing Rules**

Nanjing Luye is a subsidiary of the Company and is held as to 75% by Shenzhen Luye and 25% by NJ Xinshi as at the date of this announcement. NJ Xinshi is a connected person of the Company at the subsidiary level by virtue of its being a substantial shareholder of Nanjing Luye. China Cinda is a limited partner of, and holding approximately 66.4% in, NJ Xinshi. As such, China Cinda is an associate of NJ Xinshi and a connected person of the Company. Nanjing Xinan and Ningbo Cinda, each being a subsidiary of China Cinda, is also a connected person of the Company. Accordingly, the Transactions (which includes the Capital Injection, the Put Options and the Guarantee) constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since (i) each of NJ Xinshi, Nanjing Xinan and Ningbo Cinda are connected persons of the Company at the subsidiary level; (ii) the Board has approved the Transactions; and (iii) the independent non-executive Directors have confirmed that the terms of the Transactions are fair and reasonable, and that the Transactions is on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Transactions are subject to the announcement requirement but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Director had any material interest in the Transactions and the transactions contemplated thereunder, and thus no Director has abstained from voting on the relevant Board resolutions to approve the Transactions at the relevant Board meeting.

## **DEFINITIONS**

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

|                                |  |
|--------------------------------|--|
| “Board”                        | the board of directors of the Company  |
| “Call Options”                 | the right of Yantai Luye to acquire the Cinda Subscribers’ equity interests in Nanjing Luye, as further described in the section headed “2. Nanjing Luye Equity Option Agreements – Call Options” in this announcement   |
| “Capital Injection”            | the injection of capital into Nanjing Luye by the Cinda Subscribers in accordance with the term and conditions of the Capital Injection Agreements   |
| “Capital Injection Agreements” | collectively, (i) the agreement dated 26 January 2026 entered into among Shenzhen Luye, NJ Xinshi, Nanjing Xinan, Ningbo Cinda and Nanjing Luye in relation to capital injection by Ningbo Cinda to Nanjing Luye; and (ii) the agreement dated 26 January 2026 entered into among Shenzhen Luye, NJ Xinshi, Nanjing Xinan and Nanjing Luye in relation to capital injection by Nanjing Xinan to Nanjing Luye |
| “China Cinda”                  | China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司), a joint stock company incorporated in the PRC with limited liability  |
| “Cinda Subscribers”            | collectively, Nanjing Xinan and Ningbo Cinda   |
| “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   |
| “Directors”                    | the directors of the Company   |
| “Facility Guarantee”           | has the meaning given to it in the Previous Announcements  |
| “Group”                        | the Company and its subsidiaries, from time to time  |
| “Guarantee”                    | the guarantee provided by the Company to the Cinda Subscribers under the Guarantee Agreements  |
| “Guarantee Agreements”         | collectively, (i) the agreement entered into between Nanjing Xinan and the Company and (ii) the agreement entered into between Ningbo Cinda and the Company, each dated 26 January 2026 and in relation to the Guarantee   |

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| “Hong Kong”                             | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “Listing Rules”                         | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited   |
| “Nanjing Luye”                          | 南京綠葉製藥有限公司 (Nanjing Luye Pharmaceutical Co., Ltd.), a company with limited liability established in the PRC, and a subsidiary of the Company   |
| “Nanjing Luye Equity Option Agreements” | collectively, (i) the agreement entered into between Nanjing Xinan and Yantai Luye, and (ii) the agreement entered into between Ningbo Cinda and Yantai Luye, each dated 26 January 2026 and in relation to the Call Options and Put Options |
| “Nanjing Xian”                          | 南京信安投資有限公司 (Nanjing Xian’an Investment Co., Ltd.), a company with limited liability established in the PRC   |
| “Net Profits of Nanjing Luye”           | the cumulative net profits of Nanjing Luye after deducting non-recurring gains and losses  |
| “Ningbo Cinda”                          | 寧波信達華建投資有限公司 (Ningbo Xinda Huajian Investment Co., Ltd.), a company with limited liability established in the PRC  |
| “Ningbo Cinda Hanshi Capital”           | 寧波信達漢石投資管理有限公司 (Ningbo XinDa Hanshi Capital Co., Ltd.), a company with limited liability established in the PRC  |
| “NJ Xinshi”                             | Nanjing Xinshi Shiye Equity Investment Partnership (Limited Partnership) 南京信石信葉股權投資合夥企業 (有限合夥), a limited partnership established under the laws of the PRC  |
| “PRC”                                   | the People’s Republic of China   |
| “Previous Announcements”                | the announcements of the Company dated 28 December 2025 and 26 January 2026 in relation to the Previous Transactions   |
| “Previous Transactions”                 | the transactions announced by the Company on 28 December 2025 and 26 January 2026 in relation to, among other things, the transfer of 25% interest in Nanjing Luye to NJ Xinshi and the associated financing and options framework           |
| “Put Options”                           | the Cinda Subscribers’ right to request Yantai Luye to repurchase their respective equity interest in Nanjing Luye, as further described in the section headed “2. Nanjing Luye Equity Option Agreements – Put Options” in this announcement |

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| “Shandong Luye”                    | Shandong Luye Pharmaceutical Co., Ltd., a company established in the PRC and a wholly owned subsidiary of the Company   |
| “Shandong Luye Subscription”       | has the meaning given to it in the Previous Announcements   |
| “Shareholders”                     | the shareholders of the Company   |
| “Shenzhen Luye”                    | 綠葉製藥(深圳)有限公司 (Luye Pharma (Shenzhen) Co. Ltd.), a company with limited liability established in the PRC, and a subsidiary of the Company                            |
| “Shortfall Compensation”           | has the meaning given to it in the Previous Announcements   |
| “Stock Exchange”                   | The Stock Exchange of Hong Kong Limited   |
| “Transaction Agreements”           | collectively, the Capital Injection Agreements, the Nanjing Luye Equity Option Agreements, and the Guarantee Agreements   |
| “Transaction Guarantee”            | has the meaning given to it in the Previous Announcements   |
| “Transactions”                     | the transactions contemplated under the Transaction Agreements  |
| “Xiamen Jianda Kunpeng Enterprise” | 廈門建達坤鵬企業管理有限公司 (Xiamen Jianda Kunpeng Enterprise Management Co., Ltd.), a company with limited liability established in the PRC                                     |
| “Yantai Hexin”                     | 煙台合信私募基金管理有限公司 (Yantai Hexin Private Equity Fund Management Co., Ltd.), a company with limited liability established in the PRC, and a general partner of NJ Xinshi |
| “Yantai Luye”                      | 煙台綠葉醫藥控股(集團)有限公司 (Yantai Luye Pharma Holdings Co., Ltd.), a company with limited liability established in the PRC, and a subsidiary of the Company                  |
| “%”                                | per cent  |

In this announcement, the terms “connected person” and “subsidiary” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

The English names of Chinese entities included in this announcement are unofficial translations of their Chinese names and are included for identification purposes only.

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

Hong Kong, 27 January 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.*