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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 US\$180,000,000  
5.25 PER CENT. CONVERTIBLE BONDS DUE 2031**

**Sole Global Coordinator, Sole Overall Coordinator,  
Sole Bookrunner and Sole Dealer Manager**



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

Reference is made to the announcements of the Company dated 6 July 2023 in relation to the issue of the Existing Convertible Bonds by the Company and dated 3 June 2026 in relation to the proposed Concurrent Repurchase and proposed issue of USD-denominated convertible bonds.

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 repurchase of the Existing Convertible Bonds 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.

Eligible Bondholders of the Existing Convertible Bonds accepting the invitation to offer for sale their Existing Convertible Bonds would be eligible for receiving the repurchase price of US\$1,031.25 per US\$1,000 in principal amount of the outstanding Existing Convertible Bonds offered for repurchase pursuant to the Concurrent Repurchase.

As at the date of this announcement, the Company has, through the Dealer Manager, received commitments from Eligible Bondholders to sell approximately US\$89.74 million in aggregate principal amount of the Existing Convertible Bonds to the Company and the remaining outstanding aggregate principal amount of the Existing Convertible Bonds is approximately US\$90.26 million.

**PROPOSED ISSUE OF US\$180,000,000 5.25 PER CENT. CONVERTIBLE BONDS DUE 2031**

The Board announces that on 3 June 2026 (after trading hours), the Company and the Manager entered into the Subscription Agreement. Pursuant to the Subscription Agreement, among other things, the Company has conditionally agreed to issue to the Manager or as it may direct, and the Manager has conditionally agreed with the Company to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds, subject to certain conditions set out in the Subscription Agreement.

Based on the initial Conversion Price of HK\$2.71 per Share and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into a maximum of 520,498,892 Conversion Shares, representing:

- (i) approximately 13.03 per cent. of the existing issued share capital of the Company as at the date of this announcement; and

- (ii) approximately 11.53 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Bonds.

The Conversion Shares will be allotted and issued pursuant to the General Mandate and will be fully paid and rank *pari passu* in all respects with fully paid Shares in issue on the relevant registration date except for any right excluded by mandatory provisions of applicable law and except that such Conversion Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record or other due date for the establishment of entitlement for which falls prior to the relevant registration date.

It is intended the Bonds will be listed on the Vienna Stock Exchange. An application will be made to the Vienna Stock Exchange for the listing of the Bonds. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

### **USE OF PROCEEDS**

The aggregate principal amount of the Bonds will be US\$180,000,000. The net proceeds (after deduction of commission and other related expenses) will be approximately US\$177.2 million, representing a net issue price of approximately HK\$2.67 per Conversion Share based on the initial Conversion Price. 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 for general corporate purposes.

**Completion of the Concurrent Repurchase and the subscription and issuance of the Bonds is subject to the satisfaction and/or waiver of the conditions precedent contained in the Dealer Manager Agreement and the Subscription Agreement, as applicable. In addition, the Dealer Manager Agreement and the Subscription Agreement may be terminated under certain circumstances. Please refer to the sections headed “The Dealer Manager Agreement” and “Subscription Agreement” below for further information.**

**As the Concurrent Repurchase and the issue of the Bonds may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Reference is made to the announcements of the Company dated 6 July 2023 in relation to the issue of the Existing Convertible Bonds by the Company and dated 3 June 2026 in relation to the proposed Concurrent Repurchase and proposed issue of USD-denominated convertible bonds.

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 repurchase of the Existing Convertible Bonds 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.

Eligible Bondholders of the Existing Convertible Bonds accepting the invitation to offer for sale their Existing Convertible Bonds would be eligible for receiving the repurchase price of US\$1,031.25 per US\$1,000 in principal amount of the outstanding Existing Convertible Bonds offered for repurchase pursuant to the Concurrent Repurchase.

### **THE DEALER MANAGER AGREEMENT**

Date: 3 June 2026

Parties: (i) Company as offeror; and  
(ii) Dealer Manager

Conditions to the obligations of the Dealer Manager: The obligations of the Dealer Manager under the Dealer Manager Agreement are subject to, amongst others, the following conditions:

1. by the date of the Dealer Manager Agreement, the Company shall have obtained all relevant consents, approvals or authorisations of, or registrations, filings or declarations with, any court, regulatory authority, governmental agency or stock exchange or any other person required in connection with the execution of the Dealer Manager Agreement, the performance by the Company of its obligations expressed to be undertaken by it under the Dealer Manager Agreement, or in connection with the conduct and consummation of the Concurrent Repurchase;

2. by the date of the Dealer Manager Agreement, the Dealer Manager shall have received certain legal opinions dated the date of the Dealer Manager Agreement; and
3. the issue of the Bonds on 10 June 2026 (the “**Settlement Date**”).

Termination:

The Dealer Manager Agreement shall terminate on the earliest of:

1. the Settlement Date;
2. upon written notice by the Company to the Dealer Manager to terminate the Dealer Manager Agreement at any time in the event that they decide not to proceed with the Concurrent Repurchase;
3. upon the expiration, termination or withdrawal of the Concurrent Repurchase and in each case, each party shall be discharged from performance of its obligations under the Dealer Manager Agreement; or
4. upon notice in writing by the Dealer Manager to the Company (i) if any of the conditions precedent shall not have been fulfilled in all material respects or waived when and as provided in the Dealer Manager Agreement; or (ii) if any of the representations and warranties given or made by the Company set forth in the Dealer Manager Agreement is inaccurate or untrue or is breached in any material respect.

The Concurrent Repurchase will be conducted concurrently with the proposed Bonds Issue, and will close on or about the issue date of the Bonds.

Following settlement of the Concurrent Repurchase, the Existing Convertible Bonds repurchased will be cancelled.

The Concurrent Repurchase has not and will not be conducted within or offered to the United States or to persons located or resident in the United States, or to persons acting on behalf of a beneficial owner of the Existing Convertible Bonds located or resident in the United States or acting for the account or benefit of any person located or resident in the United States.

Eligible Bondholders of the Existing Convertible Bonds accepting the invitation to offer for sale their Existing Convertible Bonds would be eligible for receiving the repurchase price of US\$1,031.25 per US\$1,000 in principal amount of the outstanding Existing Convertible Bonds offered for repurchase pursuant to the Concurrent Repurchase.

As at the date of this announcement, the Company has, through the Dealer Manager, received commitments from Eligible Bondholders to sell approximately US\$89.74 million in aggregate principal amount of the Existing Convertible Bonds to the Company and the remaining outstanding aggregate principal amount of the Existing Convertible Bonds is approximately US\$90.26 million.

## **PROPOSED ISSUE OF US\$180,000,000 5.25 PER CENT. CONVERTIBLE BONDS DUE 2031**

On 3 June 2026 (after trading hours), the Company and the Manager entered into the Subscription Agreement. Pursuant to the Subscription Agreement, among other things, the Company has conditionally agreed to issue to the Manager or as it may direct, and the Manager has conditionally agreed with the Company to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds, subject to certain conditions set out in the Subscription Agreement.

A book-building exercise has been conducted by the Manager, after which the terms of the Bonds, including but not limited to, the principal amount and the initial Conversion Price, have been determined.

### **SUBSCRIPTION AGREEMENT**

**Date:** 3 June 2026

**Parties:** (1) the Company, as the issuer; and  
(2) the Manager.

#### **Subscription**

The Company has conditionally agreed to issue to the Manager or as it may direct, and the Manager has conditionally agreed with the Company to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds on the Issue Date.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Manager is a third party independent of the Company and is not a connected person of the Company.

#### **Subscribers**

The Manager has informed the Company that the Bonds will be offered and sold to no less than six independent placees (who will be professional investors).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the initial placees (and their respective ultimate beneficial owners) is a third party independent of the Company and is not a connected person of the Company.

#### **Conditions Precedent to the Subscription**

The obligations of the Manager to subscribe and pay for, or to procure the subscribers to subscribe and pay for, the Bonds are conditional on:

- (a) **Due Diligence:** the Manager being satisfied with the results of its due diligence investigations with respect to the Company and its subsidiaries;

- (b) **Other Contracts:** the execution and delivery (on or before the Issue Date) of the Trust Deed, the Agency Agreement, and the execution and delivery (on or before the date of the Subscription Agreement) of the Stock Borrowing and Lending Agreement, each in a form satisfactory to the Manager, by the respective parties;
- (c) **Shareholder's Lock-up:** the Controlling Shareholder having executed and delivered to the Manager a lock-up agreement on or before the date of the Subscription Agreement;
- (d) **Compliance:** at the Issue Date,
  - (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on, such date;
  - (ii) the Company having performed all of its obligations under the Trust Deed and the Agency Agreement to be performed on or before such date; and
  - (iii) there having been delivered to the Manager a certificate of a duly authorised officer of the Company;
- (e) **Other Consents:** on or prior to the Issue Date, there shall have been delivered to the Manager copies of all consents and approvals required in relation to the issue of the Bonds and the performance of the Company's obligations under the Trust Deed, the Agency Agreement and the Bonds (including the consents and approvals required from all lenders);
- (f) **Listing:** on or prior to the Issue Date there shall have been delivered to the Manager confirmations that the Stock Exchange has agreed to list the Conversion Shares upon conversion of the Bonds and the Vienna Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Manager, to list the Bonds on the Vienna Stock Exchange (or, in each case, the Manager being reasonably satisfied that such listing will be granted);
- (g) **NDRC Certificate:** on or prior to the Issue Date, there having been delivered to the Manager a copy of the pre-issuance registration certificate for the issue of the Bonds evidencing the registration of the issue of the Bonds;
- (h) **CSRC Filing:** on or prior to the Issue Date, the agreed and final or substantially complete drafts of the documents in relation to the CSRC filings, in form and substance satisfactory to the Manager, having been delivered to the Manager; and
- (i) **Legal Opinions:** on or before the Issue Date, there having been delivered to the Manager opinions, in form and substance satisfactory to the Manager of certain legal opinions on the laws of various jurisdictions, and such other resolutions, consents, authorities and documents relating to the issue of the Bonds, as the Manager may require.

The Manager may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the above conditions (other than conditions (b) and (h) above).

As at the date of this announcement, not all of the above conditions have been satisfied and/or (as the case may be) waived. The Company is working towards the satisfaction of all of the above conditions by the Issue Date.

## **Termination**

Notwithstanding anything contained in the Subscription Agreement, the Manager may, by notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- (a) if there shall have come to the notice of the Manager any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform, or breach of, any of the Company's undertakings or agreements in the Subscription Agreement;
- (b) if any of the conditions precedent specified in the Subscription Agreement has not been satisfied or waived by the Manager on or prior to the Issue Date;
- (c) if in the opinion of the Manager, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over the counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
- (d) if, in the opinion of the Manager, there shall have occurred any of the following events:
  - (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange, the Shanghai Stock Exchange, the Singapore Stock Exchange, the Vienna Stock Exchange and/or the Stock Exchange and/or any other stock exchange on which the Company's securities are traded;
  - (ii) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded;
  - (iii) a general moratorium on commercial banking activities in the United States, the PRC, Singapore, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, Singapore or the United Kingdom; or
- (e) if, in the opinion of the Manager, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

## LOCK-UP UNDERTAKINGS

### The Company

The Company has undertaken with the Manager that neither the Company nor any person acting on its behalf will:

- (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing,

in any such case without the prior written consent of the Manager between the date of the Subscription Agreement and the date which is 60 days after the Issue Date (both dates inclusive) (the “**Lock-up period**”), except for (i) the issuance of the Bonds and the Conversion Shares, (ii) the issuance of Shares on conversion of the Existing Convertible Bonds; and (iii) the entering into of any transaction, or the announcing or otherwise making public an intention to enter into a transaction, with respect to the issuance of any Shares as consideration for any acquisition in relation to the Group’s business *provided that* the issuance of any Shares pursuant to such acquisition occurs after the end of the Lock-up period.

### The Controlling Shareholder

Upon the execution and delivery of the Lock-up Agreement, the Controlling Shareholder will undertake with the Manager that, for a period commencing from the date of the Lock-up Agreement up to 60 days after the Issue Date, without the prior written consent of the Manager, it will not:

- (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in the Shares it holds, directly or indirectly, as at the date of the Lock-up Agreement (“**Lock-up Shares**”) or securities of the same class as the Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Lock-up Shares or securities of the same class as the Lock-up Shares or other instruments representing interests in the Lock-up Shares or other securities of the same class as them;

- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Lock-up Shares;
- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of the Lock-up Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing,

except that the above lock-up undertakings shall not apply to (i) the Lock-up Shares which are subject to the Stock Borrowing and Lending Agreement; and (ii) any arrangements in relation to securities of the Controlling Shareholder or the Company pursuant to any agreement entered into between the Manager (or its affiliates) and the Controlling Shareholder prior to the date of the Lock-up Agreement.

The lock-up undertakings of the Company and the Controlling Shareholder will terminate if the Subscription Agreement is terminated in accordance with its terms.

## **PRINCIPAL TERMS OF THE BONDS**

The principal terms of the Bonds are summarised as follows:

Issuer:	the Company
Principal amount:	US\$180,000,000
Issue Date:	10 June 2026 (the “ <b>Issue Date</b> ”)
Maturity Date:	10 June 2031 (the “ <b>Maturity Date</b> ”)
Issue Price:	100 per cent. of the principal amount of the Bonds
Interest Rate:	5.25 per cent. per annum.
Form and Denomination:	The Bonds are in registered form in denomination of US\$200,000 and integral multiples of US\$1,000 in excess thereof. Upon issue, the Bonds will be represented by a global certificate registered in the name of a nominee of, and deposited with a common depository for Euroclear Bank SA/NV and Clearstream Banking, S.A.

Status: The Bonds constitute direct, unconditional, unsubordinated and subject to the Terms and Conditions, unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the Terms and Conditions, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

Conversion Right: Subject to and upon compliance with the Terms and Conditions, the conversion right in respect of a Bond may be exercised, at the option of the Bondholder, at any time (subject to any applicable fiscal or other laws or regulations and as provided in the Terms and Conditions) on or after the first anniversary of the Issue Date up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling ten days prior to the Maturity Date (both days inclusive) (but, except as provided in the Terms and Conditions, in no event thereafter), or if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof, or if notice requiring redemption has been given by the Bondholder pursuant to the Terms and Conditions, then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice.

The number of Conversion Shares shall be determined by dividing the principal amount of the Bonds to be converted (translated into Hong Kong dollars at the fixed rate of HK\$7.8364 = US\$1.00) by the Conversion Price in effect on the relevant Conversion Date (as defined in the Terms and Conditions).

Conversion Price:

The initial Conversion Price is HK\$2.71 per Share. The Conversion Price will be subject to the following exhaustive list of adjustment events: subdivision, reclassification or consolidation of Shares, capitalisation of profits or reserves, capital distributions, rights issue of Shares or options over Shares at less than 95 per cent. of the Current Market Price, rights issues of other securities, issues of Shares or options, warrants or other rights over Shares at less than 95 per cent. of the Current Market Price, other issues of securities at less than 95 per cent. of the Current Market Price, modification of rights of conversion at less than 95 per cent. of the Current Market Price, other offers to Shareholders and other events as described in the terms and conditions of the Bonds. The Conversion Price shall not in any event be reduced to below the nominal value of the Shares as a result of any adjustment under the Terms and Conditions unless under applicable law then in effect the Bonds may be converted at such reduced Conversion Price into legally issued, fully paid and non-assessable Shares. “**Current Market Price**” in respect of a Share on a particular date, means, subject to certain adjustments, the average of the closing prices of a Share for the 20 consecutive trading days ending on and including (i) the trading day immediately preceding such date, or (ii) if the relevant announcement was made after the close of trading on such date (being a trading day), such date of announcement.

Adjustment upon  
Change of Control:

If a Change of Control shall have occurred, the Company shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) within 14 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice (with a copy to the Trustee and the principal agent), upon any exercise of conversion rights such that the relevant Conversion Date falls within the period of 30 days following the later of (1) the relevant Change of Control and (2) the date on which the Change of Control Notice is given to the Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} / (1 + (\text{CP} \times (c/t))), \text{ where}$$

NCP = the Conversion Price after such adjustment;

OCP = the Conversion Price before such adjustment. For the avoidance of doubt, OCP for the purposes of this adjustment shall be the Conversion Price applicable on the relevant Conversion Date in respect of any conversion to which this adjustment is applicable;

CP (or Conversion Premium) = 25 per cent. expressed as a fraction;

c = the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date; and

t = the number of days from and including the Issue Date to but excluding the Maturity Date.

Ranking of Conversion Shares:

The Conversion Shares will be fully paid and will in all respects rank *pari passu* with the fully paid Shares in issue on the relevant registration date except for any right excluded by mandatory provisions of applicable law and except that such Conversion Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record or other due date for the establishment of entitlement for which falls prior to the relevant registration date.

Redemption at Maturity:

Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Bond at 100 per cent. of its principal amount together with accrued but unpaid interest thereon on the Maturity Date.

Redemption for  
Taxation Reasons:

The Company may redeem all and not some only of the Bonds, at its option, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Trustee and the principal agent in writing and to the Bondholders in accordance with the Terms and Conditions (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption (the "**Tax Redemption Date**") at the principal amount, together with interest accrued but unpaid up to but excluding such date (if any), if the Company satisfies the Trustee immediately prior to the giving of such notice that (a) the Company has or will become obliged to pay additional tax amounts as provided or referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of the PRC or Bermuda, or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 3 June 2026, and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due. If the Company gives a Tax Redemption Notice pursuant to the condition on redemption for taxation reasons, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions on the condition of taxation shall not apply in respect of any payment of principal, premium (if any) or interest (if any) to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Company in respect thereof pursuant to the condition on taxation and payment of all amounts by the Company to such holder in respect of such Bond(s) shall be made subject to the deduction or withholding of any tax required to be deducted or withheld.

Redemption at the  
Option of the Company  
(Clean Up Call):

The Company may redeem all and not some only of the Bonds at the principal amount, together with any interest accrued but unpaid, at any time if, prior to the date the relevant notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in principal amount of the Bonds issued (which shall for this purpose include any further Bonds issued pursuant to the Terms and Conditions).

Redemption for Delisting or Change of Control: Following the occurrence of a Relevant Event, the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of such holder's Bonds on the Relevant Event Put Date at the principal amount, together with interest accrued but unpaid up to but excluding such date (if any). To exercise such right, the holder of the relevant Bond must deposit during normal business hours at the specified office of any paying agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any paying agent (a "**Relevant Event Put Exercise Notice**"), together with the certificate evidencing the Bonds to be redeemed by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which notice thereof is given to Bondholders by the Company in accordance with the Terms and Conditions. The "**Relevant Event Put Date**" shall be the fourteenth day after the expiry of such period of 60 days as referred to above. A Relevant Event Put Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Company's consent. Within 14 days after it becomes aware of the occurrence of a Relevant Event, the Company shall give notice thereof to the Trustee and the principal agent in writing and to the Bondholders in accordance with the Terms and Conditions. The notice regarding the Relevant Event shall contain a statement informing Bondholders of their entitlement to exercise their conversion rights and their entitlement to exercise their rights to require redemption of their Bonds pursuant to the Terms and Conditions.

Redemption at the Option of the Bondholders: On 10 June 2029 (the "**Optional Put Date**"), the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of the Bonds of such holder on the Optional Put Date at 100 per cent. of their principal amount, together with any interest accrued but unpaid up to but excluding such Optional Put Date (if any). To exercise such right, the Bondholder must complete, sign and deposit with any paying agent a duly completed and signed notice of redemption ("**Optional Put Exercise Notice**") together with the certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Optional Put Date. An Optional Put Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn unless the Company consents to such withdrawal.



The Bonds may be converted into Conversion Shares pursuant to the Terms and Conditions. Assuming full conversion of the Bonds at the initial Conversion Price of HK\$2.71 per Share and no further Shares are issued, the Bonds will be convertible into 520,498,892 Shares, representing approximately 13.03 per cent. of the issued share capital of the Company as at the date of this announcement and approximately 11.53 per cent. of the issued share capital of the Company as at the date of this announcement as enlarged by the issue of the Conversion Shares upon full conversion of the Bonds. The Conversion Shares to be issued upon conversion of the Bonds will rank pari passu and carry the same rights and privileges in all respects with the Shares then in issue on the relevant registration date.

## EFFECT ON SHAREHOLDING STRUCTURE

The following table summarises the potential effects on the shareholding structure of the Company as a result of the issue of the Bonds (by reference to the information on shareholdings available to the Company as at the date of this announcement and assuming full conversion of the Bonds and no further issue of Shares):

	Shares held as at the date of this announcement		Assuming the Bonds are fully converted into Shares at the initial Conversion Price	
	Number of Shares	Approximate % of issued share capital of the Company	Number of Shares	Approximate % of issued share capital of the Company
The Controlling Shareholder	1,246,108,703	31.20	1,246,108,703	27.6
NEV Holdings Limited	552,324,108	13.83	552,324,108	12.2
The Bondholders	–	–	520,498,892	11.5
Other Shareholders	2,196,083,142	54.98	2,196,083,142	48.6
<b>Total<sup>(Note 1)</sup></b>	<b>3,994,515,953</b>	<b>100.00</b>	<b>4,515,014,845</b>	<b>100.00</b>

### Notes:

- (1) Certain percentage figures included in the table have been subject to rounding adjustments, and accordingly percentage figures shown as total may not be an arithmetic aggregation of the figures preceding them.
- (2) As at the date of this announcement, the Company has no treasury shares. Hence, the Company has no current intention to transfer treasury shares upon the Bondholders' exercise of conversion rights in respect of the Bonds. Nevertheless, subject to market conditions and the Group's capital management needs at the relevant time of the Bondholders' exercise of conversion rights, the Company may consider transferring treasury shares (if any) instead of allotment and issuance of Shares.

## **USE OF PROCEEDS**

The aggregate principal amount of the Bonds will be US\$180,000,000. The net proceeds from the Bonds (after deduction of commissions and other related expenses) are estimated to be approximately US\$177.2 million, representing a net issue price of approximately HK\$2.67 per Conversion Share based on the initial Conversion Price. The Group intends to apply the net proceeds from the issue of the Bonds to refinance existing indebtedness (including without limitation, for funding the Concurrent Repurchase) and for general corporate purposes.

## **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.

As such, the Directors (including the independent non-executive Directors) consider that (i) the Concurrent Repurchase and the terms and conditions of the Dealer Manager Agreement (including the Dealer Manager's fees); and (ii) the Issue Price, the Conversion Price and the terms and conditions of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **GENERAL MANDATE**

The Conversion Shares will be allotted and issued under the General Mandate granted to the Directors at the AGM. Under the General Mandate, a maximum of 752,334,128 new Shares may fall to be allotted and issued. As at the date of this announcement, the General Mandate has not been utilised. The Conversion Shares in respect of the Bonds will utilise, based on the initial Conversion Price, 520,498,892 Shares under the General Mandate, representing approximately 69.18 per cent. of the maximum number that is allowed to be allotted and issued under the General Mandate. As such, the Board considers that the General Mandate will be sufficient for, and no further Shareholders' approval is required for, the allotment and issue of the Conversion Shares.

In any event, if the number of the Conversion Shares does indeed exceed the General Mandate upon future adjustment to the Conversion Price pursuant to the Terms and Conditions, the Company will seek a specific mandate from its Shareholders for issuing the Conversion Shares exceeding the General Mandate.

## **EQUITY FUND-RAISING ACTIVITY BY THE COMPANY IN THE LAST 12 MONTHS**

The Company has not raised any fund by issuing equity securities during the 12 months immediately before the date of this announcement.

## **GENERAL INFORMATION**

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.

**Completion of the Concurrent Repurchase and the subscription and issuance of the Bonds is subject to the satisfaction and/or waiver of the conditions precedent contained in the Dealer Manager Agreement and the Subscription Agreement, as applicable. In addition, the Dealer Manager Agreement and the Subscription Agreement may be terminated under certain circumstances. Please refer to the sections headed “The Dealer Manager Agreement” and “Subscription Agreement” above for further information.**

**As the Concurrent Repurchase and the issue of the Bonds may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Agency Agreement”	the paying, conversion and transfer agency agreement in respect of the Bonds to be entered into among the Company, the Trustee and the agents named therein
“AGM”	the annual general meeting of the Company held on 28 May 2025
“Board”	the board of Directors
“Bondholders”	holders of the Bonds from time to time
“Bonds”	5.25 per cent. convertible bonds in an aggregate principal amount of US\$180,000,000 due 2031 to be issued by the Company pursuant to the Subscription Agreement
“Bonds Issue”	the proposed issue of the Bonds by the Company
“Change of Control”	<ul style="list-style-type: none"><li>(i) any person or persons other than the Permitted Holders (or persons who are controlled by the Permitted Holders) acting together acquires control of the Company if such person or persons does not or do not have, and would not be deemed to have, control of the Company on the Issue Date;</li><li>(ii) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person, unless the consolidation, merger, sale or transfer will not result in such other person or persons, other than the Permitted Holders, acquiring control over the Company or the successor entity; or</li><li>(iii) the Permitted Holders cease to own at least 20 per cent. of the Company</li></ul>
“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

“Controlling Shareholder”	LuYe Pharmaceutical Investment Co., Ltd., a controlling shareholder of the Company holding approximately 31.20 per cent. of the issued share capital of the Company as at the date of this announcement
“Conversion Shares”	the Shares to be issued by the Company upon conversion of the Bonds pursuant to the Trust Deed and the Terms and Conditions
“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
“Directors”	the directors of the Company
“Eligible Bondholder”	means a holder of the Existing Convertible Bonds that is (i) not located or resident in the United States, and (ii) not a person acting on behalf of a beneficial owner of Existing Convertible Bonds located or resident in the United States, or acting for the account or benefit of any person located or resident in the United States
“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)
“General Mandate”	the general mandate granted to the Board by the Shareholders at the AGM, which authorised the Directors to allot, issue and/or deal with up to 752,334,128 Shares, representing 20% of the total number of Shares of the Company in issue as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Date”	the date on which the Bonds are issued, which is tentatively scheduled for 10 June 2026 or such later date as the Company and the Manager may agree
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lock-up Agreement”	a lock-up agreement to be delivered by the Controlling Shareholder to the Manager on or prior to the date of the Subscription Agreement

“Manager”	UBS AG Hong Kong Branch
“NDRC”	the National Development and Reform Commission of the PRC
“NDRC Administrative Measures”	the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法 (國家發展和改革委員會令第56號)) issued by the NDRC and effective from 10 February 2023 and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time
“Permitted Holders”	any or all of the following: Mr. Liu Dian Bo, the Controlling Shareholder, and any person or persons controlled by them
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“professional investors”	has the meaning given to it in the Securities and Futures Ordinance (Cap. 571) and the Securities and Futures (Professional Investors) Rules (Cap. 571D)
“Relevant Event”	when the Shares cease to be listed or admitted to trading or are suspended on the Main Board of the Stock Exchange for a period equal to or exceeding 30 consecutive trading days, or when there is a Change of Control
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of US\$0.02 each in the issued share capital of the Company
“Stock Borrowing and Lending Agreement”	the stock borrowing and lending agreement dated 3 June 2026 entered into between UBS AG, London Branch as borrower and custodian and the Controlling Shareholder as lender, whereby the Controlling Shareholder has agreed to provide stock lending over certain Shares to the borrower in connection with the proposed issue of the Bonds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 3 June 2026 entered into between the Company and the Manager in relation to the subscription of the Bonds
“Terms and Conditions”	the terms and conditions of the Bonds

“Trust Deed”	the trust deed constituting the Bonds to be entered into between the Company and the Trustee
“Trustee”	Citicorp International Limited
“United States”	the United States of America
“USD” or “US\$”	United States dollars, the lawful currency of the United States
“Vienna Stock Exchange”	the Vienna MTF operated by the Vienna Stock Exchange

*In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.*

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

*This announcement contains certain translations at the exchange rate of US\$1.00 to HK\$7.8364. These translations are provided for reference only, and no representation is made, and no representation should be construed as being made, that any amounts in US dollars or HK dollars can be or could have been converted at the above rate or any other rates or at all.*

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

Hong Kong, 4 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.*