LUYE PHARMA GROUP LTD.

绿叶制药集团有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 02186)

VOLUNTARY ANNOUNCEMENT

MARKETING REGISTRATION OF CLASS 1 INNOVATIVE ANTIDEPRESSANT RUOXINLIN® (LY03005) APPROVED BY NMPA

The board of directors (the "**Board**") of Luye Pharma Group Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") announces that the marketing registration in relation to the class 1 innovative drug Toludesvenlafaxine Hydrochloride Extended-Release Tablets (Trade name: Ruoxinlin®, LY03005) ("**Ruoxinlin**") developed by the Group has been approved by the National Medical Products Administration ("**NMPA**") of the People's Republic of China ("**China**") for treating Major Depressive Disorder ("**MDD**"). As far as the Company is aware, the product is the first class 1 innovative chemical drug with independent intellectual property rights for the treatment of MDD developed by a local company in China. The launch of this product is a major breakthrough for innovative drugs developed locally in China in this field.

Ruoxinlin is a new chemical entity. The results of the mechanism of action ("**MOA**") for Ruoxinlin® were published in Frontiers in Pharmacology. The results of phase II clinical trial were published in the International Journal of Neuropsychopharmacology and released at the 19th National Psychiatry Conference of the Chinese Medical Association. The results of phase III clinical trial were presented in the 2022 annual meeting of the American Psychiatric Association ("**APA**"). A pre-clinical study on MOA of Ruoxinlin® shows that it is a serotonin (5-HT)-norepinephrine (NE)-dopamine ("**DA**") reuptake inhibitor ("**SNDRI**"). Neurotransmitters 5-HT, NE, and DA are closely associated with MDD. Compared with existing selective 5-HT reuptake inhibitors ("**SSRIs**") and 5-HT/NE reuptake inhibitors ("**SNRIs**"), SNDRI increases the intervention of DA, which promises a greater synergy between the therapeutic agents and a more comprehensive improvement in different dimensions of MDD symptoms of depressed patients. It can also alleviate the side effects caused by the decrease in DA as a result of increased 5-HT levels.

The approval of Ruoxinlin is based on six clinical studies conducted in China. Such clinical studies show that Ruoxinlin is able to comprehensively and stably improve depressive symptoms, including significantly reducing anxiety and retardation/fatigue, relieving anhedonia, improving cognition, and facilitating faster social recovery of patients. Further, the drug does not cause somnolence and has no significant impacts on sexual functioning, bodyweight, and lipid metabolism, demonstrating a favorable safety profile and good tolerability.

MDD has a high incidence rate, a high recurrence rate, and a high drug-induced disability rate. Data from the World Health Organization shows that about 3.8% of the global population suffer from MDD, and a China's latest epidemiological survey in China indicates that 3.4% of the population in China are living with MDD, which means that China has around 50 million MDD patients who need to treat with standard medications. The relapse rate of MDD is as high as 50%–85%, and 50% of the relapses would happen within 2 years after the onset of the disease. As a result, MDD has become a significant burden on the family life of the patients and their social productivity.

Patients can generally benefit from existing antidepressants, but they still have major unmet needs such as low cure rates and residual symptoms, which mainly include anxiety, cognitive impairment, fatigue, and anhedonia. Those symptoms severely impair their social functioning and precipitate relapses. In addition, current treatments often cause adverse reactions, such as sexual dysfunction, weight gain, emotional retardation, and somnolence, resulting in poor medication compliance, an important reason for poor prognosis.

Authoritative MDD treatment guidelines in China and abroad define the goal of treatment as "achieving clinical cure, reducing risk of relapse, alleviating functional impairment, and enhancing quality of life". In other words, patients need to be treated for all symptoms, including emotional, somatic and cognitive symptoms. Developed to fulfill that goal, Ruoxinlin is expected to become a better therapy for MDD patients and facilitate their social recovery.

Ruoxinlin has also been approved for Phase III clinical trials for the treatment of Generalized Anxiety Disorder in China. Further clinical studies will help to unleash the full therapeutic potentials of Ruoxinlin, which is expected to bring a new treatment option to patients who are suffering from such diseases.

The Group has launched several products for the central nervous system therapeutic area ("**CNS**"), including Risperidone Microspheres for Injection (II) (Rykindo®), Seroquel, Seroquel XR, Rivastigmine patches, Rivastigmine Multi-Day Transdermal Patch, Fentanyl patches and Buprenorphine patches, covering over 80 countries and regions around the world, including large pharmaceutical markets in China, the U.S., Europe and Japan, as well as fast growing emerging markets.

The Group's CNS division has set up a professional marketing and sales team in relation to five major sales regions in China, covering all regions of the country.

The Company believes that Ruoxinlin meets the current urgent clinical needs and has good market potential. At the same time, with the launch of this product, the company will further enrich its product pipelines in CNS, and cooperate with the Group's existing resources and advantages in CNS to accelerate the company's layout and development in this field.

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

Hong Kong, 3 November 2022

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. SUN Xin; and the independent non-executive directors of the Company are Mr. ZHANG Hua Qiao, Professor LO Yuk Lam, Mr. LEUNG Man Kit and Mr. CHOY Sze Chung Jojo.