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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)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF BOAN BIOTECH
ON THE MAIN BOARD OF THE STOCK EXCHANGE**

PUBLICATION OF PROSPECTUS BY BOAN BIOTECH

EXPECTED SIZE OF THE GLOBAL OFFERING AND OFFER PRICE

In connection with the Proposed Spin-off and the Global Offering, Boan Biotech published the Prospectus on 19 December 2022. The Prospectus is available for viewing and downloading from the websites of Boan Biotech at www.boan-bio.com and the Stock Exchange at www.hkexnews.hk from 19 December 2022.

As disclosed in the Prospectus, the total number of the H Shares of Boan Biotech to be offered pursuant to the Global Offering will be 10,694,800 H Shares (assuming the Over-allotment Option is not exercised), representing approximately 2.10% of the total number of the H Shares of Boan Biotech in issue immediately upon completion of the Global Offering, or 12,299,000 H Shares (assuming the Over-allotment Option is exercised in full), representing approximately 2.41% of the total number of the H Shares of Boan Biotech in issue immediately upon completion of the Global Offering.

The offer price for the H Shares of Boan Biotech in the Global Offering is HK\$19.80 per share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and AFRC transaction levy of 0.00015%), unless otherwise announced.

The Proposed Spin-off is subject to a number of conditions. **Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off and the Global Offering (including the Preferential Offering) will proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.**

Reference is made to the announcements of Luye Pharma Group Ltd. (the “**Company**”) in relation to the Proposed Spin-off of Boan Biotech. Unless otherwise defined, capitalized terms used in this announcement have the same meanings as those defined in the Announcements.

PUBLICATION OF THE PROSPECTUS

In connection with the Proposed Spin-off and the Global Offering, Boan Biotech has published the Prospectus on 19 December 2022. The Prospectus contains, among other things, (i) details of the number of the H Shares of Boan Biotech to be offered in the Global Offering, other details of the Global Offering, and (ii) certain business and financial information relating to Boan Biotech.

The Prospectus is available for viewing and downloading from the websites of Boan Biotech at www.boan-bio.com and the Stock Exchange at www.hkexnews.hk from 19 December 2022. Boan Biotech has adopted a fully electronic application process for the Global Offering. Boan Biotech will not provide printed copies of the Prospectus or printed copies of any application forms to the public in relation to the Global Offering.

PREFERENTIAL OFFERING

Qualifying Shareholders will be provided with the Assured Entitlement to an aggregate of 534,800 Reserved Shares in the Preferential Offering, representing approximately 5.0% of the H Shares of Boan Biotech initially available under the Global Offering (before any exercise of the Over-allotment Option), and the basis of the Assured Entitlement is one Reserved Share for every integral multiple of

6,638 Shares held by Qualifying Shareholders as at 4:30 p.m. on the Record Date, being Friday, 16 December 2022. The Reserved Shares are being offered out of the number of H Shares of Boan Biotech being offered under the International Offering.

A blue application form has been despatched to each Qualifying Shareholder at the address of such Qualifying Shareholder as shown on the register of members of the Company as at 4:30 p.m. on the Record Date. Qualifying Shareholders will receive a copy of the Prospectus in the manner in which they have elected, or are deemed to have elected, to receive corporate communications under the Company's corporate communications policy. The procedures for applying for the Reserved Shares pursuant to the Preferential Offering are set out in the Prospectus and the blue application form.

EXPECTED SIZE OF THE GLOBAL OFFERING AND OFFER PRICE RANGE

As disclosed in the Prospectus, the total number of the H Shares of Boan Biotech to be offered pursuant to the Global Offering will be 10,694,800 H Shares (assuming the Over-allotment Option is not exercised), representing approximately 2.10% of the total number of the H Shares of Boan Biotech in issue immediately upon completion of the Global Offering, or 12,299,000 H Shares (assuming the Over-allotment Option is exercised in full), representing approximately 2.41% of the total number of the H Shares of Boan Biotech in issue immediately upon completion of the Global Offering.

The offer price for the H Shares of Boan Biotech in the Global Offering is HK\$19.80 per share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and AFRC transaction levy of 0.00015%), unless otherwise announced.

On the basis of the number of the H Shares of Boan Biotech to be offered pursuant to the Global Offering and the offer price as stated above, if the Global Offering proceeds:

- (a) the market capitalization of the H Shares of Boan Biotech will be HK\$10,083.7 million (assuming that the Over-allotment Option is not exercised); and
- (b) the Company, through its wholly owned subsidiaries, will indirectly control in aggregate approximately 70.81% of the total issued share capital of Boan Biotech immediately upon completion of the Global Offering (assuming that the Over-allotment Option is not exercised).

GENERAL

In connection with the Global Offering, the price of the H Shares of Boan Biotech may be stabilized in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571 of the Laws of Hong Kong). Details of any intended stabilization and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) is contained in the Prospectus.

The Proposed Spin-off is subject to, amongst others, (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares, and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not having been terminated in accordance with the terms of the respective agreements.

Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off and the Global Offering (including the Preferential Offering) will proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.

This announcement is not intended to, and does not, constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any H Shares of Boan Biotech in connection with the Global Offering or otherwise. Any such offer or solicitation is made solely through the Prospectus or other offering documents that may be issued in compliance with applicable laws and any decision to subscribe for or purchase the H Shares of Boan Biotech in connection with the Global Offering or otherwise should be made solely on the basis of the information contained in the Prospectus and such other offering documents. No action has been or will be taken in any jurisdiction (other than in Hong Kong) that would permit a public offering of the H Shares of Boan Biotech to be offered in the Global Offering in any jurisdiction where action for that purpose is required.

Further announcements will be made by the Company in relation to the Proposed Spin-off and the Global Offering as and when appropriate.

DEFINITIONS

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

“AFRC”	the Accounting and Financial Reporting Council
“Hong Kong Underwriters”	the underwriters for the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement relating to the Hong Kong Public Offering entered into by, among other parties, Boan Biotech, the controlling shareholders of Boan Biotech, Overall Coordinators, the Joint Global Coordinators and the Hong Kong Underwriters
“International Purchasers”	the group of international purchasers expected to enter into the International Purchase Agreement relating to the International Offering

“International Purchase Agreement”	the international purchase agreement relating to the International Offering to be entered into by, among other parties, Boan Biotech, the controlling shareholders of Boan Biotech, the Overall Coordinators, the Joint Global Coordinators and the International Purchasers
“Joint Bookrunners”	UBS AG Hong Kong Branch and Essence International Securities (Hong Kong) Limited
“Joint Global Coordinators”	UBS AG Hong Kong Branch and Essence International Securities (Hong Kong) Limited
“Over-allotment Option”	the option expected to be granted by Boan Biotech to the Overall Coordinators, pursuant to which Boan Biotech may be required to allot and issue up to an aggregate of 1,604,200 additional H Shares (representing approximately 15.0% of the H Shares initially being offered under the Global Offering) at the offer price of H Shares Boan Biotech to, among others, cover over-allocations in the International Offering
“Overall Coordinators”	UBS AG Hong Kong Branch and Essence International Securities (Hong Kong) Limited
“SFC”	the Securities and Futures Commission of Hong Kong
“Underwriters”	the Hong Kong Underwriters and the International Purchasers

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

Hong Kong, 19 December 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.