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LUYE PHARMA GROUP LTD.

绿叶制药集团有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 02186)

MAJOR TRANSACTION

ACQUISITION OF THE EQUITY INTEREST IN BEIJING JIALIN PHARMACEUTICAL CO., LTD.

FULFILLMENT OF PERFORMANCE GUARANTEE

Reference is made to the announcements of Luye Pharma Group Ltd. (the “**Company**”) dated 27 August 2014, 6 October 2014, 24 October 2014, 5 November 2014, 20 November 2014, 1 December 2014, 15 December 2014, 30 December 2014, 16 January 2015, 2 February 2015 and 9 February 2015 and the circular of the Company dated 31 December 2014 (the “**Circular**”) in relation to the acquisition of equity interest in Beijing Jialin Pharmaceutical Co., Ltd. Capitalised terms used herein shall have the same meanings as defined in the Circular, unless the context requires otherwise.

As disclosed in the Circular, under the terms of the First Tranche Agreement and the Second Tranche Agreement, Mylin Holdings has provided a performance guarantee to the Purchaser that the net profit after taxation and extraordinary items of the Target prepared based on IFRSs in respect of the financial year ended 31 December 2014 would not be less than RMB350 million (the “**2014 Performance Guarantee**”). Based on the actual profit after taxation and extraordinary items of the Target prepared in accordance with IFRSs for the financial year ended 31 December 2014, the 2014 Performance Guarantee has been fulfilled.

Shareholders and potential investors should note that completion of the Acquisitions and the Remaining Equity Interest Acquisitions is subject to conditions precedent to be fulfilled. The Acquisitions and the Remaining Equity Interest Acquisitions may or may not proceed as contemplated or at all. Shareholders and potential investors should also note that there are risks associated with the Acquisitions and the Remaining Equity Interest Acquisitions and they should consider and assess all the risks carefully. Shareholders and potential investors are reminded to exercise extreme caution when dealing in the Shares and other securities of the Company.

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

Hong Kong, 30 March 2015

As at the date of this announcement, the Executive Directors of the Company are Mr. LIU Dian Bo, Mr. YUAN Hui Xian, Mr. YANG Rong Bing and Ms. ZHU Yuan Yuan; the Non-executive Directors are Mr. PAN Jian, Mr. LIU Dong and Ms. WANG Xin; and the Independent Non-executive Directors are Mr. ZHANG Hua Qiao, Professor LO Yuk Lam, Mr. LEUNG Man Kit and Mr. CHOY Sze Chung Jojo.