

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



LUYE PHARMA GROUP LTD.

绿叶制药集团有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 02186)

**MAJOR TRANSACTION
ACQUISITION OF THE EQUITY INTEREST IN
BEIJING JIALIN PHARMACEUTICAL CO., LTD.
SUPPLEMENTAL AGREEMENT**

On 30 December 2014, the Company, through its wholly-owned subsidiary Shandong Luye, entered into Mylin Holdings Supplemental Agreement with Mylin Holdings pursuant to which the parties agreed to amend the First Tranche Agreement.

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.

Reference is made to the announcements of the Company dated 27 August 2014, 6 October 2014, 24 October 2014, 5 November 2014, 20 November 2014, 1 December 2014 and 15 December 2014 in relation to the Group's acquisition of equity interest in Beijing Jialin Pharmaceutical Co., Ltd. (the "**previous announcements**"). Capitalised terms used herein shall have the same meanings as defined in the previous announcements, as the case may be, unless the context requires otherwise.

SUPPLEMENTAL AGREEMENT

On 30 December 2014, the Company, through its wholly-owned subsidiary Shandong Luye, entered into a supplemental agreement (the “**Mylin Holdings Supplemental Agreement**”) with Mylin Holdings and the Target pursuant to which the parties agreed to amend the First Tranche Agreement. The principal amendments contemplated under the Mylin Holdings Supplemental Agreement are summarised below:

According to the Mylin Holdings Supplemental Agreement, the First Tranche Agreement shall be terminated automatically if Shandong Luye has not paid the entire First Payment on or before 31 December 2014, which shall be extended to 31 January 2015 if Shandong Luye has already paid the Second Deposit (equivalent to RMB500,000,000) to Mylin Holdings.

Shandong Luye paid the First Deposit to Mylin Holdings on 2 December 2014. As at 17 December 2014, Mylin Holdings has completed the business registration at the State Administration for Industry and Commerce of the PRC with respect to the pledge over the 6% and the 15% equity interest in the Target in favour of Shandong Luye. The pledge over the 6% equity interest in the Target was as a security for the First Deposit and the pledge over the 15% equity interest in the Target was as a security for the Second Deposit.

REASONS FOR AND BENEFITS OF THE MYLIN HOLDINGS SUPPLEMENTAL AGREEMENT

The Directors believes that the amended terms under the Mylin Holdings Supplemental Agreement provides the Group with flexibilities in terms of the timing for and the completion of the First Tranche Acquisition.

On the basis set out above, the Directors take the view that the entering into of the Mylin Holdings Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

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 December 2014

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.