

*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 AGREEMENTS AND FURTHER DELAY IN DESPATCH OF CIRCULAR**

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 and 1 December 2014 in relation to the Group's acquisition of equity interest in Beijing Jialin Pharmaceutical Co., Ltd. Capitalised terms used herein shall have the same meanings as defined in the announcements dated 27 August 2014, 24 October 2014 and 1 December 2014, as the case may be, unless the context requires otherwise.

On 12 December 2014, the Group, through its wholly-owned subsidiary Shandong Luye, entered into the Supplemental Agreements with Beijing CITIC, the Other Sellers and the Target, pursuant to which Shandong Luye, Beijing CITIC and the Target agreed to amend the payment terms of the Third Tranche Agreement; and Shandong Luye, the Other Sellers and the Target agreed to amend the payment terms of the respective Remaining Equity Interest Agreements.

**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 and 1 December 2014 in relation to the Group's acquisition of equity interest in Beijing Jialin Pharmaceutical Co., Ltd. Capitalised terms used herein shall have the same meanings as defined in the announcements dated 27 August 2014, 24 October 2014 and 1 December 2014 as the case may be, unless the context requires otherwise.

## **SUPPLEMENTAL AGREEMENTS**

On 12 December 2014, the Group, through its wholly-owned subsidiary Shandong Luye, entered into a supplemental agreement (the “**Beijing CITIC Supplemental Agreement**”) with Beijing CITIC and the Target, pursuant to which the parties agreed to amend the payment terms of the Third Tranche Agreement.

On 12 December 2014, the Group, through its wholly-owned subsidiary Shandong Luye and the Target, also entered into supplemental agreements (together with the Beijing CITIC Supplemental Agreement, collectively, the “**Supplemental Agreements**”) with Xinjiang Plane Trees Equity Investment Co., Ltd., Beijing Zhongguancun Guosheng Venture Capital Center (Limited Partnership), Beijing Huacheng Hongtai Co., Ltd., Shenzhen Everest Cornerstone Equity Investment Partnership (Limited Partnership), Tibet Silicon Valley Angel Venture Capital Co., Ltd., Ningbo Chengrun Investment Management Centre (Limited Partnership), Suzhou Blue County Venture Capital Center (Limited Partnership), Dazi County Zhongrong Tarzan Preferred Fund (Limited Partnership), Quan Wei, Zhejiang Conba Pharmaceutical Co., Ltd., Qingdao Ocean Foundation Venture Capital Co., Ltd. (Limited Partnership) and Shenzhen Central Cornerstone Equity Investment Partnership (Limited Partnership) (together the “**Other Sellers**”), respectively, pursuant to which the parties agreed to amend the payment terms of the respective Remaining Equity Interest Agreements. The principal amendments contemplated under the Supplemental Agreements are set out as follows:

### **Payment terms**

Pursuant to the Supplemental Agreements, the parties agreed that the purchase price for the Third Tranche Acquisition and the respective acquisitions from the Other Sellers shall be payable and satisfied in the following manner:

- (a) 50% of the purchase price is payable within five business days from the date that the conditions precedent to the completion of the respective acquisitions have been fulfilled or waived and the second payment of the First Tranche Acquisition (namely the remaining balance of the purchase price for the First Tranche Acquisition after the First Payment has been made to Mylin Holdings) has been paid by Shandong Luye to Mylin Holdings; and
- (b) another 50% of the purchase price is payable within five business days from the date of the completion of the respective acquisitions.

Save for the above, all other terms and conditions of the Third Tranche Agreement and each of the Remaining Equity Interest Agreements with the Other Sellers shall remain unchanged and continue in full force and effect.

## **REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENTS**

As stated in the Company's announcement dated 1 December 2014, the Company entered into a Supplemental Agreement with Mylin Holdings to amend, among other things, the payment terms for the First Tranche Acquisition and the Second Tranche Acquisition. The Directors believe that the amended payment terms under the Supplemental Agreements are preferable in view of the amendments made to the First Tranche Acquisition and the Second Tranche Acquisition and will provide the Group with flexibilities in terms of the timing for payment of the purchase price for the Third Tranche Acquisition and the respective acquisitions from the Other Sellers under the amended payment schedule.

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

As advised by Cao Lesheng ("Mr. Cao"), he is currently abroad and in a different time zone. Therefore, further time is required for the Company to communicate with Mr. Cao with a view to entering into a supplemental agreement to amend the terms of the relevant Remaining Equity Interest Agreement. Further announcement(s) will be made by the Company as and when appropriate.

## **FURTHER DELAY IN DESPATCH OF THE CIRCULAR**

As previously announced by the Company on 1 December 2014, the Circular (together with the notice of the special general meeting and the proxy form) was expected to be despatched to the Shareholders on or before 15 December 2014. As the Company is still finalising the contents of the Circular, the Company expects to despatch the Circular to the Shareholders on or before 31 December 2014.

As of the date of this announcement, the conditions precedent to the completion of the First Tranche Acquisition have not been fully satisfied or waived (as the case may be) and no agreement has been reached between the Purchaser, Mylin Holdings and the Target on the extension of the Long-stop Date. The Company will keep the Shareholders informed if a new Long-stop Date has been agreed between the parties. Further announcement(s) will be made by the Company as and when appropriate.

**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, 15 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.*