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丽珠医药
LIVZON

麗珠醫藥集團股份有限公司

LIVZON PHARMACEUTICAL GROUP INC.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1513)

DISTRIBUTION OF CASH DIVIDEND

Reference is made to the announcement published by 麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.* (the “**Company**”) on 20 May 2022 in relation to the poll results of the Annual General Meeting for the Year 2021 (the “**AGM**”), the 2022 First Class Meeting of A Shareholders (the “**Class Meeting of A Shareholders**”) and the 2022 First Class Meeting of H Shareholders (the “**Class Meeting of H Shareholders**”) (collectively, the “**Meetings**”) held on 20 May 2022. Details of the resolutions considered at the Meetings were set out in the circular of the Company dated 27 April 2022 (the “**Circular**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The AGM has approved to distribute cash dividend of RMB13.00 (tax inclusive) for every 10 shares to all Shareholders of the Company, based on the Company's total share capital (excluding the shares of the Company which were repurchased but not yet cancelled) as at the registration date of shareholding as determined by implementation of the 2021 annual profit distribution plan. There will be no bonus shares, nor will the capital reserves be capitalized.

The Cash Dividend will be distributed to Shareholders whose names are on the register of the Shareholders of the Company on Wednesday, 1 June 2022. The aforementioned Cash Dividend will be denominated and declared in RMB and will be distributed in RMB to the A Shareholders of the Company and in HKD to H Shareholders, using the middle exchange rates for RMB to HKD (i.e. HKD1.00 to RMB0.86004) as published by the People's Bank of China on the date of the AGM (Friday, 20 May 2022) as the exchange rate, being a Cash Dividend of approximately HKD1.51156 per H Share (tax inclusive).

The record date for determining the qualification of the H Shareholders for the proposed distribution of the Cash Dividend will be Wednesday, 1 June 2022. In order to be qualified for the proposed distribution of the Cash Dividend, H Shareholders who are not yet registered must lodge all transfers of shares accompanied by the relevant share certificates with the Company's H Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 1 June 2022.

In accordance with the “Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》)” and the “Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法實施條例》)”, both became effective on 1 January 2008, and the “Notice of the State Administration of Taxation on Issues Relevant to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Offshore Non-resident Enterprise Holders of H Shares (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外 H 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897 號))” promulgated by the State Administration of Taxation on 6 November 2008, the Company is obliged to withhold and pay the PRC enterprise income tax on behalf of non-resident enterprise(s) at a tax rate of 10% when the Company distributes any dividends to non-resident enterprise Shareholder(s) whose names appear on the register of members for H Shares of the Company. Accordingly, any H Shares which are not registered under the name(s) of individual(s) (which, for this purpose, include H Shares registered under the name of HKSCC Nominees Limited, other nominees, trustees, or other organisations or groups) shall be deemed to be H Shares held by non-resident enterprise Shareholder(s), and the PRC enterprise income tax shall be withheld from dividends payable thereon. Non-resident enterprise Shareholders may apply for a tax refund for the difference (if any) in accordance to relevant tax laws such as tax treaty (arrangement).

In accordance with the “Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020 號))” promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are temporarily exempted from the PRC individual income tax for dividends or bonuses received from foreign invested enterprises. As the Company is a foreign-invested enterprise, the Company will not withhold and pay the individual income tax on behalf of overseas individual Shareholders whose names appear on the register of members for H Shares of the Company when the Company distributes dividends to those Shareholders.

In accordance with the “Notice of the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127 號))”, (i) for dividends received by domestic individual investor from investing in the Company’s H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the Company shall apply to China Securities Depository and Clearing Corporation Limited (“CSDCC”) for the registrar of domestic individual investors, and the Company is obliged to withhold personal income tax at a tax rate of 20%. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland securities investment funds through the Shenzhen-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above requirements; (ii) for dividends received by domestic enterprise investors from investing in the shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, such amount shall be reckoned in their gross revenue and subject to corporate income tax pursuant to laws. In particular, for the dividends obtained by domestic resident enterprises from holding relevant H Shares for consecutive 12 months, the corporate income taxes shall be exempted pursuant to laws. The Company shall apply to CSDCC for the registrar of domestic individual investors. The Company will not withhold the income tax on dividend for the domestic enterprise investors, and the tax payable shall be declared and paid by the domestic enterprise investors.

Shareholders should consult their tax advisers about the impact of taxation of China and Hong Kong and other tax effects resulted from holding and selling the H Shares of the Company. The Company does not and will not assume liability in respect of any possible impact over anyone arising from abovementioned withholding and payment.

The Company will not accept any claims arising from and assumes no liability whatsoever in respect of any delay in, or inaccurate determination of, the identity of the Shareholders or any disputes over the withholding and payment of tax.

The Company has appointed Industrial and Commercial Bank of China (Asia) Trustee Company Limited (工銀亞洲信託有限公司) as the receiving agent in Hong Kong (the “**Receiving Agent**”) and will pay to the Receiving Agent the Cash Dividend as declared for payment to H Shareholders. Relevant cheques of the Cash Dividend will be despatched on Friday, 24 June 2022 to the H Shareholders entitled to receive such Cash Dividend by ordinary post at their own risk.

For A Shareholders, the record date for Cash Dividend, payment methods and time will be announced separately on the website of the Shenzhen Stock Exchange.

By order of the Board
麗珠醫藥集團股份有限公司
Livzon Pharmaceutical Group Inc. *
Yang Liang
Company Secretary

Zhuhai, China
24 May 2022

As at the date of this announcement, the Executive Directors of the Company are Mr. Tang Yanggang (President) and Mr. Xu Guoxiang (Vice Chairman and Vice President); the Non-Executive Directors of the Company are Mr. Zhu Baoguo (Chairman), Mr. Tao Desheng (Vice Chairman), Mr. Qiu Qingfeng and Mr. Yu Xiong; and the Independent Non-Executive Directors of the Company are Mr. Bai Hua, Mr. Tian Qiusheng, Mr. Wong Kam Wa, Mr. Luo Huiyuan and Ms. Cui Lijie.

** For identification purpose only*