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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)**

## **NOTICE OF THE 2023 FIRST CLASS MEETING OF H SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the 2023 first class meeting of H shareholders (the “**Class Meeting of H Shareholders**”) of 麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.\* (the “**Company**”) will be held at the Conference Room on the 6th Floor of Headquarters Building, 38 Chuangye North Road, Jinwan District, Zhuhai, Guangdong Province, China at 4:00 p.m. (or immediately after the conclusion of the 2023 first class meeting of A shareholders or any adjournment meeting thereof) on Wednesday, 21 June 2023, agenda of which is set out below:

### **SPECIAL RESOLUTION**

1. To consider and approve the renewal of the Repurchase of Part of the Company's A Shares Scheme.

\* For identification purpose only

*Notes:*

1. Please refer to the appendix hereto for an explanatory statement in relation to the proposed general mandate to repurchase A Shares of the Company.
2. All resolutions at the Class Meeting of H Shareholders will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.livzon.com.cn](http://www.livzon.com.cn)) in accordance with the Hong Kong Listing Rules.
3. The record date for determining the qualification of the holders of the shares of the Company (the “**Shareholder(s)**”) to attend and vote at the Class Meeting of H Shareholders will be Wednesday, 14 June 2023. In order to qualify as Shareholders to attend and vote at the Class Meeting of H Shareholders, holders of H shares of the Company (the “**H Shareholders**”) who are not 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 14 June 2023.
4. Any H Shareholder entitled to attend and vote at the Class Meeting of H Shareholders is entitled to appoint one or more persons as his/her/its proxy to attend and vote in his/her/its stead. A proxy need not be a H Shareholder. If more than one proxy is so appointed, the appointment shall specify the number of H Shares in respect of which each such proxy is so appointed.
5. A H Shareholder shall attend the Class Meeting of H Shareholders by his/her/its proxy duly authorised in writing. The instrument appointing a proxy must be signed by the H Shareholder(s) or his/her/its attorney duly authorised in writing. Where the H Shareholder is a legal person, the proxy form shall be executed under its common seal or under the hand of its director or a legal representative or an attorney duly authorised. If the proxy form is signed by the attorney of the H Shareholder, the power of attorney or other documents of authorisation must be notarised. To be valid, the H Shareholders must lodge the proxy form with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the holding of the Class Meeting of H Shareholders. Completion and return of the proxy form will not preclude H Shareholders from attending and voting at the Class Meeting of H Shareholders or any adjournment thereof in person, and in such event, the proxy form shall be deemed to be revoked.
6. Contact details of the Secretariat of the Board are as follows:

Address:	Office of the Secretariat of the Board, Livzon Pharmaceutical Group Inc., Headquarters Building, 38 Chuangye North Road, Jinwan District, Zhuhai, Guangdong Province, China
Postal code:	519090
Contact persons:	Mr. Ye Delong, Ms. Yuan Ailing
Telephone:	(86) 756 8135888
Fax:	(86) 756 8891070
7. H Shareholders or their proxies shall produce their identity proof when attending the Class Meeting of H Shareholders.
8. The Class Meeting of H Shareholders is expected to last for 30 minutes. H Shareholders (in person or by proxy) who attend the Class Meeting of H Shareholders should be responsible for their own travelling, lodging and the related costs.

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  
16 May 2023

*As at the date of this notice, 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

## APPENDIX

This appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Hong Kong Listing Rules (as modified by Rules 19A.24 and 19A.25 of the Hong Kong Listing Rules), to provide the requisite information to the Shareholders of the Company for their consideration of the Repurchase of Part of the Company's A Shares Scheme (the "**A Share Repurchase Mandate**").

### NUMBER OF THE A SHARES PROPOSED TO BE REPURCHASED

Based on the maximum aggregate repurchase amount of RMB800 million and the maximum repurchase price of RMB40.00/A Share, the number of A Shares to be repurchased is estimated to be no more than 20,000,000 A Shares, accounting for approximately 2.14% of the Company's total share capital and approximately 3.20% of the Company's total issued A Shares as at 11 May 2023, being the latest practicable date for the purpose of ascertaining certain information contained herein (the "**Latest Practicable Date**"). Based on the minimum aggregate repurchase amount of RMB400 million and the maximum repurchase price of RMB40.00/A Share, the number of A Shares to be repurchased is estimated to be no more than 10,000,000 A Shares, accounting for approximately 1.07% of the Company's total share capital and approximately 1.60% of the Company's total issued A Shares as at the Latest Practicable Date.

Upon approval of the A Share Repurchase Mandate at the annual general meeting for the year 2022, 2023 first class meeting of A shareholders and the Class Meeting of H Shareholders of the Company (collectively, the "**General Meetings**") until the expiry of the Repurchase Period (as defined below), the total number of A Shares that may be repurchased under the A Share Repurchase Mandate by the Company shall not exceed 10% of the total number of the issued A Shares on the date of the General Meetings.

### EXERCISE OF THE A SHARE REPURCHASE MANDATE

If the A Share Repurchase Mandate is approved at the General Meetings respectively, the Board will be granted the A Share Repurchase Mandate until the earliest of (a) 24 October 2023; or (b) the date on which the authority conferred by the A Share Repurchase Mandate is revoked or varied by a special resolution of the Shareholders at a general meeting or by the A Shareholders or the H Shareholders at their respective class meetings (the "**Repurchase Period**").

### REASONS FOR REPURCHASE

The directors of the Company (the "**Directors**") are of the view that the A Share Repurchase Mandate could enhance the long-term investment value of the Company's shares, safeguard the interests of investors and strengthening investor confidence, on the basis of the high recognition of the Company's value and confidence in the Company's future development, and afford the Company the flexibility and ability in pursuing the best interests for the Company and its Shareholders and to protect investors' interests. Such repurchases of A Shares will, depending on market conditions, be made when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole. All A Shares repurchased shall be cancelled for reducing the registered capital.

## **SOURCE OF FUNDS**

In repurchasing A Shares of the Company, the Company intends to apply funds from the Company's internal resources legally available for such purpose in accordance with its Articles of Association and the applicable laws of the PRC and the Hong Kong Listing Rules, as the case may be.

## **IMPACT ON WORKING CAPITAL OR GEARING POSITION**

As compared with the financial position of the Company as at 31 December 2022 (being the date to which the latest audited accounts of the Company were made up), the Directors consider that there will not be a material adverse impact on the working capital or the gearing position of the Company in the event that the A Share Repurchase Mandate were to be exercised in full during the proposed repurchase period.

## **PRESENT INTENTION OF THE DIRECTORS AND CLOSE ASSOCIATES**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Hong Kong Listing Rules) have any present intention to sell any A Shares to the Company if the A Share Repurchase Mandate is approved by the Shareholders at the General Meetings respectively.

## **DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases of A Shares pursuant to the resolution as set out in the notices of the General Meetings in accordance with the Hong Kong Listing Rules and the applicable laws of the PRC.

## **EFFECT OF THE TAKEOVERS CODE**

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors' exercising the powers of the Company to repurchase A Shares pursuant to the A Share Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Code on Takeovers and Mergers (the "**Takeovers Code**") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for shares of the Company under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar the Directors are aware, 健康元藥業集團股份有限公司 Joincare Pharmaceutical Industry Group Co., Ltd.\* (“**Joincare**”), together with its associates (as defined in the Hong Kong Listing Rules), directly or indirectly held 163,364,672 H Shares and 255,513,953 A Shares of the Company, representing approximately 52.73% and 40.84% of the H Shares and A Shares of the Company in issue, and in aggregate approximately 44.77% of the total shares of the Company in issue. If the A Share Repurchase Mandate is fully exercised, based on the maximum repurchase price of RMB40.00/A Share and the maximum aggregate repurchase amount of RMB800 million, the Company may repurchase approximately 20,000,000 A Shares, accounting for approximately 2.14% of the Company’s total share capital as at the Latest Practicable Date. Accordingly, Joincare’s interest in the Company would be increased to approximately 45.75%. The Directors consider that the increase would not trigger a mandatory offer under Rule 26 of the Takeovers Code.

Save as aforesaid, the Directors are currently not aware of any consequences which will arise under either or both the Takeovers Code and any similar applicable law of which the Directors are aware as a result of any repurchase of A Shares made under the A Share Repurchase Mandate.

## SHARES REPURCHASE MADE BY THE COMPANY

Details of the repurchase made by the Company during the previous six months preceding the Latest Practicable Date were as follow:

<b>Date of Repurchase</b>	<b>Number of Shares Repurchased (A Shares)</b>	<b>Highest Price (RMB)</b>	<b>Lowest Price (RMB)</b>
6 December 2022	329,000	35.50	35.12
27 December 2022	558,800	32.50	32.35
28 December 2022	808,300	32.58	32.25
3 February 2023	610,500	34.39	34.02
6 February 2023	616,000	34.18	34.01
9 February 2023	591,300	34.35	34.17
22 February 2023	50,000	34.99	34.86
24 February 2023	247,900	34.95	34.85
27 February 2023	54,193	34.94	34.88
10 March 2023	278,000	35.00	34.60
13 March 2023	177,500	34.98	34.64
14 March 2023	910,555	34.83	34.50
25 April 2023	307,000	34.96	34.79
26 April 2023	210,000	34.88	34.55
27 April 2023	80,000	34.90	34.75

Save as disclosed above, the Company has not purchased any shares of the Company (whether on the Hong Kong Stock Exchange, the Shenzhen Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

## PRESENTATION INTENTION OF THE CORE CONNECTED PERSONS

No core connected persons (as defined in the Hong Kong Listing Rules) have notified the Company that they have a present intention to sell A Shares to the Company, or have undertaken not to do so, in the event that the A Share Repurchase Mandate is approved by the Shareholders at the General Meetings.

## PRICES OF A SHARES AND H SHARES

The highest and lowest trading prices at which the A Shares and H Shares were traded on the Shenzhen Stock Exchange and Hong Kong Stock Exchange, respectively, during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	A Shares		H Shares	
	Highest <i>RMB</i>	Lowest <i>RMB</i>	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2022</b>				
May	34.58	31.22	27.45	24.30
June	36.73	32.00	27.60	24.65
July	37.02	31.61	28.15	23.35
August	32.35	30.47	23.45	21.75
September	32.98	29.60	23.45	19.06
October	36.50	28.88	22.50	19.32
November	40.67	34.65	28.00	20.10
December	38.79	32.18	27.75	24.40
<b>2023</b>				
January	35.44	32.55	28.70	25.80
February	35.98	33.88	28.15	26.45
March	37.67	33.80	28.15	25.25
April	38.88	34.43	30.15	27.35
May (as at the Latest Practicable Date)	37.35	35.68	30.10	28.15