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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)

**PROPOSED SPIN-OFF AND LISTING OF
LIVZON DIAGNOSTICS ON
NATIONAL EQUITIES EXCHANGE AND QUOTATIONS**

The letter from the Board is set out on pages 3 to 12 of this circular.

The Company will hold the EGM at the Conference Room on the 6th Floor of Headquarters Building, 38 Chuangye North Road, Jinwan District, Zhuhai, Guangdong Province, China at 2:30 p.m. on Friday, 12 January 2024. The notice convening the EGM has been dispatched on 19 December 2023, and the proxy form for use by the Shareholders of the Company at the EGM has also been dispatched on 19 December 2023. The aforesaid documents are also available for download on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.livzon.com.cn).

If you would like to attend the EGM by proxy, please complete the proxy form in accordance with the instructions printed thereon and return it to the Secretariat of the Board of the Company (for A Shareholders) or the H Share Registrar of the Company, Tricor Investor Services Limited (for H Shareholders) as soon as possible and in any event no later than 24 hours before the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, the following terms shall have the meanings set out below unless the context requires otherwise:

“A Share(s)”	the shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange (stock code: 000513)
“A Shareholder(s)”	holder(s) of the A Share(s)
“Board”	the board of Directors of the Company
“Company”	麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.*, a joint stock company incorporated in the PRC on 25 January 1985 with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively
“Company Law”	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“Director(s)”	director(s) of the Company
“EGM”	the 2024 first extraordinary general meeting of the Company to be held at the Conference Room on the 6th Floor of Headquarters Building, 38 Chuangye North Road, Jinwan District, Zhuhai, Guangdong Province, China at 2:30 p.m. on 12 January 2024
“Grant Thornton”	Grant Thornton (Special General Partnership)
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas-listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange (stock code: 01513)
“H Shareholder(s)”	holder(s) of the H Share(s)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Latest Practicable Date”	13 December 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Livzon Diagnostics” or “Spin-off Company”	Zhuhai Livzon Diagnostics Inc.* (珠海麗珠試劑股份有限公司)
“NEEQ”	National Equities Exchange and Quotations
“PN15”	Practice Note 15 of the Hong Kong Listing Rules
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this circular, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Share Offering”	the issuance of A shares of the Spin-off Company simultaneously with its transfer from NEEQ to Beijing Stock Exchange
“Proposed PRC Listing”	the possible subsequent transfer of the Spin-off Company to the Beijing Stock Exchange and the Proposed Share Offering
“Proposed Spin-off on NEEQ”	the proposed spin-off of the shares of the Spin-off Company for listing on the NEEQ without issuance of any new shares
“Remaining Group”	the Group, excluding the Spin-off Group
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	the shareholder(s) of the Company
“Spin-off Group”	the Spin-off Company and its subsidiaries
“%”	per cent

* For identification purposes only

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Tang Yanggang (*President*)
Mr. Xu Guoxiang (*Vice Chairman and Vice President*)

Non-executive Directors:

Mr. Zhu Baoguo (*Chairman*)
Mr. Tao Desheng (*Vice Chairman*)
Mr. Qiu Qingfeng
Mr. Yu Xiong

Independent Non-executive Directors:

Mr. Bai Hua
Mr. Tian Qiusheng
Mr. Wong Kam Wa
Mr. Luo Huiyuan
Ms. Cui Lijie

Registered office:

Headquarters Building,
38 Chuangye North Road,
Jinwan District, Zhuhai,
Guangdong Province,
China

**Principal place of business
in Hong Kong:**

Room 1301, 13/F.,
YF Life Centre,
38 Gloucester Road, Wanchai,
Hong Kong

19 December 2023

To the Shareholders

Dear Sir/Madam,

**PROPOSED SPIN-OFF AND LISTING OF
LIVZON DIAGNOSTICS ON NATIONAL EQUITIES EXCHANGE AND
QUOTATIONS**

INTRODUCTION

Reference is made to the announcements published by the Company on 10 November 2023, 13 November 2023 and 10 December 2023.

* *For identification purpose only*

LETTER FROM THE BOARD

Livzon Diagnostics (a controlling subsidiary of the Company) plans to list its existing shares on the NEEQ in the PRC. No new share will be issued in relation to the Proposed Spin-off on NEEQ. The shareholding of the Company in Livzon Diagnostics (i.e. 47.43%) will remain unchanged upon completion of the Proposed Spin-off on NEEQ. Subject to market conditions and regulatory approval(s) required, Livzon Diagnostics may possibly transfer to the Beijing Stock Exchange with an offering of its new A shares. The Proposed Share Offering, if materialises, will result in a dilution of the Company's equity interest in Livzon Diagnostics and the Proposed Share Offering will constitute a deemed disposal of the Company's equity interest in Livzon Diagnostics under the Hong Kong Listing Rules. Based on the information available to the Company as at the Latest Practicable Date and that the shareholding of the Company in Livzon Diagnostics being not less than 37.94% upon completion of the Proposed PRC Listing, all of applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) represented by the Proposed PRC Listing are less than 5%. Therefore, neither the Proposed Spin-off on NEEQ nor the Proposed PRC Listing (individually or collectively) will constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

For the purpose to comply with relevant laws and regulations of the PRC, the Company at this stage is required to obtain approval(s) regarding the Proposed Spin-off on NEEQ at the general meeting of the Company. After the completion of the Proposed Spin-off on NEEQ and if the Company decides to proceed with the Proposed PRC Listing and the Proposed Share Offering, the Company will further seek the Shareholders' approval as required by the applicable PRC laws and regulations.

The purpose of this circular is to provide you with further information regarding the Proposed Spin-off on NEEQ (where the Shareholders' approval(s) in relation thereto are to be sought at the EGM), and for the sake of completeness, also the information of the Proposed PRC Listing, so as to enable you to make an informed decision in voting on the relevant resolutions in relation to the Proposed Spin-off on NEEQ as requested by the relevant PRC laws and regulations at the EGM.

THE PROPOSED SPIN-OFF ON NEEQ AND THE PROPOSED PRC LISTING

As at the Latest Practicable Date, the Spin-off Company had an aggregate of 400,000,000 issued shares, of which 189,700,028 shares, representing approximately 47.43% thereof, was held by the Company. The Company is the single largest shareholder of the Spin-off Company which is treated as a controlling subsidiary of the Company where its financial statements are consolidated into the Group's accounts.

On 20 November 2020, the Shareholders approved certain resolutions in relation to the spin-off and A share listing of Livzon Diagnostics on the ChiNext Board of the Shenzhen Stock Exchange. Reference is made to the circular of the Company dated 4 November 2020 and the poll results announcement of the Company dated 20 November 2020.

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On 10 November 2023, the Board resolved to change the listing plan of Livzon Diagnostics where Livzon Diagnostics will first list its existing shares on the NEEQ without issuance of any new shares and subsequently may possibly transfer to the Beijing Stock Exchange with an offering of its new A shares.

As disclosed in the announcement of the Company dated 13 November 2023, the Company has submitted an application for the Proposed Spin-off on NEEQ to the Hong Kong Stock Exchange under PN15 and the Listing Committee of the Hong Kong Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off on NEEQ under PN15. The Listing Committee of the Hong Kong Stock Exchange also granted a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under paragraph 3(f) of PN15 in connection with the Proposed Spin-off on NEEQ.

No new share will be issued by the Spin-off Company in relation to the Proposed Spin-off on NEEQ.

As to the Proposed Share Offering relating to the Proposed PRC Listing, the number of shares of the Spin-off Company to be held by the public and to be offered by the Spin-off Company in the Proposed Share Offering will depend on the market conditions and the relevant PRC rules and regulations as amended from time to time. Subject to the then market conditions and regulatory approval(s), it is anticipated that the Company shall maintain not less than 37.94% (currently 47.43%) of the total issued share capital of the Spin-off Company upon and after completion of the Proposed Share Offering. Based on the then composition of the board of directors of the Spin-off Company and according to the PRC accounting standards, the Company, as confirmed by its auditors, Grant Thornton, will continue to control the Spin-off Company and therefore the accounts of the Spin-off Group will continue to be consolidated into the financial statements of the Group.

However, in case that the Spin-off Company ceases to be a controlling subsidiary of the Company and the accounts of the Spin-off Company ceases to be consolidated in the Group's financial statements as a result of the Proposed Spin-off on NEEQ, the Proposed Share Offering or the Proposed PRC Listing, the Company will re-comply with the requirements for notifiable transaction in accordance with Chapter 14 of the Hong Kong Listing Rules.

LETTER FROM THE BOARD

CONDITIONS

The Proposed Spin-off on NEEQ will be conditional upon, among other things, the following:

- (a) approval for the Proposed Spin-off on NEEQ by the Shareholders at the EGM;
- (b) approval for the Proposed Spin-off on NEEQ by the Listing Committee of the Hong Kong Stock Exchange;
- (c) any other PRC regulatory approvals required by the relevant laws and regulations.

As at the Latest Practicable Date, item (b) has been fulfilled.

If any of the above conditions is not fulfilled, the Proposed Spin-off on NEEQ (and accordingly the Proposed PRC Listing) will not proceed, and an announcement will be published by the Company as soon as practicable.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF ON NEEQ AND THE PROPOSED PRC LISTING

The principal reasons for, and the benefit of, the Proposed Spin-Off on NEEQ and the Proposed PRC Listing are as follows:

- (a) As a supplier of diagnostic reagents and equipment under the Company, Livzon Diagnostics will further enhance its financial strength through the Proposed Spin-off on NEEQ and the Proposed PRC Listing and help to strengthen the overall dominant position of the Group in diagnostic reagents and equipment through the capital market. The Proposed Spin-off on NEEQ and the Proposed PRC Listing will further enhance the profitability and comprehensive competitiveness of the Group;
- (b) The Proposed Spin-off on NEEQ and the Proposed PRC Listing help to deepen the layout of diagnostic reagents and enhance overall competitiveness:
 - (i) Since its establishment, Livzon Diagnostics has been focusing on research and development, production and sale of diagnostic reagents and equipment. After years of intensive development, it has established a multi-faceted technology platform, covering enzyme-linked immunosorbent assay (酶聯免疫), rapid diagnostics with colloidal gold (膠體金快速檢測), chemiluminescence (化學發光), multi-liquid chip technology (多重液相芯片技術) and molecular diagnostics (分子診斷), and has strong market influence in the fields of respiratory tract infections, infectious diseases, drug concentration monitoring. Certain of its products have gained leading positions in terms of the domestic market share; and

LETTER FROM THE BOARD

- (ii) The Proposed Spin-off on NEEQ and the Proposed PRC Listing are conducive to further enhancing the brand awareness and social influence of Livzon Diagnostics, optimising the management and operating system of Livzon Diagnostics, and improving the management level of Livzon Diagnostics. The Proposed Spin-off on NEEQ and the Proposed PRC Listing, if successful, will help Livzon Diagnostics broaden its financing channels and further increase its investment in research and development and operations, thereby consolidating the market competitiveness of Livzon Diagnostics. The improvement of market competitiveness of Livzon Diagnostics will in turn help the Company to deepen its strategic layout in the diagnostic reagents industry chain and to achieve stronger development in the business segment in diagnostic reagents, further enhance the asset quality and risk prevention capabilities of the Company, and promote the sustainable, healthy and long-term development for the Company.
- (c) The Proposed Spin-off on NEEQ and the Proposed PRC Listing are conducive to improving the operations and finance transparency of Livzon Diagnostics and the corporate governance of the Company, and providing shareholders and other institutional investors with clearer business and financial status of the Group and the Spin-off Group, respectively, which facilitates the capital market to conduct reasonable valuation on the different businesses of the Company, fully reflecting the high-quality value of the assets of the Company in the capital market and maximising the interests of shareholders;
- (d) The Proposed Spin-off on NEEQ and the Proposed PRC Listing help to improve financing efficiency and leverage the advantages of the listing platform. After the Proposed Spin-off on NEEQ and the Proposed PRC Listing, Livzon Diagnostics will be connected directly with the capital market, broaden its financing channels, increase its financing flexibility, and improve its financing efficiency with the functions and advantages of direct financing from the capital market, thereby effectively reducing capital costs and providing sufficient funds for Livzon Diagnostics. In the future, Livzon Diagnostics can take advantage of the capital market platform to further expand its business scope, enrich its product lines, and achieve leapfrog development; and
- (e) After completion of the Proposed Spin-off on NEEQ and the Proposed PRC Listing, the Company remains in control of the Spin-off Company and will continue to consolidate the financial statements of the Spin-off Group. The Company would continue to enjoy the benefits arising from the future business development and growth of the Spin-off Group.

LETTER FROM THE BOARD

WAIVER IN RESPECT OF ASSURED ENTITLEMENT

Under the Proposed Spin-off on NEEQ, there will be no issue of new shares by Livzon Diagnostics. New shares of the Spin-off Company will only be issued when the Proposed Share Offering of the Proposed PRC Listing materialises and such shares will only be issued in the PRC.

As advised by the PRC legal adviser of the Company, under the relevant securities laws and other relevant regulations and rules currently in force, other than (a) residents of Hong Kong and Macao Special Administrative Region and Taiwan working and living in the Mainland China; (b) foreigners working in the Mainland China and whose home country's securities regulatory authorities have established regulatory cooperation mechanisms with the China Securities Regulatory Commission; (c) foreigners who have obtained permanent residency in China; (d) eligible foreign investors who have made strategic investments in listed companies in the PRC; (e) Qualified Foreign Institutional Investors (QFII); (f) RMB Qualified Foreign Institutional Investors (RQFII); (g) foreign natural investors who meet the requirements relevant to the incentive criteria under the Administrative Measures for the Incentive Measures of Listed Companies (only applicable to listed companies to implement the equity incentive for foreign natural employees); and (h) foreign investors holding shares of the company to be listed before the initial public offering, ((a) to (h) are collectively referred to as the **"Qualified Foreign Investors"**), non-PRC investors like natural persons of Hong Kong and Macao Special Administrative region and Taiwan, foreign institutions and the institutions founded in Hong Kong and Macao Special Administrative Region and Taiwan are not allowed to open A shares securities accounts and hence they are not allowed to participate in offline distribution or online subscription of new shares in the Spin-off Company in the PRC. Based on the information available from the Company's H Share Registrar, a majority of the Shareholders of the Company may not be considered as the Qualified Foreign Investors.

Moreover, the Securities Law of the PRC and the Administrative Measures on Issuance and Underwriting of Securities provides that any issuing entities upon public offering shall obtain the approval from the securities regulatory and management authorities. "Public Offering" includes the issuance by offline distribution and online subscription to investors in compliance with the quotation, subscription procedures and rules. For offline distribution, existing Shareholders of the Company may participate in the offline distribution on the condition that they could provide effective quotations according to the PRC law. Even if they could provide such effective quotation, the Company would be unable to make any preferential allocations of the offer shares to its existing Shareholders on the ground that all investors should be treated equally. For online subscription, after the effective subscription amount is confirmed, all valid subscription would need to be assigned through balloting, or time order and proportion of subscription. Therefore, it is impossible to issue shares in the Spin-off Company to specific people and reserve shares for Shareholders in Hong Kong pursuant to the existing laws of the PRC.

Given the above, it would be practically difficult, unduly burdensome and not commercially feasible for the Company to comply with the assured entitlement in the shares of the Spin-off Company under paragraph 3(f) of PN15 in relation to the Proposed Spin-off on NEEQ and offering of shares in the PRC.

LETTER FROM THE BOARD

The Company has applied for and the Listing Committee has agreed to grant a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under paragraph 3(f) of PN15 (the “Waiver”) in connection with the Proposed Spin-off on NEEQ.

PROCEEDS TO BE RAISED FROM THE PROPOSED SPIN-OFF ON NEEQ AND THE PROPOSED SHARE OFFERING

The Proposed Spin-off on NEEQ will not involve issuance of new shares while no fund will be raised accordingly.

The Company estimates, if the Proposed Share Offering in relation to the Proposed PRC Listing materializes, the gross proceeds to be raised from the Proposed Share Offering will be no more than RMB800 million, which is determined with reference to the following factors:

- (a) the estimated maximum total market capitalisation of the Spin-off Company of RMB4 billion upon completion of the Proposed Share Offering. Investors, however, should be aware that the estimated maximum total market capitalisation is for illustration purpose only and is based on several assumptions including the estimated performance results of the Spin-off Group and the market valuation of price-to-earnings ratio of 40 times; and
- (b) the estimated issuance proportion of 20% under the Proposed Share Offering.

The actual amount of proceeds to be raised from the Proposed Share Offering is subject to the listing application documents to be submitted by the Spin-off Company to relevant PRC regulatory authorities and market conditions.

INFORMATION OF THE GROUP

The Company is incorporated in the PRC with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange, respectively. As at the Latest Practicable Date, the Group is principally engaged in research and development, production and sales of drug preparation products (chemical, biological and traditional Chinese medicine) and active pharmaceutical ingredients and intermediates, as well as diagnostic reagents and equipment.

INFORMATION ON THE SPIN-OFF GROUP

The Spin-off Company is a limited liability company incorporated in the PRC in 1989 and is currently 47.43% held by the Company. The Spin-off Group are the only companies of the Group that engage in the diagnostic reagents and equipment.

As a result of the Proposed Spin-off on NEEQ as well as after the Proposed PRC Listing, the Spin-off Group will continue to engage principally in the research and development, production and sale of diagnostic reagents and equipment, which is one of the three segments of the Group’s existing principal business.

LETTER FROM THE BOARD

Set out below is certain key financial information of the Spin-off Group based on the audited financial statements for the three years ended 31 December 2022 and the unaudited financial statements for the six months ended 30 June 2023:

	For the year ended 31 December 2020 (RMB) (audited)	For the year ended 31 December 2021 (RMB) (audited)	For the year ended 31 December 2022 (RMB) (audited)	For the six months ended 30 June 2023 (RMB) (unaudited)
Revenue ^{Note 1}	1,389,581,052.82	724,054,314.70	737,329,213.23	298,689,247.27
Net profit ^{Note 2}	468,663,456.99	58,594,770.35	72,121,220.19	25,812,057.32

Note 1: Revenue generated from activities in the ordinary and usual course of business.

Note 2: Net profit attributable to the shareholders of the parent company and generated from activities in the ordinary and usual course of business.

As at 30 June 2023, the unaudited total assets of the Spin-off Group amounted to RMB1,099,124,043.57.

INFORMATION OF THE REMAINING GROUP

After completion of the Proposed Spin-off on NEEQ and the Proposed PRC Listing, the Remaining Group will continue to be principally engaged in other two existing segments of the Group's principal business, i.e. research and development, production and sales of (a) drug preparation products (chemical, biological and traditional Chinese medicine); and (b) active pharmaceutical ingredients and intermediates.

Further, immediately after the completion of the Proposed Spin-off on NEEQ and the Proposed PRC Listing, the Remaining Group will satisfy all the requirements under paragraph 3(c) of PN15 for the three financial years preceding the completion of the Proposed Spin-off on NEEQ and also the completion of the Proposed PRC Listing, and retain a sufficient level of operations and assets to support its separate listing status.

CONVENING THE EGM

The Company will hold the EGM at the Conference Room on the 6th Floor of Headquarters Building, 38 Chuangye North Road, Jinwan District, Zhuhai, Guangdong Province, China at 2:30 p.m. on Friday, 12 January 2024. The notice convening the EGM has been dispatched on 19 December 2023, and the proxy form for use by the Shareholders of the Company at the EGM has also been dispatched on 19 December 2023. The aforesaid documents are also available for download on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.livzon.com.cn).

LETTER FROM THE BOARD

If you would like to attend the EGM by proxy, please complete the proxy form in accordance with the instructions printed thereon and return it to the Secretariat of the Board of the Company (for A Shareholders) or the H Share Registrar of the Company, Tricor Investor Services Limited (for H Shareholders) as soon as possible and in any event no later than 24 hours before the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder is required to abstain from voting at the EGM.

RECORD DATE

The record date for determining the qualification of the Shareholders to attend and vote at the EGM will be Friday, 5 January 2024. In order to qualify as Shareholders to attend and vote at the EGM, 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 Friday, 5 January 2024.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, relevant special resolutions regarding the Proposed Spin-off on NEEQ put forward at the EGM will be voted on by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Poll results will be announced by the Company in accordance with Rule 13.39(5) of the Hong Kong Listing Rules after the EGM.

RECOMMENDATION

Having considered that (a) the Proposed Spin-off on NEEQ will have no negative financial effect on the consolidated financial statements of the Company; and (b) the Proposed Spin-off on NEEQ will, among others, enable the Company to capitalise the value of its existing investment in the Spin-off Group and to provide separate fund-raising platforms to enhance the possibility of future financing of Livzon Diagnostics, the Board is of the view that the Proposed Spin-off on NEEQ and the Waiver are fair and reasonable and in the interest of the Company and its Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the special resolutions as set out in the notice of EGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Shareholders and prospective investors of the Company should note that the Proposed Spin-off on NEEQ and the Proposed PRC Listing are subject to, among other things, obtaining approvals from the general meeting of the Company, and from the board of directors and the general meeting of Livzon Diagnostics, as well as the approvals from the PRC regulatory authorities upon fulfilment of conditions in accordance with all applicable regulations and suitable market conditions, and hence it may or may not materialize. Therefore, shareholders and prospective investors of the Company should note that the Company cannot guarantee whether the Proposed Spin-off on NEEQ and the Proposed PRC Listing will be implemented smoothly or when it will be implemented. Investors are requested to make prudent decisions and pay attention to investment risks.

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

* For identification purpose only