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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)

**DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTION
PROVISION OF CONTINUING GUARANTEES TO
A CONNECTED SUBSIDIARY**

ENTERING INTO THE 2025 CONTINUING GUARANTEE SUPPORT FRAMEWORK AGREEMENT

The 2022 Continuing Guarantee Support Framework Agreement will expire on 31 December 2024 and it is expected that Livzon MAB will continue require guarantees from the Company in support of its credit facilities. In view of the above, on 27 September 2024, the Company and Livzon MAB entered into the 2025 Continuing Guarantee Support Framework Agreement, pursuant to which the Company agreed to provide the Guarantees of not exceeding RMB2.1 billion (or its equivalent in foreign currencies) in aggregate in respect of the Credit Facilities of Livzon MAB during the three-year period from 1 January 2025 to 31 December 2027, both dates inclusive.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Joicare directly and indirectly held approximately 45.21% of the total issued share capital of the Company, and Livzon MAB is indirectly held as to 26.84% by Joicare. Therefore, Livzon MAB, as associate of Joicare, is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. As such, the Guarantees constitute discloseable and continuing connected transactions of the Company under the Hong Kong Listing Rules. As the highest applicable percentage ratios (other than the profit ratio) (as defined under the Hong Kong Listing Rules) in respect of the annual caps of the Guarantees exceeds 5% but less than 25%, therefore the Guarantees contemplated under the 2025 Continuing Guarantee Support Framework Agreement are subject to the requirements of reporting, announcement, annual review and approval of the Independent Shareholders under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

IMPLICATIONS UNDER THE SHENZHEN LISTING RULES AND THE ARTICLES OF ASSOCIATION

According to Article 6.1.10 of the Shenzhen Listing Rules and Article 65 of the Articles of Association, the Guarantees are subject to the approval from the Shareholders by way of special resolution at the EGM.

COUNTER GUARANTEES

Joincare, which indirectly holds 26.84% equity interests of Livzon MAB, will provide to the Company with the Letter of Undertaking for Counter Guarantees, subject to the approval by its shareholders, pursuant to which it will undertake to provide the Counter Guarantees in favour of the Company for any amount payable by the Company in connection with the Guarantees in proportion to its shareholdings in Livzon MAB. The term of the Counter Guarantees will expire on the same expiry date of the Company's obligation under the Guarantees.

As the Counter Guarantees are on normal commercial terms for the Group and will not be secured by the assets of any member of the Group in relation to such Counter Guarantees; therefore, the Counter Guarantees are fully exempted from the requirements of reporting, announcement, annual review and approval of the Independent Shareholders according to Rule 14A.90 of the Hong Kong Listing Rules.

CONVENING OF THE EGM, APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER AND DISPATCH OF CIRCULAR

The Company will hold the EGM to seek the Independent Shareholders' approval in respect of the 2025 Continuing Guarantee Support Framework Agreement (including the annual caps of the Guarantees) and the transaction contemplated thereunder.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders and Frontpage Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders, on the 2025 Continuing Guarantee Support Framework Agreement (including the annual caps of the Guarantees) and the transactions contemplated thereunder.

A circular containing, among others, details of the 2025 Continuing Guarantee Support Framework Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and other information as required under the Hong Kong Listing Rules is expected to be dispatched to the Shareholders by the Company on or before 22 October 2024.

INTRODUCTION

The 2022 Continuing Guarantee Support Framework Agreement will expire on 31 December 2024 and it is expected that Livzon MAB will continue require guarantees from the Company in support of its credit facilities. In view of the above, on 27 September 2024, the Company and Livzon MAB entered into the 2025 Continuing Guarantee Support Framework Agreement, pursuant to which the Company agreed to provide the Guarantees of not exceeding RMB2.1 billion (or its equivalent in foreign currencies) in aggregate in respect of the Credit Facilities of Livzon MAB during the three-year period from 1 January 2025 to 31 December 2027, both dates inclusive.

MAJOR TERMS OF THE 2025 CONTINUING GUARANTEE SUPPORT FRAMEWORK AGREEMENT

The major terms of the 2025 Continuing Guarantee Support Framework Agreement are set out as follows:

Date: 27 September 2024

Parties: (a) the Company; and
(b) Livzon MAB

The Guarantees: During the three-year period from 1 January 2025 to 31 December 2027, both dates inclusive (the “**Guarantee Term**”), the maximum amount (i.e. the maximum daily guarantee balance) for the Guarantees to be provided by the Company upon request from Livzon MAB is RMB2.1 billion. The maximum contractual term of any of the guarantee agreements to be entered into by the Company shall be three years.

If the contractual term of any of the guarantee agreements to be entered into by the Company during the Guarantee Term lasts beyond the Guarantee Term, such guarantees will only be deemed valid within the Guarantee Term, and the validity of these guarantees during the period from the expiry of the Guarantee Term until the end of the contractual term will be subject to the applicable reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Hong Kong Listing Rules and the relevant requirements under the Shenzhen Listing Rules.

Guarantee Fee: The Company will not charge Livzon MAB any commissions, fees or costs in relation to the Guarantees.

Conditions Precedent: The 2025 Continuing Guarantee Support Framework Agreement shall be conditional upon the satisfaction of all the following:

- (i) the signing and affixing of company seals to the 2025 Continuing Guarantee Support Framework Agreement by the authorized representatives of the Company and Livzon MAB;

- (ii) the approval of the 2025 Continuing Guarantee Support Framework Agreement (including the annual caps of the Guarantees) by the Independent Shareholders at the EGM; and
- (iii) the provision of the Counter Guarantees to the Company by Joincare upon approval by the shareholders of Joincare.

PROPOSED ANNUAL CAPS OF THE GUARANTEES

The proposed annual caps, being the maximum daily guarantee balance, of the Guarantees, under the 2025 Continuing Guarantee Support Framework Agreement are set out as follows:

	Year ending 31 December		
	2025	2026	2027
	<i>RMB billion</i>	<i>RMB billion</i>	<i>RMB billion</i>
Maximum daily guarantee balance	2.1	2.1	2.1

The proposed annual caps of the Guarantees under the 2025 Continuing Guarantee Support Framework Agreement have been determined after taking into account the expected capital requirements for Livzon MAB for the years ending 31 December 2025, 2026 and 2027, based on the following factors:

- (i) the historical maximum guaranteed amounts under the Existing Guarantees (i.e. RMB2.07 billion) during 2022 to 2024 (up to the date of this announcement);
- (ii) Livzon MAB's bank borrowings of approximately RMB1.43 billion under the Existing Guarantees will be due between 2025 to 2027, which will continue to require guarantees from the Company;
- (iii) the total estimated direct research expenses of approximately RMB0.12 billion for four pharmaceutical research projects, namely LZM012 for psoriasis and ankylosing spondylitis, B-01 for assisted reproduction, Bivalent Vaccine for prevention of novel coronavirus (COVID-19) infections, and LZM009 for thymic carcinoma and non-small cell lung cancer; and
- (iv) other operating expenses such as staff costs, finance costs, rental costs and utility and other sundry costs totalling approximately RMB0.55 billion.

In determining the proposed annual caps for the Guarantees, the Board has assumed that no material changes will occur in the circumstances of clinical trials, industry dynamics, or economic environments in the next three years.

COUNTER GUARANTEES

Joincare, which indirectly holds 26.84% equity interests of Livzon MAB, will provide to the Company with the Letter of Undertaking for Counter Guarantees, subject to the approval by its shareholders, pursuant to which it will undertake to provide the Counter Guarantees in favour of the Company for any amount payable by the Company in connection with the Guarantees in proportion to its shareholdings in Livzon MAB. The term of the Counter Guarantees will expire on the same expiry date of the Company's obligation under the Guarantees.

Livzon MAB will only apply and draw down the Credit Facilities, and hence the Company will only enter into specific guarantee agreements with financial institutions pursuant to the 2025 Continuing Guarantee Support Framework Agreement, upon the provision of the Letter of Undertaking for Counter Guarantees by Joincare. Considering that Joincare had unaudited net assets of approximately RMB23.1 billion as at 30 June 2024, the Directors (including the independent non-executive Directors) consider that Joincare has sufficient financial capability to meet the obligation of its portion, which is 26.84% of RMB2.1 billion or approximately RMB0.56 billion, under the Counter Guarantees, and the Counter Guarantees are on normal commercial terms.

As the Counter Guarantees are on normal commercial terms for the Group and will not be secured by the assets of any member of the Group in relation to such Counter Guarantees; therefore, the Counter Guarantees are fully exempted from the requirements of reporting, announcement, annual review and approval of the Independent Shareholders according to Rule 14A.90 of the Hong Kong Listing Rules.

REASONS FOR AND BENEFITS OF PROVISION OF THE GUARANTEES

As at the date of this announcement, Livzon MAB is indirectly held as to 60.23% by the Company and is a controlling subsidiary of the Company. The Company, as the controlling shareholder of Livzon MAB, is of the view that the provision of the Guarantees pursuant to the 2025 Continuing Guarantee Support Framework Agreement for a three-year period from 1 January 2025 to 31 December 2027, both dates inclusive, can better facilitate the foreseeable business development of Livzon MAB in the near future.

The Group is committed to ongoing R&D to seize industry opportunities, expand its product portfolio, and enhance competitiveness, ensuring it stays at the forefront of market and customer demands. Considering that Livzon MAB is one of the Group's key R&D subsidiaries, responsible for R&D and commercialisation of new biopharmaceutical products, it requires continuous R&D investment prior to the mass production and commercialisation of these products. The provision of the Guarantees enables Livzon MAB to secure sufficient capital during the R&D stage and for its daily operation and business. The Directors (including the independent non-executive Directors) are of the view that the Company will benefit from the provision of the Guarantees which will facilitate the daily operation and business of Livzon MAB to be supported by the Credit Facilities, and the Company will benefit from alleviating its capital contribution requirement into Livzon MAB and optimising its capital allocation to the other profitable business segments, therefore benefiting the overall business development and strengthening the financial position of the Group. Moreover, as substantial amount of Livzon MAB's bank borrowings under the Existing Guarantees will be due between 2025 to 2027, the Directors consider that the continuous provision of guarantees in support of Livzon MAB's credit facilities is essential for maintaining the daily operation of Livzon MAB.

In addition, it is common commercial practice for financial institutions in the PRC to require guarantee from the controlling shareholder of a borrower for financing facilities. In view that Joincare will undertake to provide the Counter Guarantees for 26.84% of the obligation of the Company under the Guarantees in favour of the Company which corresponds to its shareholdings in Livzon MAB, the Directors (including independent non-executive Directors) consider that the risk exposure in respect of the Guarantees to the Company is relatively low.

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2025 Continuing Guarantee Support Framework Agreement are fair and reasonable, have been entered into after arm's length negotiation between the Company and Livzon MAB and determined on normal commercial terms in the ordinary and usual course of business and are in the interests of the Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES

In respect of the Guarantees

To safeguard the interests of the Shareholders as a whole, including the minority Shareholders, the Company has adopted internal approval and monitoring procedures relating to the Guarantees, which include the followings:

- (i) Each transaction to be conducted in respect of the Credit Facilities and the Guarantees shall comply with the relevant financial management system of the Company.
- (ii) After obtaining the approval of the Credit Facilities from any financial institutions, Livzon MAB shall submit it to the financial department (including designated staff and the general manager of finance) and the general manager of Livzon MAB, as well as the secretary of the Board, the financial department (including designated staff, the general manager of finance and the vice president in charge) and the president of the Company for endorsement. Upon such endorsement, Livzon MAB and the Company can enter into the credit facilities agreements and guarantee agreements, respectively, with financial institutions. This process can ensure that the maximum daily guarantee balance under the Guarantees will not exceed the proposed annual caps.
- (iii) The Company will conduct regular checks to review and assess whether the transactions in respect of the Credit Facilities and the Guarantees have been conducted in accordance with the terms of the relevant agreements, and monitor the actual transaction amount of the Credit Facilities and the Guarantees. Such checks will be conducted by the financial department of the Company on a monthly basis and the secretary of the Board on a quarterly basis and shall be submitted to the Board for report.
- (iv) In the event that the amount of the Guarantees is expected to exceed the approved annual caps, the general manager of finance of the Company shall report to the management of the Company in a timely manner for its determination as to whether revision to the annual caps is required to ensure compliance of the requirements under the Hong Kong Listing Rules.
- (v) The auditor of the Company will conduct an annual review of the transactions in respect of the Credit Facilities and the Guarantees.
- (vi) As a controlling shareholder of Livzon MAB, the Company shall strengthen the supervision and management of its financial risks through the directors of Livzon MAB appointed by the Company, so as to prevent Livzon MAB from defaulting its repayment of loans in its best efforts.

In respect of the Counter Guarantees

In addition, the Company has also adopted the following internal control procedures to ensure that Joincare will honour the Counter Guarantees:

- (i) The Board has maintained active communication with the board of directors of Joincare. The Board was notified by the board of directors of Joincare that it had considered and approved the Counter Guarantees on 27 September 2024, and the general meeting of Joincare is expected to consider and approve the Counter Guarantees prior to the convening of the EGM by the Company. The Board was also notified that Joincare will issue the Letter of Undertaking for Counter Guarantees to the Company immediately after approval of the Counter Guarantees at the general meeting of Joincare.

- (ii) The Company ensures that Livzon MAB will only apply and draw down the Credit Facilities, and hence the Company will only enter into specific guarantee agreements with financial institutions in respect of the Guarantees, upon (1) the shareholders of Joincare approving the Counter Guarantees, (2) the Company obtaining the Letter of Undertaking for Counter Guarantees, and (3) the Shareholders approving the 2025 Continuing Guarantee Support Framework Agreement (including the annual caps of the Guarantees) and the transactions contemplated thereunder at the EGM.
- (iii) The Company has sought legal opinions from its PRC legal adviser on the enforceability of the Letter of Undertaking for Counter Guarantees. As confirmed by the PRC legal advisers of the Company:
 - (a) Once the Letter of Undertaking for Counter Guarantees has become effective (i.e. upon approval of the Counter Guarantees at the general meeting of Joincare), the Counter Guarantees are legally enforceable. In the event that Livzon MAB defaults its repayment of loans under the Credit Facilities and the Company assumes its obligations under the Guarantees, the Company has the legal right to require Joincare to honour its obligations under the Counter Guarantees to indemnify the Company for any amount payable by the Company in connection with the Guarantees in proportion to its shareholdings in Livzon MAB according to the Letter of Undertaking for Counter Guarantees.
 - (b) In the event that Joincare fails to fulfil its obligations under the Counter Guarantees, the Company is entitled to file a lawsuit in the court and apply to freeze Joincare's assets, and has priority to receive relevant compensation.
- (iv) The Company will review the financial statements and financial position of Joincare regularly to ensure that it has sufficient financial capacity to fulfil its obligations under the Counter Guarantees.

Having considered the internal control measures mentioned above, the Directors (including the independent non-executive Directors) consider that such internal control measures are sufficient to ensure that the Guarantees will be entered into on normal commercial terms, and will not impair the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

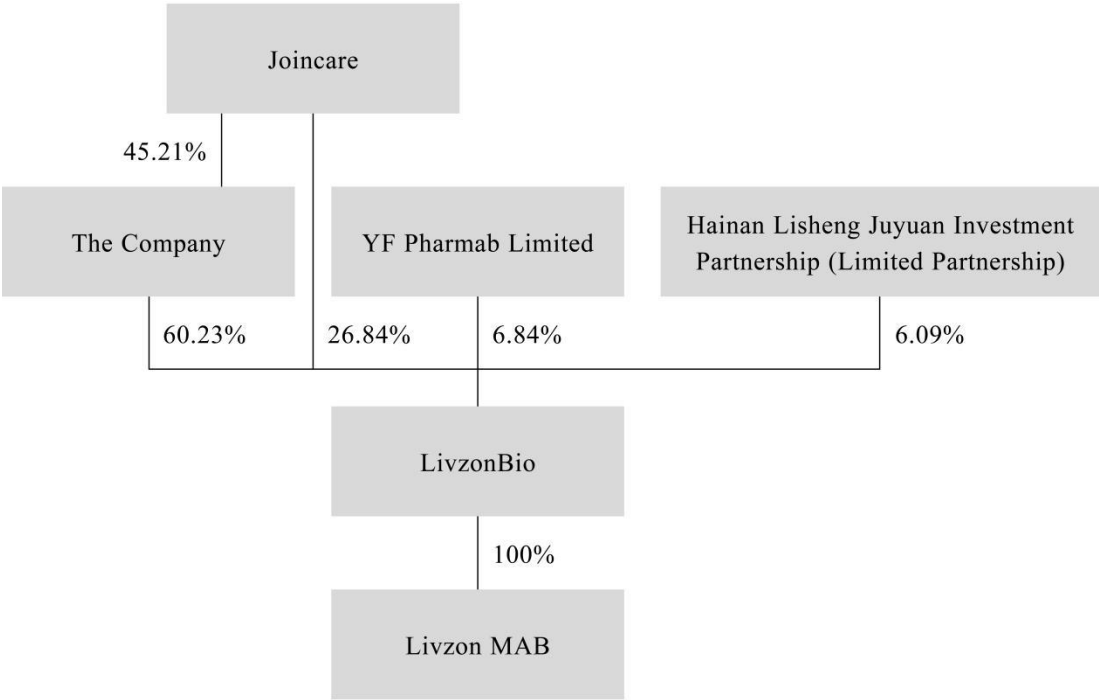
The Company

The Company, through its subsidiaries, is principally engaged in the R&D, production and sales of drug preparation products, active pharmaceutical ingredients and intermediates, as well as diagnostic reagents and equipment.

Livzon MAB

Livzon MAB is a limited liability company established in the PRC in 2010 which is indirectly held as to 60.23% by the Company, 26.84% by Joincare, 6.84% by YF Pharmab Limited (which is an independent third party) and 6.09% by Hainan Lisheng Juyuan Investment Partnership (Limited Partnership)* (海南麗生聚源投資合夥企業(有限合夥)) (which is an employee incentive platform of LivzonBio). It is principally engaged in R&D and commercialisation of biopharmaceutical products.

The following diagram illustrates the shareholding structure of Livzon MAB as at the date of this announcement:



Joincare

Joincare is a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange (Shanghai Stock Exchange stock code: 600380), which is a controlling shareholder of the Company. It is principally engaged in three major business segments, namely R&D, production and sales of (i) drug preparation products; (ii) active pharmaceutical ingredients and intermediates; and (iii) food and health-care food.

IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As at the date of this announcement, Joincare directly and indirectly held approximately 45.21% of the total issued share capital of the Company, and Livzon MAB is indirectly held as to 26.84% by Joincare. Therefore, Livzon MAB, as associate of Joincare, is a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules. As such, the Guarantees constitute discloseable and continuing connected transactions of the Company under the Hong Kong Listing Rules. As the highest applicable percentage ratios (other than the profit ratio) (as defined under the Hong Kong Listing Rules) in respect of the annual caps of the Guarantees exceeds 5% but less than 25%, therefore the Guarantees contemplated under the 2025 Continuing Guarantee Support Framework Agreement are subject to the requirements of reporting, announcement, annual review and approval of the Independent Shareholders under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules.

IMPLICATIONS UNDER THE SHENZHEN LISTING RULES AND THE ARTICLES OF ASSOCIATION

According to Article 6.1.10 of the Shenzhen Listing Rules and Article 65 of the Articles of Association, the Guarantees are subject to the approval from the Shareholders by way of special resolution at the EGM.

GENERAL

Given that (i) Mr. Zhu Baoguo, the non-executive Director and the chairman of the Company, is also the chairman of Joincare and indirectly held 47.79% equity interest in Joincare and 26.84% equity interest in Livzon MAB as at the date of this announcement; (ii) Mr. Qiu Qingfeng, the non-executive Director, is also a non-executive director of Joincare; (iii) Mr. Yu Xiong, the non-executive Director, was also a director and president of Joincare in the past twelve months; (iv) Mr. Tang Yanggang, the executive Director, and Mr. Tao Desheng, the non-executive Director, are directors of LivzonBio, which held 100% equity interest in Livzon MAB, therefore Mr. Zhu Baoguo, Mr. Qiu Qingfeng, Mr. Yu Xiong, Mr. Tang Yanggang and Mr. Tao Desheng, are deemed to have material interest in the Guarantees and have abstained from voting at the Board meeting approving the 2025 Continuing Guarantee Support Framework Agreement (including the annual caps of the Guarantees) and the transactions contemplated thereunder. Except for Mr. Zhu Baoguo, Mr. Qiu Qingfeng, Mr. Yu Xiong, Mr. Tang Yanggang and Mr. Tao Desheng, no other Directors are required to abstain from voting at the aforesaid Board meeting.

As at the date of this announcement, as Joincare and its associates directly and indirectly held approximately 45.21% of the total issued share capital of the Company, hence they are required to abstain from voting on the resolution approving the 2025 Continuing Guarantee Support Framework Agreement (including the annual caps of the Guarantees) and the transactions contemplated thereunder at the EGM.

CONVENING OF THE EGM, APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER AND DISPATCH OF CIRCULAR

The Company will hold the EGM to seek the Independent Shareholders' approval in respect of the 2025 Continuing Guarantee Support Framework Agreement (including the annual caps of the Guarantees) and the transaction contemplated thereunder.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders and Frontpage Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders, on the 2025 Continuing Guarantee Support Framework Agreement (including the annual caps of the Guarantees) and the transactions contemplated thereunder.

A circular containing, among others, details of the 2025 Continuing Guarantee Support Framework Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and other information as required under the Hong Kong Listing Rules is expected to be dispatched to the Shareholders by the Company on or before 22 October 2024.

DEFINITIONS

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

“2022 Continuing Guarantee Support Framework Agreement”	the continuing guarantee support framework agreement dated 25 October 2021 entered into between the Company and Livzon MAB, pursuant to which the Company agreed to provide the Existing Guarantees of not exceeding RMB2.35 billion (or its equivalent in foreign currencies) in aggregate in respect of the credit facilities of Livzon MAB during the three-year period from 1 January 2022 to 31 December 2024, both dates inclusive
“2025 Continuing Guarantee Support Framework Agreement”	the continuing guarantee support framework agreement dated 27 September 2024 entered into between the Company and Livzon MAB, pursuant to which the Company agreed to provide the Guarantees of not exceeding RMB2.1 billion (or its equivalent in foreign currencies) in aggregate in respect of the Credit Facilities of Livzon MAB during the three-year period from 1 January 2025 to 31 December 2027, both dates inclusive
“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)
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Bivalent Vaccine”	Recombinant SARS-COV-2 Bivalent (Original/Omicron XBB) Fusion Protein Vaccine (CHO Cell) (重組新型冠狀病毒融合蛋白二價 (原型株/Omicron XBB 變異株)疫苗(CHO細胞))
“Board”	the board of Directors of the Company
“B-01”	Recombinant Human Follitropin Alfa Solution for Injection (重組人促卵泡激素注射液) (r-hFSH)
“Company”	Livzon Pharmaceutical Group Inc.* (麗珠醫藥集團股份有限公司), a joint stock company incorporated in the PRC on 26 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
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Counter Guarantees”	the counter guarantees to be provided by Joincare in favour of the Company for any amount payable by the Company in connection with the Guarantees in proportion to its shareholdings in Livzon MAB

“Credit Facilities”	the credit facilities of not exceeding RMB2.1 billion (or its equivalent in foreign currencies) in aggregate to be applied by Livzon MAB from financial institutions during the three-year period from 1 January 2025 to 31 December 2027, both dates inclusive
“Director(s)”	the director(s) of the Company
“EGM”	the 2024 third extraordinary general meeting proposed to be held by the Company to consider matters relating to the 2025 Continuing Guarantee Support Framework Agreement (including the annual caps of the Guarantees) and the transactions contemplated thereunder
“Existing Guarantees”	the joint liability guarantees of not exceeding RMB2.35 billion (or its equivalent in foreign currencies) in aggregate provided by the Company to secure credit facilities applied by Livzon MAB, details of which are set out in the announcement of the Company dated 25 October 2021 and the circular of the Company dated 18 November 2021
“Group”	collectively the Company and its subsidiaries
“Guarantees”	the continuing joint liability guarantees of not exceeding RMB2.1 billion (or its equivalent in foreign currencies) in aggregate to be provided by the Company in favour of financial institutions in respect of the Credit Facilities to be granted to Livzon MAB by such financial institutions during the three-year period from 1 January 2025 to 31 December 2027, both dates inclusive, pursuant to the 2025 Continuing Guarantee Support Framework Agreement
“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)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended and supplemented or otherwise modified from time to time
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors

<p>“Independent Financial Adviser” or “Frontpage Capital”</p>	<p>Frontpage Capital Limited, a licensed corporation registered to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, and has been appointed by the Independent Board Committee as independent financial adviser to provide advice on the 2025 Continuing Guarantee Support Framework Agreement (including the annual caps of the Guarantees) and the transactions contemplated thereunder to the Independent Board Committee and the Independent Shareholders</p>
<p>“Independent Shareholders”</p>	<p>the Shareholders other than Joincare and its associates (as defined under the Hong Kong Listing Rules)</p>
<p>“Joincare”</p>	<p>Joincare Pharmaceutical Industry Group Co., Ltd.* (健康元藥業集團股份有限公司) (Shanghai Stock Exchange stock code: 600380), a joint stock company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange in 2001, and is one of the controlling shareholders of the Company</p>
<p>“Letter of Undertaking for Counter Guarantees”</p>	<p>the letter of undertaking to be issued by Joincare, subject to the approval by its shareholders, pursuant to which Joincare will undertake to provide the Counter Guarantees in favour of the Company for any amount payable by the Company in connection with the Guarantees in proportion to its shareholdings in Livzon MAB</p>
<p>“Livzon MAB”</p>	<p>Livzon MABPharm Inc.* (珠海市麗珠單抗生物技術有限公司), a controlling subsidiary of the Company</p>
<p>“LZM009”</p>	<p>Lipustobart for Injection (注射用利普蘇拜單抗) (PD-1)</p>
<p>“LZM012”</p>	<p>Recombinant Anti-human IL-17A/F Humanized Monoclonal Antibody Injection (重組抗人IL-17A/F人源化單克隆抗體注射液)</p>
<p>“PRC” or “China”</p>	<p>the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan district for the purpose of this announcement</p>
<p>“R&D”</p>	<p>research and development</p>
<p>“RMB”</p>	<p>Renminbi, the lawful currency of the PRC</p>
<p>“Shareholder(s)”</p>	<p>holder(s) of the share(s) of the Company</p>
<p>“Shanghai Stock Exchange”</p>	<p>the Shanghai Stock Exchange (上海證券交易所)</p>
<p>“Shenzhen Stock Exchange”</p>	<p>the Shenzhen Stock Exchange (深圳證券交易所)</p>

“Shenzhen Listing Rules” the Stock Listing Rules of the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》)

“%” percent

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
27 September 2024

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*