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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)

**(1) ADJUSTMENTS TO THE NUMBER OF INCENTIVE PARTICIPANTS AND
SHARE OPTIONS UNDER THE FIRST GRANT AND
(2) THE FIRST GRANT OF SHARE OPTIONS TO THE INCENTIVE PARTICIPANTS**

This announcement is made pursuant to Rule 17.06A of the Hong Kong Listing Rules.

References are made to the announcements of the Company dated 30 August 2022 and 21 September 2022 and the circular of the Company dated 27 September 2022 (the “**Circular**”) in relation to, among others, the proposed adoption of the Incentive Scheme. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

The Incentive Scheme

On 14 October 2022, the Incentive Scheme was approved by the way of special resolutions at the EGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting.

Adjustments to the Number of Incentive Participants and Share Options under the First Grant

Due to the resignation for personal reasons, 8 employees became disqualified as Incentive Participants. Accordingly, the number of Incentive Participants was adjusted from 1,034 to 1,026, and the number of Share Options under the First Grant was adjusted from 18,000,000 to 17,973,500.

The First Grant of Share Options to the Incentive Participants

On 7 November 2022, the Board (including the independent non-executive Directors, while Mr. Tang Yanggang and Mr. Xu Guoxiang have abstained from voting on the resolution approving the grant of the Share Options to them or their associates), has considered and approved the First Grant of 17,973,500 Share Options to 1,026 Incentive Participants. The date of the First Grant shall be 7 November 2022.

The details of the Share Options granted under the First Grant are as follows:

Number of Share Options Granted

Name	Position	Number of Share Options granted (‘0,000 A Shares)	Percentage to the total number of Share Options under the First Grant	Percentage to the issued share capital of the Company
Mr. Tang Yanggang	Director and President	16.00	0.89%	0.02%
Mr. Xu Guoxiang	Director and Vice President	16.00	0.89%	0.02%
Mr. Yang Daihong	Vice President	12.00	0.67%	0.01%
Mr. Xu Peng	Vice President	12.00	0.67%	0.01%
Ms. Si Yanxia	Vice President, Chief Financial Officer	12.00	0.67%	0.01%
Ms. Huang Yuxuan	Vice President	12.00	0.67%	0.01%
Mr. Yang Liang	Vice President, Secretary of the Board and Company Secretary	12.00	0.67%	0.01%
Mr. Zhou Peng	Vice President	9.60	0.53%	0.01%
Subtotal		101.60	5.65%	0.11%
Other Incentive Participants (i.e. 1,018 mid-level management and core personnel of the Company)		1,695.75	94.35%	1.81%
Total (i.e. 1,026 Incentive Participants)		1,797.35	100.00%	1.92%

Save as disclosed above, none of the grantees is a Director, chief executive or substantial shareholder of the Company or an associate (as defined under the Hong Kong Listing Rules) of any of them.

Exercise Price of the Share Options

The Exercise Price of the Share Options granted under the First Grant shall be RMB31.31 per A Share.

Closing Price of A Shares on the date of the First Grant

The closing price of A Shares on the date of First Grant (i.e. 7 November 2022) was RMB36.89 per A Share.

Validity Period of the Share Options

The Validity Period of the Incentive Scheme shall commence from the registration date of the First Grant of the Share Options and end on the date on which all the Share Options granted to the Incentive Participants have been exercised or otherwise cancelled, which shall not be longer than 60 months. The vesting period of the Share Options under the First Grant of the Incentive Scheme are 12 months, 24 months and 36 months, respectively. During the Validity Period of the Incentive Scheme, if the exercise conditions stipulated in the Incentive Scheme are fulfilled, the Incentive Participants shall exercise their Share Options within 12 months after the expiry of the respective vesting periods of the Share Options.

The following table sets forth the exercise period, the exercise schedule for each tranche and the exercise proportion of the Share Options under the First Grant:

Exercise arrangement	Duration	Exercise proportion
First exercise period for Share Options under the First Grant	Commencing on the first trading day after expiry of the 12-month period from the registration completion date of the First Grant and ending on the last trading day of the 24-month period from the registration completion date of the First Grant	40%
Second exercise period for Share Options under the First Grant	Commencing on the first trading day after expiry of the 24-month period from the registration completion date of the First Grant and ending on the last trading day of the 36-month period from the registration completion date of the First Grant	30%
Third exercise period for Share Options under the First Grant	Commencing on the first trading day after expiry of the 36-month period from the registration completion date of the First Grant and ending on the last trading day of the 48-month period from the registration completion date of the First Grant	30%

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
7 November 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*