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If you have sold or transferred all your shares in 麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.*, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)

(I) 2022 ANNUAL PROFIT DISTRIBUTION PLAN
(II) PROPOSED FACILITY FINANCING AND PROVISION OF
FINANCING GUARANTEES TO SUBSIDIARIES
(III) PROPOSED RENEWAL OF THE REPURCHASE OF
PART OF THE COMPANY'S A SHARES SCHEME
(IV) PROPOSED RE-ELECTION OF DIRECTORS AND
SUPERVISORS OF THE COMPANY
(V) PROPOSED DIRECTOR'S FEE AND
SUPERVISOR'S FEE OF THE COMPANY
(VI) CONVENING THE AGM, THE CLASS MEETING OF
A SHAREHOLDERS AND THE
CLASS MEETING OF H SHAREHOLDERS

The letter from the Board is set out on pages 6 to 33 of this circular.

The Company will hold the AGM, the Class Meeting of A Shareholders and Class Meeting of H Shareholders at the Conference Room on the 6th Floor of Headquarters Building, 38 Chuangye North Road, Jinwan District, Zhuhai, Guangdong Province, China at 2:00 p.m., 3:30 p.m. (or immediately after the conclusion of the AGM or any adjournment) and 4:00 p.m. (or immediately after the conclusion of the Class Meeting of A Shareholders or any adjournment) respectively on Wednesday, 21 June 2023. Notices and proxy forms have been dispatched regarding the AGM and the Class Meeting of H Shareholders by the Company on 16 May 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 AGM and/or the Class Meeting of H Shareholders 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 AGM and/or the Class Meeting of H Shareholders or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM and/or the Class Meeting of H Shareholders 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:

“2022 Annual Profit Distribution Plan”	the plan of the Company for distribution of the Cash Dividend for the year 2022
“2022 Share Options Incentive Scheme”	the 2022 Share Options Incentive Scheme (Revised Draft) of the Company, which was considered and approved by the Shareholders on 14 October 2022
“A Share(s)”	the domestic 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)
“AGM”	the annual general meeting of the Company for the year 2022 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 2:00 p.m. on Wednesday, 21 June 2023
“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
“Baiyeyuan”	Shenzhen Baiyeyuan Investment Co., Ltd.* (深圳市百業源投資有限公司)
“Begol”	Guangzhou Begol Trading Holdings Limited* (廣州市保科力貿易公司)
“Board”	the board of Directors of the Company
“Cash Dividend”	to distribute cash dividend of RMB16.00 (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 record date of shareholding determined for implementation of the 2022 Annual Profit Distribution Plan

DEFINITIONS

“Class Meeting of A Shareholders”	the 2023 First Class Meeting of A Shareholders of the Company to be held at 3:30 p.m. (or immediately after the AGM or any adjournment) on Wednesday, 21 June 2023
“Class Meeting of H Shareholders”	the 2023 First Class Meeting of H Shareholders of the Company to be held at 4:00 p.m. (or immediately after the Class Meeting of A Shareholders or any adjournment) on Wednesday, 21 June 2023
“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 in accordance with the Company Law 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
“Company Law”	Company Law of the PRC (中華人民共和國公司法), as adopted at the Fifth Session of the Standing Committee of the Eighth National People’s Congress of the PRC on 29 December 1993, effective from 1 July 1994, as amended, supplemented or otherwise modified from time to time
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	director(s) of the Company
“General Meetings”	the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders
“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)
“Haibin Pharma”	Shenzhen Haibin Pharmaceutical Co., Ltd.* (深圳市海濱製藥有限公司)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“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
“Joincare”	健康元藥業集團股份有限公司 Joincare Pharmaceutical Industry Group Co., Ltd.* (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 one of the Company’s controlling shareholders
“Latest Practicable Date”	24 May 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Livzon Diagnostics”	Zhuhai Livzon Diagnostics Inc.* (珠海麗珠試劑股份有限公司)
“Livzon HK”	Livzon Biologics Hong Kong Limited (麗珠生物科技香港有限公司)
“Livzon MAB”	Livzon MABPharm Inc.* (珠海市麗珠單抗生物技術有限公司)
“LivzonBio”	LivzonBio, Inc.* (珠海市麗珠生物醫藥科技有限公司)
“Notices of the General Meetings”	notices dated 16 May 2023 for convening the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders
“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
“Record Date”	Wednesday, 5 July 2023, the record date set to determine the H Shareholders who are entitled to the Cash Dividend
“Repurchase Scheme”	the Repurchase of Part of the Company’s A Shares Scheme approved by the 2022 third extraordinary general meeting, 2022 third class meeting of A Shareholders and 2022 third class meeting of H Shareholders of the Company on 25 October 2022
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“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
“SFO”	Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Shenzhen Listing Rules”	the Stock Listing Rules of the Shenzhen Stock Exchange (as amended in 2022) (《深圳證券交易所股票上市規則(2022年修訂)》)
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange (深圳證券交易所)
“substantial shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Supervisor(s)”	supervisor(s) of the Company
“Topsino”	Topsino Industries Limited (天誠實業有限公司)
“Xinbeijiang Company”	Livzon Group Xinbeijiang Pharmaceutical Manufacturing Inc.* (麗珠集團新北江製藥股份有限公司)
“Zhong Hui Yuan”	Zhuhai Zhong Hui Yuan Investment Partnership (Limited Partnership)* 珠海中匯源投資合夥企業(有限合夥)

In case of any inconsistency between the Chinese names of the PRC entities mentioned in this circular and their English translations, the Chinese names shall prevail.

* For identification purposes only

EXPECTED TIMETABLE

2023

The record date for determining the qualification of
the H Shareholders to attend and vote at the AGM
and the Class Meeting of H Shareholders Wednesday, 14 June

Latest time for lodging transfer documents for
registration of transfer of H Shares to qualify for
attending and voting at the AGM and
the Class Meeting of H Shareholders 4:30 p.m. on Wednesday, 14 June

Latest time for returning proxy form for the AGM 2:00 p.m. on Tuesday, 20 June

Latest time for returning proxy form for
the Class Meeting of H Shareholders 4:00 p.m. on Tuesday, 20 June

AGM 2:00 p.m. on Wednesday, 21 June

Class Meeting of A Shareholders 3:30 p.m. on Wednesday, 21 June
(or immediately after
the AGM or any adjournment)

Class Meeting of H Shareholders 4:00 p.m. on Wednesday, 21 June
(or immediately after the Class Meeting of
A Shareholders or any adjournment)

Last day of dealings in H Shares on
a cum-entitlement basis relating
to the Cash Dividend Monday, 3 July

First day of dealings in H Shares on
an ex-entitlement basis relating
to the Cash Dividend Tuesday, 4 July

Record Date (to qualify H Shareholders for
the Cash Dividend) Wednesday, 5 July

Latest time for lodging transfer documents for
registration of transfer of H Shares to
qualify H Shareholders for the Cash Dividend 4:30 p.m. on Wednesday, 5 July

Latest date for delivery of payment cheques for
the Cash Dividend for H Shares Monday, 31 July

Note: The dates with regard to the Cash Dividend are for references only as they are subject to approval by the Shareholders and might be adjusted by the Company. If there is any such change, the Company will publish announcement to inform the Shareholders as soon as practicable. All times and dates in this circular are Hong Kong times and dates.

LETTER FROM THE BOARD



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)

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
China Evergrande Centre
38 Gloucester Road
Wanchai
Hong Kong

30 May 2023

To the Shareholders

Dear Sir/Madam,

- (I) 2022 ANNUAL PROFIT DISTRIBUTION PLAN
(II) PROPOSED FACILITY FINANCING AND PROVISION OF
FINANCING GUARANTEES TO SUBSIDIARIES
(III) PROPOSED RENEWAL OF THE REPURCHASE OF
PART OF THE COMPANY'S A SHARES SCHEME
(IV) PROPOSED RE-ELECTION OF DIRECTORS AND
SUPERVISORS OF THE COMPANY
(V) PROPOSED DIRECTOR'S FEE AND
SUPERVISOR'S FEE OF THE COMPANY
(VI) CONVENING THE AGM, THE CLASS MEETING OF
A SHAREHOLDERS AND THE
CLASS MEETING OF H SHAREHOLDERS

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with relevant information to enable you to make informed decisions in voting on the following special resolutions to be proposed at the General Meetings:

- (I) 2022 Annual Profit Distribution Plan;
- (II) proposed facility financing and provision of financing guarantees to subsidiaries;
- (III) proposed renewal of the Repurchase Scheme;
- (IV) proposed re-election of Directors and Supervisors of the Company; and
- (V) proposed Director's fee and Supervisor's fee of the Company.

I. 2022 ANNUAL PROFIT DISTRIBUTION PLAN

The Company will propose a special resolution to be considered and passed at the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders to (i) distribute cash dividend of RMB16.00 (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 record date of shareholding determined for implementation of the 2022 Annual Profit Distribution Plan. There will be no bonus shares, nor will the capital reserves be capitalized; and (ii) authorise the Board to deal with all specific matters regarding the 2022 Annual Profit Distribution Plan.

The proposed Cash Dividend by the Company will be denominated and declared in RMB and will be distributed in RMB to the A Shareholders and in Hong Kong dollar to H Shareholders, using the middle exchange rate for RMB to Hong Kong dollar as published by the People's Bank of China on the date of the AGM (Wednesday, 21 June 2023) as the exchange rate. The remaining undistributed profits and capital reserve will be carried forward to the next financial year.

Based on the 309,831,217 issued and not repurchased H Shares of the Company as at the Latest Practicable Date, the Cash Dividend in the sum of RMB495,729,947.20 will be distributed to H Shareholders whose names are listed on the register of members of H Shares of the Company at close of business on the Record Date. The Record Date for determining the qualification of the H Shareholders for the proposed distribution of the Cash Dividend will be Wednesday, 5 July 2023. In order to qualify for the proposed distribution of the Cash Dividend, 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, 5 July 2023.

LETTER FROM THE BOARD

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》)” (the “**CIT Law**”) 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》)” (the “**Implementation Rules of CIT Law**”), 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 is obliged to withhold personal income tax at a tax rate of 20% when the Company shall apply to China Securities Depository and Clearing Corporation Limited (“**CSDCC**”) for the registrar of domestic individual investors. 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 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 mainland resident enterprises

LETTER FROM THE BOARD

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 are advised to consult their tax advisers regarding the PRC, Hong Kong and other tax implications arising from their holding and disposal of H Shares of the Company.

According to the relevant provisions of CSDCC Shenzhen Branch and in accordance with the market practice as adopted for distribution of dividends, the Company will separately publish an announcement on distribution of the Cash Dividend to A Shareholders after the General Meetings, which will set out (among others) the record date (registration date of shares) and ex-dividend date for A Shareholders.

Risk warning for trading of H Shares

H Shareholders should note that H Shares are expected to be traded on ex-entitlement basis commencing from Tuesday, 4 July 2023. The distribution of the Cash Dividend will be subject to the approval of Shareholders at the General Meetings. Any person who deals in H Shares on ex-entitlement basis prior to obtaining of the approval will be subject to the risk that the relevant proposal may fail to proceed. Shareholders or potential investors shall seek professional advice from their own professional consultants should they have any doubt on their situations.

II. PROPOSED FACILITY FINANCING AND PROVISION OF FINANCING GUARANTEES TO SUBSIDIARIES

In order to meet the business development needs, in 2023, the Company plans to apply for facility financing of not more than RMB15,400.00 million or its equivalent in foreign currencies in total (the “**Company Facility Financing**”) from the following banks, details of which are set out below:

No.	Name of facility granting bank	Currency	Amount of credit (RMB)	Note
1	China Development Bank	RMB	800,000,000	or equivalent in foreign currencies
2	The Export-Import Bank of China	RMB	1,000,000,000	or equivalent in foreign currencies
3	Bank of China Limited	RMB	350,000,000	or equivalent in foreign currencies

LETTER FROM THE BOARD

No.	Name of facility granting bank	Currency	Amount of credit (RMB)	Note
4	Agricultural Bank of China Limited	RMB	700,000,000	or equivalent in foreign currencies
5	Industrial and Commercial Bank of China Ltd.	RMB	1,500,000,000	or equivalent in foreign currencies
6	China Construction Bank Corporation	RMB	800,000,000	or equivalent in foreign currencies
7	Bank of Communications Co., Ltd.	RMB	700,000,000	or equivalent in foreign currencies
8	Postal Savings Bank of China Co., Ltd.	RMB	300,000,000	or equivalent in foreign currencies
9	China Merchants Bank Co., Ltd.	RMB	1,500,000,000	or equivalent in foreign currencies
10	China Minsheng Banking Corp., Ltd.	RMB	400,000,000	or equivalent in foreign currencies
11	China Everbright Bank Co., Ltd.	RMB	900,000,000	or equivalent in foreign currencies
12	China CITIC Bank Corporation Limited	RMB	1,000,000,000	or equivalent in foreign currencies
13	Industrial Bank Co., Ltd.	RMB	300,000,000	or equivalent in foreign currencies
14	Shanghai Pudong Development Bank Co., Ltd.	RMB	500,000,000	or equivalent in foreign currencies
15	PingAn Bank Co., Ltd.	RMB	800,000,000	or equivalent in foreign currencies
16	China Guangfa Bank Co., Ltd.	RMB	200,000,000	or equivalent in foreign currencies
17	Hua Xia Bank Co., Limited	RMB	200,000,000	or equivalent in foreign currencies
18	China Zheshang Bank Co., Ltd.	RMB	650,000,000	or equivalent in foreign currencies
19	Bank of Guangzhou Co., Ltd.	RMB	400,000,000	or equivalent in foreign currencies
20	China Bohai Bank Co., Ltd.	RMB	200,000,000	or equivalent in foreign currencies
21	China Resources Bank of Zhuhai Co., Ltd.	RMB	200,000,000	or equivalent in foreign currencies
22	Standard Chartered Bank (China) Limited	RMB	1,000,000,000	or equivalent in foreign currencies
23	HSBC Bank (China) Company Limited	RMB	800,000,000	or equivalent in foreign currencies
24	Morgan Stanley Bank International (China) Limited	RMB	200,000,000	or equivalent in foreign currencies
	Total	RMB	<u>15,400,000,000</u>	

LETTER FROM THE BOARD

The Company plans to provide joint liability guarantees (the “**Subsidiaries Guarantees**”) to the following banks for the applications of facility financing of no more than RMB13,160.00 million or its equivalent in foreign currencies (the “**Subsidiaries Facility Financing**”) made by the following subsidiaries, details of which are set out below:

No.	Subject of guarantee	Shareholding of the Company	Name of facility granting bank	Currency	Maximum guarantee amount (RMB)	Term of guarantee (years)	Type of guarantee	Note
1	Livzon Group Livzon Pharmaceutical Factory* (麗珠集團麗珠製藥廠)	100%	China Development Bank	RMB	200,000,000	3	Joint liability guarantee	
			The Export-Import Bank of China	RMB	200,000,000	3		
			Bank of China Limited	RMB	150,000,000	3		
			Agricultural Bank of China Limited	RMB	330,000,000	3		
			Industrial and Commercial Bank of China Ltd.	RMB	300,000,000	3		
			China Construction Bank Corporation	RMB	200,000,000	3		
			Bank of Communications Co., Ltd.	RMB	170,000,000	3		
			Postal Savings Bank of China Co., Ltd.	RMB	100,000,000	3		
			China Merchants Bank Co., Ltd.	RMB	200,000,000	3		Amount to be shared with the Group
			China Minsheng Banking Corp., Ltd.	RMB	200,000,000	3		
			China Everbright Bank Co., Ltd.	RMB	100,000,000	3		Amount to be shared with the Group
			China CITIC Bank Corporation Limited	RMB	100,000,000	3		
			Industrial Bank Co., Ltd.	RMB	150,000,000	3		
			PingAn Bank Co., Ltd.	RMB	100,000,000	3		Amount to be shared with the Group
			Bank of Guangzhou Co., Ltd.	RMB	200,000,000	3		Amount to be shared with the Group
			China Resources Bank of Zhuhai Co., Ltd.	RMB	150,000,000	3		
			Standard Chartered Bank (China) Limited	RMB	100,000,000	3		Amount to be shared with the Group
HSBC Bank (China) Company Limited	RMB	100,000,000	3	Amount to be shared with the Group				
	Subtotal:			RMB	<u>3,050,000,000</u>			

LETTER FROM THE BOARD

No.	Subject of guarantee	Shareholding of the Company	Name of facility granting bank	Currency	Maximum guarantee amount (RMB)	Term of guarantee (years)	Type of guarantee	Note
2	Zhuhai FTZ Livzon Hecheng Pharmaceutical Manufacturing Co., Ltd.* (珠海保税區麗珠合成製藥有限公司)	100%	China Development Bank	RMB	200,000,000	3	Joint liability guarantee	
			Bank of China Limited	RMB	100,000,000	3		
			Agricultural Bank of China Limited	RMB	50,000,000	3		
			Industrial and Commercial Bank of China Ltd.	RMB	160,000,000	3		
			China Construction Bank Corporation	RMB	100,000,000	3		
			Bank of Communications Co., Ltd.	RMB	200,000,000	3		
			Postal Savings Bank of China Co., Ltd.	RMB	50,000,000	3		
			China Merchants Bank Co., Ltd.	RMB	200,000,000	3		Amount to be shared with the Group
			China Minsheng Banking Corp., Ltd.	RMB	200,000,000	3		
			China Everbright Bank Co., Ltd.	RMB	100,000,000	3		Amount to be shared with the Group
			China CITIC Bank Corporation Limited	RMB	100,000,000	3		
			Industrial Bank Co., Ltd.	RMB	100,000,000	3		
			Shanghai Pudong Development Bank Co., Ltd.	RMB	50,000,000	3		
			China Resources Bank of Zhuhai Co., Ltd.	RMB	100,000,000	3		
			Standard Chartered Bank (China) Limited	RMB	200,000,000	3		Amount to be shared with the Group
		Subtotal:		RMB	<u>1,910,000,000</u>			

LETTER FROM THE BOARD

No.	Subject of guarantee	Shareholding of the Company	Name of facility granting bank	Currency	Maximum guarantee amount (RMB)	Term of guarantee (years)	Type of guarantee	Note
3	Zhuhai Livzon Pharmaceutical Trading Co., Ltd.* (珠海市麗珠醫藥貿易有限公司)	100%	China Development Bank	RMB	100,000,000	3	Joint liability guarantee	
			The Export-Import Bank of China	RMB	200,000,000	3		
			Bank of China Limited	RMB	100,000,000	3		
			Agricultural Bank of China Limited	RMB	70,000,000	3		
			Industrial and Commercial Bank of China Ltd.	RMB	100,000,000	3		
			China Construction Bank Corporation	RMB	100,000,000	3		
			Bank of Communications Co., Ltd.	RMB	150,000,000	3		
			China Merchants Bank Co., Ltd.	RMB	100,000,000	3	Amount to be shared with the Group	
			China Minsheng Banking Corp., Ltd.	RMB	200,000,000	3		
			China Everbright Bank Co., Ltd.	RMB	200,000,000	3	Amount to be shared with the Group	
			China CITIC Bank Corporation Limited	RMB	100,000,000	3		
			Industrial Bank Co., Ltd.	RMB	50,000,000	3		
			PingAn Bank Co., Ltd.	RMB	100,000,000	3	Amount to be shared with the Group	
			China Zheshang Bank Co., Ltd.	RMB	100,000,000	3	Amount to be shared with the Group	
			China Resources Bank of Zhuhai Co., Ltd.	RMB	100,000,000	3		
			Standard Chartered Bank (China) Limited	RMB	50,000,000	3	Amount to be shared with the Group	
HSBC Bank (China) Company Limited	RMB	100,000,000	3	Amount to be shared with the Group				
Morgan Stanley Bank International (China) Limited	RMB	140,000,000	3	Amount to be shared with the Group				
		Subtotal:		RMB	<u>2,060,000,000</u>			

LETTER FROM THE BOARD

No.	Subject of guarantee	Shareholding of the Company	Name of facility granting bank	Currency	Maximum guarantee amount (RMB)	Term of guarantee (years)	Type of guarantee	Note
4	Xinbeijiang Company (Notes 1, 5)	87.14%	China Development Bank	RMB	100,000,000	3	Joint liability guarantee	
			The Export-Import Bank of China	RMB	100,000,000	3		
			Bank of China Limited	RMB	100,000,000	3		
			Agricultural Bank of China Limited	RMB	100,000,000	3		
			Industrial and Commercial Bank of China Ltd.	RMB	100,000,000	3		
			Bank of Communications Co., Ltd.	RMB	100,000,000	3		
			China Merchants Bank Co., Ltd.	RMB	200,000,000	3		Amount to be shared with the Group
			China Everbright Bank Co., Ltd.	RMB	100,000,000	3		Amount to be shared with the Group
			China CITIC Bank Corporation Limited	RMB	100,000,000	3		
			Industrial Bank Co., Ltd.	RMB	50,000,000	3		
			Standard Chartered Bank (China) Limited	RMB	65,000,000	3		Amount to be shared with the Group
			HSBC Bank (China) Company Limited	RMB	100,000,000	3		Amount to be shared with the Group
			Morgan Stanley Bank International (China) Limited	RMB	140,000,000	3		Amount to be shared with the Group
Subtotal:				RMB	<u>1,355,000,000</u>			
5	Livzon Group Fuzhou Fuxing Pharmaceutical Co., Ltd.* (麗珠集團福州福興醫藥有限公司) (“Fuzhou Fuxing”) (Notes 2, 5)	90.36%	Bank of China Limited	RMB	200,000,000	3	Joint liability guarantee	
			China Construction Bank Corporation	RMB	200,000,000	3		
			Bank of Communications Co., Ltd.	RMB	100,000,000	3		
			China Merchants Bank Co., Ltd.	RMB	200,000,000	3		Amount to be shared with the Group
			China Minsheng Banking Corp., Ltd.	RMB	100,000,000	3		
			China Everbright Bank Co., Ltd.	RMB	200,000,000	3		Amount to be shared with the Group
			Industrial Bank Co., Ltd.	RMB	100,000,000	3		
			Standard Chartered Bank (China) Limited	RMB	150,000,000	3		Amount to be shared with the Group
			HSBC Bank (China) Company Limited	RMB	100,000,000	3		Amount to be shared with the Group
			Subtotal:					RMB

LETTER FROM THE BOARD

No.	Subject of guarantee	Shareholding of the Company	Name of facility granting bank	Currency	Maximum guarantee amount (RMB)	Term of guarantee (years)	Type of guarantee	Note
6	Livzon Group (Ningxia) Pharmaceutical Manufacturing Co., Ltd.* (麗珠集團(寧夏)製藥有限公司) (“Ningxia Company”) (Notes 3, 5)	87.14%	Bank of China Limited	RMB	100,000,000	3	Joint liability guarantee	
			Bank of Communications Co., Ltd.	RMB	150,000,000	3		
			China Merchants Bank Co., Ltd.	RMB	200,000,000	3	Amount to be shared with the Group	
			China Minsheng Banking Corp., Ltd.	RMB	100,000,000	3		
			China Everbright Bank Co., Ltd.	RMB	80,000,000	3		
			Industrial Bank Co., Ltd.	RMB	200,000,000	3		
			Standard Chartered Bank (China) Limited	RMB	200,000,000	3	Amount to be shared with the Group	
Subtotal:	RMB	<u>1,030,000,000</u>						
7	Sichuan Guangda Pharmaceutical Manufacturing Co., Ltd.* (四川光大製藥有限公司)	100%	Industrial and Commercial Bank of China Ltd.	RMB	200,000,000	3	Joint liability guarantee	
			Bank of Communications Co., Ltd.	RMB	100,000,000	3		
			Industrial Bank Co., Ltd.	RMB	150,000,000	3	Amount to be shared with the Group	
			Shanghai Pudong Development Bank Co., Ltd.	RMB	100,000,000	3		
			Standard Chartered Bank (China) Limited	RMB	100,000,000	3		
			Subtotal:	RMB	<u>650,000,000</u>			
8	Livzon Group Limin Pharmaceutical Manufacturing Factory* (麗珠集團利民製藥廠)	100%	Bank of Communications Co., Ltd.	RMB	15,000,000	3	Joint liability guarantee	
			Industrial Bank Co., Ltd.	RMB	50,000,000	3		
			Standard Chartered Bank (China) Limited	RMB	40,000,000	3	Amount to be shared with the Group	
			Subtotal:	RMB	<u>105,000,000</u>			
9	Jiaozuo Livzon Hecheng Pharmaceutical Manufacturing Co., Ltd.* (焦作麗珠合成製藥有限公司)	100%	Bank of Communications Co., Ltd.	RMB	150,000,000	3	Joint liability guarantee	
			Industrial Bank Co., Ltd.	RMB	150,000,000	3		
			Standard Chartered Bank (China) Limited	RMB	150,000,000	3	Amount to be shared with the Group	
			Subtotal:	RMB	<u>450,000,000</u>			

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No.	Subject of guarantee	Shareholding of the Company	Name of facility granting bank	Currency	Maximum guarantee amount (RMB)	Term of guarantee (years)	Type of guarantee	Note
10	Zhuhai Livzon Microsphere Technology Co. Ltd.* (珠海市麗珠微球科技有限公司)	100%	Agricultural Bank of China Limited	RMB	100,000,000	3	Joint liability guarantee	
			Industrial and Commercial Bank of China Ltd.	RMB	100,000,000	3		
			Bank of Communications Co., Ltd.	RMB	100,000,000	3		
			China Merchants Bank Co., Ltd.	RMB	100,000,000	3		
			Industrial Bank Co., Ltd.	RMB	50,000,000	3		
Subtotal:				RMB	<u>450,000,000</u>			
11	Zhuhai Livzon Pharmaceuticals Import and Export Trading Co., Ltd.* (珠海市麗珠醫藥進出口貿易有限公司)	100%	Bank of Communications Co., Ltd.	RMB	100,000,000	3	Joint liability guarantee	Amount to be shared with the Group
			China Merchants Bank Co., Ltd.	RMB	100,000,000	3		
			Subtotal					
12	Gutian Fuxing Pharmaceutical Co., Ltd.* (古田福興醫藥有限公司) (“Gutian Fuxing”) (Notes 4, 5)	92.77%	Bank of China Limited	RMB	50,000,000	3	Joint liability guarantee	
			China Construction Bank Corporation	RMB	50,000,000	3		
			Bank of Communications Co., Ltd.	RMB	50,000,000	3		
			Industrial Bank Co., Ltd.	RMB	50,000,000	3		
			Standard Chartered Bank (China) Limited	RMB	50,000,000	3		
Subtotal				RMB	<u>250,000,000</u>			Amount to be shared with the Group
13	Zhuhai Livzon Traditional Chinese Medicine Modernization Technology Co., Ltd.* (珠海市麗珠中藥現代化科技有限公司)	100%	Bank of China Limited	RMB	50,000,000	3	Joint liability guarantee	
			Industrial and Commercial Bank of China Ltd.	RMB	50,000,000	3		
			China Construction Bank Corporation	RMB	50,000,000	3		
			China Minsheng Banking Corp., Ltd.	RMB	50,000,000	3		
			China Everbright Bank Co., Ltd.	RMB	50,000,000	3		
			China Resources Bank of Zhuhai Co., Ltd.	RMB	50,000,000	3		
Subtotal				RMB	<u>300,000,000</u>			Amount to be shared with the Group
Total:				RMB	<u><u>13,160,000,000</u></u>			

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Notes:

1. Zhong Hui Yuan, which holds 8.44% equity interests of Xinbeijiang Company, has provided “Letter of Undertaking for Counter Guarantee”, pursuant to which it has undertaken to provide a joint liability guarantee for 8.44% of the obligation of the Group under the guarantee provided to Xinbeijiang Company and the guarantee period of which will be expired on the expiry date of the Group’s obligation under the guarantee. Taking into consideration that Xinbeijiang Company had an audited net assets of approximately RMB1,842.22 million and an unaudited net assets of approximately RMB2,008.97 million as at 31 December 2022 and 31 March 2023, respectively, and had not defaulted in repayment of its prior facility financing, the Directors consider that the risk for Xinbeijiang Company to default its repayment of the relevant Subsidiaries Facility Financing is relatively low. To the best knowledge of the Directors after making reasonable enquiries with Zhong Hui Yuan, Zhong Hui Yuan does not have sufficient net assets to cover its counter guarantee. However, the Company, as the majority shareholder of Xinbeijiang Company, has controlling stake in the daily operation and management, including the levels of borrowings and debt liabilities, of Xinbeijiang Company, and based on the relatively low risk for Xinbeijiang Company to default its repayment, the chance of enforcing such counter guarantee against Zhong Hui Yuan is therefore relatively remote. Based on the above, the Directors are of the view that a counter guarantee from Zhong Hui Yuan serves as sufficient protection to the Company and its Shareholders as a whole of an amount in proportionate to Zhong Hui Yuan’s 8.44% equity interests in Xinbeijiang Company. The remaining 4.42% equity interests in Xinbeijiang Company are held by 1,393 individuals (the “**Individual Shareholders**”, all of whom are independent third parties and none of them holds more than 0.15% of equity interests in Xinbeijiang Company). Given the large number of the Individual Shareholders, the Directors consider that it would be impracticable to obtain counter guarantees from each of the Individual Shareholders of Xinbeijiang Company. Considering the relatively low risk of default of Xinbeijiang Company and the counter guarantee provided by Zhong Hui Yuan, the Directors are of the view that the absence of counter guarantees from the Individual Shareholders of 4.42% of the guaranteed amount are fair and reasonable from an administrative perspective and is in the interests of the Company and the Shareholders as a whole.
2. Xinbeijiang Company, a non-wholly owned subsidiary of the Company which holds 75% equity interests of Fuzhou Fuxing, has provided “Letter of Undertaking for Counter Guarantee”, pursuant to which it has undertaken to provide a joint liability guarantee for 75% of the obligation of the Group under the guarantee provided to Fuzhou Fuxing and the guarantee period of which will be expired on the expiry date of the Group’s obligation under the guarantee. Fuzhou Fuxing recorded an audited net assets of approximately RMB946.80 million and an unaudited net assets of approximately RMB1,054.18 million as at 31 December 2022 and 31 March 2023, respectively, and had not defaulted in repayment of its prior facility financing, the Directors consider that the risk for Fuzhou Fuxing to default its repayment of the relevant Subsidiaries Facility Financing is relatively low. In addition, Xinbeijiang Company had an audited net assets of approximately RMB1,842.22 million and an unaudited net assets of approximately RMB2,008.97 million as at 31 December 2022 and 31 March 2023, respectively. Furthermore, the Company holds approximately 87.14% equity interests in Xinbeijiang Company, which allows the Company to have control over the daily operation and management, including the levels of borrowings and debt liabilities, of Xinbeijiang Company, and therefore to assess and re-evaluate the financial ability of Xinbeijiang Company to fulfil its obligations under the counter guarantee on an on-going basis. Based on the above, the Directors are of the view that a counter guarantee from Xinbeijiang Company in proportion to its 75% equity interests in Fuzhou Fuxing serves as sufficient protection to the Company and its Shareholders as a whole.
3. Xinbeijiang Company, which holds 100% equity interests of Ningxia Company, has provided “Letter of Undertaking for Counter Guarantee”, pursuant to which it has undertaken to provide a joint liability guarantee for 100% of the obligation of the Group under the guarantee provided to Ningxia Company and the guarantee period of which will be expired on the expiry date of the Group’s obligation under the guarantee. Considering that Ningxia Company recorded an audited net assets of approximately RMB383.79 million and an unaudited net assets of approximately RMB430.57 million as at 31 December 2022 and 31 March 2023, respectively, and had not defaulted in repayment of its prior facility financing, the Directors are of the view that a counter guarantee from Xinbeijiang Company in proportion to its equity interests in Ningxia Company is sufficient to minimise the risk for the Company in providing such relevant Subsidiaries Guarantees to Ningxia Company. Furthermore, the Company holds approximately 87.14% equity interests in Xinbeijiang Company, which allows the Company to have control over the daily operation and management, including the levels of borrowings and debt liabilities, of Xinbeijiang Company, and therefore to assess and re-evaluate the financial ability of Xinbeijiang Company to fulfil its obligations under the counter guarantee on an on-going basis.

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4. Fuzhou Fuxing, a non-wholly owned subsidiary of the Company which holds 75% equity interests of Gutian Fuxing, has provided “Letter of Undertaking for Counter Guarantee”, pursuant to which it has undertaken to provide a joint liability guarantee for 75% of the obligation of the Group under the guarantee provided to Gutian Fuxing and the guarantee period of which will be expired on the expiry date of the Group’s obligation under the guarantee. Gutian Fuxing recorded an audited net assets of approximately RMB104.98 million and an unaudited net assets of approximately RMB107.60 million as at 31 December 2022 and 31 March 2023, respectively, and had not defaulted in repayment of its prior facility financing, the Directors consider that the risk for Gutian Fuxing to default its repayment of the relevant Subsidiaries Facility Financing is relatively low. In addition, Fuzhou Fuxing had an audited net assets of approximately RMB946.80 million and an unaudited net assets of approximately RMB1,054.18 million as at 31 December 2022 and 31 March 2023, respectively. Furthermore, the Company holds approximately 90.36% equity interests in Fuzhou Fuxing, which allows the Company to have control over the daily operation and management, including the levels of borrowings and debt liabilities, of Fuzhou Fuxing, and therefore to assess and re-evaluate the financial ability of Fuzhou Fuxing to fulfil its obligations under the counter guarantee on an on-going basis. Based on the above, the Directors are of the view that a counter guarantee from Fuzhou Fuxing in proportion to its 75% equity interests in Gutian Fuxing serves as sufficient protection to the Company and its Shareholders as a whole.
5. As advised by the Company’s PRC legal adviser, each of the aforesaid counter guarantees is legally enforceable, and the Company has the legal right to exercise such counter guarantees and claim against the respective counter parties. In the event that a counter party fails to fulfil its obligations under the relevant counter guarantee, the Company is entitled to apply to the courts to freeze its assets, including its equity interests in the relevant non-wholly owned subsidiaries of the Group, and receive compensation in priority.

As at the Latest Practicable Date, the Company has not entered into any guarantee agreement with relevant banks in relation to the Subsidiaries Guarantees. In consideration of the repayment record and creditworthiness of the Group, in particular the Company, the relevant banks providing the Subsidiaries Facility Financing do not require the relevant subsidiaries to provide or deposit any guarantee fees but only joint liability guarantees from the Company, the guarantee fees saved can be used by the relevant subsidiaries in their other business activities, which, in the view of the Directors, could create more value to those relevant subsidiaries and the Company. Furthermore, the Subsidiaries Facility Financing is intended to be used to finance the general operation and business of the relevant subsidiaries, and the Company will benefit from alleviating its capital contribution requirement into the relevant subsidiaries. In view of above, the Directors are of the view that the provision of the Subsidiaries Guarantees in respect of the Subsidiaries Facility Financing is in the interests of the Company and the Shareholders as a whole.

According to the Shenzhen Listing Rules and the Articles of Association, the guarantees of facility financing of approximately RMB13,160.00 million to be provided by the Company to its subsidiaries represent approximately 94.84% of the latest audited net assets attributable to shareholders of the parent company (RMB13,876.02 million), and the Company’s facility financing and provision of guarantees to its subsidiaries are subject to the approval of Shareholders by special resolution. While the proposed Company Facility Financing, subject to the approval of the Shareholders at the AGM, is provided by the relevant banks to the Company, the Subsidiaries Facility Financing, which is proposed to be covered by the Subsidiaries Guarantees, is provided by the relevant banks to the specific subsidiaries of the Company.

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It is therefore proposed at the AGM to seek approval for the abovementioned credit facilities and guarantees, and to grant mandate to the Board and other persons authorised by the Board to negotiate with the relevant banks regarding the amount of credit facilities and guarantees within the above-mentioned credit facilities or guarantee limits, and to execute all relevant documents.

III. PROPOSED RENEWAL OF THE REPURCHASE SCHEME

Reference is made to the announcements dated 14 September 2022 and 25 October 2022 and the circular dated 30 September 2022 of the Company (the “**Circular**”).

In order to promote the stable development of the Company and effectively protect the interests of its Shareholders, the Board considered and approved the Repurchase Scheme on 14 September 2022. The Repurchase Scheme was approved by the 2022 third extraordinary general meeting, the 2022 third class meeting of A Shareholders and the 2022 third class meeting of H Shareholders of the Company on 25 October 2022. Please refer to the Circular for the full text of the Repurchase Scheme.

According to the Repurchase Scheme, the implementation period of the A Share repurchase (the “**Repurchase Period**”) shall be within twelve months from the date of the Company’s general meetings at which the Repurchase Scheme was considered and approved (i.e. 25 October 2022 to 24 October 2023). However, if (a) the Repurchase Scheme is not approved for renewal at the AGM, Class Meeting of A Shareholders and Class Meeting of H Shareholders, or (b) the authority conferred by the Repurchase Scheme 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 will expire early on the earliest of above dates.

In order to ensure the smooth implementation of the Repurchase Scheme, it is therefore proposed at the General Meetings to seek the Shareholders’ approval for the renewal of the Repurchase Scheme and the grant of mandate to the Board for repurchasing A Shares of the Company under the Repurchase Scheme.

IV. PROPOSED RE-ELECTION OF DIRECTORS AND SUPERVISORS OF THE COMPANY

As the tenth session of the Board and the tenth session of the Supervisory Committee have served for three years, according to the relevant law and regulations such as the Company Law and the Securities Law as well as article 137 of the Articles of Association, the Company shall appoint new members for the next session of the Board and the Supervisory Committee. The Board and the Supervisory Committee have passed the resolutions for the proposed re-election of the following Directors and Supervisors respectively on 15 May 2023. Therefore, the Company will propose ordinary resolutions to consider and approve the re-election of the following Directors and Supervisors at the AGM by way of cumulative voting pursuant to article 109 of the Articles of Association, the instruction of which is set out in the proxy form dispatched on 16 May 2023 by the Company:

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1. Proposed re-election of Mr. Zhu Baoguo (朱保國先生) as a non-executive director of the eleventh session of the Board

Mr. Zhu Baoguo (朱保國), aged 61, is currently the chairman, non-executive Director, the chairman of the Strategy Committee and the Environmental, Social and Governance Committee of the Company, and also serves as a director in other subsidiaries of the Group. Mr. Zhu obtained his bachelor's degree from the school of chemistry of Henan Normal University (河南師範大學) in 1985. Since 2002, Mr. Zhu has been the chairman of the Board and from April 2006 to September 2013, he also served as the president of the Company. Mr. Zhu Baoguo is the founder of Joincare, and is currently the chairman of Joincare. Since November 2014, he has been honorary vice president of Shenzhen General Chamber of Commerce (深圳市工商聯(總商會)). Since December 2012, Mr. Zhu has been a council member and secretary-general of the Nature Conservancy (TNC) Great China Council (大自然保護協會(TNC)大中華理事會). Since April 2015, Mr. Zhu has been the chairman of the Paradise International Foundation (桃花源生態保護基金會). Since May 2021, he has been the independent non-executive director of Central China Management Company Limited (09982.HK). Mr. Zhu Baoguo is the spouse of Ms. Liu Guangxia (劉廣霞女士), one of our controlling shareholders.

2. Proposed re-election of Mr. Tao Desheng (陶德勝先生) as a non-executive director of the eleventh session of the Board

Mr. Tao Desheng (陶德勝), aged 58, joined the Company in 1985 and is currently the non-executive Director, vice chairman and a member of the Strategy Committee and the Nomination Committee of the Company, and also serves as a director in other subsidiaries of the Group. Mr. Tao graduated from the school of pharmaceutical chemistry of China Pharmaceutical University (南京藥學院) with a bachelor's degree in science. From 2000 to 2002, Mr. Tao attended a graduate course in enterprise management organized by the School of Business of Sun Yat-sen University (中山大學管理學院). Mr. Tao obtained his license in pharmacist qualification in October 2002 and the title of senior engineer in pharmaceutical manufacturing (professor) in 2013. Mr. Tao was the vice president and president of the Company from June 2005 to March 2014 and from March 2014 to December 2018, respectively. He was our executive Director from July 2009 to December 2018. Mr. Tao has been the vice chairman of the Company since August 2014.

3. Proposed re-election of Mr. Yu Xiong (俞雄先生) as a non-executive director of the eleventh session of the Board

Mr. Yu Xiong (俞雄), aged 62, is currently the non-executive Director of the Company. He is a researcher, Bachelor of Science from Fudan University (復旦大學). In 2004, Mr. Yu completed a short program on modern business management at the Catholic University of Leuven (魯文大學) in Belgium; from July 2005 to January 2006, he had been a senior visiting scholar at California State University, Northridge (美國加州州立大學北嶺分校). He was a director and deputy dean of the Chemistry Department of Shanghai Pharmaceutical Industry Research Institute, deputy dean of China National Pharmaceutical Industry Research Institute. He served as a director of Shanghai Shyndec Pharmaceutical Co., Ltd. (上海現代製藥股份有限公司) (600420.SH), an independent director of Shandong Lukang Pharmaceutical Co., Ltd.

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(山東魯抗醫藥股份有限公司) (600789.SH), Guangdong Taientang Pharmaceutical Co., Ltd. (廣東太安堂藥業股份有限公司) (002433.SZ), the Company and Shandong Xinhua Pharmaceutical Co., Ltd. (山東新華製藥股份有限公司) (000756.SZ). He was a general manager and the chairman of Sinopharm Group Yangzhou Weike Biological Engineering Co., Ltd. (國藥集團揚州威克生物工程股份有限公司). He was a visiting professor at Shanghai Jiao Tong University (上海交通大學), East China University of Science and Technology (華東理工大學) and East China Normal University (華東師範大學). He was a vice president of Joincare from October 2016 to November 2020. He has been the president of Joincare since November 2020. Since August 2021, he has been the director of Joincare. Since May 2018, he has been the director of Shanghai Huatai Investment and Development Co., Ltd. (上海華太投資發展有限公司). He has been the chairman of Shanghai Fangyu Health Pharmaceutical Technology Co., Ltd. (上海方予健康醫藥科技有限公司), a controlling subsidiary of Joincare since November 2018. Since December 2020, he has been the executive director of Guangzhou Joincare Respiratory Drugs Engineering Technology Co., Ltd. (廣州健康元呼吸藥物工程技術有限公司), an invested company of Joincare. He has been an independent director of Jinyao Pharmaceutical Co., Ltd. (津藥藥業股份有限公司) (600488.SH; previously known as Tianjin Tianyao Pharmaceutical Co., Ltd. (天津天藥藥業股份有限公司)) since December 2016. He has been an independent director of Sichuan Biokin Pharmaceutical Co., Ltd. (四川百利天恒藥業股份有限公司) (688506.SH) since September 2019. He also serves concurrently as an honorary director of the Chinese Pharmaceutical Association, an honorary chairman of the Pharmaceutical Engineering Professional Committee, an honorary director of Shanghai Society of Chemistry and Chemical Industry and an adjunct professor of East China University of Science (華東理工大學). Since November 2021, he has been the chairman of Haibin Pharma. Mr. Yu has been the non-executive Director of the Company since June 2020.

4. Proposed re-election of Mr. Qiu Qingfeng (邱慶豐先生) as a non-executive director of the eleventh session of the Board

Mr. Qiu Qingfeng (邱慶豐), aged 52, is currently the non-executive Director of the Company. Mr. Qiu obtained his EMBA from China Europe International Business School (中歐國際工商學院) in September 2007. He is a non-practicing member of the Chinese Institute of Certified Public Accountants. Mr. Qiu joined Shenzhen Taitai Pharmaceutical Co., Ltd. (深圳太太藥業有限公司) in 1996. Mr. Qiu has been a director of Joincare since August 2009 and has been a vice president and the chief financial officer of Joincare since November 2020. Mr. Qiu was the Supervisor and the chief Supervisor of the Company from June 2005 to April 2007. Mr. Qiu has been the non-executive Director of the Company since April 2007.

5. Proposed re-election of Mr. Tang Yanggang (唐陽剛先生) as an executive director of the eleventh session of the Board

Mr. Tang Yanggang (唐陽剛), aged 54, is currently our executive Director, the president, a member of the Strategy Committee and the Environmental, Social and Governance Committee and the authorized representative of the Company under Rule 3.05 of the Hong Kong Listing Rules and also serves as a director in other subsidiaries of the Group. Mr. Tang graduated from Sichuan University (四川大學) with a bachelor degree in microbiology in 1992 and is a senior pharmaceutical engineer. In 2008, he joined Xinbeiji Company, where he

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served as technical director, general manager, chairman of the board and secretary to the party committee. Since July 2015, he has been the chairman of the board of director of Xinbeijiang Company. From July 2015 to October 2020, he served as the general manager of the API business department of the Company. He is also a vice president of Qingyuan Federation of Industry and Commerce, a member of the Zhuhai Municipal Political Consultative Conference, vice chairman of Qingyuan Entrepreneur Association, vice chairman of Guangdong Pharmaceutical Association and vice chairman of China Association of Traditional Chinese Medicine. Mr. Tang was the executive vice president of the Company from July to December 2018, and has been the president of the Company since December 2018. Mr. Tang has been the executive Director of the Company since February 2019.

6. Proposed re-election of Mr. Xu Guoxiang (徐國祥先生) as an executive director of the eleventh session of the Board

Mr. Xu Guoxiang (徐國祥), aged 61, is currently our executive Director, vice chairman and vice president, and also serves as a director in other subsidiaries of the Group. From November 2010 to November 2011, Mr. Xu attended an advanced EMBA course in the PRC's pharmaceutical industry organized by the Medical School of Peking University (北京大學醫學部) and obtained a completion certificate. From 2000 to 2005, Mr. Xu was a director of Yangtze River Pharmaceutical Co., Ltd. (揚子江製藥股份有限公司). In March 2007, he was the chief sale supervisor of the Company and the general manager of our branch company in Henan Province. Mr. Xu has been the vice president of the Company since December 2007. He has been a director of Zhuhai Sanmed Gene Diagnostics Ltd. (珠海市聖美基因檢測科技有限公司) since April 2020. He has been a director of Tianjin Tongrentang Group Co., Ltd. (天津同仁堂集團股份有限公司) since May 2021. He is currently the vice chairman of China Association of Pharmaceutical Commerce, the standing council member of the Chinese Hospital Association, the council member of the Bethune Charitable Foundation and the vice chairman of Guangdong Pharmaceutical Price Association (廣東省醫藥價格協會). Since June 2017, he has been the executive Director of the Company.

7. Proposed re-election of Mr. Bai Hua (白華先生) as an independent non-executive director of the eleventh session of the Board

Mr. Bai Hua (白華), aged 53, is currently the independent non-executive Director, the chairman of the Audit Committee, a member of the Remuneration and Assessment Committee and the Environmental, Social and Governance Committee of the Company. Mr. Bai Hua is a Chinese Certified Public Accountant (non-practicing). He graduated from the Business School of Wuhan University in 2003 with a doctorate degree in management. He has extensive experience in research and practices of corporate governance, risk management and internal control. He is currently a professor and doctoral tutor of the Accounting Department of the School of Management of Jinan University (暨南大學). He is also a director of the Guangdong Auditing Society and a member of the Publicity Committee of the Guangdong Certified Public Accountants Association. He has been an independent director of Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司) (600548.SH, 00548.HK) since February 2018. Since November 2018, he has been an independent director of Guangdong

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Hongxing Industrial Co., Ltd. (廣東洪興實業股份有限公司) (001209.SZ) (listed on the Shenzhen Stock Exchange on 23 July 2021). Since June 2020, he has been an independent director of Improve Medical Instruments Co., Ltd. (陽普醫療科技股份有限公司) (300030.SZ). Since April 2021, he has been an independent director of Skyworth Digital Co., Ltd. (創維數字股份有限公司) (000810.SZ). Mr. Bai has been the independent non-executive Director, the chairman of the Audit Committee, a member of the Remuneration and Assessment Committee and a member of the Environmental, Social and Governance Committee of the Company since June 2020.

8. Proposed re-election of Mr. Tian Qiusheng (田秋生先生) as an independent non-executive director of the eleventh session of the Board

Mr. Tian Qiusheng (田秋生), aged 67, is currently the independent non-executive Director, a member of the Audit Committee, the chairman of the Remuneration and Assessment Committee, a member of the Nomination Committee and the Environmental, Social and Governance Committee of the Company. Mr. Tian is a doctor of economics, professor and doctoral tutor. He had studied at Lanzhou University (蘭州大學), Nankai University (南開大學) and Northwest University (西北大學). From July 1982 to July 2005, he taught at Lanzhou University and served as deputy director of the Department of Economics and deputy head of the School of Economics and Management of Lanzhou University. Since July 2005, he has taught at South China University of Technology (華南理工大學). From October 2005 to June 2017, he served as deputy head of the School of Economics and Trade of South China University of Technology. He is currently a guest economist of China Economic Monitoring Center of National Bureau of Statistics of China, a member of the Academic Committee under the Guangdong Financial Institute, a financial consultant of Guangdong Financial Supervisory Authority, the vice president of the Guangdong Financial Think-tank Federation and a counselor of the Advisory Office of the Guangdong People's Government. He was an independent director of Zhuhai Port Co., Ltd. (珠海港股份有限公司) (000507.SZ) from December 2014 to December 2020; He has been an independent director of Guangzhou Lingnan Group Holdings Company Limited (廣州嶺南集團控股股份有限公司) (000524.SZ) since August 2017, and an independent non-executive director of Fineland Living Services Group Limited (9978.HK) (formerly known as Fineland Real Estate Services Group Limited(08376.HK), which transferred the listing from GEM to the Main Board on 28 May 2020) since October 2017. He has been an independent director of Audiowell Electronics (Guangdong) Co., Ltd. (廣東奧迪威傳感科技股份有限公司) (Beijing Stock Exchange: 832491) from December 2019 to May 2023. Mr. Tian has been the independent non-executive Director of the Company since October 2019. He has been a member of the Audit Committee, the chairman of the Remuneration and Assessment Committee, a member of the Nomination Committee and the Environmental, Social and Governance Committee of the Company since July 2021.

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9. Proposed re-election of Mr. Wong Kam Wa (黃錦華先生) as an independent non-executive director of the eleventh session of the Board

Mr. Wong Kam Wa (黃錦華), aged 52, is currently our independent non-executive Director and a member of the Environmental, Social and Governance Committee. Mr. Wong is a lawyer who graduated from the University of Hong Kong with a bachelor degree in engineering and a certificate in law. From May 2011 to March 2016, he worked for Loeb & Loeb LLP. From April 2016 to July 2019, he worked for Anthony Siu & Co. Since July 2019, he has been a partner of TW Partners. Mr. Wong has been the independent non-executive Director of the Company since October 2019. He has been a member of the Environmental, Social and Governance Committee of the Company since June 2020.

10. Proposed re-election of Mr. Luo Huiyuan (羅會遠先生) as an independent non-executive director of the eleventh session of the Board

Mr. Luo Huiyuan (羅會遠), aged 56, is currently the independent non-executive Director, a member of the Audit Committee and the chairman of the Nomination Committee of the Company. Mr. Luo graduated from the Law School of Anhui University (安徽大學) and obtained a bachelor's degree in law in 1989. He graduated from the Renmin Law School (中國人民大學法學院) and obtained a master's degree in law in 2000. He is the senior partner of Beijing Hai Run Law Firm (北京海潤天睿律師事務所). He concurrently serves a vice president of Beijing Chaoyang District Lawyers Association (北京市朝陽區律師協會). He was a member of the sixth session of Listed Company Merger and Reorganization Examination Committee of China Securities Regulatory Commission (中國證券監督管理委員會第六屆上市公司併購重組審核委員會) from July 2016 to June 2019. He was an independent director of Suzhou Yangtze New Materials Co., Ltd. (蘇州揚子江新型材料股份有限公司) (002652.SZ) from January 2018 to January 2021. He was a principal of Beijing Hai Run Law Firm (北京海潤天睿律師事務所) from May 2018 to December 2021. He has been an independent director of Tibet Tianlu Co., Ltd. (西藏天路股份有限公司) (600326.SH) from January 2016 to January 2022, an independent director of Shanghai Challenge Textile Co., Ltd. (上海嘉麟傑紡織品股份有限公司) (002486.SZ) from January 2017 to January 2023, an independent director of CNPC Capital Company Limited (中國石油集團資本股份有限公司) (000617.SZ) from April 2017 to April 2023, an independent director of Xianheng International Science & Technology Co., Ltd. (咸亨國際科技股份有限公司) (605056.SH) since September 2017, and an independent director of Rosefinch Fund Management Co., Ltd. (朱雀基金管理有限公司) since September 2020. He has been an independent director of China TX IIOT Corporation Limited (華夏天信智能物聯股份有限公司) since December 2021. Mr. Luo has been the independent non-executive Director, a member of the Audit Committee and the chairman of the Nomination Committee of the Company since July 2021.

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11. Proposed re-election of Ms. Cui Lijie (崔麗婕女士) as an independent non-executive director of the eleventh session of the Board

Ms. Cui Lijie (崔麗婕), aged 47, is currently the independent non-executive Director and a member of the Remuneration and Assessment Committee of the Company. Ms. Cui holds a postgraduate degree. She was a director and the secretary to the board of Zhuhai Ebang Pharmaceutical Co., Ltd. (珠海億邦製藥股份有限公司). She is a member of the Zhuhai Committee of Jiusan Society, a member of Zhuhai Committee (Jinwan District) of the Chinese Peoples' Political Consultative Conference (珠海市金灣區政協委員會) and an executive member of Zhuhai Women Federation (Jinwan District) (珠海市金灣區婦女聯合會). Ms. Cui has experience of over twelve years in areas of operation and management of pharmaceutical companies and operation in capital markets, as well as experience of over five years in the field of risk management. She has been an executive director and the general manager of Zhuhai Longmen Healthcare Investment and Management Co., Ltd. (珠海隆門醫療投資管理有限公司) since April 2016, an executive director and the general manager of Zhuhai Hengqin New Area Longmen Asset Management Co., Ltd. (珠海橫琴新區隆門資產管理有限公司) since August 2016, the chairman of Zhuhai Longmen Capital Management Co., Ltd. (珠海隆門資本管理有限公司) since December 2016, a supervisor of Suzhou Iron Technology Co., Ltd. (蘇州艾隆科技股份有限公司) (688329.SH) from May 2017 to May 2021, a director of Suzhou Yusen New Medicine Co., Ltd. (蘇州玉森新藥有限公司) since April 2018, a director of Deyi Sunshine (Beijing) Co., Ltd. (德益陽光(北京)有限公司) since June 2020, an non-independent director of Suzhou Iron Technology Co., Ltd. (688329.SH) since May 2021, and a director of Shenzhen Qianhai Longqishi Information Technology Co., Ltd. (深圳前海龍奇士信息科技有限公司) since February 2023. Ms. Cui has been the independent non-executive Director of the Company since July 2021 and a member of the Remuneration and Assessment Committee of the Company since December 2021.

12. Proposed re-election of Mr. Huang Huamin (黃華敏先生) as a non-employee supervisor of the eleventh session of the Supervisory Committee of the Company

Mr. Huang Huamin (黃華敏), aged 52, an accountant, is currently a Supervisor of the Company and graduated from Shanghai University of Finance and Economics (上海財經大學) with a bachelor's degree in economics in 1993. Mr. Huang has been the chief financial officer and assistant to the general manager of Livzon Group Lixin Co., Ltd. (麗珠集團麗新公司), the manager of the finance department and business department of Livzon Group Liwei Co., Ltd. (麗珠集團麗威公司) as well as the manager of the finance settlement center of the Company. From September 2008 to May 2009, Mr. Huang was employed by Zhuhai Gree Real Estate Co., Ltd. (珠海格力房產有限公司). Mr. Huang was the chief financial officer, the secretary to the board of directors and vice president of Gree Real Estate Co., Ltd. (格力地產股份有限公司) from May 2009 to March 2017, from October 2009 to March 2017 and from March 2016 to March 2017, respectively. Mr. Huang was the deputy general manager of Guangzhou Golden Eagle Asset Management Co., Ltd. (廣州金鷹資產管理有限公司) and the chief financial officer of Golden Eagle Fund Management Co., Ltd. (金鷹基金管理有限公司) from August 2017 to March 2019. Mr. Huang was an assistant to the chairman of the board of directors of China Agriculture Industrial Development Group Co., Ltd. (中農華鑫實業發展集團有限公司) from March 2019 to August 2020. Since April 2020, he has been a managing partner of Zhuhai Guanjing Enterprise Management Center (LLP) (珠海觀鯨企業管理中心(有限合夥)). Since August 2020, he has been the executive director of Kuangshi Investment (Zhuhai) Co., Ltd. (匡

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時投資(珠海)有限公司). From October 2020 to November 2021, he has been a director and the general manager of Sichuan Danzhuer Equity Investment Fund Management Co., Ltd. (四川丹朱爾股權投資基金管理有限公司). From November 2020 to October 2022, he was an investment advisor to Zhuhai Security Group Co., Ltd. (珠海安保集團有限公司). Since December 2020, he has been the chairman of Hengqin Jingzhun Wisdom Medical Technology Co., Ltd. (橫琴鯨準智慧醫療科技有限公司). From December 2020 to December 2022, he has been an independent director of Xuzhou Handler Special Vehicle Company Ltd. (徐州海倫哲專用車輛股份有限公司) (300201.SZ). Since July 2021, he has been the director of Shenzhen Huachuang Life Co., Ltd. (深圳市華創生活股份有限公司) (873207.NEEQ). Since October 2021, he has been the director (external affairs) of Yuanxin (Zhuhai) Private Equity Fund Management Co., Ltd. (遠信(珠海)私募基金管理有限公司). Since November 2021, he has been the Secretary-General of Zhuhai Association for Listed Companies (珠海市上市公司協會). Since February 2022, he has been an arbitrator of Zhuhai Court of International Arbitration (珠海國際仲裁院). Since October 2022, he has been an executive director of Zhuhai Shangxie Investment Co., Ltd. (珠海上協投資有限公司). Mr. Huang has been a Supervisor of the Supervisory Committee of the Company since June 2013.

13. Proposed re-election of Mr. Tang Yin (湯胤先生) as a non-employee supervisor of the eleventh session of the Supervisory Committee of the Company

Mr. Tang Yin (湯胤), aged 48, is currently a Supervisor of the Company. He graduated from the South China University of Technology (華南理工大學) with a double degree in mechanics and mathematics in 1996, a master degree of science in applied mathematics in 1999, and a doctor degree from the Intelligent Calculation Team of the School of Computer Science in 2004. Since 2004, he has successively served as a deputy professor and a professor, and a master tutor of School of Management of Jinan University (暨南大學管理學院). From January 2012 to October 2020, he has been an assistant to the dean of School of Entrepreneurship of Jinan University (暨南大學創業學院) and since 2012, he has been the director of Internet Innovation Institute. Since March 2020, he has been the deputy director of Experimental Education Center of Economics and Management (National) of Jinan University (暨南大學經濟管理(國家級)實驗教學示範中心). He is also the deputy secretary-general of Guangzhou Internet Association, the vice president of the Hong Kong & Guang Zhou Innovation and Technology Association (香港廣州創新及科技協會), a member of the Expert Committee of Guangdong Electronic Commerce Association, vice chairman of Guangzhou Electronic Commerce and Internet Economy Association and a council member of Guangdong Mobile Economy Association. He has been a Supervisor of the Supervisory Committee of the Company since February 2016.

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In view of the composition of the eleventh session of the Board, with the assistance and recommendation from the Nomination Committee of the Company, the Board has comprehensively reviewed and considered the structure, number of members, composition and diversity of the Board from a number of aspects, including but not limited to gender, ages, cultural and education background, skills, knowledge and experience and decided to propose the re-election of Mr. Bai Hua, Mr. Tian Qiusheng, Mr. Wong Kam Wa, Mr. Luo Huiyuan and Ms. Cui Lijie as independent non-executive Directors at the AGM. Having made all necessary and reasonable enquiries, the Board is satisfied that Mr. Bai Hua, Mr. Tian Qiusheng, Mr. Wong Kam Wa, Mr. Luo Huiyuan and Ms. Cui Lijie are not connected with any other Directors, Supervisors, senior management or substantial shareholders or controlling shareholders of the Company. In addition, the Board has assessed and reviewed their written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Hong Kong Listing Rules and is satisfied that Mr. Bai Hua, Mr. Tian Qiusheng, Mr. Wong Kam Wa, Mr. Luo Huiyuan and Ms. Cui Lijie remain independent. Given that Mr. Bai Hua, Mr. Tian Qiusheng, Mr. Wong Kam Wa, Mr. Luo Huiyuan and Ms. Cui Lijie do not hold any directorship in more than seven or more listed companies, the Board believes that they can commit sufficient time to assume their director's duties.

The Board has assessed the performance of Mr. Bai Hua, Mr. Tian Qiusheng, Mr. Wong Kam Wa, Mr. Luo Huiyuan and Ms. Cui Lijie during their tenure as independent non-executive Directors, and believes that Mr. Bai Hua, Mr. Tian Qiusheng, Mr. Wong Kam Wa, Mr. Luo Huiyuan and Ms. Cui Lijie, with their professional knowledge, experience and extensive knowledge of the Group's business, will be able to continue to provide independent advice, opinions and judgments to the Board. The Board also believes that Mr. Bai Hua's financial expertise and experience will make a positive contribution to the Company's strategies, policies and performance. Mr. Bai Hua, Mr. Tian Qiusheng, Mr. Wong Kam Wa, Mr. Luo Huiyuan and Ms. Cui Lijie have extensive experience in their respective fields, and have different technologies, knowledge and experience. The Board believes that they have the necessary character, integrity and experience, and believes that they will continue to contribute to the diversity of the Board and effectively perform their duties as independent non-executive Directors.

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As at the Latest Practicable Date, among the above Directors and Supervisors proposed to be re-elected, only Mr. Zhu Baoguo, Mr. Tao Desheng, Mr. Xu Guoxiang, Mr. Tang Yanggang, Mr. Qiu Qingfeng and Mr. Yu Xiong have or are deemed to have interests in any Shares, underlying Shares and debentures of the Company or its associated corporations under Part XV of the Securities and Futures Ordinance, details of which are as below:

Interest in shares/underlying shares of the Company

Name of director	Capacity	Number of shares/ underlying shares interested (Long position)	As a percentage of the specific class of issued shares of the Company	As a percentage of the total issued shares of the Company
Mr. Zhu Baoguo (朱保國)	Interest of controlled corporation	255,513,953 A Shares ⁽¹⁾⁽²⁾	40.84%	27.31%
		163,364,672 H Shares ⁽¹⁾⁽³⁾	52.73%	17.46%
Mr. Tao Desheng (陶德勝)	Beneficial owner Interest of spouse	733,800 A Shares ⁽⁴⁾⁽²¹⁾		
		210,806 A Shares ⁽⁵⁾⁽⁶⁾⁽²¹⁾		
		944,606 A Shares	0.15%	0.10%
Mr. Xu Guoxiang (徐國祥)	Beneficial owner	943,800 A Shares ⁽⁷⁾⁽²¹⁾	0.15%	0.10%
Mr. Tang Yanggang (唐陽剛)	Beneficial owner	504,963 A Shares ⁽⁸⁾⁽²¹⁾	0.08%	0.05%

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Interest in shares/underlying shares of associated corporations of the Company

Name of director	Name of associated corporation	Capacity	Equity interest/ number of shares (Long position)	As a percentage of the equity interest of associated corporation
Mr. Zhu Baoguo (朱保國)	Baiyeyuan	Beneficial owner	72,000,000 (RMB) ⁽¹⁾	90.00% ⁽¹⁾
	Joincare	Interest of controlled corporations	895,653,653 shares ⁽¹⁾⁽⁹⁾	46.43% ⁽¹⁰⁾
	LivzonBio ⁽¹¹⁾	Interest of controlled corporations	294,000,000 (RMB) ⁽¹⁾⁽¹²⁾	33.07% ⁽¹¹⁾
	Livzon HK ⁽¹¹⁾	Interest of controlled corporations	4,000 shares ⁽¹⁾⁽¹³⁾	100.00% ⁽¹¹⁾
	Livzon MAB ⁽¹¹⁾	Interest of controlled corporations	1,453,330,000 (RMB) ⁽¹⁾⁽¹⁴⁾	100.00% ⁽¹¹⁾
Mr. Tang Yanggang (唐陽剛)	Xinbeijiang Company ⁽¹⁵⁾	Interest of controlled corporations	20,238,780 shares ⁽¹⁵⁾	8.44%
	Livzon Diagnostics ⁽¹⁶⁾	Interest of controlled corporations	36,099,971 shares ⁽¹⁶⁾	9.03%
Mr. Xu Guoxiang (徐國祥)	Livzon Diagnostics ⁽¹⁷⁾	Others	2,153,399 shares ⁽¹⁷⁾	0.54%
Mr. Qiu Qingfeng (邱慶豐)	Joincare	Beneficial owner	1,317,409 shares ⁽¹⁸⁾	0.07%
Mr. Yu Xiong (俞雄)	Joincare	Beneficial owner	1,600,000 shares ⁽¹⁹⁾	
		Interest of spouse	3,720 shares ⁽²⁰⁾	
			1,603,720 shares	0.08%

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Notes:

- (1) Joincare was 46.43% held by Baiyeyuan which was in turn 90% held by Mr. Zhu Baoguo. Mr. Zhu Baoguo was deemed to be interested in the shares of the Company and the equity interest of its associated corporations in which Joincare was or was deemed to be interested by virtue of the SFO.
- (2) Among these shares, 238,683,118 shares (in which 17,306,329 shares were directly transferred, entrusted and pledged by Begol in favor of Joincare in accordance with the Share Transfer, Custody and Pledge Agreement entered into among three parties, namely Begol, Joincare and Zhuhai Lishi Investment Co., Ltd. (珠海市麗士投資有限公司), on 2 January 2004, and the Share Transfer and Custody Agreement and the Share Pledge Agreement entered into between Begol and Joincare) and 16,830,835 shares were held directly by Joincare and its wholly-owned subsidiary, Haibin Pharma, respectively.
- (3) These shares were held directly by Topsino, a wholly-owned subsidiary of Joincare.
- (4) These shares are all A Shares of the Company.
- (5) These shares included 64,000 share options, which were able to subscribe for 64,000 A Shares of the Company pursuant to the 2022 Share Options Incentive Scheme of the Company.
- (6) As these shares and underlying shares were held directly by Ms. Hou Xuemei, the spouse of Mr. Tao Desheng, Mr. Tao Desheng was deemed to be interested in these shares and underlying shares.
- (7) These shares included 160,000 share options, which were able to subscribe for 160,000 A Shares of the Company pursuant to the 2022 Share Options Incentive Scheme of the Company.
- (8) These shares included 160,000 share options, which were able to subscribe for 160,000 A Shares of the Company pursuant to the 2022 Share Options Incentive Scheme of the Company.
- (9) Baiyeyuan held 895,653,653 shares of Joincare.
- (10) The total issued share capital of Joincare was 1,929,189,374 shares. Therefore, Baiyeyuan held 46.43% equity interest in Joincare.
- (11) LivzonBio was directly held as to 33.07% by Joincare. Livzon HK and Livzon MAB were directly held as to 100% by LivzonBio.
- (12) These equity interests were held by Joincare.
- (13) These shares were held by LivzonBio.
- (14) These equity interests were held by LivzonBio.
- (15) Xinbeijiang Company was directly held as to 87.14% by the Company, and directly held as to 8.44% (i.e. 20,238,780 shares) by Zhong Hui Yuan, which was in turn directly held as to 45.50% by Mr. Tang Yanggang.
- (16) Livzon Diagnostics was directly held as to 39.425% by the Company, and as to 9.025% (i.e. 36,099,971 shares) by Zhuhai Liying Investment Management Partnership (Limited Partnership)* (珠海麗英投資管理合夥企業(有限合夥)) (“**Liying**”), and Mr. Tang Yanggang was the general partner of Liying who directly held 19.9234% equity interest in Liying and had sole discretion to decide all matters of Liying.
- (17) Mr. Xu Guoxiang directly held 5.9651% equity interest in Liying, and therefore Livzon Diagnostics was indirectly held as to 0.54% by Mr. Xu Guoxiang.
- (18) These shares included 600,000 share options, which were able to subscribe for 600,000 A shares of Joincare pursuant to the 2022 share options incentive scheme of Joincare.
- (19) These shares included 800,000 share options, which were able to subscribe for 800,000 A shares of Joincare pursuant to the 2022 share options incentive scheme of Joincare.

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- (20) As these shares were held directly by Ms. Qian Lingyun (錢凌雲), the spouse of Mr. Yu Xiong, hence Mr. Yu Xiong was deemed to be interested in these shares.
- (21) For details of the aforesaid 2022 Share Options Incentive Scheme, please refer to the relevant information of “XXI. SHARE OPTIONS INCENTIVE SCHEMES” in Section III of the 2022 annual report of the Company.

Saved as disclosed above, the Directors and Supervisors proposed to be re-elected (1) do not hold any position as a director or a supervisor in any other listed companies in the last three years; (2) do not have any relationship with any other Directors, Supervisors, senior management, or substantial shareholders or controlling shareholders of the Company; and (3) do not have any interest in the shares or underlying shares of the Company (within the meaning of Part XV of the SFO) as at the Latest Practicable Date.

Save as disclosed above, there is no information that need to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules nor are there other matters related to the proposed re-election of the above Directors and Supervisors that need to be brought to the attention of the Shareholders of the Company.

The qualifications and independence of all the above candidates of the independent non-executive Directors shall be subject to the filing and review of the Shenzhen Stock Exchange without objection before putting forward to the AGM for voting.

V. PROPOSED DIRECTOR’S FEE AND SUPERVISOR’S FEE OF THE COMPANY

On 15 May 2023, the Board and the Supervisory Committee have passed the resolutions for the proposed Director’s fee of the eleventh session of the Board and Supervisor’s fee of the eleventh session of the Supervisory Committee respectively. Therefore, the Company will propose ordinary resolutions to consider and approve the following Director’s fee and Supervisor’s fee at the AGM:

The Director’s fee of the eleventh session of the Board: (i) the annual Director’s fee for executive Directors and non-executive Directors is RMB96,000 (before tax); (ii) the annual Director’s fee for independent non-executive Directors is RMB120,000 (before tax); (iii) the annual Director’s fee for the chairman of the Board is RMB3,250,000 (before tax); and (iv) the annual Director’s fee for the vice chairman of the Board is RMB3,000,000 (before tax). If a Director concurrently serves as the chairman or vice chairman of the Board, his/her Director’s fee shall be the Director’s fee of the chairman or vice chairman of the Board.

The Supervisor’s fee of the eleventh session of the Supervisory Committee: (i) the annual Supervisor’s fee for Supervisors is RMB60,000 (before tax); and (ii) the annual Supervisor’s fee for the chief Supervisor of the Supervisory Committee is RMB72,000 (before tax). If a Supervisor concurrently serves as the chief Supervisor, his Supervisor’s fee shall be the Supervisor’s fee of the chief Supervisor.

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If the candidates above are appointed as Directors and Supervisors of the eleventh session of the Board and the eleventh session of the Supervisory Committee respectively at the AGM, the above Directors and Supervisors proposed to be re-elected will enter into service contracts with the Company respectively.

Mr. Tang Yanggang and Mr. Xu Guoxiang are also entitled to an annual salary of RMB1,200,000 (before tax) and RMB1,000,000 (before tax), respectively, plus discretionary bonus during their tenure. Such fee, salary and bonus of the Directors and Supervisors proposed to be re-elected are determined by reference to their duties and responsibilities within the Company, the Company's remuneration policy and the market salary range for the position. The tenures of the above Directors and Supervisors proposed to be re-elected will commence on 30 June 2023, following the Shareholders' approval of their re-election and end upon the expiry of the three-year tenure of the eleventh session of the Board and the eleventh session of the Supervisory Committee.

VI. CONVENING THE GENERAL MEETINGS

The Company will hold the AGM, the Class Meeting of A Shareholders and Class Meeting of H Shareholders at the Conference Room on the 6th Floor of Headquarters Building, 38 Chuangye North Road, Jinwan District, Zhuhai, Guangdong Province, China at 2:00 p.m., 3:30 p.m. (or immediately after the conclusion of the AGM or any adjournment) and 4:00 p.m. (or immediately after the conclusion of the Class Meeting of A Shareholders or any adjournment) respectively on Wednesday, 21 June 2023. Notices and proxy forms have been dispatched regarding the AGM and the Class Meeting of H Shareholders by the Company on 16 May 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 AGM and/or the Class Meeting of H Shareholders 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 AGM and/or the Class Meeting of H Shareholders or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM and/or the Class Meeting of H Shareholders or any adjournment thereof in person if you so wish.

VII. RECORD DATE

The record date for determining the qualification of the Shareholders to attend and vote at the AGM and the Class Meeting of H Shareholders will be Wednesday, 14 June 2023. In order to qualify as Shareholders to attend and vote at the AGM and the Class Meeting of H Shareholders, 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.

LETTER FROM THE BOARD

The record date for determining the qualification of the H Shareholders for the proposed distribution of the Cash Dividend will be Wednesday, 5 July 2023. In order to qualify for the proposed distribution of the Cash Dividend, 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, 5 July 2023.

For A Shareholders, the record date for the Cash Dividend, dividend payment methods and time will be announced separately.

VIII. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, the resolutions put forward at the AGM and the Class Meeting of H Shareholders 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 AGM and the Class Meeting of H Shareholders.

IX. RECOMMENDATION

The Board considers that the resolutions set out in the Notices of the General Meetings in relation to, as applicable, (I) 2022 Annual Profit Distribution Plan, (II) proposed facility financing and provision of financing guarantees to subsidiaries, (III) proposed renewal of the Repurchase Scheme, (IV) proposed re-election of Directors and Supervisors of the Company, and (V) proposed Director's fee and Supervisor's fee of the Company and other resolutions are in the interests of the Company and the Shareholders as a whole, and accordingly recommends the Shareholders to vote in favour of all the resolutions to be proposed the General Meetings.

X. 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.

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