

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

## **PROPOSED REDUCTION OF THE REGISTERED CAPITAL AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES AND PROCEDURES FOR GENERAL MEETINGS AND THE RULES AND PROCEDURES FOR BOARD MEETINGS**

麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.\* (the “**Company**”) held the meeting of the board of directors (the “**Board**”) on 18 December 2023, which has considered and approved (1) the reduction of the registered capital (the “**Proposed Capital Reduction**”) and (2) the amendments to the articles of association, the rules and procedures for general meetings and the rules and procedures for Board meetings (the abovementioned amendments are collectively referred to as the “**Proposed Amendments**”).

### **PROPOSED CAPITAL REDUCTION**

Upon the completion of the cancellation of 6,093,808 A shares repurchased by the Company, the total share capital of the Company was reduced from 945,103,454 shares (including 625,239,237 A shares and 319,864,217 H shares) to 939,009,646 shares (including 619,145,429 A shares and 319,864,217 H shares) and the registered capital was reduced from RMB945,103,454 to RMB939,009,646. Accordingly, the Board approved the Proposed Capital Reduction in order to reflect the above changes.

### **PROPOSED AMENDMENTS**

In order to further improve and standardize the operation level and improve the governance structure of the Company, amendments to the relevant provisions of the articles of association, the rules and procedures for general meetings and the rules and procedures for Board meetings are proposed in accordance with the

updated requirements of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China and the Measures for the Administration of Independent Directors of Listed Companies issued by the China Securities Regulatory Commission on 1 August 2023 and other relevant laws, regulations and normative documents by taking into account the actual conditions of the Company.

In addition, pursuant to the consultation conclusions of the “Proposals to Expand the Paperless Listing Regime and Other Rule Amendments” published by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in June 2023, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) will be amended with effect from 31 December 2023 to the effect, among others, that any “corporate communication” (as defined under the Listing Rules) must, to the extent permitted under all applicable laws and regulations, be satisfied by the listed issuer (i) sending or otherwise making available the corporate communication to the relevant holders of its securities using electronic means or (ii) making the corporate communication available on its website and the Stock Exchange’s website. Accordingly, amendments to the relevant provisions of the articles of association are proposed to be made.

Details of the Proposed Amendments are set out in Appendices I to III to this announcement, respectively. The Proposed Amendments are prepared in Chinese, and the English version is for reference only. In the event of any discrepancy between the Chinese and the English version of the Proposed Amendments, the Chinese version shall prevail.

The Proposed Capital Reduction and the Proposed Amendments are subject to the approval of the shareholders of the Company at the general meeting of the Company by way of special resolutions. A circular containing details of the Proposed Capital Reduction and the Proposed Amendments will be despatched to the shareholders of the Company in due course.

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  
18 December 2023

*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*

## APPENDIX I

### The Proposed Amendments to the Articles of Association

Existing Articles	Revised Articles
<p><b>Article 6</b> The registered capital of the Company is RMB945,103,454.</p>	<p><b>Article 6</b> The registered capital of the Company is RMB<u>939,009,646</u>.</p>
<p><b>Article 22</b> Following the establishment of the Company, after public issuance of shares, rights issue, creation of bonus shares by transfer of capital reserve and undistributed profit and repurchase of foreign-invested shares, the share capital structure of the Company is changed as follows: 295,721,852 ordinary shares, of which 183,728,498 shares are domestic-listed domestic-invested shares, representing 62.13% of the total number of issued ordinary shares of the Company and 111,993,354 shares are domestic-listed foreign-invested shares, representing 37.87% of the total number of issued ordinary shares of the Company.</p> <p>.....</p> <p>As approved by a special resolution passed at the shareholders' general meeting, subsequent to the exercise of share options in the second exercise period under the first grant and in the first exercise period under the reserved grant of the 2018 Share Options Incentive Scheme of the Company and prior to the cancellation of A Shares repurchased by the Company, the share capital structure of the Company is changed as follows: 945,103,454 ordinary shares, of which 625,239,237 shares are domestic-listed domestic-invested shares and 319,864,217 shares are overseas-listed foreign-invested shares (H Shares), representing 66.16% and 33.84% of the total number of issued ordinary shares of the Company respectively.</p>	<p><b>Article 22</b> Following the establishment of the Company, after public issuance of shares, rights issue, creation of bonus shares by transfer of capital reserve and undistributed profit and repurchase of foreign-invested shares, the share capital structure of the Company is changed as follows: 295,721,852 ordinary shares, of which 183,728,498 shares are domestic-listed domestic-invested shares, representing 62.13% of the total number of issued ordinary shares of the Company and 111,993,354 shares are domestic-listed foreign-invested shares, representing 37.87% of the total number of issued ordinary shares of the Company.</p> <p>.....</p> <p>As approved by a special resolution passed at the shareholders' general meeting, subsequent to the exercise of share options in the second exercise period under the first grant and in the first exercise period under the reserved grant of the 2018 Share Options Incentive Scheme of the Company and prior to the cancellation of A Shares repurchased by the Company, the share capital structure of the Company is changed as follows: 945,103,454 ordinary shares, of which 625,239,237 shares are domestic-listed domestic-invested shares and 319,864,217 shares are overseas-listed foreign-invested shares (H Shares), representing 66.16% and 33.84% of the total number of issued ordinary shares of the Company respectively.</p> <p><u>As approved by a special resolution passed at the shareholders' general meeting, upon the completion of the cancellation of 6,093,808 A Shares repurchased by the Company, the share capital structure of the Company is changed as follows: 939,009,646 ordinary shares, of which 619,145,429 shares are domestic-listed domestic-invested shares and 319,864,217 shares are overseas-listed foreign-invested shares (H Shares), representing 65.94% and 34.06% of the total number of issued ordinary shares of the Company, respectively.</u></p>

<p><b>Article 97</b> At an annual general meeting, the Board of Directors and the Supervisory Committee shall report to the meeting on their work over the past one year. Each of the independent directors shall also make their personal work reports.</p>	<p><b>Article 97</b> At an annual general meeting, the Board of Directors and the Supervisory Committee shall report to the meeting on their work over the past one year. Each of the independent directors shall also make their personal work reports. <u>Annual work reports of the independent directors shall be disclosed no later than the time when the Company issues the notice for the annual general meeting.</u></p>
<p><b>Article 109</b> The list of candidates for directors and non-employee representative supervisors shall be submitted to the shareholders' general meeting for voting in the form of a proposal in writing.</p> <p>.....</p> <p>Methods and procedures for the nomination of directors and supervisors are as follows:</p> <p>(i) Any shareholder individually or jointly holding more than 10% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days as well as the Board are entitled to nominate candidates for non-independent Directors. Any shareholder individually or jointly holding more than 1% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days, the Board and the Supervisory Committee are entitled to nominate candidates for independent Directors. Any shareholder individually or jointly holding more than 10% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days as well as the Supervisory Committee are entitled to nominate candidates for supervisors. Non-independent directors, independent directors and supervisors shall be nominated and voted separately.</p> <p>.....</p>	<p><b>Article 109</b> The list of candidates for directors and non-employee representative supervisors shall be submitted to the shareholders' general meeting for voting in the form of a proposal in writing.</p> <p>.....</p> <p>Methods and procedures for the nomination of directors and supervisors are as follows:</p> <p>(i) Any shareholder individually or jointly holding more than 10% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days as well as the Board are entitled to nominate candidates for non-independent Directors. Any shareholder individually or jointly holding more than 1% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days, the Board and the Supervisory Committee are entitled to nominate candidates for independent Directors. Any shareholder individually or jointly holding more than 10% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days as well as the Supervisory Committee are entitled to nominate candidates for supervisors. Non-independent directors, independent directors and supervisors shall be nominated and voted separately. <u>The nominator of an independent director shall not nominate any person who has an interest or any other close associate that may affect the independent performance of his or her duties as a candidate for independent director. An investor protection corporation established in accordance with laws may publicly request shareholders to entrust it to exercise the right to nominate independent directors on their behalf.</u></p> <p>.....</p>

<p><b>Article 213</b> The Board of Directors of the Company shall, at each annual shareholders' general meeting, submit to the shareholders the financial reports that shall be prepared by the Company under relevant laws, administrative regulations and regulatory documents promulgated by the regional governments and departments in charge.</p>	<p><b>Article 213</b> The Board of Directors of the Company shall, at each <u>annual general meeting</u>, submit to the shareholders the financial reports that shall be prepared by the Company under relevant laws, administrative regulations and regulatory documents promulgated by the regional governments and departments in charge.</p>
<p><b>Article 214</b> The financial report of the Company shall be kept at the Company and shall be made available to the shareholders at least 20 days before the annual general meeting is held. Each shareholder of the Company shall have the right to obtain the financial report mentioned in this Chapter.</p> <p>The Company shall send a copy of the report of directors together with its annual report (including the annual accounts and the auditors' report in relation to these accounts, including but not limited to the balance sheet (including all documents required to be annexed to the balance sheet according to the relevant regulations) and the income statement or profit or loss statement (including the aforesaid financial reports)) or a summary of the financial report to each shareholder of overseas-listed shares in person or by pre-paid post at least 21 days prior to the convening of the annual general meeting at the address appearing on the register of shareholders.</p>	<p><b>Article 214</b> The financial report of the Company shall be kept at the Company and shall be made available to the shareholders at least 20 days before the annual general meeting is held. Each shareholder of the Company shall have the right to obtain the financial report mentioned in this Chapter.</p> <p>The Company shall send <u>notices and announcements regarding</u> the report of directors together with its annual report (including the annual accounts and the auditors' report in relation to these accounts, including but not limited to the balance sheet (including all documents required to be annexed to the balance sheet according to the relevant regulations) and the income statement or profit or loss statement (including the aforesaid financial reports)) or a summary of the financial report <u>in accordance to Article 238 of the Articles of Association</u> at least 21 days prior to the convening of the annual general meeting.</p>
<p><b>Article 223</b> The Company's profit distribution policy is set out as follows:</p> <p>.....</p> <p>(vii) Decision-making procedures of profit distribution policy</p> <p>1. The management and Board of Directors of the Company shall propose a profit distribution recommendation of the Company based on the profitability, capital requirements and shareholders' return plan. The recommendation shall be put for approval at a general meeting upon review and approval of the Board of Directors. The independent Directors shall issue independent opinions on the profit distribution proposal.</p> <p>When determining specific cash dividend proposal of the Company, the Board of Directors shall study and discuss on, among others, the timing, conditions as well as the minimum ratio, conditions</p>	<p><b>Article 223</b> The Company's profit distribution policy is set out as follows:</p> <p>.....</p> <p>(vii) Decision-making procedures of profit distribution policy</p> <p>1. The management and Board of Directors of the Company shall propose a profit distribution recommendation of the Company based on the profitability, capital requirements and shareholders' return plan. The recommendation shall be put for approval at a general meeting upon review and approval of the Board of Directors. <u>When determining specific cash dividend proposal of the Company, the Board of Directors shall study and discuss on, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of decision procedures.</u></p> <p>.....</p>

<p>for adjustments and the requirements of decision procedures. The independent Directors shall express their opinions clearly.</p> <p>.....</p> <p>3. If the Company fulfils the conditions for declaring cash dividends, but does not propose any cash dividend proposal, the management shall explain to the Board of Directors the reasons for not distributing dividend, and the purpose and the proposed application of the undistributed funds retained by the Company. Independent Directors shall then express their independent opinions thereon which shall be disclosed to the public. A special resolution will be put forward to the general meeting for approval upon review and approval of the Board of Directors. The Company shall provide an online voting platform to its shareholders, apart from the onsite meeting, when convening the shareholders' general meeting.</p> <p>4. The Company shall strictly implement the cash dividend policy stipulated in the Articles of Association and the specific cash dividend proposal considered and approved at the general meetings. If the Company needs to adjust or change the profit distribution policy due to significant changes in the external operating environment or its own operations, it shall be resolved by the Board of Directors after due discussion, and the independent Directors shall express and disclose their views thereon to the public, and then put forward a special resolution at the general meeting for approval.</p> <p>(viii) The Company shall expressly disclose the details about the formulation and implementation of the cash dividend policy in the annual report, and state the details on the following matters:</p> <p>.....</p> <p>4. Whether the independent Directors have duly performed their duties;</p> <p>5. Whether there are opportunities for the public shareholders to fully express their views and requests, and whether their legal interests are sufficiently protected, etc.</p> <p>.....</p>	<p>3. If the Company fulfils the conditions for declaring cash dividends, but does not propose any cash dividend proposal, the management shall explain to the Board of Directors the reasons for not distributing dividend, and the purpose and the proposed application of the undistributed funds retained by the Company. A special resolution will be put forward to the general meeting for approval upon review and approval of the Board of Directors. The Company shall provide an online voting platform to its shareholders, apart from the onsite meeting, when convening the shareholders' general meeting.</p> <p>4. The Company shall strictly implement the cash dividend policy stipulated in the Articles of Association and the specific cash dividend proposal considered and approved at the general meetings. If the Company needs to adjust or change the profit distribution policy due to significant changes in the external operating environment or its own operations, it shall be resolved by the Board of Directors after due discussion, and then put forward a special resolution at the general meeting for approval.</p> <p>(viii) The Company shall expressly disclose the details about the formulation and implementation of the cash dividend policy in the annual report, and state the details on the following matters:</p> <p>.....</p> <p>4. Whether there are opportunities for the public shareholders to fully express their views and requests, and whether their legal interests are sufficiently protected, etc.</p> <p>.....</p>
--	---

**Article 237** When the Company dismisses or disengages the accounting firm, it shall notify the accounting firm 30 days in advance. The accounting firm shall be given the opportunity to state their opinion during the voting of resolutions to dismiss the accounting firm at the shareholders' general meeting of the Company.

When the accounting firm requests to resign from the position, the accounting firm shall explain to the shareholders' general meeting whether there is anything inappropriate with the Company.

The accounting firm may resign from the position by submitting a written notice of resignation to the registered address of the Company. The notice shall take effect on the date on which it is submitted to the legal address of the Company or such later date as may be specified in the notice. Such notice shall include the following statements:

1. the statement that its resignation does not involve any situation that shall be stated to the shareholders or creditors of the Company; or
2. statement on any situation that shall be stated.

The Company shall deliver a copy of the written notice mentioned in the preceding paragraph to the relevant competent authorities within 14 days after receipt of such notice. If the notice contains the statement mentioned in item (ii) of the second paragraph under Article 236 of the Articles of Association, the Company shall keep a duplicate of such statement in the Company and make it available to the shareholders. The Company shall also send a duplicate of such statement to each holder of overseas-listed foreign-invested shares and each person who has the right to receive the financial statements of the Company through mail with prepaid postage to the addresses registered in the list of shareholders or other means specified by the Articles of Association.

If the notice of resignation of the accounting firm contains the statement on any situation that shall be stated as mentioned in item 2 of the third paragraph under this Article, the accounting firm may require the Board of Directors to hold an extraordinary general meeting to hear the explanation about relevant situations concerning its resignation.

**Article 237** When the Company dismisses or disengages the accounting firm, it shall notify the accounting firm 30 days in advance. The accounting firm shall be given the opportunity to state their opinion during the voting of resolutions to dismiss the accounting firm at the shareholders' general meeting of the Company.

When the accounting firm requests to resign from the position, the accounting firm shall explain to the shareholders' general meeting whether there is anything inappropriate with the Company.\_

<p><b>Article 238</b> The notices of the Company shall be delivered by the following means:</p> <p>(i) by hand;</p> <p>(ii) by mail;</p> <p>(iii) by way of an announcement;</p> <p>(iv) by facsimile;</p> <p>(v) by E-mail;</p> <p>(vi) by other means approved by the securities regulatory authority and stock exchange where the shares of the Company are listed or stipulated in the Articles of Association.</p>	<p><b>Article 238</b> The notices of the Company shall be delivered by the following means:</p> <p><u>(i)</u> by mail;</p> <p><u>(ii)</u> by way of an announcement;</p> <p><u>(iii)</u> by facsimile;</p> <p><u>(iv)</u> by E-mail; <u>or</u></p> <p><u>(v)</u> by other means approved by the securities regulatory authority and stock exchange where the shares of the Company are listed or stipulated in the Articles of Association.</p>
<p><b>Article 239</b> According to the Hong Kong Listing Rules regarding the requirements of the means in providing or delivering corporate communications to holders of domestic shares, subject to the laws and regulations and listing rules of the place where the Company is listed as well as the Articles of Association, corporate communications may be provided or delivered to holders of domestic shares by one or more newspapers specified by The Stock Exchange of Hong Kong Limited (with at least one in Chinese and one in English) or posting on the websites designated by the Company and/or the websites of the Hong Kong Stock Exchange or by other electronic means.</p> <p>.....</p>	<p><b>Article 239</b> According to the Hong Kong Listing Rules regarding the requirements of the means in providing or delivering corporate communications to holders of <u>foreign-invested</u> shares, subject to the laws and regulations and listing rules of the place where the Company is listed as well as the Articles of Association, corporate communications may be provided or delivered to holders of <u>foreign-invested</u> shares <u>by posting</u> on the websites designated by the Company and/or the websites of the Hong Kong Stock Exchange or by other electronic means.</p> <p>.....</p>



**APPENDIX II**

**The Proposed Amendments to  
the Rules and Procedures for General Meetings**

Existing Articles	Revised Articles
<p><b>Article 29</b> At an annual general meeting, the Board of Directors shall report to the meeting on their work over the past year, including the implementation of each matter to be dealt with by the Board of Directors as specified in the resolutions passed by the shareholders’ general meetings since the prior annual general meeting. Each of the independent directors shall also make their personal work reports.</p>	<p><b>Article 29</b> At an annual general meeting, the Board of Directors shall report to the meeting on their work over the past year, including the implementation of each matter to be dealt with by the Board of Directors as specified in the resolutions passed by the shareholders’ general meetings since the prior annual general meeting. Each of the independent directors shall also make their personal work reports. <u>Annual work reports of independent directors shall be disclosed no later than the time when the Company issues the notice for the annual general meeting.</u></p>
<p><b>Article 65</b> The list of candidates for directors and non-employee representative supervisors shall be submitted to the shareholders’ general meeting for voting in the form of a proposal in writing.</p> <p>.....</p> <p>Methods and procedures for the nomination of directors and supervisors are as follows:</p> <p>(i) Any shareholder individually or jointly holding more than 10% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days as well as the Board are entitled to nominate candidates for non-independent directors. Any shareholder individually or jointly holding more than 1% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days, the Board and the Supervisory Committee are entitled to nominate candidates for independent directors. Any shareholder individually or jointly holding more than 10% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days as well as the Supervisory Committee are entitled to nominate candidates for supervisors. Non-independent directors, independent directors and supervisors shall be nominated and voted separately.</p>	<p><b>Article 65</b> The list of candidates for directors and non-employee representative supervisors shall be submitted to the shareholders’ general meeting for voting in the form of a proposal in writing.</p> <p>.....</p> <p>Methods and procedures for the nomination of directors and supervisors are as follows:</p> <p>(i) Any shareholder individually or jointly holding more than 10% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days as well as the Board are entitled to nominate candidates for non-independent directors. Any shareholder individually or jointly holding more than 1% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days, the Board and the Supervisory Committee are entitled to nominate candidates for independent directors. Any shareholder individually or jointly holding more than 10% of the total number of outstanding shares of the Company with voting rights for a period of more than 180 consecutive days as well as the Supervisory Committee are entitled to nominate candidates for supervisors. Non-independent directors, independent directors and supervisors shall be nominated and voted separately. <u>The nominator of an independent director shall not</u></p>

<p>.....</p>	<p><u>nominate any person who has an interest or any other close associate that may affect the independent performance of his or her duties as a candidate for independent director. An investor protection corporation established in accordance with laws may publicly request shareholders to entrust it to exercise the right to nominate independent directors on their behalf.</u></p> <p>.....</p>
--------------	---

**APPENDIX III**

**The Proposed Amendments to  
the Rules and Procedures for Board Meetings**

<b>Existing Articles</b>	<b>Revised Articles</b>
<p><b>Article 7</b> The Board of Directors shall establish special committees such as strategy committee, audit committee, the nomination committee and the remuneration and appraisal committee as needed in accordance with the requirements of the Code of Corporate Governance. The members of such special committees comprise only directors. Independent directors shall account for the majority in each of the audit committee, the nomination committee and the remuneration and appraisal committee and serve as the convener (chairman of the committee). At least one independent director in the audit committee shall be an accounting professional, who shall also serve as the convener.</p>	<p><b>Article 7</b> The Board of Directors shall establish special committees such as strategy committee, audit committee, the nomination committee and the remuneration and appraisal committee <u>according to the actual needs of the Company</u>. The members of such special committees comprise only directors, <u>among which members of the audit committee shall be directors who do not hold any senior management position in the Company, the majority of whom shall be independent directors, and the accounting professional among the independent directors shall serve as the convener; Independent directors shall constitute the majority of the nomination committee and the remuneration and appraisal committee, who shall also serve as the convener.</u></p>
<p><b>Article 19</b> A director who cannot attend the meetings of the Board in person twice consecutively nor appointed any other directors to attend on his behalf and an independent director who cannot attend the meetings of the Board in person three times consecutively are deemed as failure in performing the duties, and shall be subject to replacement as recommended by the Board at the general meeting.</p>	<p><b>Article 19</b> A director who <u>fails to</u> attend the meetings of the Board in person twice consecutively <u>and has not</u> appointed any other directors to attend on his/<u>her</u> behalf and an independent director who <u>fails to</u> attend the meetings of the Board in person <u>twice consecutively and has not appointed any other independent directors to attend on his/her behalf</u> are deemed as failure in performing the duties, and shall be subject to replacement as recommended by the Board at the general meeting.</p>