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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)**

## **PROVISION FOR ASSET IMPAIRMENT**

This announcement is published by 麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.\* (the “**Company**”, together with its subsidiaries, the “**Group**”), pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and the Inside Information Provisions (as defined in the Hong Kong Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **I. OVERVIEW OF PROVISION FOR ASSET IMPAIRMENT**

In accordance with the relevant provisions of the Accounting Standards for Business Enterprises and The Stock Listing Rules of the Shenzhen Stock Exchange, in order to provide a true, accurate and objective reflection of the financial position of the Company as at 31 December 2023 and the operating results in 2023, the Company has conducted impairment tests on the assets with indications of impairment within the scope of consolidated statements of the Company and its subsidiaries as at 31 December 2023 based on the principle of prudence, and has made corresponding provisions for impairment on the assets with indications of impairment. Details are as follows:

## 1. Credit impairment loss

The Company conducted impairment tests on accounts receivable and other receivables on the basis of expected credit loss and recognized the impairment loss. As a result of the tests, the total amount of provision for credit impairment loss was RMB15,753,323.05.

## 2. Asset impairment loss

For long-term assets such as inventories, the Company estimated the recoverable amount for impairment tests if there is any indications of impairment on the balance sheet date. For inventory assets, if the cost of inventory is higher than its net realizable value on the balance sheet date, provision for the decline in value of inventories shall be made. According to the tests, the total amount of provision for asset impairment loss was RMB309,390,197.37, which was mainly the inventory impairment loss of the controlling subsidiary Livzon MABPharm Inc.\* (珠海市麗珠單抗生物技術有限公司).

## **II. EXPLANATION ON THE REASONABLENESS OF THE PROVISION FOR ASSET IMPAIRMENT AND THE IMPACT ON THE COMPANY**

The provision for impairment is in compliance with the Accounting Standards for Business Enterprises and the relevant provisions of the Company's accounting policies, which can truly and objectively reflect the financial position of the Company as at 31 December 2023 and the operating results in 2023, is in line with the requirements of relevant laws and regulations and the actual situation of the Company, and will not affect the normal operation of the Company.

The provision for asset impairment will reduce the Company's net profit attributable to shareholders of the parent company in 2023 by RMB178,010,258.56.

## **III. RISK WARNING**

The provision for asset impairment has not been audited by the accounting firm, and the final figures shall be subject to the annual audit by the accounting firm. Investors are requested to make prudent decisions and pay attention to investment risks.

By order of the Board  
麗珠醫藥集團股份有限公司  
**Livzon Pharmaceutical Group Inc. \***  
**Yang Liang**  
*Company Secretary*

Zhuhai, China  
9 January 2024

*As at the date of this announcement, the Executive Directors of the Company are Mr. Tang Yanggang (President) and Mr. Xu Guoxiang (Vice Chairman and Vice President); the Non-Executive Directors of the Company are Mr. Zhu Baoguo (Chairman), Mr. Tao Desheng (Vice Chairman), Mr. Qiu Qingfeng and Mr. Yu Xiong; and the Independent Non-Executive Directors of the Company are Mr. Bai Hua, Mr. Tian Qiusheng, Mr. Wong Kam Wa, Mr. Luo Huiyuan and Ms. Cui Lijie.*

*\* For identification purpose only*