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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)

CONNECTED TRANSACTION
DEEMED DISPOSAL OF A SUBSIDIARY

Share Subscription and Transfer Agreement

On 30 December 2025, the Company entered into a Share Subscription and Transfer Agreement with Joincare, Xinyou Maohai and Fluffy Buddy, pursuant to which Xinyou Maohai agreed to subscribe for a capital increase in Fluffy Buddy in the amount of RMB15.00 million in cash, and concurrently, Joincare agreed to transfer its 49% equity interest in Fluffy Buddy to Xinyou Maohai. Upon completion of the Transaction, Xinyou Maohai will hold 52.56% of the equity interest in Fluffy Buddy. The Company's shareholding in Fluffy Buddy will be diluted from 51.00% to 47.44%. Joincare will no longer hold any equity interest in Fluffy Buddy, and Fluffy Buddy will cease to be consolidated into the Company's financial statements.

Implications of the Hong Kong Listing Rules

As the Capital Increase will result in a reduction of the Company's shareholding in Fluffy Buddy, it constitutes a deemed disposal under Rule 14.29 of the Hong Kong Listing Rules.

As at the date of this announcement, Ms. Zhu Linlin is the vice chairman and general manager of Fluffy Buddy and is also a limited partner of Xinyou Maohai, holding 99.9999% of the partnership interest in Xinyou Maohai. Therefore, Xinyou Maohai is a connected person of the Company. Accordingly, the Capital Increase also constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios in respect of the Capital Increase exceed 0.1% but are less than 5%, the Capital Increase is only subject to the reporting and announcement requirements under Rule 14A.76 of the Hong Kong Listing Rules and is exempt from the requirements for a circular and shareholders' approval, and does not constitute a discloseable transaction under Chapter 14 of the Hong Kong Listing Rules.

The Capital Increase

The principal terms of the Capital Increase are set out below:

Date	30 December 2025
Parties	1. Xinyou Maohai; 2. Fluffy Buddy; and 3. the Company
The Capital Increase	Fluffy Buddy agreed to issue an additional registered capital of RMB15.00 million to Xinyou Maohai. The total subscription amount for the Capital Increase is RMB15.00 million, all of which will be credited to Fluffy Buddy's paid-in capital. Xinyou Maohai agreed to subscribe for the newly increased registered capital of Fluffy Buddy at the subscription amount.
Consideration	The amount for the Capital Increase is RMB15.00 million, which was determined by the Parties on arm's length negotiations by taking into account factors such as the actual situation and operational needs of Fluffy Buddy.
Payment	The Parties agreed that Xinyou Maohai shall pay the subscription amount to Fluffy Buddy within three months after all conditions precedent are fulfilled or waived by Xinyou Maohai.
Conditions Precedent	1. Fluffy Buddy shall have obtained all necessary internal approvals for the Transaction, and the individual(s) executing the Share Subscription and Transfer Agreement on its behalf shall have obtained irrevocable and sufficient authorisation; 2. Xinyou Maohai shall have obtained all necessary internal approvals for the Transaction; 3. Fluffy Buddy shall have completed the registration of the changes related to the Transaction with the competent administration for market regulation, and it shall be publicly displayed at the registry that Xinyou Maohai has become a shareholder holding 52.56% of the equity interest in Fluffy Buddy (corresponding to Fluffy Buddy's registered capital of RMB113.00 million). 4. The Transaction shall not have been expressly prohibited by any competent government authority.

The shareholding structure of Fluffy Buddy immediately before and immediately after completion of the Transaction is as follows:

Shareholder Name	**Immediately Before Completion of the Transaction**		**Immediately After Completion of the Transaction**	
	Fluffy Buddy's Registered Capital (RMB million)	**Percentage of Shareholding**	**Fluffy Buddy's Registered Capital (RMB million)**	**Percentage of Shareholding**
The Company	102.00	51.00%	102.00	47.44%
Joincare	98.00	49.00%	-	-
Xinyou Maohai	-	-	113.00	52.56%
Total	200.00	100.00%	215.00	100.00%

Immediately upon completion of the Transaction, Xinyou Maohai will hold 52.56% of the equity interest in Fluffy Buddy, and the Company will hold 47.44% of the equity interest in Fluffy Buddy. Fluffy Buddy will cease to be consolidated into the Company's financial statements.

Financial Information of Fluffy Buddy

Unit: RMB

	For the period from 1 February 2023 (date of establishment) to 31 December 2023	**For the year ended 31 December 2024**	**For the ten months ended 31 October 2025**
	(Audited)	(Audited)	(Audited)
(Loss)/Profit before tax	-13,167,804.45	-21,918,898.28	-10,830,519.64
(Loss)/Profit after tax	-13,167,804.45	-21,918,898.28	-10,830,519.64

As at 31 October 2025, the audited total asset value of Fluffy Buddy was RMB120.6066 million, the book value of its net assets was RMB104.0828 million, and the assessed asset value was RMB104.4594 million.

Rationale and Benefits of the Transaction

The Company strategically focuses on the research and development, production, while also recognizing the development potential of the pet pharmaceutical industry in which Fluffy Buddy operates. The Transaction represents a significant initiative by the Company to focus on its core business, optimize its asset structure, and enhance governance efficiency. It is conducive to both concentrating resources on advancing core operations and enabling the continuous sharing in Fluffy Buddy's long-term growth potential.

Upon completion of the Transaction, the Company will devote more energy and resources to technological innovation and market expansion within the pharmaceutical sector, thereby further consolidating and enhancing the Company's profitability. This aligns with the Company's long-term development strategy and serves the overall interests of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Increase are fair and reasonable, the Capital Increase is entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and is in the interests of the Company and the Shareholders as a whole.

Financial Impact of the Deemed Disposal

Upon completion of the Transaction, Fluffy Buddy will cease to be consolidated into the consolidated financial statements of the Company. The Company expects to recognize a gain of approximately RMB1.81 million (subject to audited amounts confirmed by the auditors) from the proposed transaction under the Share Subscription and Transfer Agreement. This gain is calculated based on the difference between the fair value of the Company's retained equity interest in Fluffy Buddy after the completion of this transaction and the carrying amount of the Company's share of the net assets of Fluffy Buddy.

Information on the Parties

The Company and its subsidiaries are principally engaged in the research and development, production and sales of drug preparation products, active pharmaceutical ingredients and intermediates, as well as diagnostic reagents and equipment.

Fluffy Buddy is a company incorporated in the PRC with limited liability and is principally engaged in the research and development, production and sales of pet pharmaceuticals.

Xinyou Maohai is a limited partnership incorporated in the PRC and is principally engaged in investment activities, etc. Ms. Fan Jiahang (an independent third party), as the executive partner, holds 0.0001% of the partnership interests. Ms. Zhu Linlin (the vice chairman and general manager of Fluffy Buddy), as a limited partner, holds 99.9999% of the partnership interests.

Joincare is a joint stock company incorporated in the PRC and listed on the Shanghai Stock Exchange in 2001. It is principally engaged in three main business segments, namely, the research and development, production and sales of (i) drug preparation products; (ii) active pharmaceutical ingredients and intermediates; and (iii) food and health products. The ultimate beneficial owner of Joincare is Mr. Zhu Baoguo, a non-executive Director and the chairman of the Company.

Implications of the Hong Kong Listing Rules

As the Capital Increase will result in a reduction of the Company's shareholding in Fluffy Buddy, it constitutes a deemed disposal under Rule 14.29 of the Hong Kong Listing Rules.

As at the date of this announcement, Ms. Zhu Linlin is the vice chairman and general manager of Fluffy Buddy and is also a limited partner of Xinyou Maohai, holding 99.9999% of the partnership interest in Xinyou Maohai. Therefore, Xinyou Maohai is a connected person of the Company. Accordingly, the Capital Increase also constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios in respect of the Capital Increase exceed 0.1% but are less than 5%, the Capital Increase is only subject to the reporting and announcement requirements under Rule 14A.76 of the Hong Kong Listing Rules and is exempt from the requirements for a circular and shareholders' approval, and does not constitute a discloseable transaction under Chapter 14 of the Hong Kong Listing Rules.

General

As Mr. Zhu Baoguo (a non-executive Director and the chairman of the Company) is also the chairman of Joincare and indirectly holds 48.96% equity interest in Joincare as at the date of this announcement, Mr. Qiu Qingfeng (a non-executive Director) is a director and a vice president of Joincare, Mr. Lin Nanqi (a non-executive Director) is a director and the president of Joincare, Mr. Tang Yanggang (an executive Director and President) is a director of Fluffy Buddy, and to avoid potential conflicts of interest, Mr. Zhu Baoguo, Mr. Qiu Qingfeng, Mr. Lin Nanqi and Mr. Tang Yanggang have abstained from voting at the Board meeting for approving the Share Subscription and Transfer Agreement (including the Capital Increase). Except for Mr. Zhu Baoguo, Mr. Qiu Qingfeng, Mr. Lin Nanqi and Mr. Tang Yanggang, no other Directors were required to abstain from voting at the aforesaid Board meeting.

DEFINITIONS

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

"Board"	the board of Directors
"Company"	Livzon Pharmaceutical Group Inc.* (麗珠醫藥集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the Shares of which are listed on the Shenzhen Stock Exchange and the Stock Exchange
"Director(s)"	the director(s) of the Company
"Fluffy Buddy"	Fluffy Buddy Animal Health (Guangdong) Co., Ltd.* (毛孩子動物保健（廣東）有限公司), a company incorporated in the PRC with limited liability, which is directly held as to 51.00% by the Company as at the date of this announcement and will be directly held as to 47.44% by the Company upon completion of the Transaction
"Group"	collectively the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended and supplemented or otherwise modified from time to time
"Independent third party (ies)"	a person or persons or a company or companies that is not or are not the connected person(s) of the Group
"Joincare"	Joincare Pharmaceutical Industry Group Co., Ltd.* (健康元藥業集團股份有限公司) (Shanghai Stock Exchange stock code: 600380), a joint stock company incorporated in the PRC and listed on the Shanghai Stock Exchange in 2001, and is a controlling shareholder of the Group
"PRC"	the People's Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan district for the purpose of this announcement
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the share(s) of the Company
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Share Subscription and Transfer Agreement"	the Share Subscription and Transfer Agreement entered into by and among the Company, Xinyou Maohai, Fluffy Buddy and Joincare on 30 December 2025 in relation to the Capital Increase and the Transfer
"the Capital Increase"	the agreement of Xinyou Maohai to subscribe for an additional registered capital of RMB15.00 million in Fluffy Buddy, with a subscription amount of RMB15.00 million
"the Transaction"	the Capital Increase and the Transfer
"the Transfer"	the agreement of Joincare to transfer its 49% equity interest in Fluffy Buddy to Xinyou Maohai.
"Xinyou Maohai"	Shenzhen Xinyou Maohai Investment Partnership (Limited Partnership)* (深圳市心有毛孩投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC. As at the date of this announcement, Ms. Fan Jiahang (an independent third party), as the executive partner, holds 0.0001% of the partnership interests, and Ms. Zhu Linlin, as a limited partner, holds 99.9999% of the partnership interests
"%"	per cent

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

Zhuhai, China
30 December 2025

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. Lin Nanqi and Mr. Qiu Qingfeng; the Employee Representative Director of the Company is Ms. Ran Yongmei; and the Independent Non-Executive Directors of the Company are Mr. Bai Hua, Mr. Luo Huiyuan, Ms. Cui Lijie and Ms. Wang Zhiyao.

** For identification purpose only*