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If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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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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) 2025 ANNUAL PROFIT DISTRIBUTION PLAN
(II)PROPOSED RE-ELECTION OF DIRECTORS OF THE COMPANY
(III)PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY
(IV)PROPOSED FORMULATION OF THE DIRECTORS' REMUNERATION MANAGEMENT SYSTEM
(V)PROPOSED REMUNERATION (ALLOWANCE) PLAN FOR THE DIRECTORS OF THE BOARD FOR 2026
(VI)PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE HANDLING OF INDUSTRIAL AND COMMERCIAL CHANGE REGISTRATION
(VII)PROPOSED FACILITY FINANCING AND PROVISION OF FINANCING GUARANTEES TO SUBSIDIARIES
(VIII) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO REPURCHASE H SHARES
(IX) 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 5 to 25 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., 3:00 p.m. (or immediately after the conclusion of the AGM or any adjournment) and 3:30 p.m. (or immediately after the conclusion of the Class Meeting of A Shareholders or any adjournment) respectively on Friday, 29 May 2026. The notices convening the AGM and Class Meeting of H Shareholders and the proxy forms for use by the Shareholders of the Company at the AGM and Class Meeting of H Shareholders have been posted 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.

23 April 2026

CONTENTS

Pages

Definitions 1

Expected Timetable 4

Letter from the board 5

Appendix I – Comparison Table of Amendments to the Articles of Association 26

Appendix II – Remuneration Management System For Directors 33

Appendix III – Explanatory Statement 37

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

"2025 Annual Profit Distribution Plan"	the plan of the Company for distribution of the Cash Dividend for the year 2025
"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 2025 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 Friday, 29 May 2026
"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"	深圳市百業源投資有限公司 Shenzhen Baiyeyuan Investment Co., Ltd.*
"Board"	the board of Directors of the Company
"Cash Dividend"	to distribute cash dividend of RMB14.30 (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 2025 Annual Profit Distribution Plan
"Class Meeting of A Shareholders"	the 2026 First Class Meeting of A Shareholders of the Company to be held at 3:00 p.m. (or immediately after the AGM or any adjournment) on Friday, 29 May 2026

"Class Meeting of H Shareholders"	the 2025 First Class Meeting of H Shareholders of the Company to be held at 3:30 p.m. (or immediately after the Class Meeting of A Shareholders or any adjournment) on Friday, 29 May 2026
"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 Share Repurchase Mandate"	the grant of general mandate to the Board to repurchase H Shares approved by the Board on 24 March 2026
"H Shareholder(s)"	holder(s) of the H Share(s)
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"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. * (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
"Livzon Diagnostics"	Zhuhai Livzon Diagnostics Inc.* 珠海麗珠試劑股份有限公司
"LivzonBio"	LivzonBio, Inc.* 珠海市麗珠生物醫藥科技有限公司
"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
"Latest Practicable Date"	16 April 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
"Major Shareholder"	the meaning assigned to it under the Hong Kong Listing Rules
"Notices of the General Meetings"	notices dated 23 April 2026 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, 17 June 2026, the record date set to determine the H Shareholders who are entitled to the Cash Dividend
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	the shareholder(s) of the Company
"Shenzhen Listing Rules"	the Stock Listing Rules of the Shenzhen Stock Exchange (as amended in 2025)(《深圳證券交易所股票上市規則(2025年修訂)》)
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange(深圳證券交易所)

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*

2026

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	Friday, 22 May
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 Friday, 22 May
Latest time for returning proxy form for the AGM	2:00 p.m. on Thursday, 28 May
Latest time for returning proxy form for the Class Meeting of H Shareholders	3:30 p.m. on Thursday, 28 May
AGM	2:00 p.m. on Friday, 29 May
Class Meeting of A Shareholders	3:00 p.m. on Friday, 29 May (or immediately after the AGM or any adjournment)
Class Meeting of H Shareholders	3:30 p.m. on Friday, 29 May (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, 15 June
First day of dealings in H Shares on an ex-entitlement basis relating to the Cash Dividend	Tuesday, 16 June
Record Date (to qualify H Shareholders for the Cash Dividend)	Wednesday, 17 June
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, 17 June
Latest date for delivery of payment cheques for the Cash Dividend for H Shares	Friday, 13 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.

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 *(Vice Chairman)*

Non-executive Directors:
Mr. Zhu Baoguo *(Chairman)*
Mr. Lin Nanqi
Mr. Qiu Qingfeng

Employee Representative Director
Ms. Ran Yongmei

Independent Non-executive Directors:
Mr. Bai Hua
Mr. Luo Huiyuan
Ms. Cui Lijie
Ms. Wang Zhiyao

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 YF Life Centre
38 Gloucester Road Wanchai
Hong Kong

To the Shareholders

Dear Sir/Madam,

(I) 2025 ANNUAL PROFIT DISTRIBUTION PLAN
(II) PROPOSED RE-ELECTION OF DIRECTORS OF THE COMPANY
(III) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY
(IV)PROPOSED FORMULATION OF THE DIRECTORS' REMUNERATION MANAGEMENT SYSTEM
(V)PROPOSED REMUNERATION (ALLOWANCE) PLAN FOR THE DIRECTORS OF THE BOARD FOR 2026
(VI)PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE HANDLING OF INDUSTRIAL AND COMMERCIAL CHANGE REGISTRATION
(VII) PROPOSED FACILITY FINANCING AND PROVISION OF FINANCING GUARANTEES TO SUBSIDIARIES
(VIII) PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO REPURCHASE H SHARES
(IX) CONVENING THE AGM, THE CLASS MEETING OF A SHAREHOLDERS AND THE CLASS MEETING OF H SHAREHOLDERS

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) 2025 Annual Profit Distribution Plan;

(II) proposed re-election of directors of the company;

(III) proposed appointment of executive director and independent non-executive director of the company;

(IV) proposed formulation of the Directors' Remuneration Management System;

(V) proposed remuneration (allowance) plan for the Directors of the Board for 2026;

(VI) proposed amendments to the Articles of Association and the handling of industrial and commercial change registration;

(VII) proposed facility financing and provision of financing guarantees to subsidiaries;

(VIII) proposed the grant of general mandate to the Board to repurchase H shares.

I. 2025 ANNUAL PROFIT DISTRIBUTION PLAN

The Company will propose a ordinary 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 RMB14.30 (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 2025 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 2025 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 (Friday, 29 May 2026) as the exchange rate. The remaining undistributed profits and capital reserve will be carried forward to the next financial year.

Based on the 299,807,117 issued H Shares (excluding H shares repurchased but not yet cancelled) of the Company as at the Latest Practicable Date, the Cash Dividend in the sum of RMB428,724,177.31 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, 17 June 2026. 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, 17 June 2026.

II. PROPOSED RE-ELECTION OF DIRECTORS OF THE COMPANY

As the term of the 11th session of the Board of the Company is about to expire in three years, pursuant to the provisions of the Company Law, the Securities Law and other relevant laws and regulations, as well as Article 137 of the Articles of Association, the Company is required to appoint the members of the new session of the Board to form the 12th session of the Board of the Company. The Board has passed resolutions on 23 April 2026 proposing the re-election of the following directors. Accordingly, the Company will propose ordinary resolutions at the AGM (to be voted by way of cumulative voting in accordance with Article 109 of the Articles of Association, with instructions set out in the proxy form despatched by the Company on 24 April 2026) to consider and approve the re-election of the following directors; the re-election of such Directors shall take effect from the date of approval by the AGM to be held on Friday, 29 May 2026.

(I) Proposed re-election of Mr. Zhu Baoguo as a non-executive Director of the 12th session of the Board

Mr. Zhu Baoguo（朱保國先生）, aged 63, currently serves as the Company's Chairman, Non-Executive Director, Chairman of the Strategy Committee, and Chairman of the Environment, Social and Governance Committee. Graduated from the Department of Chemistry at Henan Normal University in 1985 with a Bachelor's degree. 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 currently serves as the Chairman of the Company. He also holds the positions of Honorary Vice President of the Shenzhen Federation of Industry and Commerce (General Chamber of Commerce), Council Member and Executive Secretary-General of The Nature Conservancy (TNC) Greater China Council, Director of the Shenzhen General Chamber of Commerce, and Chairman of the Taohuayuan Ecological Conservation Foundation. From May 2021 to October 2024, he was the independent non-executive director of Central China Management Company Limited (09982. HK). Mr. Zhu Baoguo is the spouse of Ms. Liu Guangxia, one of the controlling shareholders of the Company.

(II) Proposed re-election of Mr. Tang Yanggang as a executive Director of the 12th session of the Board

Mr. Tang Yanggang（唐陽剛先生）, aged 56, currently serves as an executive Director and Vice Chairman of the Company, a member of the Remuneration and Assessment Committee, a member of the Nomination Committee, a member of the Strategy Committee and a member of the Environment, Social and Governance Committee. He also serves as a director of certain subsidiaries of the Group, including Zhuhai Livzon Diagnostics Inc. and Livzon Group Limin Pharmaceutical Manufacturing Factory. He graduated from Sichuan University in 1992 with a bachelor's degree in Microbiology. He is a professor-level senior engineer in pharmaceutical engineering. In 2008, he joined Livzon Group Xinbeijiang Pharmaceutical Manufacturing Inc.* ("**Xinbeijiang Pharma**"), where he successively served as technical director, general manager, chairman and secretary to the party committee, and has been the chairman of Xinbeijiang Pharma since July 2015. From July 2015 to October 2020, he served as the General Manager of the Company's API Division. He also serves as Vice President of the China Association of Traditional Chinese Medicine, Vice Chairman of the Guangdong Pharmaceutical Association, a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC), and Vice President of the Qingyuan Entrepreneurs Association. Since March 2023, he has been a member of the Standing Committee of the Executive Committee of Zhuhai Federation of Industry and Commerce and an executive member of the Council of Zhuhai General Chamber of Commerce. From July 2018 to December 2018, he served as the Executive Vice President of the Company. From December 2018 to February 2026, he served as the President of the Company. He has been an executive Director of the Company since February 2019.

(III) Proposed re-election of Mr. Lin Nanqi as a non-executive Director of the 12th session of the Board

Mr. Lin Nanqi（林楠棋先生）, aged 43, is currently the non-executive Director of the Company. Graduated from Tianjin University of Commerce (formerly Tianjin College of Commerce) with a Bachelor of Engineering degree. He has held various positions, including workshop manager, production director, and deputy general manager at Livzon Group Xinbeijiang Pharmaceutical Co., Ltd.; general manager and chairman of Jiaozuo Joincare Bioproducts Co., Ltd.*; general manager and director of Shenzhen Haibin Pharmaceutical Co., Ltd.*; executive director of Shenzhen Taitai Pharmaceutical Co., Ltd.*; and executive vice president of Joincare Pharmaceutical Industry Group Co., Ltd.*.. Currently serving as a director and president of Joincare Pharmaceutical Industry Group Co., Ltd..*

(IV) Proposed re-election of Mr. Qiu Qingfeng as a non-executive Director of the 12th session of the Board

Mr. Qiu Qingfeng(邱慶豐先生), aged 54, is currently a non-executive director of the Company. Executive Master of Business Administration degree from CEIBS (China Europe International Business School). Non-practicing member of the Chinese Institute of Certified Public Accountants. Since 1996, he has held various positions at Joincare, including financial staff member, financial supervisor, finance department manager, deputy general manager, and general manager. He currently serves as a director, vice president, and chief financial officer of Joincare. From June 2005 to April 2007, he served as a supervisor and chairman of the supervisory committee of the Company.

(V) Proposed re-election of Mr. Luo Huiyuan as an independent non-executive Director of the 12th session of the Board

Mr. Luo Huiyuan(羅會遠先生), aged 59, currently serves as an independent non-executive director of the Company, a member of the Audit Committee, and Chairman of the Nomination Committee. Juris Master from Renmin University of China. Currently serves as the managing director and senior partner of Beijing Hairun Tianrui Law Firm. Also serves as vice president of the Beijing Chaoyang District Lawyers Association. Former independent director of Tibet Tianlu Co., Ltd.* (600326.SH), Shanghai Challenge Textile Co., Ltd.* (002486.SZ), CNPC Capital Company Limited.* (000617.SZ), Xianheng International Technology Co., Ltd.* (605056.SH), and Huaxia Tianxin Intelligent IoT Co., Ltd.*; currently serving as independent director of Zhuque Fund Management Company and Nanjing Caribou Biotech Company.

(VI) Proposed re-election of Ms. Cui Lijie as an independent non-executive Director of the 12th session of the Board

Ms. Cui Lijie(崔麗婕女士), aged 50, currently serves as an independent non-executive director of the Company, chair of the Remuneration and Assessment Committee, and member of the Audit Committee, Nomination Committee, and Environmental, Social, and Governance Committee. Former director of Zhuhai Yibang Pharmaceutical Company, Ltd.*, board secretary of Zhuhai Yibang Pharmaceutical Company, Ltd.*, supervisor and non-independent director of Suzhou Ailong Technology Company, Ltd.* (688329.SH), and independent director of Zhuhai Taichuan Cloud Community Technology Company, Ltd.* (832214.NEEQ). Currently serves as a member of the Jinwan District CPPCC Committee in Zhuhai, executive committee member of the Jinwan District Women's Federation, vice president of the Zhuhai Knowledgeable Women's Federation, chairman of Zhuhai Longmen Capital Management Company, Ltd.*, executive director and general manager of Zhuhai Longmen Medical Investment Company, Ltd.*, executive director and general manager of Zhuhai Hengqin Longmen Investment Company, Ltd.*, director of Suzhou Yusen New Drug Company, Ltd.*, director of Deyi Sunshine (Beijing) Company, Ltd.*, and director of Shenzhen Qianhai Longqishi Information Technology Company, Ltd.*.

(VII) Proposed re-election of Ms. Wang Zhiyao as an independent non-executive Director of the 12th session of the Board

Ms. Wang Zhiyao（王智瑤）, formerly known as Wang Qianjun, aged 39, currently serves as an independent non-executive director and member of the Environmental, Social, and Governance Committee of the Company. Graduated from Xi'an Jiaotong University with a Bachelor of Medicine in Clinical Medicine, Renmin University of China with a Master of Public Administration, and Harvard University with a Master of Finance. Previously worked at the Tissue Engineering Research Center of the Chinese Academy of Medical Sciences, Sanofi China R&D Center, and Novartis Global R&D Headquarters. Formerly the founder and CEO of Suzhou Medical Line Pharmaceutical Technology Company, Ltd.*, founding general manager and chief operating officer of BioShin Limited, and managing partner of Avenex Biosciences Limited; currently pursuing a PhD in biomedical sciences at The University of Hong Kong.

As at the Latest Practicable Date, among the above proposed re-elected Directors, only Mr. Zhu Baoguo, Mr. Tang Yanggang, Mr. Lin Nanqi and Mr. Qiu Qingfeng had or were deemed to have interests in any shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, details of which are as follows:

Interests in shares/underlying shares of the Company

Name of Director	Capacity	Number of shares/underlying shares interested (long position)	Percentage of the issued shares of the relevant class of the Company	Percentage of the total issued shares of the Company
Zhu Baoguo	Interest in controlled corporation	255,513,953 A Shares[(1)(2)]	43.45%	28.78%
		163,364,672 H Shares[(1)(3)]	54.49%	18.40%
Tang Yanggang	Beneficial owner	344,963 A Shares	0.06%	0.04%

Interests 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)	Percentage of equity interest in the associated corporation
Zhu Baoguo	Baiyeyuan	Beneficial owner	RMB72,000,000[(1)]	90.00%[(1)]
	Joincare	Interest in controlled corporation	895,653,653 shares[(1)(4)]	48.96%[(5)]
	LivzonBio[(6)]	Interest in controlled corporation	RMB294,000,000[(1)(9)]	33.07%[(6)]
	Livzon HK[(6)]	Interest in controlled corporation	4,000 shares[(1)(7)]	100.00%[(6)]
	LivzonMAB[(6)]	Interest in controlled corporation	RMB1,453,330,000[(1)(8)]	100.00%[(6)]
Tang Yanggang	Xinbeijiang Pharma[(9)]	Interest in controlled corporation	20,238,780 shares[(9)]	9.03%
	Livzon Diagnostics[(10)]	Interest in controlled corporation	36,099,971 shares[(10)]	0.54%
Lin Nanqi	Joincare	Beneficial owner	1,291,040 shares	0.07%
Qiu Qingfeng	Joincare	Beneficial owner	717,409 shares	0.07%

Notes:

(1) Joincare is held as to 48.96% by Baiyeyuan, and Baiyeyuan is held as to 90% by Mr. Zhu Baoguo. Pursuant to the Securities and Futures Ordinance, Mr. Zhu Baoguo is deemed to be interested in the shares of the Company and the equity interests in its associated corporations by virtue of the interests held or deemed to be held by Joincare.

(2) Among these shares, 238,683,118 shares (of which 17,306,329 shares were directly transferred, entrusted and pledged to Joincare by Begol pursuant to the "Equity Transfer, Entrustment and Pledge Agreement" dated 2 January 2004 entered into among Begol, Joincare and Zhuhai Lishi Investment Co., Ltd., and the "Equity Transfer and Entrustment Agreement" and the "Equity Pledge Agreement" entered into between Begol and Joincare) and 16,830,835 shares are directly held by Joincare and its wholly-owned subsidiary Shenzhen Haibin Pharmaceutical Co., Ltd., respectively.

(3) These shares are directly held by Tiancheng Industrial, a wholly-owned subsidiary of Joincare.

(4) Baiyeyuan holds 895,653,653 shares of Joincare.

(5) The total issued share capital of Joincare is 1,829,453,386 shares. Accordingly, Baiyeyuan holds 48.96% of the equity interest in Joincare.

(6) LivzonBio is directly held as to 33.07% by Joincare. Livzon HK and LivzonMAB are directly held as to 100% by LivzonBio.

(7) These shares are held by LivzonBio.

(8) These equity interests are held by LivzonBio.

(9) Xinbeijiang Pharma is directly held as to 87.14% by the Company and as to 8.44% (i.e., 20,238,780 shares) by Zhuhai Zhong Hui Yuan Investment Partnership (Limited Partnership) ("**Zhong Hui Yuan**"). Zhong Hui Yuan is directly held as to 24.00% by Mr. Tang Yanggang. Mr. Tang Yanggang is also the executive partner of Zhong Hui Yuan.

(10) Livzon Diagnostics is directly held as to 47.425% by the Company and as to 9.025% (i.e., 36,099,971 shares) by Zhuhai Liying Investment Management Partnership (Limited Partnership) ("**Liying**"), and Mr. Tang Yanggang is the general partner of Liying, directly holding 19.9234% interest in Liying and has the sole right to decide all matters of Liying.

Save as disclosed above, as at the Latest Practicable Date, the proposed re-elected Directors (1) have not held any directorship in any other listed companies in the past three years; (2) have no connection with any other Directors, senior management, major shareholders or controlling shareholders of the Company; and (3) do not have any interests in the shares or underlying shares of the Company (within the meaning of Part XV of the Securities and Futures Ordinance).

Save as disclosed above, there is no information required to be disclosed under any of the paragraphs (h) to (v) of Rule 13.51(2) of the Hong Kong Listing Rules, and there are no other matters concerning the proposed re-election of the above directors that need to be brought to the attention of the Shareholders.

The qualifications and independence of all the above candidates for independent non-executive Directors are subject to the filing review by the Shenzhen Stock Exchange with no objection, after which the AGM may proceed with the voting.

III. PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

Reference is hereby made to the announcement dated 23 April 2026 regarding the proposed appointment of executive director and independent non-executive director of the Company.

1. Proposed appointment of Mr. Liu Daping as executive Director of the 12th session of the Board

Mr. Liu Daping（劉大平先生）, aged 39, currently serves as the President of the Company. He holds a bachelor's degree from China Pharmaceutical University. He has served as a technician, workshop director and production director of Shenzhen Haibin Pharmaceutical Co., Ltd., executive deputy general manager of Shenzhen TaiTai Pharmaceutical Co., Ltd., deputy director of the Production Management Center of Joincare Pharmaceutical Group Industry Co., Ltd., and general manager of Shenzhen TaiTai Pharmaceutical Co., Ltd. From January 2024 to February 2026, he served as a Vice President of the Company. As at the date of this circular, Mr. Liu does not hold any shares of the Company.

Upon the appointment of Mr. Liu becoming effective after approval by the Shareholders at the general meeting of the Company, the Company will enter into a director's service contract with Mr. Liu. Mr. Liu will serve as an executive Director and concurrently as the President of the Company, and will receive an annual director's fee of RMB96,000 (pre-tax) during his term of office, together with remuneration for his role as the President of the Company. The director's fee and remuneration of Mr. Liu have been determined by the Board with reference to his duties and responsibilities in the Company, the Company's remuneration policy and the market salary range for such positions. The term of office of Mr. Liu as an executive Director shall commence from the date of approval of his appointment at the general meeting and shall end upon the expiry of the term of the 12th session of the Board.

Save as disclosed above, Mr. Liu has confirmed that: (1) he has not held any directorship in any other listed companies in the past three years, nor does he have any other major appointments and professional qualifications; (2) he does not hold any other position in the Company or any member of the Group; (3) he has no relationship with any Director, supervisor, senior management, major shareholder or controlling shareholder of the Company or any of its subsidiaries; and (4) as at the date of this circular, he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no information required to be disclosed under any of the paragraphs (h) to (v) of Rule 13.51(2) of the Hong Kong Listing Rules, and there are no other matters concerning the proposed appointment of the above executive Director that need to be brought to the attention of the Shareholders of the Company.

2. Proposed re-election of Ms. Kang Li as an independent non-executive Director of the 12th session of the Board

Ms. Kang Li（康立女士）, aged 53, holds Chinese nationality and has no right of permanent residence overseas. She holds a Doctorate degree in Economics and is a certified public accountant. She has been a visiting scholar at the Berlin School of Economics and Law and the Berlin University of Applied Sciences and Technology in Germany, and a visiting scholar at the University of West Georgia in the United States. She served as a teaching assistant and lecturer at the School of Finance of Zhongnan University of Economics and Law, an independent director of Weini Health (Shenzhen) Co., Ltd., and an independent director of Shenzhen CDL Precision Technology Co., Ltd.. She currently serves as an associate professor at the School of Finance of Zhongnan University of Economics and Law, and an independent director of Hunan Haohua Chemical Co., Ltd. (a non-listed company), Shandong Sito Bio-technology Co., Ltd. (300583.SZ), and Wuhan Zhongke Tongda High-tech Co., Ltd. (688038.SH).

Ms. Kang Li does not hold any other positions in the Company or any of its subsidiaries. Save as disclosed above, Ms. Kang Li has not held any directorship in any other listed companies at present or within the three years prior to the date of this circular.

As at the date of this circular, Ms. Kang Li has confirmed that she meets the independence criteria set out in Rule 3.13 of the Hong Kong Listing Rules. Ms. Kang Li has also confirmed that (i) she does not have any relationship with any director, supervisor, senior management, major shareholder or controlling shareholder of the Company; and (ii) she does not hold any interests in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Upon her appointment, Ms. Kang Li will enter into a service contract with the Company and will receive an annual director's fee of RMB120,000 (pre-tax) during her term of office. The director's fee has been determined with reference to her duties and responsibilities in the Company, the Company's remuneration policy and the market salary range for such positions. The term of office of Ms. Kang Li as an independent non-executive Director will commence from the date of approval of her appointment at the general meeting and will end upon the expiry of the term of the 12th session of the Board.

Save as disclosed above, there are no other matters concerning the proposed appointment of the above independent non-executive Director that need to be brought to the attention of the Shareholders, and there is no other information required to be disclosed under any of the paragraphs (h) to (v) of Rule 13.51(2) of the Hong Kong Listing Rules.

Regarding the composition of the 12th session of the Board, with the assistance and recommendations of the Nomination Committee of the Company, the Board has comprehensively reviewed and considered the board structure, size, composition and diversity, including but not limited to gender, age, cultural and educational background, skills, knowledge and experience, and has decided to propose the re-election of Mr. Luo Huiyuan, Ms. Cui Lijie, Ms. Wang Zhiyao and Ms. Kang Li as independent non-executive Directors at the AGM. Having made all necessary and reasonable enquiries, the Board is satisfied that Mr. Luo Huiyuan, Ms. Cui Lijie, Ms. Wang Zhiyao and Ms. Kang Li do not have any relationship with any Director, supervisor, senior management, major shareholder or controlling shareholder of the Company or any of its subsidiaries. Furthermore, the Board has assessed and reviewed the written confirmations of independence of Mr. Luo Huiyuan, Ms. Cui Lijie, Ms. Wang Zhiyao and Ms. Kang Li in accordance with the independence criteria set out in Rule 3.13 of the Hong Kong Listing Rules, and is satisfied that they remain independent. Given that Mr. Luo Huiyuan, Ms. Cui Lijie, Ms. Wang Zhiyao and Ms. Kang Li do not hold any directorships in seven or more listed companies, the Board considers that they can devote sufficient time to fulfill their duties as Directors.

The Board has evaluated the performance of Mr. Luo Huiyuan, Ms. Cui Lijie and Ms. Wang Zhiyao during their tenure as independent non-executive Directors, and believes that by virtue of their professional knowledge, experience and extensive understanding of the Group's business, they will be able to continue to provide independent advice, opinions and judgments to the Board. The Board also considers that Ms. Kang Li's financial expertise and experience will make positive contributions to the Company's strategy, policies and performance. Mr. Luo Huiyuan, Ms. Cui Lijie, Ms. Wang Zhiyao and Ms. Kang Li each have extensive experience in their respective fields and possess diverse skills, knowledge and experience. The Board believes that they have the necessary character, integrity and experience, and considers that they will continue to contribute to board diversity and effectively perform their duties as independent non-executive Directors.

IV. PROPOSED FORMULATION OF THE DIRECTORS' REMUNERATION MANAGEMENT SYSTEM

To further enhance the remuneration management of the Directors, establish a scientific and effective incentive and restraint mechanism, enable the Directors to better fulfill their duties of diligence and care, effectively mobilize their enthusiasm, initiative and creativity, improve the Company's operation and management standards, promote the healthy, sustainable and stable development of the Company and ensure the achievement of the Company's strategic development goals, the Company has formulated the Directors' Remuneration Management System in accordance with the relevant provisions of the Company Law, the Guidelines for the Governance of Listed Companies and other relevant laws, administrative regulations and normative documents, as well as the Articles of Association of the Company, taking into account the Company's actual circumstances.

The full text of the Directors' Remuneration Management System is set out in Appendix II to this circular.

V. PROPOSED REMUNERATION (ALLOWANCE) PLAN FOR THE DIRECTORS OF THE BOARD FOR 2026

To further regulate the performance appraisal and remuneration management of the Directors, incentivise and restrain the Directors to perform their duties diligently and faithfully, and promote the growth in operational efficiency and sustainable development of the Company, upon the proposal of the Remuneration and Assessment Committee of the Board, and in accordance with the provisions of the Company Law of China, the Guidelines for the Governance of Listed Companies and other relevant laws and regulations as well as the Articles of Association, taking comprehensive account of the actual circumstances of the Company, the industry and regional remuneration levels, the contributions of their respective positions and other factors, the 2026 Directors' Remuneration (Allowance) Plan (the "**The Remuneration Plan**") of the Company is formulated as follows:

Applicable Persons: The Remuneration Plan applies to the Directors (including employee representative Directors).

Term of Application: The Remuneration Plan shall take effect upon approval by the shareholders' general meeting and shall cease to be effective on the date on which a new remuneration Plan has been approved.

(I) REMUNERATION (ALLOWANCE) PLAN

i) Independent Non-executive Directors

The allowance for independent non-executive Directors of the Company shall be RMB120,000 (tax-inclusive) per annum, payable monthly in instalments. Independent non-executive Directors shall not receive any additional remuneration from the Company.

ii) Chairman and Vice Chairman

The remuneration of the Chairman and Vice Chairman of the Board shall comprise basic remuneration and performance remuneration. As a general rule, performance remuneration shall account for not less than 50% of the aggregate of basic remuneration and performance remuneration. The Chairman and Vice Chairman shall not receive any additional director's fee.

The basic remuneration of the Chairman and Vice Chairman shall be payable monthly. Performance remuneration shall be assessed and paid periodically in accordance with the relevant policies governing the Company's remuneration and performance assessment. The final amount payable shall be determined based on performance assessment conducted using audited financial data, with any overpayment to be refunded and any underpayment to be made up. A certain proportion of the performance remuneration shall be paid following the publication of the audited annual financial report of the Company and completion of performance evaluation.

iii) Other Directors

Save for independent non-executive Directors, the Chairman and the Vice Chairman, the allowance for other dependent non-executive Directors (including employee representative Directors) of the Company shall be RMB96,000 (tax-inclusive) per annum, payable monthly in instalments. Directors who do not hold any other position in the Company shall not receive any additional remuneration. Directors who concurrently hold other positions in the Company shall receive remuneration in accordance with the remuneration and performance appraisal management policies applicable to their specific positions and roles, comprising basic salary and performance-based remuneration. For Directors who also serve as senior management, their performance-based remuneration shall in

principle account for no less than 50% of the total amount of director's fee, basic salary and performance-based remuneration. Performance remuneration shall be assessed and paid periodically in accordance with the relevant policies governing the Company's remuneration and performance appraisal, having regard to their specific management roles in the Company. The final amount payable shall be determined based on performance appraisal conducted using audited financial data, with refund for overpayment and supplementary payment for underpayment in respect of performance bonuses already paid. A certain proportion of performance-based remuneration shall be paid following the disclosure of the audited annual financial report.

(II) OTHER PROVISIONS

All remuneration or allowances set out above are stated on a pre-tax basis. Individual income tax payable shall be withheld and paid by the Company on a consolidated basis in accordance with tax laws and regulations. If a Director of the Company ceases to serve due to reasons including re-election of the Board, resignation during the term of office, his/her remuneration or allowance shall be calculated and paid based on his/her actual term of service as a Director.

The aforesaid Remuneration Plan has been considered and voted on with relevant persons abstaining from voting by all members of the Remuneration and Assessment Committee of the Company. Following deliberation at the 33rd meeting of the 11th Board of the Company, the plan shall take effect only upon submission to and approval at the general meeting of shareholders of the Company. The relevant Directors who hold shares of the Company shall abstain from voting on this resolution at the AGM and shall not participate in the voting thereof.

In addition to the above remuneration scheme, the Company may adopt medium-to-long-term incentive measures for its Directors and senior management in light of its operating conditions and market conditions, including equity incentive schemes and employee share ownership plans. Specific arrangements shall be determined separately in accordance with applicable laws and regulations and based on the operating conditions of the Company.

Matters not provided for herein shall be handled in accordance with national laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association. If the Remuneration Plan conflicts with any laws, administrative regulations, departmental rules, regulatory documents or the Articles of Association to be promulgated in the future, the relevant laws, administrative regulations, departmental rules, regulatory documents and the Articles of Association shall prevail.

VI. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE HANDLING OF INDUSTRIAL AND COMMERCIAL CHANGE REGISTRATION

Following the changes in the Company's share capital arising from the vesting of share incentives and the cancellation of repurchased shares, the Company's share capital structure has been updated as follows: total ordinary shares in issue amount to 887,907,171 shares, comprising 588,100,054 domestic listed domestic shares (accounting for 66.23% of the total issued ordinary shares of the Company) and 299,807,117 overseas listed foreign shares (accounting for 33.77% of the total issued ordinary shares of the Company).

To further enhance the operational efficiency of the Board and taking into account the Company's actual situation, the Company proposes to adjust the size of the 11th Board, changing the number of Directors from 11 to 9–11. The proportion of independent non-executive Directors shall not be less than one-third of the Board members.

As a result of the changes to the Company's registered capital and the adjustment to the composition of the Board, the Company proposes to revise certain provisions of the Articles of Association. The details of the amendments are set out in the comparison table showing the amendments to the Articles of Association contained in Appendix I to this circular.

The Proposal on Amendments are prepared in Chinese, and the English version is for reference only. In the event of any inconsistency between the Chinese and English versions of the proposed amendments, the Chinese version shall prevail. Shareholders are also requested to authorize the Chairman and its authorized representatives to handle the relevant industrial and commercial change registration and Articles of Association filing procedures in connection with the above matters.

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

i) Arrangements in Relation to the Facility Financing

To meet the needs of the Company's daily operations and business development, the Company intends to apply for Facility Financing with an aggregate limit of not more than RMB12,800,000,000 (RMB one hundred and twenty-eight billion) or its equivalent in foreign currencies, for the purposes of conducting medium and long-term loans and comprehensive credit financing businesses including (without limitation) working capital (loan) facilities, asset pool financing, bank acceptance credit facilities, non-financing guarantees, trade finance (letter of credit) facilities, factoring, export financing under credit insurance and other businesses (the specific types of businesses shall be subject to the approval of the relevant financial institutions). The term of the credit facilities shall run from the date of approval of this proposal at the current general meeting of the Company until the date of the general meeting of the Company to consider this matter in the next year. During the term of the credit facilities, the credit facilities may be used on a revolving basis, and within the total amount of the general credit facilities, the Company and its subsidiaries may allocate and adjust the credit facilities among different financial institutions according to business needs.

The above-mentioned Facility Financing do not represent the actual credit amount granted to the Company. The Company will conduct specific businesses in accordance with the actual needs of its operation and development. Within the scope of the above-mentioned Facility Financing, the specific granting banks and financial institutions, the corresponding credit amounts, types of credit facilities, tenure of credit facilities and guarantee methods, etc., shall ultimately be subject to the formal agreements or contracts signed by the Company with the relevant granting banks and financial institutions.

ii) Arrangements in Relation to the Provision of Financing Guarantees of 2026

To better satisfy the capital requirements of the Company's subsidiaries for their daily operations and business development, the Company intends to provide guarantees (the "**Guarantees**") during 2026 for relevant subsidiaries in respect of credit facilities applied by them from banks for their daily operations. The maximum credit facilities covered by such Guarantees shall not exceed RMB116,782.50 million or its equivalent in foreign currencies.

The guarantee matters of the Company and its subsidiaries are financing Subsidiaries Guarantees, and the form of guarantee provided is joint and several guarantee. Among them, the aggregate amount of Subsidiaries Guarantees expected to be provided to subsidiaries with an asset-liability ratio higher than 70% shall not exceed RMB116,782.50 million. The aforesaid guarantee limit includes new Subsidiaries Guarantees as well as extension or renewal of existing Subsidiaries Guarantees. The actual guarantee amount and guarantee period shall be subject to the terms of the guarantee contracts finally signed.

The validity period of the resolution in respect of the guarantee matters set out herein shall commence from the date of approval by the general meeting and expire on the date of the general meeting of the Company to consider the proposal on provision of Subsidiaries Guarantees for subsidiaries in the next year. All Subsidiaries Guarantees signed during the validity period shall be valid, and the validity period of each guarantee contract shall be subject to the terms and conditions of the respective signed guarantee contract, the guarantee period shall not exceed 3 years. During the aforesaid validity period, the guarantee limit may be used on a revolving basis, and the outstanding guarantee balance at any time shall not exceed the guarantee limit granted herein.

The expected proposed guarantee limits are set out as follows:

NO.	Subject of guarantee	Shareholding of the Company	Maximum guarantee amount (RMB million)	Currency
1	Livzon Group Livzon Pharmaceutical Factory*（麗珠集團麗珠製藥廠）	100%	2,797.00	RMB
2	Zhuhai FTZ Livzon Hecheng Pharmaceutical Manufacturing Co., Ltd.*（珠海保稅區麗珠合成製藥有限公司）	100%	2,112.00	RMB
3	Zhuhai Livzon Pharmaceutical Trading Co., Ltd.*（珠海市麗珠醫藥貿易有限公司）	100%	1,702.50	RMB
4	Livzon Group Xinbeijiang Pharmaceutical Manufacturing Inc.*（麗珠集團新北江製藥股份有限公司）（"**Xinbeijiang Company**"） *(Notes 1, 2)*	87.14%	1,104.75	RMB
5	Livzon Group Fuzhou Fuxing Pharmaceutical Co., Ltd.*（麗珠集團福州福興醫藥有限公司）（"**Fuzhou Fuxing**"）	90.36%	872.50	RMB
6	Livzon Group (Ningxia) Pharmaceutical Manufacturing Co., Ltd.*（麗珠集團（寧夏）製藥有限公司）（"**Ningxia Company**"） *(Notes 2)*	87.14%	680.00	RMB
7	Sichuan Guangda Pharmaceutical Manufacturing Co., Ltd.*（四川光大製藥有限公司）	100%	495.00	RMB
8	Livzon Group Limin Pharmaceutical Manufacturing Factory*（麗珠集團利民製藥廠）	100%	75.00	RMB
9	Jiaozuo Livzon Hecheng Pharmaceutical Manufacturing Co., Ltd.*（焦作麗珠合成製藥有限公司）	100%	552.00	RMB
10	Zhuhai Livzon Microsphere Technology Co., Ltd.*（珠海市麗珠微球科技有限公司）	100%	452.00	RMB
11	Gutian Fuxing Pharmaceutical Co., Ltd.*（古田福興醫藥有限公司）（"**Gutian Fuxing**"） *(Notes 2)*	92.77%	257.50	RMB
12	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%	380.00	RMB
		Subtotal	**11,678.25**	**RMB**

Notes:

1. Zhuhai Zhong Hui Yuan Investment Partnership (Limited Partnership) ("**Zhong Hui Yuan**") (which holds 8.44% equity interest in Xinbeijiang Pharma) has issued a "Counter-Guarantee Undertaking", undertaking to provide joint and several liability for 8.44% of the Group's guarantee obligation in respect of Xinbeijiang Pharma, with the guarantee period ending on the date when the Group's guarantee obligation ceases. Taking into account that the audited net assets of Xinbeijiang Pharma as at 31 December 2025 was approximately RMB3,044.66 million, respectively, and that Xinbeijiang Pharma has not defaulted on its previous credit facility repayments, the Directors consider that the risk of default by Xinbeijiang Pharma on its repayment of credit facilities for the relevant subsidiaries is relatively low. To the best of the Directors' knowledge after making reasonable enquiries with Zhong Hui Yuan, Zhong Hui Yuan does not have sufficient net assets to fully perform its counter-guarantee. However, as the major shareholder of Xinbeijiang Pharma, the Company controls the daily operation and management of Xinbeijiang Pharma, including the level of borrowings and debt obligations, and thus enables the Company to continuously assess and re-evaluate the repayment ability of Xinbeijiang Pharma. Moreover, given the relatively low risk of default by Xinbeijiang Pharma on its repayment obligations, the likelihood of Zhong Hui Yuan being called upon to perform its counter-guarantee is remote. In view of the above, the Directors consider that the counter-guarantee provided by Zhong Hui Yuan offers sufficient protection to the Company and the Shareholders as a whole. The remaining 4.42% equity interest in Xinbeijiang Pharma is held by 1,523 individuals (the "**Individual Shareholders**"), all of whom are independent third parties and none of whom holds more than 0.15% of the equity interest in Xinbeijiang Pharma. Given the large number of Individual Shareholders, the Directors consider it impracticable to obtain counter-guarantees from each of the Individual Shareholders of Xinbeijiang Pharma. Taking into account the relatively low default risk of Xinbeijiang Pharma 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 is fair and reasonable from a management perspective and is in the overall interests of the Company and the Shareholders.

2. Ningxia Pharma is a wholly-owned subsidiary of Xinbeijiang Pharma. Fuzhou Fuxing and Gutian Fuxing are jointly held by Xinbeijiang Pharma together with the Company or the Company's wholly-owned subsidiaries. No other shareholders have provided equivalent guarantees in proportion to their shareholding. The Board has conducted a prudent assessment and considers that such arrangement is risk-controllable and will not harm the interests of the Company or its Shareholders.

The above guarantee limits for each subsidiary are estimated based on their business development conditions and may be adjusted accordingly in light of the actual production and operation circumstances. Within the scope permitted by relevant regulations, the guarantee limits among wholly-owned subsidiaries and among majority-owned subsidiaries (including any new wholly-owned subsidiaries and majority-owned subsidiaries to be included in the scope of consolidated financial statements in the future) may be reallocated and utilized according to actual conditions within the total estimated guarantee limit for 2026. However, subsidiaries with asset-liability ratios of 70% or above at the time of such reallocation may only obtain guarantee limits from subsidiaries that had an asset-liability ratio of 70% or above at the time of consideration by the general meeting. No further board meeting or general meeting will be convened for the reallocation of guarantee limits within the above-mentioned total guarantee limit.

The above guarantees are proposed guarantee authorization matters, and the relevant guarantee agreements have not yet been signed. The main contents of the guarantee agreements will be mutually negotiated and determined by the Company and its subsidiaries with financial institutions or other relevant parties. The final actual total guarantee amount shall not exceed the guarantee limit granted herein. For any guarantees exceeding the above-mentioned total guarantee limit, the Company will promptly fulfill its approval procedures and information disclosure obligations in accordance with relevant regulations.

As at the Latest Practicable Date, the Company has not entered into any guarantee agreements in connection with the Subsidiaries Guarantees with the relevant banks. Taking into account the repayment record and credit standing of the Group, particularly the Company, the relevant banks providing credit financing to the subsidiaries do not require the relevant subsidiaries to provide or deposit any margin. The margin saved may be used for other operating activities of the relevant subsidiaries, which in the opinion of the Directors can create greater value for such relevant subsidiaries and the Company. In addition, the Facility Financing for subsidiaries is intended to provide funding for the general operations and businesses of the relevant subsidiaries, and the Company will benefit from reduced capital contribution requirements in respect of such subsidiaries. In view of the above, the Directors consider that providing Subsidiaries Guarantees in respect of their Facility Financing is in the overall interests of the Company and its shareholders.

Upon the implementation of the Guarantees, the total amount of guarantee facilities of the Company and its controlled subsidiaries is RMB13,778.25 million, representing approximately 99.21% of the Company's audited net assets attributable to shareholders of the parent company for the year 2025 of RMB13,888.3506 million. As at 28 February 2026, the total outstanding external guarantee balance of the Company and its controlled subsidiaries was RMB1,623.1482 million, representing approximately 11.69% of the Company's audited net assets attributable to shareholders of the parent company for the year 2025 of RMB13,888.3506 million, all of which were guarantees provided by the Company to its subsidiaries. The Company has no guarantees provided to entities outside the consolidated scope, no guarantees in respect of overdue debts, no guarantees involved in litigation, and no loss amounts arising from guarantees for which the Company was held liable by a court judgment.

Approval of the above Facility Financing and guarantees by the annual general meeting is therefore sought. It is also proposed that the Board and such other persons authorized by the Board be authorized to negotiate the specific terms of the relevant credit facilities and guarantee limits with the relevant banks and to sign all relevant documents within the maximum limits of the aforesaid Facility Financing or Subsidiaries Guarantees.

VIII. PROPOSED GRANT OF GENERAL MANDATE TO THE BOARD TO REPURCHASE H SHARES

To promote the stable development of the Company and effectively safeguard the interests of the shareholders at large, the Board considered and approved the grant of general mandate to the Board to repurchase H Shares on 24 March 2026. As at the Latest Practicable Date, the Company had a total number of issued H Shares (excluding H shares repurchased but not yet cancelled) of 299,807,117 H Shares. Subject to the passing of the resolution in respect of the H Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the General Meetings, the Company will be allowed to repurchase up to 29,980,711 H Shares under the H Share Repurchase Mandate, being 10% of the aggregate number of H Shares in issue and having not been repurchased as at the date of the passing of the resolutions in relation to the H Share Repurchase Mandate. The H Share Repurchase Mandate is subject to Shareholders' approval at the AGM, the H Shareholders' Class Meeting and the A Shareholders' Class Meeting by way of a special resolution.

For more details of the H Share Repurchase Mandate, please refer to the notices of the AGM and the H Shareholders' Class Meeting and the explanatory statement set out in the Appendix III to this circular.

IX. 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., 3:00 p.m. (or immediately after the conclusion of the AGM or any adjournment) and 3:30 p.m. (or immediately after the conclusion of the Class Meeting of A Shareholders or any adjournment) respectively on Friday, 29 May 2026. The notices convening the AGM and Class Meeting of H Shareholders and the proxy forms for use by the Shareholders of the Company at the AGM and Class Meeting of H Shareholders have been posted 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.

X. 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 Friday, 22 May 2026. 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 Friday, 22 May 2026.

The record date for determining the qualification of the H Shareholders for the proposed distribution of the Cash Dividend will be Wednesday, 17 June 2026. 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, 17 June 2026.

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

XI. 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.

XII. RECOMMENDATION

The Board considers that the resolutions set out in the Notices of the General Meetings, including (I) the 2025 Annual Profit Distribution Plan, (II) the proposed re-election of Directors of the Company, (III) the proposed appointment of an executive Director and an independent non-executive Director of the Company, (IV) the proposed formulation of the Directors' Remuneration Management System, (V) the proposed remuneration (allowance) plan for the Directors of the Board for 2026, (VI) the proposed amendments to the Articles of Association and the handling of industrial and commercial change registration, (VII) the proposed facility financing and provision of financing guarantees to subsidiaries, and (VIII) the proposed grant of general mandate to the Board to repurchase H Shares of the Company, as well as 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 at the General Meetings.

XIII. 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.*
Liu Ning
Company Secretary

Zhuhai, China
23 April, 2026

* *For identification purpose only*

Existing Articles	Revised Articles
Article 6 The registered capital of the Company is RMB939,009,646.	**Article 6** The registered capital of the Company is RMB887,907,171.
Article 22 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. As approved by a special resolution passed at the shareholders' meeting and authorized bysecurities regulatory authorities under the State Council, the Company's domestic-listed foreign-invested shares are converted into overseas-listed foreign-invested shares listed on The Hong Kong Stock Exchange by way of introduction for trading. After the aforesaid domestic-listed foreign-invested shares converted into overseas-listed foreign invested shares are listed on The Hong Kong Stock Exchange by way of introduction for trading, the share capital structure of the Company is as follows: 295,721,852 ordinary shares, of which 111,993,354 shares are held by holders of overseas-listed foreign-invested shares (H Shares) and 183,728,498 shares are held by holders of domestic-listed domestic-invested shares, representing 37.87% and 62.13% of the total number of issued ordinary shares of the Company respectively.	**Article 22** The Company's share capital structure is as follows: ordinary shares of 887,907,171 shares, comprising 588,100,054 domestic listed domestic shares (accounting for 66.23% of the total issued ordinary shares of the Company) and 299,807,117 overseas listed foreign shares (accounting for 33.77% of the total issued ordinary shares of the Company).

Existing Articles	Revised Articles
As approved by a special resolution passed at the shareholders' meeting and filed with no objection by the CSRC, after the completion of the first grant under the Restricted Shares Incentive Scheme by the Company, the share capital structure of the Company is changed as follows: 304,382,252 ordinary shares, of which 192,388,898 shares are domestic-listed domestic-invested shares and 111,993,354 shares are overseas-listed foreign-invested shares (H Shares), representing 63.21% and 36.79% of the total number of issued ordinary shares of the Company respectively. As approved by a special resolution passed at the shareholders' meeting, bonus shares created by transfer of capital reserve are issued to all shareholders by the Company. After the bonus shares are created by transfer, the share capital structure of the Company is changed as follows: 395,696,927 ordinary shares, of which 250,105,567 shares are domestic-listed domestic-invested shares and 145,591,360 shares are overseas-listed foreign-invested shares (H Shares), representing 63.21% and 36.79% of the total number of issued ordinary shares of the Company respectively. Approved by the Board of Directors of the Company with authorization of the shareholders' meeting, after the Company has completed the repurchase and cancellation of locked restricted shares granted to incentive participants no longer satisfying the conditions for incentive and the grant of reserved restricted shares, the share capital structure of the Company is changed as follows: 396,889,547 ordinary shares, of which 251,298,187 shares are domestic-listed domestic-invested shares and 145,591,360 shares are overseas-listed foreign-invested shares (H Shares), representing 63.32% and 36.68% of the total number of issued ordinary shares of the Company respectively.	

Existing Articles	Revised Articles
Approved by the Board of Directors of the Company with authorization of the shareholders' meeting, after the Company has completed the repurchase and cancellation of locked restricted shares granted to incentive participants no longer satisfying the conditions for incentive, the share capital structure of the Company is changed as follows: 396,631,923 ordinary shares, of which 251,040,563 shares are domestic-listed domestic-invested shares and 145,591,360 shares are overseas-listed foreign-invested shares (H Shares), representing 63.29% and 36.71% of the total number of issued ordinary shares of the Company respectively. Approved by the Board of Directors of the Company with authorization of the shareholders' meeting, after the Company has completed the registration of the non-public issuance of A Shares, the share capital structure of the Company is changed as follows: 425,730,126 ordinary shares, of which 280,138,766 shares are domestic-listed domestic-invested shares and 145,591,360 shares are overseas-listed foreign-invested shares (H Shares), representing 65.80% and 34.20% of the total number of issued ordinary shares of the Company respectively. Approved by the Board of Directors of the Company with authorization of the shareholders' meeting, after the Company has completed the repurchase and cancellation of locked restricted shares granted to incentive participants no longer satisfying the conditions for incentive, the share capital structure of the Company is changed as follows: 425,596,852 ordinary shares, of which 280,005,492 shares are domestic-listed domestic-invested shares and 145,591,360 shares are overseas-listed foreign-invested shares (H Shares), representing 65.79% and 34.21% of the total number of issued ordinary shares of the Company respectively.	

Existing Articles	Revised Articles
Approved by the Board of Directors of the Company with authorization of the shareholders' meeting, after the Company has completed the repurchase and cancellation of locked restricted shares granted to incentive participants no longer satisfying the conditions for incentive, the share capital structure of the Company is changed as follows: 425,562,592 ordinary shares, of which 279,971,232 shares are domestic-listed domestic-invested shares and 145,591,360 shares are overseas-listed foreign-invested shares (H Shares), representing 65.79% and 34.21% of the total number of issued ordinary shares of the Company respectively. As approved by a special resolution passed at the shareholders' meeting, after the Company has completed the bonus issue by way of capitalising capital reserve to all shareholders, the share capital structure of the Company is changed as follows: 553,231,369 ordinary shares, of which 363,962,601 shares are domestic-listed domestic-invested shares and 189,268,768 shares are overseas-listed foreign-invested shares (H Shares), representing 65.79% and 34.21% of the total number of issued ordinary shares of the Company respectively. Approved by the Board of Directors of the Company with authorization of the shareholders' meeting, after the Company has completed the repurchase and cancellation of locked restricted shares granted to incentive participants no longer satisfying the conditions for incentive, the share capital structure of the Company is changed as follows: 553,141,271 ordinary shares, of which 363,872,503 shares are domestic-listed domestic-invested shares and 189,268,768 shares are overseas-listed foreign-invested shares (H Shares), representing 65.78% and 34.22% of the total number of issued ordinary shares of the Company respectively.	

Existing Articles	Revised Articles
Approved by the Board of Directors of the Company with authorization of the shareholders' meeting, after the Company has completed the repurchase and cancellation of locked restricted shares granted to incentive participants no longer satisfying the conditions for incentive, the share capital structure of the Company is changed as follows: 553,115,570 ordinary shares, of which 363,846,802 shares are domestic-listed domestic-invested shares and 189,268,768 shares are overseas-listed foreign-invested shares (H Shares), representing 65.78% and 34.22% of the total number of issued ordinary shares of the Company respectively. As approved by a special resolution passed at the shareholders' meeting, after the Company has completed the bonus issue by way of capitalising capital reserve to all shareholders, the share capital structure of the Company is changed as follows: 719,050,240 ordinary shares, of which 473,000,842 shares are domestic-listed domestic-invested shares and 246,049,398 shares are overseas-listed foreign-invested shares (H Shares), representing 65.78% and 34.22% of the total number of issued ordinary shares of the Company respectively. Approved by the Board of Directors of the Company with authorization of the shareholders' meeting, after the Company has completed the repurchase and cancellation of locked restricted shares granted to incentive participants no longer satisfying the conditions for incentive, the share capital structure of the Company is changed as follows: 719,048,212 ordinary shares, of which 472,998,814 shares are domestic-listed domestic-invested shares and 246,049,398 shares are overseas-listed foreign-invested shares (H Shares), representing 65.78% and 34.22% of the total number of issued ordinary shares of the Company respectively.	

Existing Articles	Revised Articles
As approved by a special resolution passed at the shareholders' meeting, after the Company has completed the bonus issue by way of capitalising capital reserve to all shareholders, the share capital structure of the Company is changed as follows: 934,762,675 ordinary shares, of which 614,898,458 shares are domestic-listed domestic-invested shares and 319,864,217 shares are overseas-listed foreign-invested shares (H Shares), representing 65.78% and 34.22% of the total number of issued ordinary shares of the Company respectively. As approved by a special resolution passed at the shareholders' meeting, subsequent to the exercise of share options in the first exercise period under the first grant of the 2018 Share Options Incentive Scheme of the Company, the share capital structure of the Company is changed as follows: 943,585,025 ordinary shares, of which 623,720,808 shares are domestic-listed domestic-invested shares and 319,864,217 shares are overseas-listed foreign-invested shares (H Shares), representing 66.10% and 33.90% of the total number of issued ordinary shares of the Company respectively. As approved by a special resolution passed at the shareholders' 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.	

Existing Articles	Revised Articles
As approved by a special resolution passed at the shareholders' 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.	
Article 145 The Board shall consist of 11 members, one of whom shall be an employee representative Director. The Board shall have one Chairman, and Vice Chairmen can be appointed if necessary. The Chairman and Vice Chairmen shall be elected by the affirmative vote of more than half of all the Directors. Among the members at least one third of them shall be independent directors, and there is also at least one member who is an accounting professional.	**Article 145** The Board shall consist of 9 to 11 members, one of whom shall be an employee representative Director. The Board shall have one Chairman, and Vice Chairmen can be appointed if necessary. The Chairman and Vice Chairmen shall be elected by the affirmative vote of more than half of all the Directors. Among the members at least one third of them shall be independent directors, and there is also at least one member who is an accounting professional.

LIVZON PHARMACEUTICAL GROUP INC.
REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS

Chapter I General Provisions

Article 1 In order to further improve the remuneration management of the directors of Livzon Pharmaceutical Group Inc. (the "**Company**"), establish a scientific and effective incentive and restraint mechanism, enable the directors of the Company to better perform their duties of diligence and integrity, effectively mobilize their initiative and creativity, improve the Company's operation and management, promote healthy and sustainable development, and ensure the realization of strategic goals, these regulations are formulated in accordance with the Company Law of the People's Republic of China, the Code on Corporate Governance Standard of Listed Companies, and other relevant laws, administrative regulations, regulatory documents, and the Articles of Association of Livzon Pharmaceutical Group Inc. (the "**Articles of Association**").

Article 2 Directors refer to all incumbent members of the Board of Directors of the Company during the implementation of this system, specifically including:

(1) The Chairman and Vice Chairman (if any);

(2) Independent Non-executive Directors, referring to directors appointed in accordance with the Administrative Measures for Independent Directors of Listed Companies who have no relationship with the Company or its major shareholders that may hinder independent and objective judgment;

(3) Employee Representative Directors, referring to directors democratically elected through the employee representative congress, employee meetings, or other forms;

(4) Other Non-independent Non-executive Directors, referring to directors other than those mentioned in items (1) to (3) above, including those who hold other positions in the Company and those who do not.

Article 3 The Company's remuneration system for directors follows these principles:

(1) Aligning remuneration with the Company's long-term development and shareholders' interests;

(2) Combining remuneration with distribution according to work, responsibilities, powers, and interests;

(3) Linking remuneration to the long-term stable development of the Company;

(4) Ensuring remuneration is consistent with market value laws;

(5) Adhering to the principles of openness, fairness, and transparency.

Chapter II Remuneration Management Organization

Article 4 The Remuneration and Assessment Committee of the Board is responsible for proposing remuneration plans for directors. These plans are submitted to the Board for consideration and subsequently to the Shareholders' Meeting for determination. Such plans must include the remuneration structure, standards, assessment criteria, and payment methods. The Committee also supervises the implementation of relevant remuneration and performance systems.

Article 5 A director shall abstain from voting when the Board or the Remuneration and Assessment Committee evaluates their individual performance or discusses their remuneration.

Article 6 The specific duties and authorities of the Remuneration and Assessment Committee are determined by the Terms of Reference of the Remuneration and Assessment Committee of the Board.

Article 7 Relevant departments, such as Human Resources and Finance, shall cooperate with the Remuneration and Assessment Committee in the specific implementation of the remuneration plans.

Chapter III Remuneration Standards and Structure

Article 8 The remuneration standards and payment rules for directors are as follows:

(1) Independent Non-executive Directors: They receive a fixed allowance as determined by the resolution of the Shareholders' Meeting and do not receive additional remuneration.

(2) Chairman and Vice Chairman: Their remuneration consists of basic salary and performance-based remuneration. Basic salary is determined by factors such as position value and responsibilities, with reference to industry levels. Performance-based remuneration is a floating reward based on the Company's operating results and performance appraisal. In principle, performance-based remuneration shall account for no less than 50% of the total, as determined by the Remuneration and Assessment Committee.

(3) Other Non-independent Non-executive Directors: Other Non-independent Non-executive Directors (including Employee Representative Directors) receive a fixed director's allowance determined by the Shareholders' Meeting. Those who do not hold other positions in the Company receive no extra remuneration. Directors who hold senior management positions in the Company receive remuneration corresponding to their specific roles and performance appraisal, including basic and performance-based salary. For these individuals, performance-based remuneration shall generally be no less than 50% of their total remuneration package (allowance plus basic and performance salary).

Article 9 Medium and long-term incentive income shall be implemented in accordance with the Company's incentive schemes, with performance assessment serving as an important basis for determination and payment.

Article 10 The Company may set up special rewards for major matters. If directors are eligible, the reward scheme must be approved by the Remuneration and Assessment Committee.

Chapter IV Payment of Remuneration

Article 11 Allowances for Independent Non-executive Directors, other Non-independent Non-executive Directors, and Employee Representative Directors are paid monthly.

Article 12 The basic salary of the Chairman and Vice Chairman is paid monthly. Performance-based remuneration is evaluated and distributed monthly, quarterly, or annually by relevant departments. The Remuneration and Assessment Committee conducts an annual performance evaluation based on audited financial data to finalize the annual performance pay, with a "refund of overpayment or compensation for deficiency" mechanism. A certain proportion of performance pay is paid only after the disclosure of the audited annual report and performance evaluation.

Article 13 Remuneration standards are pre-tax amounts. The Company will withhold the following in accordance with regulations: (1) Individual income tax; (2) Personal contributions to social insurance; (3) Other items required by the state or the Company to be borne by the individual.

Article 14 For directors who leave due to the expiration of their term, re-election, or resignation, performance pay will be calculated and paid based on their actual term of office and actual performance.

Article 15 The Company may withhold or reduce remuneration if a director:

(1) Is publicly censured or declared unsuitable by a stock exchange;

(2) Receives administrative penalties from the CSRC for major violations;

(3) Causes major losses to the Company due to decision-making errors;

(4) Violates valid commitments made to regulators or the capital market;

(5) Seriously violates other Company regulations.

Article 16 The Company may adopt a deferred payment mechanism for directors' performance-based remuneration based on actual circumstances.

Chapter V Remuneration Adjustment

Article 17 The remuneration system shall serve the Company's business strategy and be adjusted based on:

(1) Industry salary levels;

(2) Regional salary levels;

(3) Inflation levels;

(4) Company performance;

(5) Organizational or responsibility changes.

When material changes occur to the above factors, the Remuneration and Assessment Committee may propose amendments to this system or the remuneration plan based on the specific circumstances, and submit the same to the Board and the Shareholders' meeting for consideration and make corresponding adjustments.

Article 18 If a director violates their duties causing loss to the Company, or is at fault for financial fraud, misappropriation of funds, or illegal guarantees, the Company shall reduce or stop unpaid performance pay and incentives, and may claw back all or part of the performance pay and incentives already paid during the period of the relevant behavior.

Chapter VI Supplementary Provisions

Article 19 Matters not covered by this system shall be governed by national laws, regulations, and the Articles of Association.

Article 20 This system is formulated and interpreted by the Board. It shall take effect upon approval by the Shareholders' Meeting

This appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Hong Kong Listing Rules (as modified by Rules 19A.24 and 19A.25 of the Hong Kong Listing Rules), to provide the requisite information to the Shareholders of the Company for their consideration of the terms and mandate of the H Share Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the Company had a total share capital of 887,907,171 shares, comprising 588,100,054 A Shares and 299,807,117 H Shares, and no shares have been repurchased but not yet cancelled.

NUMBER OF H SHARES PROPOSED TO BE REPURCHASED

As at the Latest Practicable Date, the Company had a total number of issued H Shares of 299,807,117 H Shares. Subject to the passing of the resolution in respect of the H Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the General Meetings, the Company will be allowed to repurchase up to 29,980,711 H Shares under the H Share Repurchase Mandate, being 10% of the aggregate number of H Shares in issue and having not been repurchased as at the date of the passing of the resolutions in relation to the H Share Repurchase Mandate.

DISPOSAL OF THE REPURCHASED SHARES

The Company will cancel the repurchased H Shares upon completion of the repurchase, and the Company will reduce its registered capital accordingly.

REASONS FOR REPURCHASE

The Directors are of the view that the H Share Repurchase Mandate could enhance the long-term investment value of the Company's shares, safeguard the interests of shareholders, strengthen investor confidence, and on the basis of high recognition of the Company's value and confidence in the Company's future development, afford the Company the flexibility and ability in pursuing the best interests for the Company and its Shareholders and to protect investors' interests. Such repurchases of H Shares will, depending on market conditions, be made when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

SOURCE OF FUNDS

In repurchasing H Shares, the Company intends to apply funds from the Company's internal resources legally available for such purposes in accordance with its Articles of Association and the applicable laws of the PRC.

IMPACT ON WORKING CAPITAL OR GEARING POSITION

As compared with the financial position of the Company as at 31 December 2025 (being the date to which the latest audited accounts of the Company were made up), the Directors consider that there will not be a material adverse impact on the working capital or the gearing position of the Company in the event that the H Share Repurchase Mandate were to be exercised in full during the Relevant Period (as defined in the notices of the General Meetings).

PRESENT INTENTION OF THE DIRECTORS AND CLOSE ASSOCIATES

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Hong Kong Listing Rules) have any present intention to sell any H Shares to the Company if the H Share Repurchase Mandate are approved by the Shareholders at the AGM, the Class Meeting of A Shareholders and the Class Meeting of H Shareholders.

GENERAL MATTERS

The Directors will exercise the A Share Repurchase Mandate and the H Share Repurchase Mandate in accordance with the Hong Kong Listing Rules and the applicable laws of the PRC, and the relevant resolutions of the AGM, the Class Meeting of A Shareholders and the Class Meeting of the H Shareholders. The Company confirms that there neither the explanatory statement was set out in this appendix nor the A Share Repurchase Mandate and the H Share Repurchase Mandate has any unusual features.

EFFECT OF THE TAKEOVERS CODE AND SIMILAR APPLICABLE LAW

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors' exercising the powers of the Company to repurchase H Shares pursuant to the H Share Repurchase Mandate, respectively, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Code on Takeovers and Mergers (the "**Takeovers Code**") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for shares of the Company under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and to the best knowledge of the Directors, Joincare (together with its associates (as defined in the Hong Kong Listing Rules)) directly or indirectly holds 163,364,672 H Shares and 255,513,953 A Shares of the Company, representing approximately 54.49% and 43.45% of the issued H Shares and A Shares of the Company respectively, and in aggregate approximately 47.18% of the total issued shares of the Company (excluding shares repurchased but not yet cancelled). If the H Share Repurchase Mandate is exercised in full, the Company will be allowed to repurchase 29,980,711 H Shares, and consequently, Joincare's interest in the Company would increase to approximately 49.30%. The Directors consider that such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. In addition, the Board will not conduct any repurchase if the repurchase of H Shares would result in the total number of H Shares held by public shareholders falling below the minimum percentage prescribed by the Stock Exchange. The Directors have no present intention to exercise the H Share Repurchase Mandate to the extent that it would give rise to a mandatory offer obligation or result in a breach of the public float requirement under Rule 19A.28B(2) of the Hong Kong Listing Rules.

Save as aforesaid, the Directors are currently not aware of any consequences which will arise under either or both the Takeovers Code and any similar applicable law of which the Directors are aware as a result of any repurchase of H Shares made under the A Share Repurchase Mandate and the H Share Repurchase Mandate.

H SHARES REPURCHASE MADE BY THE COMPANY

The Company has not conducted any repurchase of H Shares during the six months preceding the Latest Practicable Date.

Save as disclosed above, the Company has not purchased any of its shares (whether on The Stock Exchange of Hong Kong Limited, the Shenzhen Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

PRESENT INTENTION OF THE CORE CONNECTED PERSONS

As at the Latest Practicable Date, no core connected persons (as defined in the Hong Kong Listing Rules) have notified the Company that they have a present intention to sell H Shares to the Company, or have undertaken not to do so, in the event that the H Share Repurchase Mandate are approved by the Shareholders at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

PRICES OF H SHARES

The highest and lowest trading prices at which H Shares were traded on the Hong Kong Stock Exchange, respectively, during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	H Shares	
	Highest	**Lowest**
	(Hong Kong dollar)	*(Hong Kong dollar)*
2025		
April	28.20	24.85
May	29.50	25.60
June	33.45	27.80
July	41.85	29.00
August	39.32	34.64
September	38.78	33.20
October	35.50	30.52
November	33.18	30.48
December	31.44	28.00
2026		
January	30.88	28.34
February	30.16	28.74
March	29.12	25.90
April (up to the Latest Practicable Date)	30.40	27.46