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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)

(1) PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR
(2) PROFIT DISTRIBUTION PLAN FOR THE THIRD QUARTER OF 2026
(3) SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2026-2028)
(4) CONVENING OF AN EXTRAORDINARY GENERAL MEETING

The letter from the Board is set out on pages 3 to 12 of this circular.

The Company will hold the EGM 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 Thursday, 12 November 2026. The notice convening the EGM and the proxy form for use by the Shareholders of the Company at the EGM 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 EGM 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 EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

* *For identification purposes only*

23 October 2026

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

"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 A Share(s)
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Board"	the board of Directors of the Company
"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 amended, supplemented or otherwise modified from time to time
"CSRC"	China Securities Regulatory Commission
"Director(s)"	director(s) of the Company
"EGM"	the 2026 second extraordinary general meeting of the Company 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 Thursday, 12 November 2026, to consider and, if thought fit, approve (1) proposed appointment of Ms. Zhu Linlin as a non-executive Director of the Company; (2) profit distribution plan for the third quarter of 2026; and (3) shareholder return plan for the next three years (2026-2028)
"Group"	the Company and all its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"H Share(s)"	the overseas-listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange (stock code: 01513)

"H Shareholder(s)"	holder(s) of 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, as amended, supplemented or otherwise modified from time to time
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Latest Practicable Date"	Tuesday, 20 October 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"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
"RMB"	Renminbi, the lawful currency of the PRC
"share(s)"	the ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the share(s)
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"treasury share(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"%"	per cent

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*

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. Liu Daping *(Chairman and President)*
Mr. Tang Yanggang *(Vice Chairman)*

Non-executive Directors:
Mr. Lin Nanqi
Mr. Qiu Qingfeng

Employee representative Director:
Ms. Ran Yongmei

Independent non-executive Directors:
Mr. Luo Huiyuan
Ms. Cui Lijie
Ms. Wang Zhiyao
Ms. Kang Li

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,

(1) PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR
(2) PROFIT DISTRIBUTION PLAN FOR THE THIRD QUARTER OF 2026
(3) SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2026-2028)
(4) CONVENING OF AN EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with relevant information in relation to the (1) proposed appointment of a non-executive Director; (2) profit distribution plan for the third quarter of 2026; and (3) shareholder return plan for the next three years (2026-2028) to enable you to make an informed decision in voting on the resolutions to be proposed at the EGM.

II. PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 18 September 2026 in relation to the proposed appointment of a non-executive Director (the "**Announcement**").

The nomination committee of the Board has considered and approved the nomination of Ms. Zhu Linlin ("**Ms. Zhu**") as a candidate for non-executive Director of the twelfth session of the Board of the Company, and recommended the same to the Board for approval. The Board has considered and approved the nomination of Ms. Zhu as a non-executive Director of the twelfth session of the Board on 18 September 2026. Accordingly, the Company proposes the following ordinary resolution in respect of the appointment of a non-executive Director to be considered and approved at the EGM:

1. Proposed appointment of Ms. Zhu Linlin as a non-executive Director of the twelfth session of the Board of the Company.

For details of Ms. Zhu Linlin's biography as required under Rule 13.51(2) of the Hong Kong Listing Rules, please refer to the Announcement.

Ms. Zhu Linlin, aged 31, holds a master's degree in Applied Economics from Johns Hopkins University. Ms. Zhu has extensive experience in marketing, business development and corporate management in the pharmaceutical and healthcare industry.

From April 2022 to March 2023, Ms. Zhu worked at Joincare as the deputy marketing director of the Health Products Business Division. Ms. Zhu was responsible for brand building, product management and sales. During her tenure, she promoted the sales, marketing and distribution channel expansion of key brands. Joincare is one of the most comprehensive healthcare companies with the broadest business footprint in China, with its business covering five major segments, namely chemical preparations, active pharmaceutical ingredients, traditional Chinese medicine preparations, diagnostic reagents and healthcare products.

From April 2023 to February 2026, Ms. Zhu served as the general manager and vice chairwoman of Fluffy Buddy Animal Healthcare (Guangdong) Co., Ltd. ("**Fluffy Buddy Animal Healthcare**"). Since March 2026, she has served as the chairwoman of Fluffy Buddy Animal Healthcare. During such period, Ms. Zhu was fully responsible for the strategic planning, operation and management, research and development direction and business development of Fluffy Buddy Animal Healthcare. Under her leadership, Fluffy Buddy Animal Healthcare has achieved a number of business breakthroughs since its establishment and rapidly developed into an emerging domestic enterprise in the field of pet pharmaceutical products with independent research and development capabilities, compliant production qualifications and an extensive product pipeline. In terms of production qualifications and capacity development, Fluffy Buddy Animal Healthcare officially obtained the Veterinary Drug GMP Certificate and the Veterinary Drug Manufacturing License in December 2024, enabling it to conduct large-scale production of pet pharmaceutical products in multiple dosage forms, including tablets, drops, solutions and pastes. In terms of product development and approvals, Fluffy Buddy® Gabapentin Tablets, China's first prescription anti-stress drug for cats, were approved in 2025, filling the gap in the domestic market for compliant prescription anti-stress drugs for cats. Since 2026, Fluffy Buddy® Doxycycline Oral Paste, a Class II new veterinary drug independently developed by Fluffy Buddy Animal Healthcare, has been officially approved for marketing. The product is China's first broad-spectrum antibiotic in paste dosage form and is indicated for the treatment of infectious diseases in dogs and cats caused by bacteria susceptible to doxycycline. During the same period, Fluralaner Chewable Tablets and Fluralaner and Moxidectin Spot-on Solution also successively obtained registration approvals as Class II new veterinary drugs, further enriching the company's product portfolio. During her tenure at Fluffy Buddy Animal Healthcare, Ms. Zhu participated in advancing the international expansion of Fluffy Buddy Animal Healthcare by drawing on technical expertise and international regulatory compliance experience accumulated in the field of human pharmaceuticals.

Ms. Zhu is the daughter of Mr. Zhu Baoguo(朱保國先生), the actual controller of the Company. Save for the aforesaid family relationship, as of the Latest Practicable Date, Ms. Zhu does not have any relationship with any other Directors, supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company or any of its subsidiaries.

As at the Latest Practicable Date, Ms. Zhu serves as a director of PT Livzon Pharma Indonesia, an overseas subsidiary of the Company. Save as disclosed above, she does not hold any other position within the Company or any member of the Group.

Save as disclosed above, as at the Latest Practicable Date, Ms. Zhu (i) has not held any directorship in any other listed company during the past three years and does not have any other major appointments or professional qualifications; (ii) has not been subject to any public sanction by any statutory or regulatory authority; and (iii) does not have any interest 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).

Upon Ms. Zhu's appointment being approved and taking effect at the EGM, the Company will enter into a director's service agreement with Ms. Zhu. Ms. Zhu will be entitled to an annual director's fee of RMB96,000 (before tax) during her term of office as a non-executive Director of the Company. Ms. Zhu's director's fee and remuneration will be determined by the Board with reference to her duties and responsibilities within the Company, the Company's remuneration policy and the market salary range for such position. The term of Ms. Zhu's appointment as a non-executive Director will commence on the date of approval of her appointment at the EGM up to the expiry of the term of the twelfth session of the Board.

Save as disclosed above, there are no other matters in relation to the proposed appointment of Ms. Zhu as a non-executive Director that need to be brought to the attention of the Shareholders, and there is no other information required to be disclosed pursuant to any of the provisions under Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

III. PROFIT DISTRIBUTION PLAN FOR THE THIRD QUARTER OF 2026

Reference is made to the announcement of the Company dated 23 October 2026 in relation to the profit distribution plan of the Company for the third quarter of 2026.

1. Reasons for distribution

Pursuant to the provisions of the Company Law and the Articles of Association, when the Company distributes its after-tax profits for the year, it shall allocate 10% of the profits to the Company's statutory surplus reserve; if the aggregate amount of the Company's statutory surplus reserve has reached 50% or more of the Company's registered capital, no further allocation shall be made. The beginning balance of the statutory surplus reserve of the Company was RMB477,115,292.03, which had reached 50% of the registered capital of the Company, and no statutory surplus reserve or discretionary surplus reserve will be appropriated in the third quarter of 2026.

As of 30 September 2026, the cumulative undistributed profit at the end of the period in the Company's consolidated statements was RMB11,850,929,110.57, and the cumulative undistributed profit at the end of the period in the parent company's statements was RMB6,738,408,442.16. Pursuant to the provisions of the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange, the specific profit distribution ratio shall be determined based on the principle of the lower of the distributable profit in the consolidated statements and the statements of the parent company, and the upper limit of the distributable profit of the Company for the third quarter of 2026 is RMB6,738,408,442.16. The financial report of the Company for the third quarter of 2026 is unaudited.

2. Target for distribution

Pursuant to the resolution of the Board, this quarterly dividend will be distributed to the following persons:

(1) holders of A Shares of the Company, being all A Shareholders of the Company registered on the register of members with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited after the close of trading on the Shenzhen Stock Exchange on the afternoon of the share record date (24 November 2026); and

(2) holders of overseas listed foreign shares of the Company (in the form of H Shares), whose names appear on the register of members for H Shares of the Company at the close of business on the record date (26 November 2026).

Special note: Shares held in the special securities account for repurchase of the Company will not participate in the distribution of this quarterly dividend. As of the Latest Practicable Date, there are no shares in the special securities account for repurchase of the Company.

3. Details of distribution

In accordance with the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends of Listed Companies, the Articles of Association, and other relevant provisions, and taking into account the Company's operating performance for the third quarter of 2026, subject to complying with the profit distribution principles, ensuring the normal operations and long-term development of the Company, and considering the investment returns for Shareholders, the profit distribution plan of the Company for the third quarter of 2026 is as follows:

(1) Dividend amount

(i) The proposed distribution of a dividend for the third quarter of 2026 of RMB12.39 (tax inclusive) for every 10 shares;

(ii) The total dividend for the third quarter of 2026 proposed to be distributed is RMB1,100,116,984.87 (tax inclusive).

(2) Basis of distribution

As of the date when the Board considered and approved the quarterly dividend, the total share capital of the Company was 887,907,171 shares (excluding the number of shares repurchased by the Company but not yet canceled), comprising 588,100,054 A Shares and 299,807,117 H Shares. As of the Latest Practicable Date, the Company does not hold any treasury shares.

If this profit distribution plan is considered and approved by the general meeting, the total amount of this cash dividends will be RMB1,100,116,984.87.

In the event of any change in the total share capital arising from the exercise of share incentives, conversion of convertible bonds, or share buy-backs prior to the implementation date of the distribution of rights and interests, the Company will adjust the total amount of this quarterly dividend distribution based on the principle of maintaining the distribution proportion.

(3) Currency arrangements

Pursuant to the Articles of Association, the Company declares this quarterly dividend in RMB to the Shareholders. This quarterly dividend for A Shares will be paid in RMB, while this quarterly dividend for H Shares will be paid in Hong Kong dollars (except for investors under Southbound Trading Link). The exchange rate for the payment of the dividend for H Shares in Hong Kong dollars will be calculated based on the central parity rate of RMB against Hong Kong dollars announced by the People's Bank of China on the date on which this quarterly dividend is considered and approved at the EGM (12 November 2026).

(4) Paying Agent arrangements

The Company will appoint Industrial and Commercial Bank of China (Asia) Limited as the paying agent in Hong Kong (the "**Paying Agent**") and will pay the declared quarterly dividend for H Shares to the Paying Agent pending payment to the H Shareholders (except for investors under Southbound Trading Link). The Paying Agent will pay this quarterly dividend on or before the payment date of quarterly dividend, and the relevant dividend cheques will be dispatched by the Company's H Share Registrar to the H Shareholders by ordinary post at their own risk.

(5) Authorization arrangements

Based on the actual needs of the work relating to this quarterly dividend, it is proposed that the authorized persons of the Board (the Chairman of the Company and its authorized persons) be authorized to determine the relevant dates, such as the dividend payment date for this quarterly dividend, as well as other necessary matters for the smooth implementation of this quarterly dividend.

(6) Qualification for entitlement to the dividend for the third quarter of 2026

For the purpose of the dividend for the third quarter of 2026, the last day of dealings in H Shares on a cum-entitlement basis will be Tuesday, 24 November 2026, and the first day of dealings in H Shares on an ex-entitlement basis will be Wednesday, 25 November 2026.

The record date for determining the qualification of the H Shareholders for the proposed distribution of the dividend for the third quarter of 2026 will be Thursday, 26 November 2026. In order to qualify for this quarterly dividend, H Shareholders whose transfer documents are not registered must lodge all transfer documents 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 no later than 4:30 p.m. on Thursday, 26 November 2026.

The Company will pay the dividend for the third quarter of 2026 on or before Wednesday, 23 December 2026 to Shareholders whose names appear on the register of members for H Shares of the Company at the close of business on the record date (i.e. Thursday, 26 November 2026).

4. Explanation on reasonableness of the cash dividend plan

The Company has always placed importance on providing reasonable returns to the Shareholders, and has continuously provided returns to the Shareholders through cash dividends, share repurchases, and other means over the past three financial years. This profit distribution plan represents a concrete initiative of the Company's active effort to further implement the spirit of rewarding its Shareholders under documents such as the Several Opinions of the State Council on Strengthening Supervision, Preventing Risks and Promoting the High-Quality Development of the Capital Market (《國務院關於加強監管防範風險推動資本市場高品質發展的若干意見》) and the Regulatory Guidelines for Listed Companies No. 10 – Market Value Management (《上市公司監管指引第10號－市值管理》), which encourage enterprises to distribute cash dividends and provide investors with stable and reasonable returns. This profit distribution plan takes into account the operating conditions and profitability level of the Company for the first three quarters of 2026, and gives full consideration to factors such as the Company's accumulated undistributed profits, cash and cash equivalents balance, the stability of the gearing ratio, and the capability of existing funds to cover research and development investments as well as daily operating requirements. This cash dividend will be funded by the Company's internal funds, will not cause a shortage of working capital for the Company, and will not have any adverse impact on the Company's normal production and operation, solvency, and future business development. This cash dividend is conducive to enhancing the sustainability of shareholder returns and sharing the operating results of the Company with all of its Shareholders, serves the interests of the Company and all of its Shareholders, and is reasonable.

This profit distribution plan complies with the Company Law, the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends of Listed Companies, the Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 1 – Standardized Operation of Main Board Listed Companies, the Articles of Association, and other relevant provisions, conforms to the Company's profit distribution policy, and is lawful and compliant.

As at the end of 2025 and the end of September 2026, the aggregate amounts accounted for and presented under financial statement items of the Company, such as financial assets held for trading, derivative financial assets (excluding hedging instruments), debt investments, other debt investments, investments in other equity instruments, other non-current financial assets, and other current assets (excluding assets related to operating activities such as input VAT to be deducted, prepaid taxes and levies, and contract acquisition costs), were RMB1,867,643,628.36 and RMB2,417,286,499.21, respectively, accounting for 7.79% and 10.40% of total assets, respectively, both of which were below 50%.

An ordinary resolution will be proposed at the EGM to seek Shareholders' approval for the profit distribution plan of the Company for the third quarter of 2026.

IV. SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2026-2028)

In order to increase decision-making transparency and operational feasibility, enhance the stability, continuity and predictability of cash dividends, proactively reward investors and stabilize investor expectations, the Company has formulated the Shareholder Return Plan of the Company for the Next Three Years (2026-2028) in accordance with the relevant PRC regulatory requirements and the Articles of Association, and in light of actual circumstances. The full text of the Shareholder Return Plan of the Company for the Next Three Years (2026-2028) is set out in Appendix I to this circular. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.

An ordinary resolution will be proposed at the EGM to seek Shareholders' approval for the Shareholder Return Plan of the Company for the Next Three Years (2026-2028).

V. CONVENING OF AN EXTRAORDINARY GENERAL MEETING

The Company will hold the EGM 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 Thursday, 12 November 2026. The notice convening the EGM and the proxy form for use by the Shareholders of the Company at the EGM 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 EGM 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 EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

VI. RECORD DATE

The record date for determining the qualification of the Shareholders to attend and vote at the EGM will be Friday, 6 November 2026. In order to qualify as Shareholders to attend and vote at the EGM, 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, 6 November 2026.

VII. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, the resolutions put forward at the EGM 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 EGM.

As of the Latest Practicable Date, as far as the Directors are aware after reasonable enquiries, no Shareholder has a material interest in the above resolutions, and no Shareholder is required to abstain from voting on the above resolutions at the EGM.

VIII. RECOMMENDATION

The Board considers that the ordinary resolutions set out in the notice of the EGM regarding (1) the proposed appointment of a non-executive Director; (2) the profit distribution plan of the Company for the third quarter of 2026; and (3) the shareholder return plan for the next three years (2026-2028), are in the interests of the Company and the Shareholders as a whole, and therefore recommends that the Shareholders vote in favor of the relevant resolutions to be proposed at the EGM.

IX. 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 October 2026

* *For identification purposes only*

The Plan was originally prepared in Chinese and the English version is for reference only. In the event of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2026-2028)

In order to further improve the profit distribution policy of 麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.* (the "**Company**"), enhance a scientific, sustained and stable shareholder return mechanism, increase the transparency, stability and predictability of the profit distribution policy, and effectively protect the legitimate rights and interests of investors, especially minority investors, in accordance with the relevant provisions of the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Securities Law of the People's Republic of China, the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends of Listed Companies, the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines for Listed Companies of the Shenzhen Stock Exchange No. 1 – Standardized Operation of Main Board Listed Companies and other laws, regulations and normative documents, as well as the Articles of Association of Livzon Pharmaceutical Group Inc. (《麗珠醫藥集團股份有限公司章程》) (hereinafter referred to as the "**Articles of Association**"), and taking into account the actual operating conditions and future development needs of the Company, the Company has formulated the Shareholder Return Plan for the Next Three Years (2026-2028) (hereinafter referred to as the "**Plan**"), the details of which are as follows:

I. MAJOR FACTORS CONSIDERED IN FORMULATING THE PLAN

1. Actively responding to policy calls and continuously enhancing shareholder returns

In recent years, relevant national authorities have continuously strengthened the supervision of cash dividends by listed companies, encouraging listed companies to optimize their cash dividends policies, enhance the stability, sustainability, and predictability of cash dividends, and guiding listed companies to firmly establish an awareness of returning value to shareholders. As a listed company, the Company actively responds to relevant policy orientations such as the Several Opinions of the State Council on Strengthening Supervision, Preventing Risks and Promoting the High-Quality Development of the Capital Market (《國務院關於加強監管防範風險推動資本市場高品質發展的若干意見》) and the Regulatory Guidelines for Listed Companies No. 10 – Market Value Management (《上市公司監管指引第10號－市值管理》). On the basis of safeguarding the Company's sustainable and sound operation and long-term development, the Company further improves the level of cash dividends, enhances the normalized shareholder return mechanism, earnestly gives back to shareholders through continuous and stable cash dividends, and shares the achievements of the Company's long-term development with shareholders.

2. Steady operational development with a solid foundation for profit distribution

Through years of consistent, sound operations and development, the Company has maintained a stable overall operational condition, and its profitability and cash-generating capabilities have a solid foundation. The Company's distributable profits accumulated over the long term are relatively sufficient, with sound capital reserves and liquidity position. On the basis of comprehensively considering factors such as the Company's actual operational development, strategic development plans, industry development characteristics, profitability, cash flow, solvency, major capital expenditure arrangements and external financing environment, the Company possesses the foundation and conditions to further enhance the level of cash dividends and maintain a relatively high proportion of shareholder returns. The Company will coordinate the relationship between its own sustainable development and shareholder returns, and subject to ensuring normal operations and sustainable development, enhance the efficiency of fund utilization to deliver its business achievements to shareholders in a more substantial and stable manner.

3. Attaching importance to shareholder returns and enhancing long-term investment confidence

The Company has always attached great importance to reasonable investment returns for shareholders and is committed to maintaining the continuity and stability of its profit distribution policy. A stable, clear and predictable cash dividends policy is conducive to further enhancing investors' confidence in the long-term operational development of the Company and safeguarding the legitimate rights and interests of all shareholders, especially minority shareholders. The Company has formulated the Plan with the aim of further clarifying the shareholder return arrangements for the next three years, improving the stability and predictability of cash dividends, actively rewarding shareholders with practical actions, and continuously enhancing investors' sense of reward and confidence in long-term shareholding.

II. PRINCIPLES FOR THE FORMULATION OF THE PLAN

Subject to compliance with relevant laws and regulations, normative documents and the Articles of Association, the Plan will take into account the long-term interests of the Company, the overall interests of all shareholders and the sustainable development of the Company, maintain the continuity and stability of the profit distribution policy, facilitate the formation of stable return expectations among investors, and guide investors to establish concepts of long-term investment and rational investment. When formulating a specific profit distribution plan, the Company shall duly consider and take into account the opinions and concerns of shareholders (in particular, minority investors), and strictly fulfill the corresponding decision-making procedures and information disclosure obligations in accordance with relevant laws and regulations, securities regulatory rules, and the Articles of Association.

III. SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2026-2028)

1. Forms of profit distribution

The Company may distribute its profit in the form of cash, shares or a combination of cash and shares or in other ways as permitted by the laws and regulations. Provided that the conditions for cash dividends are satisfied, the Company gives priority to profit distribution by way of cash dividends. Where the Company distributes profits by way of stock dividends, genuine and reasonable factors such as the growth of the Company and dilution of net assets per share shall be fully taken into consideration.

Pursuant to the relevant provisions of the Self-Regulatory Supervision Guidelines for Listed Companies on Shenzhen Stock Exchange No. 9 – Share Repurchases (《深圳證券交易所上市公司自律監管指引第9號－回購股份》), where a listed company repurchases shares using cash as consideration by way of tender offer or centralized bidding, the amount of the share repurchase implemented in the current year shall be deemed as cash dividends and included in the calculation of the relevant ratio of cash dividends for that year. Accordingly, the amount and proportion of cash dividends referred to in the Plan include the amount of the aforesaid share repurchases already implemented by the Company in the current year.

2. Conditions for cash dividends

Pursuant to the provisions of the Articles of Association, the Company may distribute cash dividends, provided that the following conditions are fulfilled:

(a) the distributable profit realized by the Company in the current year (i.e., the after-tax profit remaining after the Company covers losses and allocates reserves) is positive; and

(b) the auditing firm issues a standard unqualified audit report on the Company's financial report for the current year (interim cash dividends are not subject to audit); and

Pursuant to the provisions of the Articles of Association, the Board of the Company shall, after considering various factors such as the characteristics of the industry where it operates, stage of development, business model, profitability and investment expenses, propose different cash dividends policy based on the following situation according to statutory procedures:

(i) if the Company is at a mature stage of development with no significant capital expenditure arrangement at the time of profit distribution, cash dividends payout ratio of such profit distribution shall be at least 80%;

(ii) if the Company is at a mature stage of development with significant capital expenditure arrangement at the time of profit distribution, cash dividends payout ratio of such profit distribution shall be at least 40%; and

(iii) if the Company is in a growing stage of development with significant capital expenditure arrangement at the time of profit distribution, cash dividends payout ratio of such profit distribution shall be at least 20%.

Significant capital expenditure arrangement refers to: the cumulative expenditure that the Company intends to incur within the next twelve months for construction projects, external investments, acquisition of assets or purchase of equipment reaching or exceeding 30% of the latest audited total assets of the Company and exceeding RMB50 million.

3. Cash dividends payout ratio

In the coming three years (2026-2028), subject to the satisfaction of conditions for cash dividends and in compliance with the Company Law, the relevant regulations of the CSRC and the stock exchange where the shares of the Company are listed, and the requirements on profit distribution under the Articles of Association, the total amount of cash dividends of the Company for each year (including annual dividend, interim dividend and special dividend) shall, in principle, be not less than 90% of the distributable profit realized by the Company for the current year, and the total amount of cash dividends distributed each year shall, in principle, be not less than RMB2 billion (tax inclusive). If the distributable profit realized by the Company for the current year is less than RMB2 billion, the Company will make up the shortfall by distributing from the accumulated undistributed profits of previous years (on a consolidated basis). Where the Company repurchases shares using cash as consideration by way of centralized bidding or tender offer, the amount of share repurchase implemented in the current year shall be deemed as cash dividends and included in the calculation of the relevant ratio and amount of cash dividends for that year.

The specific annual cash dividend plan of the Company is formulated by the Board based on factors such as the Company's operating conditions, profitability level, cash flow status, capital requirements for the year, as well as relevant laws and regulations, and the Articles of Association, and submitted to the general meeting for consideration in accordance with relevant requirements.

4. Frequency of profit distribution

In the next three years (2026-2028), subject to the conditions for profit distribution being satisfied, the Company will carry out profit distribution every year, actively increase the frequency of annual cash dividends distributions, and promote the normalization of interim dividends distributions, to stabilize investors' dividend expectations. Subject to relevant laws and regulations and the Articles of Association, the Company's cash dividends for each year may be implemented in one or multiple distributions (i.e. annual dividend, interim dividend, or special dividend).

IV. DECISION-MAKING MECHANISM AND PROCEDURES FOR THE PROFIT DISTRIBUTION PLAN

The management of the Company and the Board shall propose profit distribution recommendations and plans taking into account factors including the Company's profitability, capital requirements, cash flow status, development stage and the Plan.

When formulating a specific cash dividend plan, the Board of the Company shall carefully study and substantiate factors such as the timing, conditions, minimum proportion or amount of cash dividends, and conditions for adjustment, and perform the decision-making procedures in accordance with the provisions of laws and regulations and the Articles of Association. When the independent Directors consider that a specific cash dividend plan might be detrimental to the interests of the Company or minority shareholders, they shall have the right to express independent opinions. Where the Board does not adopt or does not fully adopt the opinions of the independent Directors, it shall disclose the relevant opinions and specific reasons in accordance with the regulations.

The audit committee shall pay attention to matters including the implementation of the cash dividends policy and the Plan, as well as the fulfillment of corresponding decision-making procedures and information disclosure obligations by the Board.

The general meeting shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, vote on the profit distribution plan proposed by the Board. Before the general meeting considers the specific profit distribution plan, the Company shall actively communicate and exchange views with shareholders, particularly minority shareholders, through multiple channels, fully heed the opinions and demands of minority shareholders, and promptly respond to issues of concern to minority shareholders.

V. ADJUSTMENT MECHANISM OF PROFIT DISTRIBUTION POLICY

If it is truly necessary to adjust the profit distribution policy due to material changes such as in the external operating environment, its own operating conditions, material investments, or capital expenditure arrangements, or due to changes in laws and regulations, or regulatory policies, the Company shall fully demonstrate the necessity and reasonableness of the adjustments, and the adjusted profit distribution policy shall not violate the relevant mandatory provisions of laws and regulations, the CSRC, or the stock exchange where the shares of the Company are listed.

Any proposal on the adjustment of the profit distribution policy shall be submitted to the general meeting for consideration only after being considered and approved by the Board, and such matter shall be passed by more than two-thirds of the voting rights held by the shareholders present at the general meeting. In order to fully listen to the opinions of minority shareholders, the Company shall provide convenience for public shareholders to participate in general meetings through methods such as providing online voting, and independent Directors may publicly solicit voting rights from minority shareholders when necessary.

VI. EFFECTIVENESS OF THE PLAN AND OTHER MATTERS

(I) Any matters not covered in the Plan shall be executed in accordance with the provisions of relevant laws and regulations, regulatory documents, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

(II) In the event that any relevant provisions of the Plan conflict with relevant laws and regulations promulgated or amended after the effective date of the Plan or the Articles of Association, the Company shall execute in accordance with the relevant provisions effective at that time, and fulfill the corresponding review and information disclosure procedures in accordance with the law.

(III) The interpretation of the Plan shall be vested to the Board of the Company and it shall come into effect and be implemented upon consideration and approval at the general meeting of the Company.