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丽珠医药
LIVZON

麗珠醫藥集團股份有限公司

LIVZON PHARMACEUTICAL GROUP INC.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1513)

2021 FIRST QUARTERLY REPORT

This announcement is made by 麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.* (the “**Company**”, together with its subsidiaries collectively, the “**Group**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Below is the full text of the 2021 first quarterly report (the “**Quarterly Report**”) issued by the Company on the Shenzhen Stock Exchange, for reference only.

SECTION I IMPORTANT NOTICE

The board of directors (the “**Board**”), supervisory committee, and the directors, supervisors and senior management of the Company guarantee the truthfulness, accuracy and completeness of the Quarterly Report which does not contain false representations, misleading statements or material omissions, and severally and jointly accept legal responsibility for its contents.

The Quarterly Report was considered and approved at the seventeenth meeting of the tenth session of the Board. All directors of the Company attended the Board meeting in person to consider the Quarterly Report.

Mr. Zhu Baoguo (朱保國先生), the person-in-charge of the Company, Ms. Si Yanxia (司燕霞女士), the person-in-charge of the Company’s accounting work, and Ms. Zhuang Jianying (莊健瑩女士), the person-in-charge of the accounting department (the head of the accounting department), declare that they guarantee the truthfulness, accuracy and completeness of the financial statements in the Quarterly Report.

The Quarterly Report covering the unaudited financial results of the Company from 1 January 2021 to 31 March 2021 (the “**Reporting Period**” or “**Period**”) has been prepared in both Chinese and English. Where there is any discrepancies between the Chinese version and the English version, the Chinese version shall prevail. Unless otherwise stated, the currency denominations herein are in Renminbi, all information was prepared under the China Accounting Standards for Business Enterprises.

SECTION II COMPANY PROFILE

I. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS

Whether the Company has made retrospective adjustments or restatements of accounting data of the prior years

YES NO

	Reporting Period	Corresponding period of last year	Change from the corresponding period of last year to the Reporting Period
Operating income (RMB)	3,349,814,145.87	2,504,726,157.29	33.74%
Net profit attributable to the shareholders of the Company (RMB)	519,651,078.57	399,359,225.27	30.12%
Net profit attributable to the shareholders of the Company after deducting extraordinary gains or losses (RMB)	485,302,200.16	402,586,510.69	20.55%
Net cash flow from operating activities (RMB)	514,620,182.77	362,846,660.41	41.83%
Basic earnings per share (RMB/share)	0.56	0.43	30.23%
Diluted earnings per share (RMB/share)	0.55	0.43	27.91%
Weighted average return on net assets	4.22%	3.51%	Increased by 0.71 percentage point

	As at the end of the Reporting Period	As at the end of last year	Change from the end of last year to the end of the Reporting Period
Total assets (RMB)	21,358,886,910.97	20,590,815,791.72	3.73%
Net assets attributable to the shareholders of the Company (RMB)	12,518,509,301.39	12,107,241,900.87	3.40%

Total share capital of the Company as at the trading day preceding the disclosure date:

Total share capital of the Company as at the trading day preceding the disclosure date (shares) 939,095,504

Fully diluted earnings per share based on the latest share capital :

Paid dividends for preferred shares —
Fully diluted earnings per share based on the latest share capital (RMB/share) 0.55

Items and amounts of extraordinary gains or losses

Applicable Not Applicable

Unit: RMB

Item	From beginning of the year to the end of the Reporting Period	Description
Profit or loss on disposal of non-current assets (including writing-off of accrued impairment provision of assets)	21,927.78	-
Government grants included in the profit or loss for the Reporting Period (except for government grants closely related to the corporate business and entitled according to the national standards on a fixed amount or fixed volume basis)	71,654,182.04	-
Gains and losses on fair value changes incurred from financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income on disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, except for effective hedging activities related to the ordinary operating business of the Company	-21,755,834.60	-
Other non-operating income and expenses apart from the above items	3,479,763.56	-
Less: Effect on income tax	12,057,562.23	-
Effect on minority interests (after tax)	6,993,598.14	-
Total	34,348,878.41	-

For items of extraordinary gains or losses defined by the Company according to the definitions as set out in the “Interpretative Announcement for Information Disclosure of Companies That Issue Securities to the Public No.1 – Extraordinary Gains or Losses (《公開發行證券的公司信息披露解釋性公告第1號 – 非經常性損益》)”, and items of extraordinary gains or losses illustrated in the “Interpretative Announcement for Information Disclosure of Companies That Issue Securities to the Public No.1 – Extraordinary Gains or Losses” which are defined as items of recurring gains or losses, the Company shall provide the reasons

Applicable Not Applicable

During the Reporting Period, the Company has not defined any extraordinary gains or losses as defined and illustrated in the “Interpretative Announcement for Information Disclosure of Companies That Issue Securities to the Public No. 1 – Extraordinary Gains or Losses” as recurring gains or losses.

II. TOTAL NUMBER OF SHAREHOLDERS AND INFORMATION ON SHAREHOLDINGS OF THE TOP 10 SHAREHOLDERS AS AT THE END OF THE REPORTING PERIOD

1. Total number of shareholders of ordinary shares and preferred shares with voting rights resumed and information on shareholdings of the top 10 shareholders

Unit: shares

Total number of shareholders of ordinary shares as at the end of the Reporting Period	60,712 shareholders ^{Note1} (60,689 shareholders of A shares and 23 shareholders of H shares)	Total number of shareholders of preferred shares with voting rights resumed as at the end of the Reporting Period (if any)	0
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Shareholdings of Top 10 Shareholders

Name of shareholder	Nature of shareholder	Percentage of shares held	Number of shares held	Type of shares	Number of restricted shares held		Pledged or locked up status	
							Status of shares	Number
HKSCC Nominees Limited ^{Note2}	Foreign legal person	34.05%	319,738,817	H shares	-	-	-	-
Joicare Pharmaceutical Industry Group Co., Ltd. (健康元藥業集團股份有限公司)	Domestic non-state owned legal person	23.57%	221,376,789	A shares	-	-	-	-
Hong Kong Securities Clearing Company Limited	Foreign legal person	2.96%	27,781,819	A shares	-	-	-	-
Guangzhou Begol Trading Holdings Limited (廣州市保科力貿易公司)	State-owned legal person	1.84%	17,306,329	A shares	17,306,329		Pledged and locked up	17,306,329
Shenzhen Haibin Pharmaceutical Co., Ltd. (深圳市海濱製藥有限公司)	Domestic non-state owned legal person	1.79%	16,830,835	A shares	-	-	-	-
Central Huijin Investment Company Limited (中央匯金資產管理有限責任公司)	State-owned legal person	1.28%	12,056,741	A shares	-	-	-	-
Industrial and Commercial Bank of China Limited – Fullgoal Military Industry Theme Mixed Securities Investment Fund (中國工商銀行股份有限公司 – 富國軍工主題混合型證券投資基金)	Others	1.01%	9,518,382	A shares	-	-	-	-
Industrial and Commercial Bank of China Limited – Lombarda China Times Pioneer Stock Promoter Securities Investment Fund (中國工商銀行股份有限公司 – 中歐時代先鋒股票型發起式證券投資基金)	Others	0.79%	7,455,856	A shares	-	-	-	-
China Construction Bank Corporation – Anxin Value Selected Stock Securities Investment Fund (中國建設銀行股份有限公司 – 安信價值精選股票型證券投資基金)	Others	0.78%	7,358,518	A shares	-	-	-	-
Macao Monetary Authority – Internal Funds (澳門金融管理局 – 自有資金)	Foreign legal person	0.71%	6,642,127	A shares	-	-	-	-

Information on Shareholdings of Top 10 Shareholders without Selling Restrictions

Name of shareholder	Number of shares held without selling restrictions	Type of shares	Number
HKSCC Nominees Limited	319,738,817	Overseas listed foreign shares (H shares)	319,738,817
Joincare Pharmaceutical Industry Group Co., Ltd. (健康元藥業集團股份有限公司)	221,376,789	Ordinary shares denominated in RMB (A shares)	221,376,789
Hong Kong Securities Clearing Company Limited	27,781,819	Ordinary shares denominated in RMB (A shares)	27,781,819
Shenzhen Haibin Pharmaceutical Co., Ltd. (深圳市海濱製藥有限公司)	16,830,835	Ordinary shares denominated in RMB (A shares)	16,830,835
Central Huijin Investment Company Limited (中央匯金資產管理有限責任公司)	12,056,741	Ordinary shares denominated in RMB (A shares)	12,056,741
Industrial and Commercial Bank of China Limited – Fullgoal Military Industry Theme Mixed Securities Investment Fund (中國工商銀行股份有限公司 – 富國軍工主題混合型證券投資基金)	9,518,382	Ordinary shares denominated in RMB (A shares)	9,518,382
Industrial and Commercial Bank of China Limited – Lombarda China Times Pioneer Stock Promoter Securities Investment Fund (中國工商銀行股份有限公司 – 中歐時代先鋒股票型發起式證券投資基金)	7,455,856	Ordinary shares denominated in RMB (A shares)	7,455,856
China Construction Bank Corporation – Anxin Value Selected Stock Securities Investment Fund (中國建設銀行 股份有限公司 – 安信價值精選股票型證券投資基金)	7,358,518	Ordinary shares denominated in RMB (A shares)	7,358,518
Macao Monetary Authority – Internal Funds (澳門金融管理局 – 自有資金)	6,642,127	Ordinary shares denominated in RMB (A shares)	6,642,127
National Social Security Fund 108	5,661,133	Ordinary shares denominated in RMB (A shares)	5,661,133

Description on connection or concerted action among the aforesaid shareholders

(1) On 2 January 2004, Joincare Pharmaceutical Industry Group Co., Ltd. (“**Joincare**”) and Guangzhou Begol Trading Holdings Limited (“**Begol**”) entered into a Share Transfer and Custody Agreement and a Share Pledge Agreement, pursuant to which the 6,059,428 A shares of the Company held by Begol as domestic entity (the number of shares was increased to 7,877,256 A shares after the Company’s implementation of 2014 Equity Distribution, the number of shares was increased to 10,240,432 A shares after the Company’s implementation of 2016 Equity Distribution, the number of shares was increased to 13,312,561 A shares after the Company’s implementation of 2017 Equity Distribution and the number of shares was increased to 17,306,329 A shares after the Company’s implementation of 2018 Equity Distribution) were directly transferred, entrusted and pledged to Joincare; (2) Shenzhen Haibin Pharmaceutical Co., Ltd. is a wholly-owned subsidiary of Joincare; (3) the Company was not aware whether the other shareholders mentioned above are related parties or persons acting-in-concert as defined in the Administrative Measures for Takeover of Listed Companies (《上市公司收購管理辦法》).

Description of the top 10 shareholders involved in the margin financing and securities lending business (if any)

Not Applicable

- Notes:**
- The shareholdings of the above top 10 shareholders were based on the data recorded in the register of shareholders as at 31 March 2021 provided by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and Tricor Investors Services Limited in Hong Kong.
 - HKSCC Nominees Limited is a nominee holder of H shares of the Company, and the Company cannot ascertain whether such H shares are subject to any pledge or lock-up, and such shareholdings held by HKSCC Nominees Limited as nominee included 163,364,672 H shares held by Topsino Industries Limited* (天誠實業有限公司), which was a wholly-owned subsidiary of Joincare, the controlling shareholder of the Company.

Whether any of the top 10 ordinary shareholders and the top 10 ordinary shareholders not subject to selling restrictions of the Company conducted any transactions on agreed repurchases during the Reporting Period

YES NO

The top 10 ordinary shareholders and the top 10 ordinary shareholders not subject to selling restrictions of the Company did not conduct any transactions on agreed repurchases during the Reporting Period.

2. Total number of shareholders of preferred shares and information on shareholdings of the top 10 shareholders of preferred shares of the Company

Applicable Not Applicable

SECTION III IMPORTANT EVENTS

I. INFORMATION ON AND REASONS FOR THE CHANGES IN MAJOR FINANCIAL DATA AND FINANCIAL INDICATORS DURING THE REPORTING PERIOD

Applicable Not Applicable

1. Substantial changes of items in the consolidated balance sheet and reasons thereof

Unit: RMB

Item	Amount at the end of the Period	Amount at the beginning of the Period	Change	Description
Financial assets held for trading	170,259,734.31	25,984,877.13	555.23%	Mainly due to receipt of the stocks allocated as a result of dissolution of SCC VENTURE VII 2018-C, L.P. that was held during the Period.
Prepayment	211,960,238.62	142,174,129.24	49.08%	Mainly due to the increase in prepayments for purchases of materials and expenses during the Period.
Non-current assets due within one year	446,608.81	11,414,376.07	-96.09%	Mainly due to the collection of consideration for transfer of certain equity interests in a controlling subsidiary during the Period.
Construction in progress	555,264,467.34	385,700,738.39	43.96%	Mainly due to increase in the investment in the construction of new plants and workshops of the subsidiaries.
Financial liabilities held for trading	2,218,471.40	212.07	1,046,003.36%	Mainly due to changes in fair value of forward foreign exchange contracts as a result of fluctuations in foreign exchange rates.

Item	Amount at the end of the Period	Amount at the beginning of the Period	Change	Description
Contract liabilities	72,561,518.36	104,445,427.26	-30.53%	Mainly due to the transfer of certain contract payments received in advance that met the requirements for income recognition into income during the Period.
Treasury shares	166,648,867.55	250,061,413.16	-33.36%	Mainly due to the combined effect of the completion of the cancellation of the repurchased A shares and the increase in the repurchased H shares during the Period.
Other consolidated earnings	46,317,547.38	169,983,800.56	-72.75%	Mainly due to the disposal of other equity instrument investments and the other comprehensive gains that were previously recognized by them were transferred to retained earnings during the Period.

2. Substantial changes of items in consolidated income statement and reasons thereof

Unit: RMB

Item	Amount for the Period	Amount for the previous period	Change	Description
Operating income	3,349,814,145.87	2,504,726,157.29	33.74%	Mainly due to the lower base of sales income of the first quarter of the previous year as sales was affected by the COVID-19 pandemic, and increase in sales of some drug preparations during the Period.
Tax and surcharge	40,381,713.93	27,701,721.97	45.77%	Mainly due to the increase in sales income that led to the corresponding increase in provision for tax and surcharge.
Selling expenses	1,134,889,601.99	780,847,820.94	45.34%	Mainly due to limited marketing and promotion activities for sales as a result of the COVID-19 pandemic during the first quarter of the previous year, and the year-on-year increase in expenses as we resumed business operations during the Period.
Research and Development (“R&D”) expenses	231,485,371.64	133,886,558.35	72.90%	Mainly due to limited R&D activities as a result of the COVID-19 pandemic during the first quarter of the previous year, and the year-on-year increase in expenses as we resumed business operations during the Period.
Other income	73,137,809.50	15,320,943.16	377.37%	Mainly due to the increase in government subsidies received during the Period.

Item	Amount for the Period	Amount for the previous period	Change	Description
Investment income	16,833,577.54	-1,074,727.70	1,666.31%	Mainly due to gains from exchange settlement upon expiry of forward exchange settlement contracts as a result of changes in exchange rate.
Gains from changes in fair value	-36,631,085.76	-10,747,677.09	-240.83%	Mainly due to fluctuation in the market value of investment in securities held by the Company.
Credit impairment loss	-3,207,016.48	-4,961,811.37	35.37%	Mainly due to the reversal of the provision for bad debt of receivables calculated based on expected loss rate into the credit impairment provision as it decreased as compared with the beginning of the year.
Asset impairment loss	-22,804,347.40	-3,478,781.78	-555.53%	Mainly due to the increase in the provision for inventory depreciation.
Non-operating income	6,297,187.09	517,122.44	1,117.74%	Mainly due to the transfer to non-operating income the buying on credit for longer terms and not required to be paid during the Period.
Non-operating expenditure	2,817,423.55	9,166,771.19	-69.26%	Mainly due to the decrease in non-profit donation expenditure during the Period as compared to the previous period.
Net profit attributable to shareholders of the parent company	519,651,078.57	399,359,225.27	30.12%	Mainly due to the increase in sales during the Period that led to the corresponding increase in profit.
Other comprehensive net income after taxation	-123,910,341.14	6,715,177.86	-1,945.23%	Mainly due to the disposal of other equity instrument investments and the other comprehensive gains that were previously recognized by them were transferred to retained earnings during the Period.

Notes: during the Reporting Period, the Group realized operating income of RMB3,349.81 million, representing an increase of 33.74% as compared to the corresponding period of the previous year. Chemical drug preparation products realized income of RMB1,902.29 million, representing an increase of 51.55% as compared to the corresponding period of the previous year. Among them, gastroenterology products realized income of RMB1,010.79 million, representing an increase of 79.22% as compared to the corresponding period of the previous year; gonadotropic hormones products realized income of RMB600.35 million, representing a year-on-year increase of 63.84%; psychiatric products realized income of RMB101.97 million, representing a year-on-year increase of 37.52%; antimicrobial products realized income of RMB106.06 million, representing a decrease of 18.71% as compared to the corresponding period of the previous year; cardio-cerebral vascular products realized income of RMB52.38 million, representing a decrease of 34.83% as compared to the corresponding period of the previous year. APIs and intermediates realized income of RMB774.98 million, representing an increase of 25.59% as compared to the corresponding period of the previous year. Traditional Chinese drug preparation products realized income of RMB425.35 million, representing a decrease of 9.46% as compared to the corresponding period of the previous year. Diagnostic reagents and equipment products realized income of RMB234.72 million, representing an increase of 56.44% as compared to the corresponding period of the previous year.

3. Substantial changes of items in the consolidated statement of cash flows and reasons thereof

Unit: RMB

Item	Amount for the Period	Amount for the previous period	Change	Description
Sub-total of cash inflow from operating activities	3,274,386,138.72	2,483,211,064.72	31.86%	Mainly due to the increase in sales during the Period that led to the corresponding increase in receipts of payments as compared to the previous period.
Sub-total of cash outflow from operating activities	2,759,765,955.95	2,120,364,404.31	30.16%	Mainly due to limited marketing and promotion activities for sales as a result of the COVID-19 pandemic during the first quarter of the previous year, and the year-on-year increase in expenses as we resumed business operations during the Period.
Net cash flow from operating activities	514,620,182.77	362,846,660.41	41.83%	Mainly due to the increase in sales during the Period that led to the corresponding increase in receipts of payments as compared to the previous period.
Sub-total of cash inflow from investing activities	71,793,090.12	25,641,799.05	179.98%	Mainly due to the increase in the amount received from investments during the Period.
Sub-total of cash outflow from investing activities	265,512,993.12	160,168,326.46	65.77%	Mainly due to the increase in the investment in the construction of new plants and workshops of the subsidiaries.
Net cash flow from investing activities	-193,719,903.00	-134,526,527.41	-44.00%	Mainly due to the increase in the investment in the construction of new plants and workshops of the subsidiaries.
Sub-total of cash inflows from financing activities	1,275,049,865.43	275,605,442.31	362.64%	Mainly due to investments and the increase in loans during the Period.
Net cash flow from financing activities	-82,487,558.70	-1,084,211,152.96	92.39%	Mainly due to repayment of borrowings during the previous period.
Effect of changes in foreign exchange rates on cash and cash equivalents	-1,064,105.14	1,900,617.80	-155.99%	Mainly due to the changes in exchange losses and gains on foreign currency funds as a result of the fluctuations in exchange rates.
Net increase in cash and cash equivalents	237,348,615.93	-853,990,402.16	127.79%	Mainly due to the combined effect of the increase in sales during the Period that led to the corresponding increase in receipts of payments and the repayment of borrowings during the previous period.

II. ANALYSIS AND DESCRIPTION ON THE PROGRESS OF IMPORTANT EVENTS, THEIR IMPACTS AND SOLUTIONS

√ Applicable □ Not Applicable

Summary of important events	Date of disclosure	Search index of interim report disclosure website
<p>On 8 January 2021, the 2021 first extraordinary general meeting of the Company considered and approved the resolution of reorganization of the shareholding structures of the controlling subsidiaries of the Company and connected transactions.</p>	<p>5 December 2020, 9 January 2021, 12 January 2021, 19 January 2021, 28 January 2021 and 26 February 2021</p>	<p>Notes 1 and 2</p>
<p>On 11 January 2021, the Company and Joincare respectively entered into the equity transfer agreements with Livzon HK, the Company and Joincare agreed to acquire 51% and 49% equity interest in LivzonBio from Livzon HK, respectively. On the same day, the Company, Joincare and Hainan Lisheng Juyuan Investment Partnership (Limited Partnership) (海南麗生聚源投資合夥企業(有限合夥), “Lisheng Juyuan”) and LivzonBio entered into the capital injection agreement, the Company, Joincare and Lisheng Juyuan collectively injected capital into LivzonBio, the registered capital of LivzonBio would be increased from RMB250,000,000 to RMB666,666,667. This capital injection was completed with filing of industrial and business change registration on 15 January 2021. After the change, LivzonBio is owned by the Company, Joincare and Lisheng Juyuan as to 45.90%, 44.10% and 10.00%, respectively.</p>		
<p>On 18 January 2021, the Company, Joincare, Lisheng Juyuan, YF, Livzon HK, Livzon MAB, Kadi and LivzonBio entered into a capital injection agreement. The Company and YF collectively injected capital into LivzonBio. This capital injection was completed with filing of industrial and business change registration on 5 February 2021. After the change, the registered capital of LivzonBio increased from RMB666,666,667 to RMB889,023,284, LivzonBio is held as to 51.00%, 33.07%, 8.43% and 7.50% by the Company, Joincare, YF and Lisheng Juyuan, respectively. On the same day, LivzonBio and Livzon HK entered into the equity transfer agreement, Livzon HK agreed to transfer and LivzonBio agreed to acquire 100% equity interest of Livzon MAB. This equity transfer was completed with filing of industrial and business change registration on 3 February 2021.</p>		
<p>On 27 January 2021, LivzonBio and Livzon Cayman entered into the equity transfer agreement, Livzon Cayman agreed to transfer and LivzonBio agreed to acquire 100% equity interest of Livzon HK.</p>		
<p>On 25 February 2021, each of Livzon International, YF and Joincare BVI issued a repurchase letter to Livzon Cayman, Livzon Cayman repurchased the shares of Livzon Cayman held by Livzon International, YF and Joincare BVI pursuant to the repurchase letter. After completion of the share repurchases, Livzon Cayman will only preserve 1 issued ordinary share, which will be held by Livzon International, and the relevant registration of Livzon Cayman will be cancelled.</p>		

Summary of important events	Date of disclosure	Search index of interim report disclosure website
On 29 January 2021, after approval and confirmation of Shenzhen Stock Exchange and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, 6,093,808 A shares repurchased by the Company were fully cancelled. The Company will go through relevant registration formalities of the change as soon as possible.	2 February 2021	Note3
On 22 March 2021, in view of the progress of investment with proceeds of “Project for in-depth development and industrialisation upgrade of innovative Ilaprazole series” (艾普拉唑系列創新產品深度開發及產業化升級項目) (the “ Project ”) did not meet expectations in 2020, the Board of the Company considered and approved the Resolution on Adjustment to the Investment Plan of Certain Project Invested with Proceeds, which intended to adjust the investment plan of the Project. The adjustment only adjusts the plans for use of proceeds in each of the subsequent years of the Project, without changing the investment directions with the proceeds. The resolution is still subject to the consideration and approval at the general meeting of the Company.	23 March 2021	Note4
On 22 March 2021, after consideration and approval at the Board of the Company, the Company entered into a share transfer agreement with Tianjin Tasly Healthcare Industry Investment Partnership (Limited Partnership) (天津天士力健康產業投資合夥企業(有限合夥)) (“ Tianjin Tasly ”), the Company shall use its own capital of RMB724 million to acquire 44,000,000 shares of Tianjin Tongrentang Group Co., Ltd. (天津同仁堂集團股份有限公司) held by Tianjin Tasly, representing 40.00% of the total number of shares of Tianjin Tongrentang.	23 March 2021	Note5

Notes:

1. “Joincare” refers to Joincare Pharmaceutical Industry Group Co., Ltd. (健康元藥業集團股份有限公司); “Livzon HK” refers to Livzon Biologics Hong Kong Limited (麗珠生物科技香港有限公司); “LivzonBio” refers to LivzonBio, Inc. (珠海市麗珠生物醫藥科技有限公司); “Livzon MAB” refers to Livzon MABPharm Inc.; “Livzon Cayman” refers to Livzon Biologics Limited; “Livzon International” refers to Livzon International Limited; “Joincare BVI” refers to Joincare Pharmaceutical Group Industry Co., Ltd; “YF” refers to YF Pharmab Limited; “Kadi” refers to Zhuhai Kadi Medical Biotechnology Inc. (珠海市卡迪生物醫藥有限公司).
2. For the details and progress of reorganization of the shareholding structures of the controlling subsidiaries of the Company and connected transactions, please see the Announcement of Reorganization of the Shareholding Structures of the Controlling Subsidiaries of the Company and Connected Transactions of Livzon Pharmaceutical Group Inc. (Announcement no.: 2020-136), the Announcement of the Resolution of the 2021 First Extraordinary General Meeting of Livzon Pharmaceutical Group Inc. (Announcement no.: 2021-004), the Announcement of Progress of Reorganization of the Shareholding Structures of the Controlling Subsidiaries of the Company and Connected Transactions of Livzon Pharmaceutical Group Inc. (Announcement no.: 2021-006), the Announcement of Progress of Reorganization of the Shareholding Structures of the Controlling Subsidiaries of the Company and Connected Transactions of Livzon Pharmaceutical Group Inc. (Announcement no.: 2021-008), the Announcement of Progress of Reorganization of the Shareholding Structures of the Controlling Subsidiaries of the Company and Connected Transactions of Livzon Pharmaceutical Group Inc. (Announcement no.: 2021-011), the Announcement of Progress of Reorganization of the Shareholding Structures of the Controlling Subsidiaries of the Company and Connected Transactions of Livzon Pharmaceutical Group Inc. (Announcement no.: 2021-015) published by the Company on the CNINFO website.

3. For the details, please see the Announcement of Completion of Cancellation of the Repurchased Shares and Changes of Shares of Livzon Pharmaceutical Group Inc. (Announcement no.: 2021-013) published by the Company on the CNINFO website.
4. For the details, please see the Announcement of Adjustment to the Investment Plan of Certain Project Invested with Proceeds of Livzon Pharmaceutical Group Inc. (Announcement no.: 2021-022) published by the Company on the CNINFO website.
5. For the details, please see the Announcement of Acquisition of 40% Equity Interest in Tianjin Tongrentang Group Co., Ltd. of Livzon Pharmaceutical Group Inc. (Announcement no.: 2021-025) published by the Company on the CNINFO website.

The implementation progress in respect of repurchase of shares

Applicable Not Applicable

As at 31 March 2021, the Company repurchased a total of 6,628,600 H shares of the Company, representing 0.71% of total issued share capital (939,095,504 shares) and 2.07% of total issued H shares (319,864,217 shares) of the Company as at 31 March 2021, the highest purchase price was HK\$31.90 per share and the lowest purchase price was HK\$28.35 per share, the total amount of funds used was HK\$199,632,345.00 (excluding transaction costs). The aforementioned repurchase complied with the repurchase mandate of the H shares.

The implementation progress of reduction in the holding of shares repurchased by way of centralized bidding

Applicable Not Applicable

III. UNDERTAKINGS GIVEN BY THE COMPANY'S DE FACTO CONTROLLER, SHAREHOLDERS, RELATED PARTIES, ACQUIRER, THE COMPANY AND OTHER PARTIES TO COMMITMENTS WHICH ARE YET TO BE FULFILLED DURING THE REPORTING PERIOD

Applicable Not Applicable

During the Reporting Period, there are no undertakings given by the Company's de facto controller, shareholders, related parties, acquirer, the Company and other parties to commitments which are yet to be fulfilled during the Reporting Period.

IV. FINANCIAL ASSET INVESTMENT

1. Information on securities investment

√ Applicable □ Not Applicable

Unit: RMB

Type of securities	Securities code	Securities abbreviation	Initial investment cost	Accounting measurement model	Carrying amount at the beginning of the Period	Gains and losses arising in fair value during the Period	Accumulated changes in fair value in equity	Purchases during the Period	Disposals during the Period	Gains or losses for the Reporting Period	Carrying amount at the end of the Period	Accounting items	Sources of funding
Equity	00135	Kunlun Energy	4,243,647.64	Measured at fair value	5,596,906.00	1,308,214.60	-	-	-	1,308,214.60	6,905,120.60	Financial assets measured at fair value	Self-owned funds
Fund	206001	Penghua Fund	150,000.00	Measured at fair value	909,752.05	8,688.82	-	-	-	8,688.82	918,440.87	through profit or loss for current period	Self-owned funds
Equity	000963	Huadong Medicine	39,851.86	Measured at fair value	8,754,494.72	3,401,595.84	-	-	-	3,401,595.84	12,156,090.56		Self-owned funds
Equity	BEAM(US)	Beam Therapeutics, Inc.	-	Measured at fair value	-	-28,652,982.51	-	197,530,071.41	18,606,067.90	-26,538,675.80	150,271,021.00		Self-owned funds
Other securities investment held at the end of the Period			-	-	-	-	-	-	-	-	-	-	-
Total			4,433,499.50	-	15,261,152.77	-23,934,483.25	-	197,530,071.41	18,606,067.90	-21,820,176.54	170,250,673.03	-	-

Disclosure date of the Board's announcement on review and approval of securities investment

Not Applicable

Disclosure date of the general meeting announcement on review and approval of securities investment (if any)

Not Applicable

2 · Information on Investment in Derivatives

√ Applicable □ Not Applicable

Unit: RMB0'000

Name of the operator of investment in derivatives	Connected relationship	Connected transaction	Type of investment in derivative	Initial investment amount of investment in derivatives	Start date	End date	Investment amount at the beginning of the Period	Amount of Purchase during the Period	Amount of Disposal during the Period	Impairment provision (if any)	Investment amount at the end of the Period	Percentage of	Actual gain or loss for the Period
												Investment amount at the end of the Reporting Period	
Financial Institution	Non-related party	No	Forward foreign exchange contract (sell)	1,649.25	2020-7-1	2021-1-15	1,538.11	-	1,539.76	-	-	-	123.70
Financial Institution	Non-related party	No	Forward foreign exchange contract (sell)	1,343.84	2020-8-3	2021-3-26	1,265.18	-	1,256.73	-	-	-	129.00
Financial Institution	Non-related party	No	Forward foreign exchange contract (sell)	3,520.70	2020-9-1	2021-3-26	3,368.92	-	3,353.16	-	-	-	356.97
Financial Institution	Non-related party	No	Forward foreign exchange contract (sell)	4,958.27	2020-10-12	2021-4-6	4,822.55	-	4,631.33	-	161.00	0.01%	211.02
Financial Institution	Non-related party	No	Forward foreign exchange contract (sell)	13,927.42	2020-11-3	2021-4-29	13,775.36	-	10,950.28	-	2,787.06	0.22%	303.54
Financial Institution	Non-related party	No	Forward foreign exchange contract (sell)	16,034.47	2020-12-3	2021-12-15	15,992.78	-	4,317.67	-	11,730.16	0.94%	62.57
Financial Institution	Non-related party	No	Forward foreign exchange contract (sell)	18,300.78	2021-1-4	2021-12-27	-	18,300.78	4,651.38	-	13,828.38	1.10%	-2.67
Financial Institution	Non-related party	No	Forward foreign exchange contract (sell)	4,319.27	2021-2-2	2021-9-24	-	4,319.27	387.19	-	3,997.55	0.32%	-0.65
Financial Institution	Non-related party	No	Forward foreign exchange contract (sell)	8,568.38	2021-3-4	2021-9-24	-	8,568.38	-	-	8,651.51	0.69%	-
Financial Institution	Non-related party	No	Commodity futures contract (buy)	731.10	2020-11-18	2021-1-12	353.98	-	777.48	-	-	-	22.73
Financial Institution	Non-related party	No	Commodity futures contract (buy)	239.36	2021-2-5	2021-3-11	-	239.36	242.97	-	-	-	3.52
Financial Institution	Non-related party	No	U.S dollar call option contract (buy)	1,359.97	2020-10-12	2021-3-8	1,321.94	-	1,310.69	-	-	-	66.36

Name of the operator of investment in derivatives	Connected relationship	Connected transaction	Type of investment in derivative	Investment							Percentage of Investment amount at the end of the Period to the net assets of the Company	Actual gain or loss for the Period	
				Initial investment amount of investment in derivatives	Start date	End date	Investment amount at the beginning of the Period	Amount of Purchase during the Period	Amount of Disposal during the Period	Impairment provision (if any)	Investment amount at the end of the Period		Company at the end of the Reporting Period
Total				74,952.81	-	-	42,438.82	31,427.79	33,418.64	-	41,155.66	3.28%	1,276.09

Source of funding for investment in derivatives

Self-funding

Litigation involved (if applicable)

Not Applicable

Disclosure date of the Board's announcement on review and approval of investment in derivatives (if any)

8 May 2020 and 5 June 2020

Disclosure date of the general meeting announcement on review and approval of investment in derivatives (if any)

Not Applicable

Risk analysis of derivatives position held during the Reporting Period and explanation of control measures (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)

To effectively manage the uncertainty of exchange rate fluctuations on assets denominated in foreign currency of the Company, foreign exchange forward contracts and other financial derivatives are employed to lock relevant exchange rates for the purpose of hedging. The Company has formulated the "Foreign Exchange Risk Management Measures" in relation to the operation and control of foreign exchange derivatives: 1. Market risk: the uncertainty of exchange rate fluctuations in the foreign exchange market has led to higher market risk in foreign exchange forward business. Control measures: The Company's foreign exchange forward business is entered into for hedging exchange rate risk associated with assets denominated in US dollar and lock the future exchange settlement price of such assets. It is designed to be used as a hedging instrument. Such foreign exchange derivatives shall not be used for speculative trading. The principle of prudence and conservation shall be observed so as to effectively prevent market risk. 2. Operational risk: operational risk arises from imperfect internal process, improper operation, system failure and other factors. Control measures: The Company has formulated the corresponding management measures, clearly defined the responsibilities of all parties, improved the review and approval process and established supervisory mechanism, so as to effectively reduce operational risk. 3. Legal risk: The Company's foreign exchange forward business is subject to applicable laws and regulations, and shall clearly stipulate the relationship of rights and obligations with financial institutions. Control measures: In addition to strengthening the knowledge of laws and regulations and market rules in the Company's responsible department, the Company's legal department shall also strictly review various business contracts, agreements and other documents, clarify rights and obligations, and strengthen compliance inspection, so as to ensure that the Company's investment and operation in derivatives have met the requirements of applicable laws and regulations as well as the Company's internal systems. In order to manage the uncertainty risk caused by price fluctuations of bulk commodities on the purchase cost of raw materials of the Company, financial derivatives such as commodity futures contracts are employed to hedge raw materials. The Company has formulated the "Measures for the Management of Commodity Futures Hedging Business" to standardize the management and risk control of commodity futures derivatives: 1. Market risk: the uncertainty of price changes of bulk commodities has led to greater market risk in futures business. Control measures: The Company's futures hedging business shall not carry out speculative trading, the operation principle of prudence and conservation shall be observed, the number of hedging transactions shall be strictly limited, such that it does not exceed the actual number of spot transactions, and the futures position shall not exceed the spot volume for hedging purpose. 2. Operational risk: operational risk arises from imperfect internal process, improper operation, system failure and other factors. Control measures: The Company has formulated the corresponding management system, clearly defined the division of responsibilities and approval process, and established an improved supervisory mechanism, so as to effectively reduce operational risk through risk control of business process, decision-making process and transaction process. 3. Legal risk: The Company's commodity futures hedging business is subject to applicable laws and regulations, and shall clearly stipulate the relationship of rights and obligations with financial institutions. Control measures: In addition to strengthening the knowledge of laws and regulations and market rules in the Company's responsible department, the Company's legal department shall also strictly review various business contracts, agreements and other documents, clarify rights and obligations, and strengthen compliance inspection, so as to ensure that the Company's investment and operation in derivatives have met the requirements of applicable laws and regulations as well as the Company's internal systems.

Name of the operator of investment in derivatives	Connected relationship	Connected transaction	Type of investment in derivative	Initial investment amount of investment in derivatives	Start date	End date	Investment amount				Investment amount at the end of the Reporting Period	Percentage of Investment amount at the end of the Period to the net assets of the Company	Actual gain or loss for the Period
							at the beginning of the Period	Amount of Purchase during the Period	Amount of Disposal during the Period	Impairment provision (if any)		at the end of the Reporting Period	
Changes in market price or fair value of invested derivatives during the Reporting Period, the analysis of the fair value of derivatives shall disclose the specific methods applied and the relevant assumptions and parameters set				Gains and losses arising from changes in fair value of the forward foreign exchange contracts, option contracts and commodity futures contracts during the Reporting Period were RMB - 12.6966 million.									
Explanation as to whether the Company's accounting policies and accounting principles for derivatives during the Reporting Period have changed significantly as compared to the previous Reporting Period				No									
Specific opinion of independent Directors on investment in derivatives and risk control of the Company				Due to the growing import and export business of the Company, a lot of foreign exchange transactions are required. To avoid and prevent foreign exchange risk, we are of the view that the forward foreign exchange derivatives trading business carried out by the Company and its subsidiaries are in line with the actual development needs of the Company. When the Board reviewed this proposal, the relevant decision-making procedures were in compliance with the Company Law, the Securities Law, the Rules Governing the Listing of Shares on Shenzhen Stock Exchange and other relevant laws and regulations and the provisions in the articles of association of the Company. In summary, we concurred that the Company conducted foreign exchange derivatives trading business with its own funds within the limit approved by the Board.									

V. INFORMATION ON THE PROGRESS OF THE PROJECTS INVESTED WITH PROCEEDS

Applicable Not Applicable

Unit: RMB0'000

No.	Name of the project invested	Planned investment amount	Cumulative investment amount as at the End of the Reporting Period	Progress of investment as at the End of the Reporting Period
1	Project for indepth development and industrialization upgrade of innovative Ilaprazole series (艾普拉唑系列創新產品深度開發及產業化升級項目)	29,562.72	10,193.79	34.48%
2	Replenishment of working capital and repayment of bank loans	51,685.32	51,685.32	100.00%
3	Relocation and expansion project of Livzon Group Xinbeijiang Pharmaceutical Manufacturing Inc. (first phase) (麗珠集團新北江製藥股份有限公司搬遷擴建項目(一期))	14,328.94	10,427.31	72.77%
4	Technology transformation project of bag infusion workshop for Livzon Group Limin Pharmaceutical Manufacturing Factory (麗珠集團利民製藥廠袋裝輸液車間技改項目)	5,311.73	5,311.73	100.00%
5	Construction project for research & development platform for prolonged-action microsphere technology (長效微球技術研發平台建設項目)	41,141.33	30,974.97	75.29%
Total		142,030.04	108,593.12	-

VI. ESTIMATES ON THE OPERATING RESULTS FROM JANUARY TO JUNE 2021

Warning in relation to the probable loss of accumulated net profit from the beginning of the year to the end of the following reporting period or substantial change as compared with the corresponding period of the previous year and explanation of the reasons thereof

Applicable Not Applicable

VII. MATERIAL CONTRACTS FOR DAILY OPERATION

Applicable Not Applicable

VIII. ENTRUSTED WEALTH MANAGEMENT

Applicable Not Applicable

The Company had no entrusted wealth management during the Reporting Period.

IX. INFORMATION OF NON-COMPLIANCE IN EXTERNAL GUARANTEES

Applicable Not Applicable

During the Reporting Period, the Company did not have any non-compliance behavior in external guarantees.

X. INFORMATION ON THE NON-OPERATING USE OF FUNDS OF THE LISTED COMPANY BY THE CONTROLLING SHAREHOLDER AND ITS RELATED PARTIES

Applicable Not Applicable

During the Reporting Period, there was no event of non-operating use of funds of the Company by the controlling shareholder and its related parties.

XI. REGISTRATION FORM FOR HOSTING RESEARCHES, COMMUNICATIONS AND INTERVIEWS DURING THE REPORTING PERIOD

Applicable Not Applicable

Date of reception	Place of reception	Method of reception	Type of guests	Name of guests	Main contents discussed and information provided	Index of basic information of research
13 January 2021	The office of the Company	Field research	Institution	Fullgoal Fund, Founder Securities	The guests inquired about the Company's operations and future development plans, and the Company answered according to the facts and did not provide any written information.	For details of the research, please see the "Livzon Group: Record Chart of Investor Relations Activities on 13 January 2021" published by the Company on CNINFO on 14 January 2021
20 January 2021	The office of the Company	Field research	Institution	CITIC Securities	The guests inquired about the Company's operations and future development plans, and the Company answered according to the facts and did not provide any written information.	For details of the research, please see the "Livzon Group: Record Chart of Investor Relations Activities on 20 January 2021" published by the Company on CNINFO on 21 January 2021
30 March 2021	Not Applicable	Online results briefing	Institution, individual	Not Applicable	The guests inquired about the Company's operations and future development plans, and the Company answered according to the facts and did not provide any written information.	For details of the research, please see the "Livzon Group: Record Chart of Investor Relations Activities on 30 March 2021" published by the Company on CNINFO on 31 March 2021

SECTION IV FINANCIAL STATEMENTS

I. FINANCIAL STATEMENTS

Consolidated and Company Balance Sheet

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: RMB

Item	Amount at the end of the Period		Amount at the beginning of the year	
	Consolidated	Company	Consolidated	Company
Current assets:				
Monetary fund	10,190,758,018.07	8,513,919,037.96	9,953,747,563.47	8,294,328,499.23
Financial assets held for trading	170,259,734.31	12,156,090.56	25,984,877.13	8,754,494.72
Bills receivable	1,380,083,388.79	809,795,486.78	1,148,944,595.17	688,384,493.33
Accounts receivable	1,921,271,467.36	789,883,652.07	1,743,148,037.38	857,024,809.25
Receivables financing				
Prepayments	211,960,238.62	19,989,479.95	142,174,129.24	13,438,567.51
Other receivables	65,043,584.95	1,343,485,400.69	74,284,405.28	1,370,317,540.56
Of which: Interest receivable				
Dividends receivable		434,213,482.03		434,213,482.03
Inventories	1,423,527,661.53	701,476,373.92	1,487,796,389.98	743,377,427.72
Contract assets				
Held-for-sale assets				
Non-current assets due within one year	446,608.81		11,414,376.07	10,967,767.26
Other current assets	45,470,233.23	7,121,476.52	39,862,609.49	8,628,913.28
Total current assets	15,408,820,935.67	12,197,826,998.45	14,627,356,983.21	11,995,222,512.86
Non-current assets:				
Debt investments				
Other debt investments				
Long-term receivables	584,284.36		584,284.36	
Long-term equity investments	261,608,015.78	3,065,506,202.88	245,115,479.10	2,138,934,119.37
Other equity instrument investments	560,535,359.95	177,229,648.84	742,974,792.15	177,229,648.84
Other non-current financial assets				
Investment properties				
Fixed assets	3,286,333,033.73	97,265,193.92	3,303,077,566.22	97,140,873.58
Construction in progress	555,264,467.34		385,700,738.39	
Productive biological assets				
Oil and gas assets				
Right-of-use assets	16,061,807.78	265,620.64	18,311,378.07	311,775.51
Intangible assets	235,219,477.07	33,000,835.87	236,430,749.15	32,690,639.64
Development expenditure	270,176,554.16	4,643,840.79	251,389,209.57	2,826,633.88
Goodwill	103,040,497.85		103,040,497.85	
Long-term deferred expenses	120,474,777.63	7,177,388.79	122,101,772.58	5,669,100.62
Deferred tax assets	232,932,029.38	62,456,306.62	238,226,789.25	59,140,301.69
Other non-current assets	307,835,670.27	71,905,592.70	316,505,551.82	71,540,318.35
Total non-current assets	5,950,065,975.30	3,519,450,631.05	5,963,458,808.51	2,585,483,411.48
Total assets	21,358,886,910.97	15,717,277,629.50	20,590,815,791.72	14,580,705,924.34

Item	Amount at the end of the Period		Amount at the beginning of the year	
	Consolidated	Company	Consolidated	Company
Current liabilities:				
Short-term loans	1,658,058,657.53	1,290,000,000.00	1,550,942,804.06	800,000,000.00
Financial liabilities held for trading	2,218,471.40		212.07	
Bills payable	1,079,372,132.69	116,658,356.45	918,007,030.57	559,442,600.00
Accounts payable	661,969,084.91	659,589,705.09	706,786,957.67	819,355,678.26
Receipts in advance				
Contract liabilities	72,561,518.36	10,008,817.06	104,445,427.26	17,320,724.48
Employee benefits payable	258,379,952.51	153,694,294.39	363,416,250.83	154,616,789.30
Tax and surcharge payable	248,882,461.64		248,815,907.94	8,558,343.08
Other payables	2,408,410,243.98	5,155,601,635.42	2,175,668,243.15	4,581,163,106.97
Of which: Interest payable				
Dividends payable	8,418,590.50	20,174.46	8,418,590.50	20,174.46
Held-for-sale liabilities				
Non-current liabilities due within one year	6,185,920.36	54,000.00	8,539,077.05	103,840.00
Other current liabilities	4,754,043.79	1,000,881.71	6,267,034.79	2,238,737.90
Total current liabilities	6,400,792,487.17	7,386,607,690.12	6,082,888,945.39	6,942,799,819.99
Non-current liabilities:				
Long-term loans	359,800,000.00	359,800,000.00	360,324,027.48	360,324,027.48
Notes payable				
Leasing liabilities	9,995,536.10	212,307.24	10,099,025.42	212,080.58
Long-term payables				
Long-term employee benefits payable				
Provisions				
Deferred gains	261,959,712.80	68,810,800.00	276,141,923.64	68,810,800.00
Deferred income tax liabilities	117,403,803.52	27,790,417.86	143,279,875.31	27,109,981.79
Other non-current liabilities	78,000,000.00		78,000,000.00	
Total non-current liabilities	827,159,052.42	456,613,525.10	867,844,851.85	456,456,889.85
Total liabilities	7,227,951,539.59	7,843,221,215.22	6,950,733,797.24	7,399,256,709.84
Share capital	939,095,504.00	939,095,504.00	944,835,396.00	944,835,396.00
Other equity instruments				
Of which: Preferred shares				
Perpetual bonds				
Capital reserve	1,333,151,479.15	1,676,019,326.73	1,560,369,717.69	1,915,592,581.88
Less: Treasury shares	166,648,867.55	166,648,867.55	250,061,413.16	250,061,413.16
Other consolidated earnings	46,317,547.38	81,244,625.72	169,983,800.56	81,244,625.72
Special reserve				
Surplus reserve	744,801,154.15	539,838,100.57	744,801,154.15	539,838,100.57
Undistributed profits	9,621,792,484.26	4,804,507,724.81	8,937,313,245.63	3,949,999,923.49
Total equity attributable to shareholders of the parent company	12,518,509,301.39	7,874,056,414.28	12,107,241,900.87	7,181,449,214.50
Minority interests	1,612,426,069.99		1,532,840,093.61	
Total shareholders' (or owners') equity	14,130,935,371.38	7,874,056,414.28	13,640,081,994.48	7,181,449,214.50
Total liabilities and shareholders' (or owners') equity	21,358,886,910.97	15,717,277,629.50	20,590,815,791.72	14,580,705,924.34

Chairman of the Board and Legal Representative:
Zhu Baoguo

Executive Director and President:
Tang Yanggang

Chief Financial Officer:
Si Yanxia

Head of Accounting Department:
Zhuang Jianying

Consolidated and Company Income Statement

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: RMB

Item	Amount for the Period		Amount for the Previous Period	
	Consolidated	Company	Consolidated	Company
I. Operating income	3,349,814,145.87	1,637,129,140.71	2,504,726,157.29	1,121,561,799.73
Less: Operating costs	1,122,873,640.04	1,072,622,572.13	880,138,434.76	739,690,278.82
Tax and surcharge	40,381,713.93	11,413,224.79	27,701,721.97	4,943,817.80
Selling expenses	1,134,889,601.99	411,375,796.23	780,847,820.94	385,558,978.60
Administrative expenses	170,502,506.19	71,271,139.54	145,792,296.95	44,711,672.31
R&D expenses	231,485,371.64	73,627,898.77	133,886,558.35	42,407,136.22
Finance expenses	-23,336,581.96	-14,194,919.85	-22,368,250.25	-13,282,743.54
Of which: Interest expenses	14,068,040.27	15,526,610.55	1,244,824.49	11,491,373.43
Interest income	34,485,832.26	30,450,599.09	19,301,134.72	25,073,646.59
Add: Other income	73,137,809.50	51,345,981.20	15,320,943.16	-3,746,260.00
Investment income (“-” represents losses)	16,833,577.54	794,341,290.36	-1,074,727.70	-4,391,424.72
Of which: Income from investment in associates and joint ventures	-3,506,817.44	-5,658,709.64	-3,508,226.23	-4,391,424.72
Derecognition of income from financial assets at amortized cost (“-” represents losses)				
Gains from hedging net exposure (“-” represents losses)				
Gains from changes in fair value (“-” represents losses)	-36,631,085.76	3,401,595.84	-10,747,677.09	-2,284,211.16
Credit impairment loss (“-” represents losses)	-3,207,016.48	-223,846.97	-4,961,811.37	-924,466.47
Asset impairment loss (“-” represents losses)	-22,804,347.40	-2,111,750.79	-3,478,781.78	-189,639.67
Gains from disposal of assets (“-” represents losses)	21,927.78	-35,793.91	-5,708.50	-5,708.50
II. Operating profit (“-” represents losses)	700,368,759.22	857,730,904.83	553,779,811.29	-94,009,051.00
Add: non-operating income	6,297,187.09		517,122.44	
Less: non-operating expenditure	2,817,423.55	1,327,839.06	9,166,771.19	10,021,210.51
III. Total profit (“-” represents total losses)	703,848,522.76	856,403,065.77	545,130,162.54	-104,030,261.51
Less: income tax expenses	106,096,145.35	1,895,264.45	82,514,201.20	-17,289,942.88
IV. Net profit (“-” represents net losses)	597,752,377.41	854,507,801.32	462,615,961.34	-86,740,318.63
(I) Classified by continuing operations:				
Of which: Net profit from continuing operations (“-” represents net losses)	597,752,377.41	854,507,801.32	462,615,961.34	-86,740,318.63
Net profit from discontinued operations (“-” represents net losses)				
(II) Classified by attribution to ownership:				
Of which: Net profit attributable to shareholders of the parent company (“-” represents net losses)	519,651,078.57	854,507,801.32	399,359,225.27	-86,740,318.63
Profit and loss attributable to minority interests (“-” represents net losses)	78,101,298.84		63,256,736.07	

Item	Amount for the Period		Amount for the Previous Period	
	Consolidated	Company	Consolidated	Company
V. Other comprehensive net income after taxation	-123,910,341.14		6,715,177.86	
Other comprehensive net income after taxation attributable to shareholders of the parent company	-123,666,253.18		6,705,543.56	
(I) Other comprehensive income not to be reclassified into profit or loss	-134,214,231.82		-950,182.19	
1. Changes in remeasurement of defined benefit plans				
2. Other comprehensive income not to be reclassified into profit or loss under equity method				
3. Changes in fair value of other equity instrument investments	-134,214,231.82		-950,182.19	
4. Changes in fair value of enterprise's own credit risk				
5. Others				
(II) Other comprehensive income to be reclassified as profit or loss	10,547,978.64		7,655,725.75	
1. Other comprehensive income to be reclassified into profit or loss under the equity method				
2. Changes in fair value of other debt investments				
3. Financial assets reclassified into other comprehensive income				
4. Credit impairment provision for other debt investments				
5. Reserve for cash flow hedging (effective portion of profit or loss from cash flow hedging)				
6. Translation differences of financial statements denominated in foreign currency	10,547,978.64		7,655,725.75	
7. Others				
Other comprehensive net income after taxation attributable to minority interests	-244,087.96		9,634.30	
VI. Total comprehensive income	473,842,036.27	854,507,801.32	469,331,139.20	-86,740,318.63
Total comprehensive income attributable to shareholders of the parent company	395,984,825.39	854,507,801.32	406,064,768.83	-86,740,318.63
Total comprehensive income attributable to minority interests	77,857,210.88		63,266,370.37	
VII. Earnings per share				
(I) Basic earnings per share	0.56		0.43	
(II) Diluted earnings per share	0.55		0.43	

Chairman of the Board and Legal Representative:
Zhu Baoguo

Executive Director and President:
Tang Yanggang

Chief Financial Officer:
Si Yanxia

Head of Accounting Department:
Zhuang Jianying

Consolidated and Company Cash Flow Statement

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: RMB

Item	Amount for the Period		Amount for the Previous Period	
	Consolidated	Company	Consolidated	Company
I. Cash flow from operating activities:				
Cash received from sales of goods and services rendered	3,135,230,765.61	1,757,230,422.43	2,393,907,463.29	1,242,129,670.06
Refund of taxes and levies	28,023,226.86		27,718,763.87	
Cash received relating to other operating activities	111,132,146.25	87,595,297.73	61,584,837.56	24,370,911.45
Sub-total of cash inflow from operating activities	3,274,386,138.72	1,844,825,720.16	2,483,211,064.72	1,266,500,581.51
Cash paid for purchase of goods and services rendered	677,393,833.22	1,760,227,190.31	598,385,037.22	884,667,836.69
Cash paid to and on behalf of employees	445,569,030.45	122,067,727.47	348,260,507.23	111,420,668.79
Payments for various taxes and levies	384,989,833.08	109,325,602.03	302,201,592.61	47,689,953.20
Cash paid relating to other operating activities	1,251,813,259.20	351,057,153.27	871,517,267.25	356,651,476.77
Sub-total of cash outflow from operating activities	2,759,765,955.95	2,342,677,673.08	2,120,364,404.31	1,400,429,935.45
Net cash flow from operating activities	514,620,182.77	-497,851,952.92	362,846,660.41	-133,929,353.94
II. Cash flow from investing activities:				
Cash received from disposal of investments	54,739,163.66	11,100,525.00	11,000,000.00	11,000,000.00
Cash received on investment income	16,991,426.46	800,000,000.00	14,327,388.91	2,550,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	35,900.00	32,000.00	85,250.00	67,700.00
Net cash received from disposal of subsidiaries and other operating units				
Cash received relating to other investing activities	26,600.00		229,160.14	
Sub-total of cash inflow from investing activities	71,793,090.12	811,132,525.00	25,641,799.05	13,617,700.00
Cash payments for acquisition of fixed assets, intangible assets and other long-term assets	245,253,330.49	8,619,375.05	87,090,385.88	9,343,708.53
Cash payments for investments	20,000,000.00	943,460,649.54	72,659,050.20	
Net cash paid for acquisition of subsidiaries and other operating units				
Cash paid relating to other investing activities	259,662.63		418,890.38	
Sub-total of cash outflow from investing activities	265,512,993.12	952,080,024.59	160,168,326.46	9,343,708.53
Net cash flow from investing activities	-193,719,903.00	-140,947,499.59	-134,526,527.41	4,273,991.47

Item	Amount for the Period		Amount for the Previous Period	
	Consolidated	Company	Consolidated	Company
III. Cash flow from financing activities:				
Cash received from investments	614,233,360.56	19,333,879.56		
Of which: cash received by subsidiaries from investments of minority interests				
Cash received from borrowings	660,000,000.00	490,000,000.00	275,579,914.03	100,000,000.00
Cash received relating to other financing activities	816,504.87	529,069,427.82	25,528.28	531,737,217.94
Sub-total of cash inflow from financing activities	1,275,049,865.43	1,038,403,307.38	275,605,442.31	631,737,217.94
Cash paid on repayment of debts	552,984,146.53	100,000.00	1,357,015,263.10	1,150,000,000.00
Cash paid for distribution of dividends, profits or interest	14,492,067.75	12,822,933.38	2,801,332.17	2,159,111.44
Of which: dividends and profits paid to minority interests by subsidiaries				
Cash paid relating to other financing activities	790,061,209.85	166,648,867.55		
Sub-total of cash outflow from financing activities	1,357,537,424.13	179,571,800.93	1,359,816,595.27	1,152,159,111.44
Net cash flow from financing activities	-82,487,558.70	858,831,506.45	-1,084,211,152.96	-520,421,893.50
IV. Effect of changes in foreign exchange rates on cash and cash equivalents	-1,064,105.14	-441,515.21	1,900,617.80	2,866.93
V. Net increase in cash and cash equivalents	237,348,615.93	219,590,538.73	-853,990,402.16	-650,074,389.04
Add: balance of cash and cash equivalents at the beginning of the period	9,952,049,990.08	8,293,938,909.86	8,854,185,853.54	7,772,918,903.18
VI. Cash and cash equivalents at the end of the period	10,189,398,606.01	8,513,529,448.59	8,000,195,451.38	7,122,844,514.14

Chairman of the Board and Legal Representative: *Zhu Baoguo* Executive Director and President: *Tang Yanggang* Chief Financial Officer: *Si Yanxia* Head of Accounting Department: *Zhuang Jianying*

II. EXPLANATION OF ADJUSTMENT TO FINANCIAL STATEMENTS

1. Information on adjustment to financial statements at the beginning of the year of first implementation in respect of the new leasing standards adopted for the first time starting from 2021

Applicable Not Applicable

2. Explanation of retrospective adjustment to data of previous period for comparison purpose upon new leasing standards adopted for the first time starting from 2021

Applicable Not Applicable

III. AUDITOR'S REPORT

Whether the first quarterly report is audited

Yes No

This 2021 first quarterly report of the Company has not been audited.

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

Zhuhai, China
21 April 2021

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

* For identification purpose only