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)

VOLUNTARY ANNOUNCEMENT
ENTERING INTO THE LICENSE AGREEMENT

I. OVERVIEW OF THE LICENSE AGREEMENT

On 10 March 2023, 麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.* (the "**Company**"), entered into a license agreement (the "**Agreement**") with Onconic Therapeutics Inc. ("**Onconic**"). Pursuant to the Agreement, Onconic agreed to grant the Company an exclusive license to develop, manufacture and commercialize Zastaprazan (also known as JP-1366), a potassium competitive acid blocker (P-CAB) in the licensed territory (mainland China, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan region).

Zastaprazan is an innovative potassium competitive acid blocker (P-CAB) independently developed by Onconic. Currently, the phase III clinical trials for erosive esophagitis are being conducted in South Korea. Existing data shows that Zastaprazan has the advantages of fast onset, excellent acid suppression, long-lasting effects, and fewer adverse reactions. Further potential indications of Zastaprazan include duodenal ulcers, helicobacter pylori infections, and non-erosive gastroesophageal reflux disease, etc.

According to the Agreement, the Company shall pay Onconic corresponding fees, milestone payments, and sales royalties for the development and commercialization of Zastaprazan in the licensed territory at the relevant stage.

The Agreement has been reviewed and approved by the operation management of the Company, and according to the relevant requirements, the Agreement is not required to be submitted to the board of directors and the general meeting of the Company for consideration. The transaction does not constitute a connected transaction.

II. BASIC INFORMATION OF THE COUNTERPARTY

Name of the company: Onconic Therapeutics Inc.

Nature of the company: joint stock company

Registrated address: Seoul, South Korea

Registered capital: ₩ 4,603,730,000

Business scope: research and development (the "**R&D**") and sales of new drugs

Onconic is not connected to the Company.

III. PRINCIPAL TERMS OF THE AGREEMENT

Party A: the Company

Party B: Onconic Therapeutics Inc.

After friendly negotiation, the parties have reached the Agreement which includes the following major provisions:

1. Licensed scope

According to the Agreement, Onconic shall grant the Company an exclusive license under the licensed technology to develop, manufacture and commercialize the licensed compounds and the licensed products within the licensed territory.

Licensed compounds: Zastaprazan and all of its salts, pro-drugs, metabolites, solvates, esters, stereoisomers, polymorphs and conjugates of the foregoing and all derivatives (including deuterium) thereof.

Licensed products: Any pharmaceutical product (whether with or without other active ingredients) in final form that is comprised of or contains the licensed compounds, without limiting its type or formulation.

2. Development and commercialization of the products

Onconic shall provide technical support for the development and registration of the licensed products, including but not limited to preclinical studies, clinical studies, CMC studies and toxicity tests required by the NMPA or relevant regulatory authorities.

The Company shall be the marketing authorization holder of the licensed products in the licensed territory, and is responsible for commercialization activities including preclinical research, clinical research, registration and application, manufacturing, marketing and promotion of the licensed products in the licensed territory.

3. License fee, milestone payments and sales royalties

After the Agreement takes effect, the Company shall pay Onconic a non-refundable upfront payment of US$15 million as license fee. During development and commercialization stage of the licensed products, the Company shall pay Onconic the technology transfer payment, and the corresponding development milestones and commercial milestones not exceeding US$112.50 million in aggregate. After the licensed products are approved for sale in the licensed territory, the Company shall pay the corresponding sales royalties to Onconic according to the Agreement.

4. Terms of termination

The Agreement may be terminated by mutual agreement between the two parties, and the parties may also agree on other forms of termination for the Agreement.

5. Conditions precedent

The Agreement shall become effective upon signing and sealing by both parties.

IV. IMPACT ON THE COMPANY

This cooperation will give full play to the developing and commercializing advantages of both parties. The introduction of the licensed products will further expand the Company's layout of R&D pipeline for gastroenterology products, which is conducive to strengthening the Company's advantageous position in the industry and continuously improving its comprehensive competitiveness. This is consistent with the Company's medium to long-term strategic layout for the development of innovative drugs.

V. RISK WARNING

Due to the long cycle and multiple stages of the drug R&D, which are characterized by high technology, high risk and high value-added, it is susceptible to various uncertainties. It is uncertain whether the R&D will be successful and the approval from the drug regulatory authorities will be granted. Investors are advised to pay attention to the investment risks.

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

Zhuhai, China
10 March 2023

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

** For identification purpose only*