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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)

**SUPPLEMENTAL ANNOUNCEMENT ON
ENTERING INTO THE PATENT AND TECHNOLOGY TRANSFER AGREEMENT**

Reference is made to the announcement dated 20 July 2023 (the “**Announcement**”) of 麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.* (the “**Company**”) in relation to the signing of the Patent and Technology Transfer Agreement (the “**Agreement**”). Unless otherwise defined, terms used in this announcement shall have the same meaning as those defined in the Announcement.

The financial terms in the principal terms of the Agreement are supplemented as follows:

I. The Company shall pay up to RMB86.00 million (including upfront payment and development milestone payment) to Synergy Pharmaceutical Sciences in accordance with the milestones stipulated in the Agreement. Including:

1. The upfront payment of RMB35.00 million shall be paid upon the Agreement becoming effective;
2. A development milestone payment of RMB6.00 million shall be paid upon completion of the phase I clinical trial for the first indication;
3. A development milestone payment of RMB10.00 million shall be paid upon completion of the phase II clinical trial for the first indication;
4. A development milestone payment of RMB20.00 million shall be paid upon completion of the phase III clinical trial for the first indication;
5. A development milestone payment of RMB15.00 million shall be paid upon approval for launch of the first indication in China.

If the second Target Product (any other pharmaceutical product developed from the HHT120 molecule) achieves the above milestone events again, no further milestone payment is required.

II. After the Target Product is approved for marketing and sale in Greater China, the Company shall pay to Synergy Pharmaceutical Sciences sales royalties of 6% of the annual net sales (50% of the invoiced price including tax of the Target Product sold by the Company to the end users) in Greater China each year in accordance with the Agreement. The payment period of sales royalties shall be expired at the 10th anniversary of the marketing and sale of the Target Product or until the expiry date of the patent on chemical structure of the Target Product, whichever is later. If third-party competing products are launched in a region within Greater China, the sales royalties percentage in this region will be reduced to 1% as agreed in the Agreement.

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 July 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*