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ESSEX BIO-TECHNOLOGY LIMITED

億勝生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1061)

INSIDE INFORMATION INTELLECTUAL PROPERTY LICENSE AGREEMENT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

INTELLECTUAL PROPERTY LICENSE AGREEMENT

On 28 August 2020, Essex Bio-Investment (a wholly-owned subsidiary of the Company) and Zhuhai Essex (a wholly-owned subsidiary of the Company) (collectively the “**Licensee**”) entered into the Intellectual Property License Agreement with the Licensor.

Pursuant to the Intellectual Property License Agreement, the Licensor granted to the Licensee, during the Evaluation Period, a limited, non-transferrable, irrevocable (except on termination of the Intellectual Property License Agreement), exclusive license in the Field of Use in the Territory (without the right to sublicense) to use the evaluation materials to evaluate the suitability of developing and commercialising the Molecule in the Field of Use in the Territory.

Pursuant to the Intellectual Property License Agreement, subject to the Licensee's election to continue the development and commercialisation of the Molecule in the Field of Use in the Territory, the Licensor granted to the Licensee a transferable, irrevocable (except on termination of the Intellectual Property License Agreement), royalty-bearing, exclusive license in the Field of Use under the Licensed Intellectual Property Rights (with the right to sub-license) to (i) research, develop, manufacture, use, sell, supply, or otherwise commercialise and exploit the Products; (ii) apply for and obtain regulatory approval(s) for clinical trials; and (iii) obtain Marketing Authorisations, in the Territory.

The Licensee shall pay to the Licensor an upfront fee and milestone payments totalling not more than US\$1,550,000 (equivalent to approximately HK\$12,013,000), royalties (levied on net sales of the Products in the Territory) and an amount by reference to the non-royalty sublicense income in accordance with the terms of the Intellectual Property License Agreement.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE INTELLECTUAL PROPERTY LICENSE AGREEMENT

The Group is principally engaged in the manufacturing, selling, marketing and distribution of biopharmaceutical products.

The Licensor is principally engaged in the business of ophthalmic drug and therapy development. To the best of the Directors' knowledge, information and belief after making all reasonable enquiries, the Licensor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

In line with the Group's strategic development plans in oncology, the Directors are of the view that the Intellectual Property License Agreement presents a good opportunity for the Group to evaluate the suitability of developing and commercialising the Molecule in the field of therapeutic use and/or therapies in oncology.

The Directors consider that the terms of the Intellectual Property License Agreement are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Intellectual Property License Agreement exceeds 5%, the entering into the Intellectual Property License Agreement does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expression shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Company”	Essex Bio-Technology Limited (億勝生物科技有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	director(s) of the Company
“Effective Date”	28 August 2020
“Essex Bio-Investment”	Essex Bio-Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Evaluation Period”	the four-month period beginning on the Effective Date, lapsing on 28 December 2020
“Field of Use”	therapeutic use and/or therapies, in each case in oncology

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Intellectual Property License Agreement”	the intellectual property license agreement dated 28 August 2020 and entered into between the Licensor and the Licensee
“Licensed Intellectual Property Rights”	(i) certain patents set out in the Intellectual Property License Agreement; and (ii) the Licensor Intellectual Property, and any and all Licensor Intellectual Property Rights covering or arising from the Licensor Intellectual Property
“Licensor”	廣州康睿生物醫藥科技股份有限公司 (Guangzhou Kangrui Biological Pharmaceutical Technology Co., Ltd.*), a company incorporated in the People’s Republic of China
“Licensor Intellectual Property”	(i) the Molecule; (ii) the Licensor Know-How; and (iii) any and all intellectual property created, conceived, invented, generated, and/or made on or after the Effective Date, during the term of the Intellectual Property License Agreement by, or on behalf of, the Licensor (and/or any affiliate of the Licensor) relating to, or in connection with, the foregoing; and (iv) any and all improvements to any of the foregoing (except certain exceptions set out in the Intellectual Property License Agreement)
“Licensor Intellectual Property Rights”	any and all intellectual property rights owned and/or controlled by the Licensor on and after the Effective Date which cover or arise from the Licensor Intellectual Property

“Licensor Know-How”	any and all know-how in relation to, and/or in connection with, the Molecule that is owned and/or controlled by the Licensor on and after the Effective Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Marketing Authorisation”	any approval required from a regulatory authority to market and sell any Products in any country and any form of pricing or reimbursement approval
“Molecule”	the compound described in certain patents set forth in the Intellectual Property License Agreement
“Products”	any therapeutic products and/or therapies using and/or incorporating the Molecule or that otherwise practice, use, incorporate or are made through the use of any of the Licensed Intellectual Property Rights
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Territory”	worldwide
“Zhuhai Essex”	珠海億勝生物製藥有限公司(Zhuhai Essex Bio-Pharmaceutical Company Limited*), a company incorporated in the People’s Republic of China and an indirect wholly-owned subsidiary of the Company

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent.

On behalf of the Board
Essex Bio-Technology Limited
Ngiam Mia Je Patrick
Chairman

Hong Kong, 28 August 2020

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of US\$1.00 to HK\$7.75. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

Executive directors of the Company as at the date of this announcement are Mr. Ngiam Mia Je Patrick and Mr. Fang Haizhou. Independent non-executive directors of the Company as at the date of this announcement are Mr. Fung Chi Ying, Mr. Mauffrey Benoit Jean Marie and Ms. Yeow Mee Mooi.

* *For identification purpose only*