Lee's Pharmaceutical Holdings Limited

李氏大藥廠控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 950)

VOLUNTARY ANNOUNCEMENT – UPDATE ON THE INTRODUCTION AND RESEARCH AND DEVELOPMENT OF AN INVESTIGATIONAL DERMATOLOGY PRODUCT

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of Lee's Pharmaceutical Holdings Limited (the "**Company**", together with its subsidiaries as the "**Group**") on a voluntary basis.

The Board of the Company is pleased to announce that, on 22 November 2019, the Company's indirect non-wholly owned subsidiary, China Ophthalmology Focus Limited ("**COPFL**") has successfully completed patient enrollment of the Phase III study of Adapalene-Clindamycin Combination Gel in China.

This Adapalene-Clindamycin Combination Gel trial (clinicaltrials.gov registration No.: NCT03615768) is a Phase III, multi-center, randomised, single-blind, parallel group, positive-controlled clinical study conducted in China. The objective of the study is to compare the efficacy and safety of Adapalene-Clindamycin Combination Gel in the treatment of moderate to severe acne vulgaris with that of adapalene gel alone and clindamycin gel alone. Adapalene and clindamycin have been reported to have a better effect in acne treatment when used together. This new formulation is also easier to use as it combines two products into a single gel and only needs to be applied once a day.

The design of this Phase III clinical trial is a result of consultation with China Center for Drug Evaluation following the successful completion of Phase II study in 2017. The study involves 28 clinical trial centers and enrolls a total of 1617 patients in China, including 95 teenagers between the ages of 12 and 18. There are three intervention groups which patients receive treatment of i) the combination gel of 0.1% Adapalene and 1% Clindamycin once every night, or ii) 0.1% Adapalene Gel once every night, or iii) Clindamycin Phosphate 1% Gel twice daily. The treatment duration is 12 weeks and both efficacy and safety parameters are measured during the treatment. The primary endpoint is a composite of percentage change in lesion counts from baseline and reduction of 2 points on Investigator's Global Assessment scale at the end of treatment (Day 85+/-3). Sample size is calculated to detect the superiority in efficacy of combination gel over both single components. Following the treatment of the last patient that is expected in early February of 2020, the readout of the topline data will be made available and New Drug Application submission is expected during the first half of 2020.

It is so far the largest dermatology study ever conducted in China with 1617 patients, the Company believes that the combination of Adapalene (a retinoic acid receptor (RAR) agonist) with Clindamycin (an antibiotic) will be more efficacious than conventional therapies in treating moderate to severe acne.

ABOUT ADAPALENE – CLINDAMYCIN COMBINATION GEL

Adapalene-Clindamycin Combination Gel is a proprietary product of COPFL under development for the treatment of moderate to severe acne vulgaris. Adapalene is an RAR agonist that stimulates skin growth and Clindamycin is an antibiotic that blocks bacterial protein synthesis. Combination of Adapalene and Clindamycin with different mechanisms of action is believed to be more efficacious than each alone in the treatment of acne.

ABOUT CHINA OPHTHALMOLOGY FOCUS LIMITED

COPFL is an indirect non-wholly owned subsidiary of the Company. Its Series A fund raising of USD50 million in June 2019 was contributed by reputable investors including Coyote Investment Pte. Ltd., Panacea Venture Healthcare Fund I, L.P., Smart Rocket Ltd., and Vertex Profit International Ltd. COPFL specialises in the development, manufacturing and marketing of ophthalmic drugs. It has built up a state-of-the-art development and production facility in Nansha, Guangzhou through its 100% subsidiary Zhaoke (Guangzhou) Ophthalmology Pharmaceutical Limited. The facility supports the in-house development and future commercialisation of over 21 proprietary products and difficult to manufacture generics (ranged from pre-clinical to registration stage) for the Chinese and ASEAN markets. Its portfolio is diversified in having both small molecules and biologics, and having both novel and generic medicines, covering different

ophthalmic indications from dry eye syndrome, glaucoma, wet Age-related Macular Degeneration (AMD), diabetic retinopathy to corneal and inflammatory diseases. It is currently the only modern facility in China that is recognised as being designed and built for ophthalmic drugs according to all applicable standards, namely China National Medical Products Administration, Pharmaceutical Inspection Co-operation Scheme (PIC/S), European Medicines Evaluation Agency, Japan Pharmaceutical and Food Safety Bureau and U.S. Food and Drug Administration (FDA).

By order of the Board
Lee's Pharmaceutical Holdings Limited
Lee Siu Fong
Chairman

Hong Kong, 22 November 2019

* *For identification purpose only*

As at the date of this announcement, Ms. Lee Siu Fong (Chairman), Ms. Leelalertsuphakun Wanee and Dr. Li Xiaoyi are executive Directors, Mr. Simon Miles Ball is a non-executive Director, Dr. Chan Yau Ching, Bob, Mr. Lam Yat Cheong and Dr. Tsim Wah Keung, Karl are independent non-executive Directors.