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 – BUSINESS UPDATE ON THE IN-LICENSING AND RESEARCH AND DEVELOPMENT OF OPHTHALMOLOGY PRODUCTS OF AN ASSOCIATED COMPANY OF THE GROUP

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

Reference is made to the announcement of the Company dated 20 October 2020 in relation to the in-licensing and research and development of NVK-002. The Board of the Company is pleased to announce that on 12 November 2020, the first patient has completed 3 year enrollment in the Phase III Childhood Atropine for Myopia Progression ("**CHAMP**") study carried out by its business partner, Nevakar Inc. ("**Nevakar**"). The CHAMP Study is an U.S. Food and Drug Administration ("**FDA**") drug trial that evaluates the ability of its lead compound, NVK-002, to slow the progression of myopia in children. NVK-002 is a proprietary, investigational, preservative-free eye drop administered nightly and intended for patients ages 3 to 17 years.

On 19 October 2020, Zhaoke (HK) Ophthalmology Pharmaceutical Limited ("**ZKOHK**"), an associated company of the Group, and Nevakar, a US-based biopharmaceutical company developing multiple innovative medications in the ophthalmic and hospital injectable areas, entered into an exclusive licensing agreement for the development, manufacture and commercialisation of NVK-002 in China, Hong Kong, Macau, Taiwan, South Korea and other countries of Southeast Asia.

* *For identification purposes only*

NVK-002 is a preservative-free, novel topical eye treatment for slowing the progression of myopia in children and is currently in a Phase III CHAMP study in the US and Europe. The CHAMP trial follows ground-breaking studies conducted in Asia that concluded that low doses of atropine could be used to slow the progression of myopia in children. CHAMP is a 576-subject, randomised, placebo-controlled, double-masked study evaluating the effects of NVK-002 on myopia progression in children. The study duration is 3 years, after which enrolled patients are re-randomised for a fourth year of follow-up. With this milestone, the trial remains on-track for a three-year data readout in 2022. If approved, NVK-002 could be the first pharmaceutical treatment for slowing myopia progression and preserving vision in children.

ABOUT NEVAKAR, INC.

Nevakar, is growing as a fully integrated privately held, late-stage biopharmaceutical company with an extensive portfolio of products in the ophthalmic and injectable areas. Founded in 2015, and headquartered in Bridgewater New Jersey, Nevakar is focused on developing and commercialising innovative products to address unmet medical needs, thereby improving patient care and quality of life. Nevakar equips with proven expertise in the development of novel, innovative and proprietary sterile pharmaceutical products to identify, develop, and obtain regulatory approval for its products.

ABOUT ZHAOKE (HK) OPHTHALMOLOGY PHARMACEUTICAL LIMITED

ZKOHK is a wholly owned subsidiary of Zhaoke Ophthalmology Limited (formerly known as China Ophthalmology Focus Limited, or "**ZKO**"), which is an associated company of the Group. ZKOHK mainly focuses on developing novel ophthalmology products as well as licensing ophthalmology products from the rest of the world and introducing them as accessible and affordable therapies to patients suffering from ophthalmic diseases in China and Asian countries.

ZKO finished its Series A fund raising of US$50 million in June 2019 contributed by reputable investors including Coyote Investment Pte. Ltd., Panacea Venture Healthcare Fund I, L.P., Smart Rocket Ltd., and Vertex Profit International Ltd. ZKO has also entered into a subscription agreement on 9 October 2020 for its Series B shares ("**the Subscription**") at the aggregate consideration of approximately US$145 million. The Subscription is jointly led by Hillhouse COFL and TPG Asia (in alphabetical order), co-led by Loyal Valley Capital and other private equity firms, and the majority of shareholders of Series A Preferred Shares also participate in the Subscription. It 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 20 proprietary products and difficult to manufacture generics (ranged from pre-clinical to registration stage) for the Chinese and ASEAN markets.

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 FDA. ZKO's portfolio is diversified in having both small molecules and biologics, and having both novel and generic medicines, covering different ophthalmic indications from dry eye, glaucoma to wAMD, diabetic retinopathy to corneal and inflammatory diseases.

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

Hong Kong, 16 November 2020

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