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 AN INVESTIGATIONAL OPHTHALMOLOGY PRODUCT OF AN ASSOCIATED COMPANY OF THE GROUP

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 Zhaoke Ophthalmology Limited ("**ZKO**"), an associated company of the Group, has published its Phase II clinical trial data of its self-innovated Cyclosporine A (CsA) Ophthalmic Gel in Clinical Therapeutics, an international peer-reviewed journal of drug therapy. The article entitled "Efficacy, Safety, and Tolerability of a Novel Cyclosporine, a Formulation for Dry Eye Disease: a Multicenter Phase II Clinical Study," is now available online (https://doi.org/10.1016/j.clinthera.2020.12.023).

The publication showed Phase II clinical trial data of CsA Ophthalmic Gel for the treatment of moderate to severe dry eye disease ("**DED**") and that CsA Ophthalmic Gel exhibited excellent safety, tolerability, and efficacy profiles at different concentrations and dosing frequencies.

This is an exploratory, multicenter, single-blind, randomized, positive-controlled Phase II clinical trial comparing CsA Ophthalmic Gel and an open-label comparator (Restasis). A total of 240 eligible patients with moderate to severe DED were randomized to 4 groups: CsA Ophthalmic Gel 0.05%/q.d. (n = 59), CsA Ophthalmic Gel 0.05%/b.i.d. (n = 60), CsA Ophthalmic Gel 0.1%/q.d. (n = 60), and Restasis 0.05%/b.i.d. (n = 61). After receiving b.i.d. dosing of hypromellose eye drops during a 2-week run-in period, patients were randomized to the respective treatment groups for 12 weeks. Efficacy was assessed based on a number of sign and symptom end points, including eye dryness score (visual analog scale), 6 other parameters of symptoms for dryness (burning/stinging, itching, foreign body sensation, discomfort, sensitivity to light, and pain), and corneal fluorescein staining. The Schirmer test was used to assess dry eye symptoms at visit 3 (week 2), visit 4 (week 6), and visit 5 (week 12).

* *For identification purpose only*

All three experimental groups with CsA Ophthalmic Gel showed a consistent improvement over baseline in eye dryness score and the 6 other parameters of symptoms for dryness, corneal fluorescein staining, breakup time, and Schirmer test scores similar to that from Restasis over the 12-week treatment period.

According to GlobalData Plc, China will have 64,251,395 diagnosed prevalent cases of DED in 2026, the highest number among the eight major markets (US, France, Germany, Italy, Spain, UK, Japan, and China).

ABOUT CYCLOSPORINE A OPHTHALMIC GEL

CsA is a natural cyclic polypeptide immunosuppressant. It acts as a calcineurin inhibitor and suppresses T lymphocytes from releasing pro-inflammatory cytokines. The CsA Ophthalmic Gel developed by ZKO is a proprietary product shown to possess pharmacokinetics profile superior to that of the emulsion formulation (Restasis) in preclinical studies. In a Phase II head-to-head comparative trial, CsA Ophthalmic Gel displayed efficacy and safety profile at least similar to those of Restasis (b.i.d.) with only once a day dosing. It is currently under Phase III development for the treatment of moderate to severe keratoconjunctivitis sicca (dry eye) in China.

ABOUT ZHAOKE OPHTHALMOLOGY LIMITED

ZKO aims to provide a one-stop shop of ophthalmic therapies with its comprehensive portfolio and capabilities. 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, myopia to wet age-related macular degeneration, diabetic retinopathy to corneal and inflammatory diseases. It specialises in the development, manufacturing and marketing of ophthalmic drugs. It has established 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 (ranging 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 U.S. Food and Drug Administration (FDA).

ZKO closed its Series A fund raising of US$50 million in June 2019 with investors including Coyote Investment Pte. Ltd., Panacea Venture Healthcare Fund I, L.P., Smart Rocket Limited and Vertex Profit International Limited. ZKO closed its Series B fund raising of approximately US$145 million in November 2020, which was jointly led by Hillhouse COFL and TPG Asia, and participated by Loyal Valley Capital and other private equity firms such as Orbimed and Aier Eye Hospital, as well as the majority of Series A investors. ZKO submitted its listing application form to the Stock Exchange of Hong Kong Limited ("**Stock Exchange**") for an application for the listing of, and permission to deal in, its ordinary shares on the main board of the Stock Exchange by way of global offering on 18 December 2020.

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

Hong Kong, 11 March 2021

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.