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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 ONCOLOGY PRODUCT

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.

The Board of the Company is pleased to announce that, on 7 May 2018, the Group has been granted the approval for conducting clinical trials for Gimatecan, a novel oral lipophilic camptothecin, by the China Food and Drug Administration (“**CFDA**”).

The coming phase I clinical trial will be a 3+3 design with 0.4mg/kg, 0.6mg/kg and 0.8mg/kg dosing regimens to determine the Maximum Tolerated Dose (MTD) in Chinese population. Clinical data from these studies could be available by the end of the year 2019, and the positive results could lead to the following extensive phase III trial in China.

Gimatecan, a novel oral lipophilic camptothecin, has some distinctive features that make it quite unique within the camptothecins. It inhibits topoisomerase I (topo I). Topoisomerases are enzymes responsible for regulating and facilitating the processes underlying cell growth, replication, and division. Proposed therapeutic advantages of Gimatecan consist of an improvement of the therapeutic index observed in the treatment of the non-small cell lung carcinoma, NCI-H460, and the glioblastoma, GBM. They relate to the drug efficacy at a large range of doses and different administration schedules, suggesting a lesser dependence on the treatment schedule in comparison with the reference compound TPT. A prospective phase II study was conducted to evaluate

the efficacy and toxicity of oral Gimatecan in patients with recurrent epithelial ovarian, fallopian tube or peritoneal cancer. The result shows that the best overall response to study treatment was partial response in 17 patients (24.6%) and disease stabilization in 22 patients (31.9%). The median time to progression and overall survival were 3.8 and 16.2 months, respectively. It is suggested that oral Gimatecan has produced durable disease stabilisation and is well tolerated with less than 10% grade 3/4 haematological toxicities. The superior effect of Gimatecan could also be reflected in our Chinese patient-derived xenograft models of ovarian cancer.

The Group is aiming for initiation of the study in the second half of 2018. Indeed, combination of different oncological drugs will be the Group's focus, following the phase I Gimatecan trials, its combination effects with other oncological drugs in its pipeline such as the anti-PDL1 monoclonal antibody ZKAB001 will be initiated.

According to the data of IMS Health ("IMS"), the global spending on cancer medications amounted to US\$100 billion in 2014, much higher than the spending on medications for other diseases, and is expected to rise to US\$150 billion in 2020. In 2015, there were more than 50,000 new cases of ovarian cancer in China and its mortality rate was the highest among cancers of the reproductive system according to Cancer Statistic in China 2015 (Chen et al, CA CANCER J CLIN 2016; 66:115-132).

The Group is fully integrated with solid infrastructures in drug development, clinic, perspectives and the Group has established extensive partnerships with over 20 international companies and currently markets 17 proprietary and licensed-in pharmaceutical products in Mainland China, Hong Kong and Macau. the Group focuses on several different areas such as cardiovascular and infectious diseases, dermatology, oncology, gynecology, ophthalmology and others. The Group has more than 50 products under different development stages stemming from both internal R&D as well as from the recent acquisition of licensing and distribution rights from various US, European and Japanese companies.

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

Hong Kong, 23 May 2018

* *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 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.