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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 – COLLABORATION AND LICENSE AGREEMENT WITH AURANSA

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 19 December 2018, China Oncology Focus Limited (“**COF**”), an affiliate of Lee’s Pharmaceutical Holdings Ltd., and Auransa, Inc. (“**Auransa**”), an artificial intelligence driven (“**AI-driven**”) pharmaceutical company developing precision medicines in areas of significant unmet medical need, have entered into a licensing agreement (the “**Agreement**”) granting COF exclusive rights to develop and commercialise AU018 in China and other countries of Southeast Asia (the “**Territory**”).

AU018, which is currently in preclinical development, is a potentially best-in-class cardioprotective agent intended to be paired with chemotherapy in the treatment of cancer. The compound was identified by Auransa’s SMarTR™ Engine, an AI-driven computational platform, as part of a project designed to discover drugs capable of mitigating the cardiotoxicity associated with the chemotherapeutic agent doxorubicin, without inhibiting its anti-cancer activity. Once identified by the SMarTR™ Engine, traditional drug discovery activities undertaken by Auransa’s scientific team confirmed that AU018 possessed the target cardioprotective therapeutic profile, highlighted by its ability to correct pathways associated with oxidative and cellular stress, mitochondrial

dysfunction and RNA splicing. Further supporting its potential therapeutic activity, preclinical evaluations of AU018 in human *induced pluripotent stem cell (iPSC)*-derived heart cell models demonstrated the compound's potential to reverse the cardiac toxicity molecular signature in the heart without interfering with anti-tumor activity of doxorubicin.

Doxorubicin is a well-established anthracycline chemotherapeutic agent that is commonly used for the treatment of a broad range of cancers including AIDS-related Kaposi Sarcoma, multiple myeloma, breast cancer, liver cancer, thyroid cancer, acute myeloblastic leukemia, bladder cancer, neuroblastoma, osteosarcoma, ovarian cancer, among others. Despite significant cardiotoxicity effects associated with doxorubicin and the anthracycline class of agents, the drug is still widely used around the world due to its potent anti-cancer activity, particularly in the areas of breast and liver cancer. Significant growth in cancer prevalence worldwide, coupled with China's position as one of the world's largest prescription pharmaceutical markets, highlight a large unmet medical need that can be addressed by AU018 in the Territory.

COF will be responsible for funding and conducting all remaining preclinical and clinical activities required to gain regulatory approval for AU018 in Territory. As part of the Agreement, Auransa will have rights to access and use any AU018 data generated by COF as part of its development and commercialisation efforts.

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

Hong Kong, 20 December 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.