LEE'S PHARM.
李 氏 大 藥 廠

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)

DISCLOSEABLE TRANSACTIONS

ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANY AND DEEMED DISPOSALS OF EQUITY INTEREST IN WTI

ACQUISITION

On 21 December 2018 (after trading hours), WTI, Merger Sub (a wholly-owned subsidiary of WTI) and the Target Company entered into the Merger Agreement, pursuant to which the Company (through WTI) shall acquire approximately 50.42% equity interest of the Target Company by way of a merger of Merger Sub with the Target Company, with the Target Company becoming the sole surviving entity immediately after the Merger and an indirect non-wholly-owned subsidiary of the Company.

FIRST DEEMED DISPOSAL

Immediately before the Merger Closing, the Group holds approximately 74.80% of the entire issued shares of WTI, and Merger Sub is a wholly-owned subsidiary of WTI. The Company (through CCF) also holds approximately 49.58% of the entire issued shares of the Target Company.

Upon the Merger Closing, the Group's equity interest in WTI would be reduced from approximately 74.80% to 54.46% as a result of the Conversion and the Group is therefore deemed to have disposed of approximately 20.34% equity interest in WTI under the Listing Rules.

SUBSCRIPTION

On 21 December 2018 (after trading hours), WTI and the Investors entered into the Securities Purchase Agreement, pursuant to which WTI has agreed to sell, and the Investors, severally and not jointly, have agreed to purchase the Subscription Shares at the Subscription Price.

SECOND DEEMED DISPOSAL

Immediately after the Merger Closing and before the Subscription Closing, the Group holds approximately 54.46% of the entire issued shares of WTI. Upon the Subscription Closing and the allotment of 114,415 shares of common stock of WTI for the settlement of placement fee of approximately US$421,000 payable by WTI to a placing agent under the Securities Purchase Agreement, the Group's equity interest in WTI would be reduced from approximately 54.46% to 39.90% as a result of the Subscription and the allotment of 114,415 shares of common stock of WTI for the settlement of placement fee of approximately US$421,000 payable by WTI to a placing agent under the Securities Purchase Agreement, and the Group is therefore deemed to have disposed of approximately 14.56% equity interest in WTI under the Listing Rules.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under the Listing Rules for each of the Acquisition and the Deemed Disposals is more than 5% but less than 25%, each of the Acquisition and the Deemed Disposals constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements of the Listing Rules.

ACQUISITION

Major terms of the Merger Agreement are set out below.

Date

21 December 2018 (after trading hours)

Parties

(1) WTI;

(2) Merger Sub; and

(3) the Target Company.

As at the date of this announcement and immediately before the Merger Closing, the Group holds approximately 49.58% and 74.80% of the entire issued shares of the Target Company and WTI respectively. Immediately before the Merger Closing, Merger Sub is a wholly-owned subsidiary of WTI.

Save for the above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of WTI, Merger Sub, the Target Company and its ultimate beneficial owner(s) are Independent Third Parties.

Subject matter

WTI, Merger Sub (a wholly-owned subsidiary of WTI) and the Target Company entered into the Merger Agreement, pursuant to which the Company (through WTI) shall acquire approximately 50.42% equity interest of the Target Company by way of a merger of Merger Sub with the Target Company in accordance with Cayman Companies Law, with the Target Company becoming the sole surviving entity immediately after the Merger and an indirect non-wholly-owned subsidiary of the Company.

Upon the Merger Closing, the following conversion of shares (altogether, the "**Conversion**") shall take place:

(a) any ordinary shares of the Target Company owned as treasury stock of the Target Company or owned by WTI or by any direct or indirect wholly-owned subsidiary of WTI immediately prior to the Merger Closing shall be automatically cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor;

(b) each ordinary share of the Target Company (including all accrued but unpaid dividends thereon (if any)) outstanding immediately before the Merger Closing (excluding shares to be cancelled pursuant to (a) above) shall be cancelled and automatically converted solely into the right to receive a number of shares of common stock of WTI equal to the Exchange Ratio; and

(c) each ordinary share of Merger Sub issued and outstanding immediately before the Merger Closing shall be automatically converted into and exchanged for one validly issued, fully paid and non-assessable ordinary share of the Target Company as the surviving entity.

The Exchange Ratio is determined with reference to (a) the value of each ordinary share issued by the Target Company immediately prior to the Merger Closing (i.e. US$1.4577) which is calculated on the basis that the Agreed Value is US$67,500,000 while the total number of ordinary shares issued by the Target Company immediately prior to the Merger Closing is 46,306,968 shares; and (b) the market closing price of WTI as at 20 December 2018 (i.e. US$4.15 per common stock of WTI). The Agreed Value was determined after arm's length negotiations between the parties to the Merger Agreement on normal commercial terms with reference to, among other things, the stage of developments and market potential of the pipeline assets of the Target Group.

As a result of the Conversion, the Company (through CCF) and Other Shareholders would obtain 8,063,861 and 8,201,199 common stock of WTI, representing approximately 39.98% and 40.66% of the total number of issued common stock of WTI respectively as enlarged by the issue of the Conversion Shares in exchange for their shares in the Target Company.

The common stock of WTI converted from shares of the Target Company held by the Other Shareholders calculated by the Exchange Ratio under the Conversion (i.e. 8,201,199 common stock of WTI) amounted to approximately US$34,035,000 calculated with reference to the market closing price of WTI as at 20 December 2018.

Immediately before the Merger Closing, the Group holds approximately 74.80% of the entire issued shares of WTI, while the Company (through CCF) holds approximately 49.58% of the entire issued shares of the Target Company and the Other Shareholders hold approximately 50.42% of the entire issued shares of the Target Company. Upon the Merger Closing, the Group would hold approximately 54.46% of the entire issued shares of WTI, which in turn holds 100% equity interest of the Target Company. The Target Company would then become a non-wholly-owned subsidiary of the Company for the purpose of the Listing Rules.

Completion

The Merger Closing shall take place concurrently with the execution and delivery of the Merger Agreement.

At the Merger Closing, among other things, the parties shall cause the execution and filing with the Registrar of Companies of the Cayman Islands a plan of merger with respect to the Merger in accordance with the applicable requirements of the Cayman Companies Law.

Representations and warranties

Each of the Target Company and WTI has given in the Merger Agreement certain customary representations and warranties in relation to the Target Group and the Merger Sub respectively which are commonly found in an agreement of similar nature and size.

Additional ancillary matters

In connection with the Merger, WTI and the Target Company will attend to certain ancillary matters in relation to filing and registration under the U.S. Securities Act, provision of indemnification to directors and officers, tax, etc.

Lock-up arrangements

For the purpose of the Merger, each of the shareholders of the Target Company immediately before the Merger Closing (including CCF) agrees that it will not during the period commencing on the Merger Closing Date and ending on the one year anniversary of the Merger Closing Date, subject to certain exceptions, (a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any common stock of WTI received in the Merger; or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock of WTI received in the Merger.

Indemnification

The Company, as the ultimate holding company of CCF, which is the single largest shareholder of each of the Target Company and WTI, shall for a period of twelve months from the Merger Closing Date indemnify the holders of issued and outstanding shares of common stock of WTI as of the day prior to the Merger Closing Date (other than the Company, LPH I and LPH II) (the "**Indemnitees**") for any loss, liability, damage or expense, including reasonable attorney's fees and expenses incurred by WTI in connection with or, as a result of, any material inaccuracy in any representation or warranty made by the Target Company in the Merger Agreement. The Company shall have no obligation to indemnify the Indemnitees unless and until the total amount of all losses exceeds US$500,000 in the aggregate, in which event the Company shall only be obligated to indemnify the Indemnitees for losses in excess of US$500,000. The liability of the Company under such indemnification shall be limited to the distribution of 984,000 share of common stocks of WTI which are to be issued to CCF pursuant to the Merger Agreement, representing an approximately 12.20% of the total number of 8,063,861 common stock of WTI as obtained by CCF as a result of the Conversion (the "**Escrow Shares**") to the Indemnitees. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Indemnitees and its ultimate beneficial owner(s) are Independent Third Parties.

To secure the Company's performance of its indemnity obligations above, on the Merger Closing Date, WTI shall deposit with an escrow agent (the "**Escrow Agent**") mutually acceptable to WTI and the Company the Escrow Shares. The Escrow Shares shall be held pursuant to the terms of an indemnification agreement and a mutually agreed upon escrow agreement to be executed by the Escrow Agent, WTI and the Company.

Insurance and indemnification policy

The Company, as the ultimate holding company of CCF, which is the single largest shareholder of each of the Target Company and WTI, will continue to provide and keep in place, for an aggregate period of not less than six years from the Merger Closing Date, for the benefit of the directors and officers of the Target Group prior to the date of the Merger Agreement, an insurance and indemnification policy with respect to claims arising from facts or events that existed or occurred prior to or at the Merger Closing Date and that provides coverage that is at least as protective to such directors and officers as the coverage provided by the Company policy currently applicable to the Target Company.

FIRST DEEMED DISPOSAL

Immediately before the Merger Closing, the Group holds approximately 74.80% of the entire issued shares of WTI, however the accounts of WTI have not been consolidated with the Group in accordance with the accounting treatment under the HKFRS. Upon the Merger Closing, the Group's equity interest in WTI would be reduced from approximately 74.80% to 54.46% as a result of the Conversion, and the Group is deemed to have disposed of approximately 20.34% equity interest in WTI under the Listing Rules.

Upon the Merger Closing, WTI would be owned as to approximately 54.46% by the Group and for the purpose of the Listing Rules, WTI will remain as a subsidiary of the Company after the First Deemed Disposal, however its accounts will continue to not be consolidated with the Group in accordance with the accounting treatment under the HKFRS.

The First Deemed Disposal will not result in a loss of control by the Group in WTI, and the accounts of WTI have not been consolidated with the Group in accordance with the accounting treatment under the HKFRS. Therefore, it is expected that the Group will not record any gain or loss from the First Deemed Disposal in the income statement of the Group.

SUBSCRIPTION

Major terms of the Securities Purchase Agreement are set out below.

Date

21 December 2018 (after trading hours)

Parties

(1) WTI; and

(2) the Investors.

Immediately after the Merger Closing but before the Subscription Closing, the Group holds approximately 54.46% of the entire issued shares of WTI.

Save for the above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of WTI and the Investors and its ultimate beneficial owner(s) are Independent Third Parties.

The Subscription

Pursuant to the terms of the Securities Purchase Agreement, WTI has agreed to sell, and the Investors, severally and not jointly, have agreed to purchase the Subscription Shares at the Subscription Price (i.e. in the aggregate sum of approximately US$39,048,000 for all the Subscription Shares), among which approximately US$32,048,000 shall be paid by the Other Investors to WTI via wire transfer to an escrow account; and US$6,000,000 shall be satisfied by LPH II by the conversion of the loans owing by WTI to LPH II; and US$1,000,000 shall be satisfied by Investor E by the conversion of the loan owing by WTI to Investor E.

The Subscription Shares represent approximately 36.88% of the total number of issued common stock of WTI as enlarged by the issue of the Subscription Shares. The Subscription Shares shall rank pari passu among themselves and with all the shares in issue in WTI on the Subscription Closing Date.

The Subscription Price was determined after arm's length negotiations between the parties to the Securities Purchase Agreement on normal commercial terms with reference to, among other things, the stage of developments and the market potential of the pipeline assets of WTI and the Target Group.

Apart from the Subscription Shares, 114,415 shares of common stock of WTI shall be alloted by WTI to a placing agent, which is an Independent Third Party, for the settlement of a placement fee of approximately US$421,000 in connection with the offer and sale of WTI's securities under the Securities Purchase Agreement, which is payable by WTI.

Conditions precedent

Subscription Closing is conditional upon the fulfillment or waiver (as the case maybe) of the following conditions:

(1) the accuracy in all material respects (or, to the extent representations and warranties are qualified by materiality or material adverse effect, in all respects) on the Subscription Closing Date of the representations and warranties of WTI and the Investors contained in the Securities Purchase Agreement;

(2) all obligations, covenants and agreements of WTI and each of the Investors required to be performed at or prior to the Subscription Closing Date shall have been performed;

(3) the delivery by WTI and each of the Investors of the items set forth in the Securities Purchase Agreement; and

(4) the consummation of the Merger as contemplated under the Merger Agreement.

Subscription Closing

Subscription Closing shall take place concurrently with the execution and delivery of the Securities Purchase Agreement subject to the above conditions precedent having been fulfilled or waived. Parties to the Securities Purchase Agreement will, on or after the Subscription Closing, enter into/attend to negotiation on the issue or grant of the Warrants for such number of Warrants determined with reference to the number of Subscription Share purchased by each of the Investors. For the avoidance of doubt, no Warrant is, will or has been issued or granted and no arrangement on the issue or grant of Warrant is, will or has been finally confirmed as at any time upon or prior to the Subscription Closing. Obligations on the negotiation of the issue or grant of Warrants under the Securities Purchase Agreement and/or the issue or grant of any Warrants under the Securities Purchase Agreement (if any) shall be subject to compliance of all applicable requirements under the Listing Rules (if applicable) and/or any requirements as imposed by the Stock Exchange (if any).

Termination

The Securities Purchase Agreement may be terminated by any Investor, as to such Investor's obligations under the Securities Purchase Agreement only and without any effect whatsoever on the obligations between WTI and the other Investor, by written notice to the other parties, if the Subscription Closing has not been consummated on or before 15 January 2019.

SECOND DEEMED DISPOSAL

Immediately after the Merger Closing but before the Subscription Closing, the Group holds approximately 54.46% of the entire issued shares of WTI. Upon the Subscription Closing and the allotment of 114,415 shares of common stock of WTI for the settlement of placement fee of approximately US$421,000 payable by WTI to a placing agent under the Securities Purchase Agreement, the Group's equity interest in WTI would be reduced from approximately 54.46% to 39.90% as a result of the Subscription and the allotment of 114,415 shares of common stock of WTI for the settlement of a placement fee of approximately US$421,000 payable by WTI to a placing agent under the Securities Purchase Agreement, and the Group is therefore deemed to have disposed of approximately 14.56% equity interest in WTI under the Listing Rules.

Upon the Subscription Closing and the allotment of 114,415 shares of common stock of WTI for the settlement of a placement fee of approximately US$421,000 payable by WTI to a placing agent under the Securities Purchase Agreement, WTI would be owned as to approximately 39.90% by the Group and in such case, WTI will then cease to be a subsidiary of the Group for the purpose of the Listing Rules. However, the accounts of WIT have not been consolidated with the Group in accordance with the accounting treatment under the HKFRS. Therefore, it is expected that the Group will not record any gain or loss from the Second Deemed Disposal in the income statement of the Group.

The proceeds arising from the Subscription shall be used by WTI to fund operations including activities to transition Istaroxime to Phase III (including global regulatory interactions and study start up activity), AEROSURF bridge study start up and execution activities, Rostafuroxin formulation and clinical development, preclinical and proof-of-concept activities related to cardiovascular and KL4 pipeline programs and to address existing obligations, and general working capital purposes.

REASONS FOR AND BENEFITS OF THE ACQUISITION, FIRST DEEMED DISPOSAL AND SECOND DEEMED DISPOSAL

WTI Group is principally engaged in clinical-stage biotechnology business focused on developing aerosolised KL4 surfactant therapies for respiratory diseases and other potential applications. One of the driving forces for WTI Group in moving forward is to secure additional capital necessary to realise the full potential of its KL4 surfactant and aerosol delivery platforms.

Target Group is principally engaged in cardiovascular diseases drug development and currently owns two assets, namely Rostafuroxin and Istaroxime, both have just completed Phase IIb studies that target cardiovascular diseases with significant unmet medical need. The Directors are of the view that the Acquisition adds value to WTI Group by enhancing its product portfolio by having three Phase III enabling assets in pulmonary and cardiovascular disease areas, which in turn allow WTI Group to be in a better position to raise additional capital for the development of its pipeline products. The Directors also consider that the Subscription provides synergetic effects to WTI Group by leveraging on the expertise of the Investors in respect of provision and management of drug developing business which will benefit and complement the growth of WTI Group and will enable WTI Group to raise capital needed to fund continued development of its pipeline products. In addition, the Directors are of the view that the Subscription represents an opportunity to enhance the working capital and broaden the capital base of WTI and is beneficial to the Group.

The Directors (including the independent non-executive Directors) considered that the terms of each of the Acquisition and the Subscription and the transactions contemplated thereunder, which have been entered into after arm's length negotiation between parties to the Merger Agreement (with regard to the Acquisition) and parties to the Securities Purchase Agreement (with regard to the Subscription) respectively, are not in the ordinary and usual course of business of the Group but are on normal commercial terms and the terms therein are fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Group will continue to hold the common stocks of WTI for long-term investment purpose. Each of (a) the Merger Agreement and the Acquisition as contemplated under the Merger Agreement; and (b) the Securities Purchase Agreement and the Subscription as contemplated under the Securities Purchase Agreement have been approved by the Board.

INFORMATION ON THE TARGET COMPANY, TAIWAN SUBSIDIARY AND THE INVESTORS

The Target Company was incorporated in the Cayman Islands on 3 August 2018, and is currently carrying on the business of investment holding. Immediately before the Merger Closing, the Target Company is held as to approximately 49.58% by CCF (a wholly-owned subsidiary of the Company) and 50.42% by the Other Shareholders.

Taiwan Subsidiary was incorporated in Taiwan on 17 September 2013, and is currently carrying on the business of development of pharmaceutical products. Taiwan Subsidiary is a wholly-owned subsidiary of the Target Company.

Investor A is a Cayman Islands fund which invests in early-stage innovative life science and healthcare companies.

Investor B operates in the investment, biotechnology, research and development, and intellectual property activities.

Investor C is a family office based in London.

Investor D is a private equity fund.

Investor E is currently carrying on the business of venture capital investments.

Investor F is currently carrying on the business of conducting research and development, managing laboratories, and designing and manufacturing products.

The unaudited consolidated total assets value and the net assets value of the Target Group as at 30 November 2018 are approximately HK$164,567,000 and HK$91,826,000 respectively.

The unaudited consolidated financial information of the Target Group for the year ended 31 December 2016 and 31 December 2017 are as follows:

	Year ended 31 December 2016	**Year ended 31 December 2017**
Net loss before taxation	HK$15,867,000	HK$10,630,000
Net loss after taxation	HK$15,867,000	HK$10,630,000

GENERAL INFORMATION OF THE GROUP

The Group is a research-driven and market-oriented biopharmaceutical company focused on the PRC market. Through its operating subsidiary in the PRC, the Group develops, manufactures and markets proprietary pharmaceutical products in the PRC. It has established a sale and distribution network for pharmaceuticals covering most provinces and cities in the PRC, marketing both self-developed products and licensed products from abroad.

WTI is a Delaware corporation incorporated in the United States of America on 6 November 1992 and is currently carrying on the business of developing novel surfactant therapies for respiratory diseases and other potential applications. The shares of common stock of WTI are currently traded on The OTCQB® Market (OTCQB: WINT). Immediately before the Merger Closing, approximately 74.80% of the entire issued shares of WTI are held by the Group, of which approximately 1.71% is held directly by the Company, 59.21% is held by LPH I and 13.88% is held by LPH II. Upon the Merger Closing but immediately before the Subscription Closing, approximately 54.46% of the entire issued shares of WTI will be held by the Group, of which approximately 0.33% will be held directly by the Company, 39.98% will be held by CCF, 11.46% will be held by LPH I and 2.69% will be held by LPH II. Upon the Subscription Closing and the allotment of 114,415 shares of common stock of WTI for the settlement of a placement fee of approximately US$421,000 payable by WTI to a placing agent under the Securities Purchase Agreement, approximately 39.90% of the entire issued shares of WTI will be held by the Group, of which approximately 0.21% will be held directly by the Company, 25.14% will be held by CCF, 7.21% will be held by LPH I and 7.34% will be held by LPH II.

LPH I is a non-wholly-owned subsidiary of the Company and was incorporated in the Cayman Islands, and is currently carrying on the business of investment holding.

LPH II is a wholly-owned subsidiary of the Company and was incorporated in the Cayman Islands, and is currently carrying on the business of investment holding.

CCF is a wholly-owned subsidiary of the Company and was incorporated in the British Virgin Islands, and is currently carrying on the business of investment holding.

Merger Sub was incorporated in the Cayman Islands as an exempted company with limited liability on 22 November 2018, and was formed to effect the Merger. Immediately before the Merger Closing, Merger Sub is a wholly-owned subsidiary of WTI.

The unaudited consolidated total assets value and the net liabilities of WTI and the Merger Sub as at 30 November 2018 are approximately US$1,654,000 and US$33,463,000 respectively.

The audited consolidated financial information of WTI and the Merger Sub for the year ended 31 December 2016 and 31 December 2017 are as follows:

	Year ended 31 December 2016	**Year ended 31 December 2017**
Net loss before taxation	US$39,490,000	US$18,446,000
Net loss after taxation	US$39,490,000	US$18,446,000

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under the Listing Rules for each of the Acquisition and the Deemed Disposals is more than 5% but less than 25%, each of the Acquisition and the Deemed Disposals constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the following meaning:

"Acquisition"	the acquisition of approximately 50.42% equity interest of the Target Company by way of the Merger
"Agreed Value"	US$67,500,000 representing the value of the Target Group as agreed between the parties to the Merger Agreement after arm's length negotiations between the parties to the Merger Agreement on normal commercial terms
"Board"	board of Directors
"Cayman Companies Law"	the Cayman Islands Companies Law (2018 Revision as amended from time to time)

"CCF"	China Cardiovascular Focus Limited, a company with limited liability incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company
"Company"	Lee's Pharmaceutical Holdings Limited, a company incorporated in the Cayman Islands with limited liability with its issued shares listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"Conversion"	the conversions that take place upon the Merger Closing and as defined in the paragraph "Subject matter" under the section headed "Acquisition" above
"Conversion Shares"	common stock of WTI to be received by the Company (through CCF) and Other Shareholders as a result of the Conversion
"Deemed Disposals"	First Deemed Disposal and Second Deemed Disposal
"Director(s)"	director(s) of the Company
"Exchange Ratio"	0.3512 (rounded up to the nearest 3 decimal places), which is calculated by the following formula:

$$\frac{(A/C)}{B}$$

where,

A shall mean the Agreed Value

B shall mean the market closing price of WTI as at 20 December 2018 (i.e. US$4.15 per common stock of WTI)

C shall mean the total number of ordinary shares issued by the Target Company immediately prior to the Merger Closing (i.e. 46,306,968 shares of the Target Company)

"First Deemed Disposal"	the deemed disposal of approximately 20.34% equity interest in WTI by the Group as a result of the Conversion pursuant to the terms of the Merger Agreement
"Group"	the Company and its subsidiaries

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party" or "Independent Third Parties"	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons
"Investor A"	A company which is an Independent Third Party
"Investor B"	A company which is an Independent Third Party
"Investor C"	A company which is an Independent Third Party
"Investor D"	A company which is an Independent Third Party
"Investor E"	A company which is an Independent Third Party
"Investor F"	A company which is an Independent Third Party
"Investors"	Investor A, Investor B, Investor C, Investor D, Investor E, Investor F and LPH II
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"LPH I"	LPH Investments Limited, a company with limited liability incorporated under the laws of Cayman Islands and a non-wholly-owned subsidiary of the Company
"LPH II"	LPH II Investments Limited, a company with limited liability incorporated under the laws of Cayman Islands and a wholly-owned subsidiary of the Company
"Merger"	the merger of Merger Sub with the Target Company, with the Target Company as the sole surviving entity immediately after the merger pursuant to the terms of the Merger Agreement

"Merger Agreement"	the agreement and plan of merger dated 21 December 2018 entered into between WTI, the Merger Sub and the Target Company in relation to the Merger
"Merger Closing"	completion of the Merger
"Merger Closing Date"	the date on which the Merger Closing shall take place
"Merger Sub"	WT Acquisition Corp., an exempted company with limited liability incorporated under the laws of the Cayman Islands
"Other Investors"	Investor A, Investor B, Investor C, Investor D and Investor F
"Other Shareholders"	shareholders of the Target Company, apart from CCF
"PRC"	People's Republic of China, and for the purpose of this announcement shall not include Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Second Deemed Disposal"	the deemed disposal of approximately 14.56% equity interest in WTI by the Group as a result of the Subscription pursuant to the terms of the Securities Purchase Agreement
"Securities Purchase Agreement"	the securities purchase agreement dated 21 December 2018 and entered into between WTI and the Investors in relation to the Subscription, together with the confirmation letters as respectively issued by WTI to each of the Investors which set out the number of the Subscription Shares to be issued to each of the Investors pursuant to the Securities Purchase Agreement
"Series F Warrant"	the 18-month warrant to purchase 0.17 share of common stock of WTI at a specified exercise price as prescribed under the Securities Purchase Agreement
"Series G Warrant"	the five-year warrant to purchase 0.33 share of common stock of WTI at a specified exercise price as prescribed under the Securities Purchase Agreement
"Shareholders"	holders of the Shares
"Shares"	ordinary share(s) of nominal value of HK$0.05 each in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subscription"	the subscription of the Subscription Shares by the Investors in accordance with the Securities Purchase Agreement
"Subscription Closing"	completion of the Subscription
"Subscription Closing Date"	the date on which the Subscription Closing takes place
"Subscription Price"	the aggregate sum of approximately US$39,048,000 for all the Subscription Shares
"Subscription Shares"	11,785,540 new shares of the common stock of WTI to be issued to the Investors pursuant to the Securities Purchase Agreement
"subsidiary" or "subsidiaries"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Taiwan Subsidiary"	CVie Therapeutics Limited, a Taiwan corporation organised under the laws of the Republic of China which is a wholly-owned subsidiary of the Target Company
"Target Company"	CVie Investments Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands
"Target Group"	Target Company and Taiwan Subsidiary
"WTI"	Windtree Therapeutics, Inc., a Delaware corporation incorporated in the United States of America which is a subsidiary of the Company before and after the Acquisition but will cease to be a subsidiary of the Company upon and after the Subscription Closing
"WTI Group"	WTI and the Target Group
"US$"	United States dollars, the lawful currency of the United States of America
"U.S. Securities Act"	the Securities Act of 1933, as amended, of the United States of America

"Warrants"	the Series F Warrant and Series G Warrant
"%"	per cent

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

Hong Kong, 23 December 2018

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.

* *For identification purpose only*