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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 – 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.

The Board of the Company is pleased to announce that on the 19 October 2020, Zhaoke (HK) Ophthalmology Pharmaceutical Limited (“**ZKO**”), an associated company of the Group, and Nevakar, Inc. (“**Nevakar**”), a US-based biopharmaceutical company developing multiple innovative medications in the ophthalmic and hospital injectable areas, entered into an exclusive licensing agreement (“**Agreement**”) for the development, manufacture and commercialisation of NVK-002, a novel topical eye treatment for slowing the progression of myopia in children, in China, Hong Kong, Macau, Taiwan, South Korea and other countries of Southeast Asian territories (the “**Territory**”).

At present, about 1.406 billion people have myopia (representing for 22.9% of the world’s population), and by 2050 there will be 4.758 billion people with myopia (representing 49.8% of the world population). Myopia has often been described as a Chinese or Asian problem. There is an epidemic of myopia in East and Southeast Asia, with the prevalence of myopia in young adults around 80–90%. Statistics from a report release from the National Health Commission in 2018 show the prevalence of myopia in children and adolescents was 53.6% in China in 2018. Among them, 14.5% are 6 years old children, 36.0% are primary school students, 71.6% are junior high school students, and 81.0% are high school students. And the prevalence of high myopia among adolescents in China ranges from 6.69% to 38.4%. For myopic children, progression is fast, and controlling myopia progression is important to prevent high myopia later in life. The cause of myopia is due to genetic and environmental factors. Genetic factors may impose a level of baseline risk of myopia. Environmental factors, such as, greater use of computers and handheld devices, less exposure to sunlight and high-pressure educational programs have played a major causal role in the emergence of the myopia epidemics.

* 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 clinical trial study (“**Childhood Atropine for Myopia Progression**” or “**CHAMP**” study) in the US and Europe. The aim of such CHAMP study is to evaluate the ability of NVK-002 to slow the progression of myopia in children patients aged 3 to 17 years and to demonstrate the safety and efficacy of low doses of atropine by showing that low-dose atropine could slow the progression of myopia in children. The study duration is 3 years, with an additional re-randomization for a 4th year of follow-up. 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

ZKO is a wholly owned subsidiary of Zhaoke Ophthalmology Limited (formerly known as China Ophthalmology Focus Limited, or “**Zhaoke Ophthalmology**”), which is an associated company of the Group. ZKO mainly focuses on licensing potential ophthalmology products from the rest of the world and introduce them as accessible and affordable therapies to patients suffering from ophthalmic diseases in China.

Zhaoke Ophthalmology finished its Series A fund raising of USD50 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. Zhaoke Ophthalmology 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. Its 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. 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).

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

Hong Kong, 20 October 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.