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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)**

### **POSITIVE PROFIT ALERT**

This announcement is made by Lee's Pharmaceutical Holdings Limited (the "**Company**"), together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that, based on the preliminary assessment of the Group's unaudited financial information currently available, it is anticipated that the unaudited net profit attributable to the Shareholders for the six months ended 30 June 2021 will increase by about 20 times as compared to that of for the six months ended 30 June 2020.

The Board considers that the increase in net profit attributable to the Shareholders for the six months ended 30 June 2021 was primarily attributable to the combined effect of the following factors:

- (i) an increase in revenue by approximately 4.9%;
- (ii) a one-time gain of approximately HK\$2.3 billion attributable to the derecognition of the investment in Zhaoke Ophthalmology Limited ("**ZKO**") as an associate of the Company immediately after the listing of ZKO on 29 April 2021;
- (iii) the absence of one-time compensation income of HK\$41.2 million from the early termination of the product license of Zanicidip<sup>®</sup> recorded in the same period last year;
- (iv) an increase of approximately HK\$37.7 million in the research and development costs recognised as expenses as compared to that for the same period last year for rapid advancement of the drug development pipeline in the first half of 2021;

\* For identification purpose only

- (v) a one-time loss of approximately HK\$40.2 million attributable to the estimated impairment of an intangible asset, being the licensing fee and development cost previously capitalised for a launched oral antihypertensive product, namely Rasilez®; and
- (vi) an aggregate one-time loss of approximately HK\$190.1 million attributable to the estimated impairment of intangible assets due to the postponement or termination of certain drug development programs following the Group's decision to re-examine its in-licensed drug portfolio, to adjust its new drug development strategy, and to streamline its research and development activities to support efficient allocation of resources for its drug development pipeline in order to cope with the recent healthcare system reforms in Mainland China.

The Company is still in the process of finalising the results for the six months ended 30 June 2021. The information contained herein is only a preliminary assessment by the Board based on information currently available including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021, which have not been confirmed, reviewed or audited by the auditors of the Company, and is neither constitutes a forecast of subsequent quarters nor an indication of the annual financial performance of the Group for the financial year 2021. The financial information of the Group for subsequent quarters will be subject to, among other things, the business performance of the Group by then.

The interim results announcement of the Company for the six months ended 30 June 2021 is expected to be published by the end of August 2021 in full compliance with the requirements under the Listing Rules.

**Shareholders and potential investors are advised to exercise cautions when dealing in the shares of the Company.**

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

Hong Kong, 13 August 2021

*As at the date of this announcement, Ms. Lee Siu Fong (Chairman) and Ms. Leelalertsuphakun Wanee are executive directors of the Company, Dr. Li Xiaoyi 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.*