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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)**

### **PROFIT WARNING**

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, the Group is expected to record an unaudited net profit attributable to the Shareholders of between HK\$110 million and HK\$130 million for the year ended 31 December 2019, representing a decrease of approximately 69% to 74%, as compared with approximately HK\$418.3 million recorded for the year ended 31 December 2018.

Based on information currently available, the Board is of the view that the decrease in the profit attributable to equity holders of the Company for the year ended 31 December 2019 is mainly due to, among other things: (i) a non-recurring loss of approximately HK\$108.6 million has been recognised in the first half of 2019 by China Oncology Focus Limited, a 65%-owned subsidiary of the Group, due to the impairment of its intangible asset after the discontinuation of the clinical trial of the PHOCUS study, a Phase III clinical trial evaluating the oncolytic immunotherapy Pexa-Vec (formerly JX-594) for advanced liver cancer; and (ii) the gain of approximately HK\$214.2 million recognised from the deemed disposal of interests in the then Taiwan-based associate of the Group in December 2018 was an one-off item and no similar gain was recurred in 2019.

Since the COVID-19 outbreak in January 2020, a number of provinces and municipalities in the Peoples' Republic of China (the "**PRC**") have adopted emergency public health measures and various actions to control the spread of the virus, and the Group's business operations in mainland China have been affected to a certain extent. The implementation of mandatory

\* For identification purposes only

quarantine measures has limited personnel movements between the Group's manufacturing sites and offices, and this has also reduced the number of non-urgent health care services including surgery and antenatal checkup, which in turn slows the demand for the respective drugs. Meanwhile, the demand for chronic disease medications remains intact. In light of the epidemic situation, the Group's financial position remains solid and will continue to monitor the further development of the epidemic and market conditions as well as the risks and uncertainties faced by the Group as a result.

As of today, there have been no confirmed cases of COVID-19 within the Group's workforce in mainland China, Hong Kong and Taiwan. The Group will continue to implement comprehensive and stringent prevention and control measures strictly to ensure that the Group's employees can work in a safe and healthy environment.

The Company is still in the process of finalising the results for the year ended 31 December 2019. The information contained in this announcement is only a preliminary assessment by the Board based on information currently available including the unaudited consolidated management accounts of the Group for the year ended 31 December 2019, which have not been confirmed, reviewed or audited by the auditors of the Company.

Further information and other details of the Group's financial results for the year ended 31 December 2019 will be disclosed in the forthcoming annual results announcement of the Company, which is expected to be published on 26 March 2020.

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

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

Hong Kong, 16 March 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.*