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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF ASSETS

THE ASSET PURCHASE AGREEMENT

The Board is pleased to announce that on 8 December 2025 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Company, the Seller and the Seller's Parent entered into the Asset Purchase Agreement, pursuant to which the Purchaser agreed to acquire and the Seller agreed to sell the Purchased Assets relating to the Alexza Business at a consideration of US\$15,000,000 (equivalent to approximately HK\$117,000,000).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Asset Purchase Agreement and the transactions contemplated therein exceeds 5% but is less than 25%, the transaction constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

ACQUISITION OF ASSETS

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* For identification purposes only

THE ASSET PURCHASE AGREEMENT

- Date : 8 December 2025.
- Parties : (1) the Purchaser (an indirect wholly-owned subsidiary of the Company), as the purchaser;
- (2) the Company, as guarantor to guarantee the payment and performance of all obligations of the Purchaser under the Asset Purchase Agreement;
- (3) the Seller (an indirect wholly-owned subsidiary of the Seller's Parent), as the seller; and
- (4) the Seller's Parent, as guarantor to guarantee the payment and performance of all obligations of the Seller under the Asset Purchase Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller, the Seller's Parent and their respective ultimate beneficial owners are Independent Third Parties.

Principal Terms

- Assets to be Acquired : Pursuant to the Asset Purchase Agreement, the Purchaser agreed to acquire and the Seller agreed to sell the Purchased Assets, which comprise the assets owned, held or used by the Seller related to the Alexza Business. The Purchased Assets include:
- (a) the intellectual property rights relating to the Alexza Business, including patent rights, know-how, trademarks, copyrights (whether registered or unregistered) to the extent owned or controlled by the Seller prior to Closing, and related registrations, applications and renewals;
- (b) the inventories of active pharmaceutical ingredients and product components relating to and intended for use in the Products;
- (c) rights and obligations of the Seller under the Transferred Contracts;
- (d) the equipment and machinery, infrastructure and supplies used by the Seller in exploiting the Products;

- (e) the regulatory, scientific or technical documents, data or other books and records for any Products or the exploitation thereof, including INDs and NDAs, to the extent owned or controlled by the Seller before Closing; and
- (f) all permits used or held for use by the Seller in the development, manufacturing, commercialisation and exploitation of the Products.

Pursuant to the acquisition of the Purchased Assets, the Purchaser shall assume the liabilities and obligations relating to the Purchased Assets arising after the Closing, such as:

- (a) performance of the obligations under the Transferred Contracts after Closing;
- (b) the liabilities relating to the purchased inventories after Closing; and
- (c) other liabilities directly attributable to the operation of the Alexza Business after Closing.

The Purchased Assets shall exclude (i) certain other assets owned by the Seller, such as certain cash, non-business related assets and rights not pertaining to the Alexza Business; and (ii) other retained liabilities, such as pre-Closing obligations and certain taxes.

Consideration : The consideration for the Purchased Assets is US\$15,000,000 (equivalent to approximately HK\$117,000,000) payable in cash in the following manner:

- (a) US\$5,000,000 at Closing;
- (b) US\$5,000,000 on 1 February 2026; and
- (c) US\$5,000,000 on 1 June 2026.

The consideration and payment terms were determined and arrived at after arm's length negotiations between the parties, taking into account the book value of the Purchased Assets, the strategic value of the Alexza Business and to ensure the smooth transition of the Alexza Business. The consideration will be funded by internal resources of the Company and payments will be made by wire transfer in accordance with the terms of the Asset Purchase Agreement.

Guaranteed obligations : The Company shall act as guarantor to guarantee the payment and performance of all obligations of the Purchaser under the Asset Purchase Agreement with liability capped at US\$20,000,000 (equivalent to approximately HK\$156,000,000).

The Seller's Parent shall act as guarantor to guarantee the payment and performance of all obligations of the Seller under the Asset Purchase Agreement with liability capped at US\$20,000,000 (equivalent to approximately HK\$156,000,000).

Conditions Precedent : Closing is subject to the satisfaction of certain conditions precedent, including:

- (a) execution of the Novation Agreement which provides for the assignment of the rights and obligations of the Seller under the UCB Licence Agreement and the Manufacturing and Supply Agreement to the Purchaser, and the Novation Agreement for the other Transferred Contracts (if applicable);
- (b) all critical third-party consents, approvals and waivers for the transactions contemplated in the Asset Purchase Agreement shall have been obtained;
- (c) the liens, other than as expressly permitted, relating to certain Purchased Assets shall have been released in full;
- (d) the applications and notifications required under applicable law for the transfer of critical permits for the development, manufacturing, commercialisation and exploitation of the Products have been properly filed, and no governmental authority shall have required a cessation of operations pending post-Closing processing;

- (e) the execution of the Ancillary Agreements to effect the assignment and transfer of the Purchased Assets and matters ancillary thereto;
- (f) the Purchaser shall have received from the California Department of Public Health that the Purchaser shall be able to continue manufacturing and supply operations at the existing facility in Fremont, California post-Closing while pending the drug manufacturer license to the Purchaser, or a notice that an audit or inspection is scheduled at the existing facility in connection with the Purchaser's drug manufacturer licence application; and
- (g) the Seller's and the Purchaser's representations and warranties remaining true and correct in all material respects.

Ancillary real estate matters : Subject to Closing taking place, the Seller shall assign by way of a short term sub-lease to the Purchaser the right to use the existing facility in Fremont, California where the Alexza Business is currently operated, such that the Purchaser may continue the manufacturing and supply operations at the existing facility. The short term sub-lease will commence on the date of Closing and continue until no later than 30 June 2026.

Upon the expiration or termination of the short term sub-lease, the Purchaser shall enter into a lease with the landlord of the existing facility in Fremont, California, subject to compliance with the Listing Rules.

In the event that the Purchaser do not maintain the existing facility in Fremont, California in the future (including for reasons caused by the decision to discontinue development of STAP Product), the parties will cooperate to either terminate the lease or sublet the lease to a third party, and the Purchaser will share half of the costs associated with or arising from such termination or sublet with the Seller's Parent up to an amount not exceeding US\$3,400,000 (equivalent to approximately HK\$26,520,000).

- Closing : Subject to the fulfilment of the conditions precedent set out in the Asset Purchase Agreement, Closing shall take place on the second business day following the satisfaction or waiver of all the conditions precedent, or at such other time as agreed in writing by the parties.
- Termination : The Asset Purchase Agreement may be terminated by:
- (a) mutual written consent;
 - (b) either party if Closing has not occurred on or before 21 January 2026, provided that the right to terminate shall not be available to a party if a material breach by such party has resulted in the failure of Closing to occur;
 - (c) either party if any governmental authority has enacted any order or law that otherwise prohibits the consummation of the transactions contemplated under the Asset Purchase Agreement; or
 - (d) either party if any conditions precedent to Closing is not satisfied and is not reasonably capable of being satisfied (or not cured) prior to 21 January 2026, provided that the right to terminate shall not be available to a party whose breach was a material cause of the failure of such condition to be satisfied.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the development, manufacturing and commercialisation of pharmaceutical products in the PRC and internationally. The acquisition of the Purchased Assets aligns with the Group's strategy to expand its portfolio in innovative drug delivery technologies with wide spectrum of indications through Staccato® Platform, and to align with the Company's global expansion strategy. The acquisition of the Purchased Assets would bring value to the Company and its Shareholders, the investment highlights include:

- (a) Staccato® One Breath Technology®, a proprietary platform technology with broad therapeutic potential:
 - (i) **Validated technology platform** – Staccato® One Breath Technology® is a proven inhalation technology, supported by both an approved product (Adasuve®) and late-stage development programs such as Staccato® alprazolam and Staccato® based medicine for cancer-related breakthrough pain; and

- (ii) **Strengthening the Company's aerosolised inhalation technology capabilities** – The Company gains full ownership of the Staccato[®] One Breath Technology[®] platform (including intellectual property, know-how, and product pipeline), thereby enhancing its aerosolised drug delivery capabilities and supporting future innovation.
- (b) Complementary and synergistic to the Company's existing products pipeline:
 - (i) **Pipeline expansion and opening new commercial opportunities** – The Company is advancing Staccato[®] based medicine for cancer-related breakthrough pain and commercialising Adasuve[®] for acute agitation in adult schizophrenia or bipolar I disorder across Greater China. Following the acquisition of the Purchased Assets, the Company will become licensor of additional Staccato[®] products (including two pipeline products in the central nervous system (CNS) disease field for the treatment of Parkinson's disease and Cyclic Vomiting Syndrome (CVS) at Phase 2 clinical stage development and other supported by proof-of-concept studies) will be added to the Company's portfolio, strengthening the R&D pipeline and unlocking new commercial opportunities; and
 - (ii) **Elimination of future licensing payment obligation** – The Company will no longer be liable for any future licensing payments related to Staccato[®] based medicine for cancer-related breakthrough pain and Adasuve[®] upon the Closing, thus unlocking additional cost savings and enhancing overall deal synergies.
- (c) Establishment of worldwide licensing and manufacturing supply agreement with UCB, a global biopharmaceutical leader in epilepsy therapeutics. This marks a significant milestone in the Company's global expansion strategy:
 - (i) **Late-stage development of Staccato[®] alprazolam by UCB** – Staccato[®] alprazolam, under UCB's global development and commercialisation rights, is being studied in an Ongoing Phase 3 STAP Clinical Trial reinforcing the Staccato[®] One Breath Technology[®] platform's clinical maturity and commercial potential; and
 - (ii) **Future licensing and manufacturing income streams with potential milestone payments and royalty income** – Subject to satisfying certain development, regulatory and sales milestones, the Purchaser could receive the milestone payment totaling up to US\$60.50 million (equivalent to approximately HK\$471.90 million) in cash, and is eligible to receive tiered royalties on the net sales of Staccato[®] alprazolam worldwide, in addition to the manufacturing revenues generated from the supply of Staccato[®] alprazolam worldwide.

The Directors (including the independent non-executive Directors) consider that the terms of the Asset Purchase Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PURCHASED ASSETS

The Purchased Assets comprise all assets, properties, equipment and machinery, materials (including work in progress), patents and other intellectual property, technology know-how, rights and the Transferred Contracts relating to the Alexza Business.

Set out below are the book values of the Purchased Assets as at 31 December 2023 and 31 December 2024 that have been extracted from the audited financial statements of the Seller:

	As at 31 December 2023 <i>(US\$'000)</i>	As at 31 December 2024 <i>(US\$'000)</i>
Book value	62,862	58,668

The Purchased Assets are pre-revenue and remain under clinical development. Accordingly, historical financial information (including net profit/loss) is not applicable as it would not be representative of, nor reflective of, the projected income and profitability of the Purchased Assets.

Subsequent to Closing, the Group expects to maintain ongoing business relationship with the Seller during the transition period, subject to compliance with the Listing Rules. The Company will make further disclosures as and when appropriate under the Listing Rules.

INFORMATION ON THE COMPANY AND THE PURCHASER

The Company is a research-driven and market-oriented biopharmaceutical company with over 30 years' experience in the pharmaceutical industry in China. The Company is fully integrated with solid infrastructures in drug development, clinical development, regulatory, manufacturing, sales and marketing based in Mainland China with global perspectives. The Company has established extensive partnerships with around 30 international companies and currently markets over 25 proprietary, generic and licensed-in pharmaceutical products in Mainland China, Hong Kong, Macau and Taiwan. The Company focuses on several key therapeutic areas such as cardiovascular health, woman's health, paediatrics, rare diseases, oncology, dermatology and obstetrics. It maintains a strong and carefully curated project pipeline under different development stages stemming from both internal research and development as well as from the licensing of development, commercialisation, and manufacturing rights from various United States, European and Japanese companies. More information available at www.leespharm.com.

The Purchaser is an indirect wholly-owned subsidiary of the Company and is a Delaware corporation. Prior to the entering into of the Asset Purchase Agreement, the Purchaser has not commenced any business and do not hold any assets. Upon Closing, the Purchaser will own the Purchased Assets and shall operate the Alexza Business as a successor of the Seller.

INFORMATION ON THE SELLER AND THE SELLER’S PARENT

The Seller is a pharmaceutical company with its headquarter based in Fremont, California of the United States of America. It is incorporated in the State of Delaware and an indirect wholly-owned subsidiary of Seller’s Parent. The Seller is focused on the research and development of novel, proprietary products for the acute treatment of underserved medical needs, in the therapeutic areas of CNS and neurodegenerative disorders. As at the date of this announcement and prior to Closing, the Seller is engaged in the Alexza Business.

The Seller’s Parent is a pharmaceutical company and a Spanish Sociedad Anónima. It is principally engaged in pharmaceutical operations and wholly owns the Seller. The Seller’s Parent is ultimately owned by Sergi Ferrer-Salat.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Asset Purchase Agreement and the transactions contemplated therein exceeds 5% but is less than 25%, the transaction constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that Closing is subject to the satisfaction of the conditions precedent. Therefore, the transactions contemplated in the Asset Purchase Agreement may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Alexza Business”	the business of developing (directly or through third party licensees), manufacturing, and commercialising the Products by the Seller prior to Closing
“Ancillary Agreements”	the ancillary agreements to be entered into primarily between the Seller and the Purchaser at Closing to effect the assignment or transfer of the Purchased Assets
“Asset Purchase Agreement”	the asset purchase agreement dated 8 December 2025 entered into among the Purchaser, the Company, the Seller and the Seller’s Parent in respect of the acquisition of the Purchased Assets and assumption of certain liabilities
“Board”	the board of Directors of the Company

“Closing”	completion of the transactions contemplated under the Asset Purchase Agreement
“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(s)”	has the meaning as ascribed under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IND”	in relation to U.S. Food and Drug Administration regulatory processes, Investigational New Drug Application, being a request for authorisation to conduct human clinical trials of an investigational drug
“Independent Third Party(ies)”	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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manufacturing and Supply Agreement”	means the Manufacturing and Supply Agreement dated 4 June 2020 entered into between UCB Pharma SA (as successor to Engage Therapeutics, Inc.) and the Seller in relation to manufacturing and supply obligations for Staccato® alprazolam
“NDA”	in relation to U.S. Food and Drug Administration regulatory processes, New Drug Application, being a comprehensive submission requesting approval to market and sell a new drug in the United States based on safety and efficacy data

“Novation Agreement”	the novation agreements to be entered into to effect the assignment and transfer of the rights and obligations of the Seller under UCB Licence Agreement and the Manufacturing and Supply Agreement to the Purchaser, and the novation agreement for the other Transferred Contracts
“Ongoing Phase 3 STAP Clinical Trial”	certain “Study to Test the Efficacy and Safety of Staccato [®] alprazolam in Study Participants 12 Years of Age and Older With Stereotypical Prolonged Seizures” (EP0162), sponsored by UCB
“Products”	a Staccato [®] alprazolam product and other Staccato [®] Product(s)
“Purchased Assets”	all assets owned, held or used by the Seller in connection with the Alexza Business immediately before the Closing, other than certain excluded assets
“Purchaser”	Nova Pneuma Incorporated, a Delaware corporation incorporated on 24 September 2025 and an indirect wholly-owned subsidiary of the Company
“Seller”	Alexza Pharmaceuticals, Inc., a Delaware corporation
“Seller’s Parent”	Grupo Ferrer International, S.A., a Spanish Sociedad Anónima and the sole shareholder of the Seller
“Shareholders”	holder(s) of the shares of the Company
“Staccato [®] Platform”	the Seller’s proprietary technology for the vaporisation of a pharmaceutical composition via rapid-heating to form a condensation aerosol that allows rapid systemic drug delivery to humans through deep lung inhalation, including any improvement thereof
“Staccato [®] Product(s)”	the Products utilising the Staccato [®] Platform
“STAP” or “Staccato [®] alprazolam”	Staccato [®] alprazolam, a product undergoing Ongoing Phase 3 STAP Clinical Trial
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transferred Contracts”	all contracts which Alexza is a party to immediately before Closing and relating to the Purchased Assets, including the agreements relating to the license, manufacturing and supply of the Products such as the UCB Licence Agreement, the Manufacturing and Supply Agreement, which rights and obligations of Alexza thereunder will be assigned to the Purchaser as part of the assignment and transfer of the Purchased Assets
“UCB”	UCB Biopharma SRL, a company incorporated in Belgium, or any of its affiliates
“UCB License Agreement”	the amended and restated license agreement dated 4 June 2020 and entered into between the Seller and UCB in respect of certain rights and licenses to develop and commercialise Staccato® alprazolam
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 9 December 2025

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, Mr. James Charles Gale and Mr. Huang Zuie-Chin are non-executive directors of the Company, Dr. Chan Yau Ching, Bob, Ms. Cheang Yee Wah, Eva and Dr. Tsim Wah Keung, Karl are independent non-executive directors of the Company.

In this announcement, US\$ has been converted to HK\$ at the rate of approximately US\$1 = HK\$7.80 for illustrative purpose only. No representation is made that any amounts in US\$ or HK\$ have been, could have been, or could be converted at the above rate or at any other rates or at all.