DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED
東瑞製葯(控股)有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2348)

UPDATE ON JOINT VENTURE COMPANY AND SUPPLEMENTAL AGREEMENT TO JV AGREEMENT

Reference is made to the announcements ("Announcements") of Dawnrays Pharmaceutical (Holdings) Limited (the "Company") dated 14 December 2016 and 16 March 2017 in relation to formation of the joint venture company, namely 康融東方(廣東)醫藥有限公司 (AD Pharmaceuticals Co., Ltd.) ("AD Pharmaceuticals"), between Dawnrays Biotechnology Capital (Asia) Limited ("Dawnrays Biotech"), a wholly-owned subsidiary of the Company, and 中山康方生物醫藥有限公司 (Akeso Biopharma Inc.)("Akeso Biopharma"), pursuant to the JV Agreement dated 14 December 2016. Terms defined in the Announcements shall have the same meanings when used herein unless the context requires otherwise.

AD Pharmaceuticals, a joint venture company owned as to 35% by the Group and 65% by Akeso Biopharma **(**a wholly-owned subsidiary of Akeso, Inc., a clinical-stage biopharmaceutical company committed to in-house discovery, development and commercialization of first-in-class and best-in-class therapies and whose shares are listed on the Stock Exchange (stock code: 9926)**)**, is primarily engaged in the development of Ebronucimab (AK102) **(**a monoclonal antibody drug for the treatment of acquired and inherited hyperlipidemias, including Homozygous Familial Hypercholesterolemia ("HoFH"), Heterozygous Familial Hypercholeslerolemia ("HeFH") and hypercholesterolemias patients with Atherosclerotic Cardiovascular Disease , which is in phase II clinical trial**)** and AK109 (a new all-human VEGFR-2 monoclonal antibody, developed by AD Pharmaceuticals). The Company has been informed by AD Pharmaceuticals that the first patient of final stage of cancer has been successfully dosed with AK109 in arising Phase I of clinical trial of dosage in China.

**for identification purpose*

On 24 June 2020, Dawnrays Biotech and Akeso Biopharma entered into a supplemental agreement ("Supplemental JV Agreement") to the JV Agreement to amend the timeframe for the payment of the balance of capital contribution of RMB40 million to AD Pharmaceuticals to 24 June 2020 (as opposed to 28 days after Phase II clinical trials of AK102 or AK109 pursuant to the JV Agreement and obtaining all approvals and permits from the relevant authorities and the hospital for the commencement of the Phase III clinical trials with respect to that project stipulated in the original JV Agreement). Under the Supplemental JV Agreement, Akeso Biopharma and AD Pharmaceuticals undertake to complete Phase II clinical trials of either the AK102 Project or the AK 109 Project. Save as the changes mentioned above, the other terms of the JV Agreement remains unchanged.

The terms of the Supplemental JV Agreement was agreed between the parties to the JV Agreement, taking in account the capital requirement of AD Pharmaceuticals in light of the increase in costs of clinical trials and the increase in number of AK102 Phase II clinical trials involved (from one to three cholesterol-related diseases). The Board believes that the entering into of the Supplemental JV Agreement and the bringing forward of the payment date of the RMB40 million capital contribution would facilitate the carrying out the Phase II clinical trials of AK102 with a view to enhancing the value of the Group's investment in AD Pharmaceuticals. In view of the above, the Board is of the view that the terms of the Supplemental JV Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

By Order of the Board of
Dawnrays Pharmaceutical (Holdings) Limited
Li Kei Ling
Chairman

Hong Kong, 24 June 2020

As at the date of this announcement, the Board of the Company comprises three executive directors, namely Ms. Li Kei Ling, Mr. Hung Yung Lai and Mr. Chen Shaojun; one non-executive director, namely Mr. Leung Hong Man; three independent non-executive directors, namely Mr. Lo Tung Sing Tony, Mr. Ede, Ronald Hao Xi and Ms. Lam Ming Yee Joan.