



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

11 January 2021

ANNOUNCEMENT

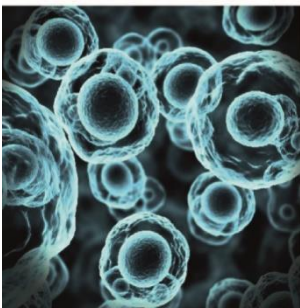


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OPERATIONS UPDATE ON FORTACIN™



The directors (the “**Directors**” or the “**Board**”) of Regent Pacific Group Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) wish to inform the shareholders of the Company and potential investors of the following update in respect of its operations in relation Fortacin™.



Further to the last operation update issued by the Company on 4 January 2021, the Directors are pleased to report key findings from a leading global third-party marketing consultant that the Group engaged to assess the United States (“**US**”) payer’s willingness to cover Fortacin™ and the level of price sensitivity for coverage. Further, the marketing consultant was engaged to explore similarities and differences in approaches by insurance plan types (i.e. commercial insurance, Medicare Part D, which are administered by private US insurance companies) so that by understanding the possible approaches and the execution risks the Group will be able to make informed decisions on its approach to “out licensing” the rights to Fortacin™ to potential US commercial strategic partners.



The marketing consultant conducted in-depth telephone interviews with payers who cover erectile dysfunction (“ED”) drugs on formulary and payers who cover ED drugs through a rider (a rider is an insurance policy provision that adds benefits to or amends the terms of a basic insurance policy such as additional coverage. Riders come at an extra cost, on top of the premiums an insured party pays).

The summary of the key findings of the third-party’s marketing research is as follows: -

- Payers see Fortacin™ as a novel product, with good efficacy and expect there will be employer-based group demand for coverage.
- It would appear that an acceptable entry price level (being the list price for Fortacin™ to wholesalers or direct purchasers in the US not including prompt pay, or other discounts, rebates or reductions in price) for the US market is more than US\$144 per 12 dose can/unit, exceeding the Group’s expectation on price (which is approximately 4 times the current price for a 12 dose can in Europe and the United Kingdom, as well as being approximately 1.5 times the expected and currently modelled price by Wanbang Pharmaceutical Marketing and Distribution Co., Ltd., the Company’s commercial strategic partner for the People’s Republic of China, that it expects to receive in China). Payers unprompted wholesale acquisition prices of Fortacin™ were US\$144 to US\$500 per month (US\$144 to US\$500 for a 12 dose unit/can of Fortacin™).
- 52.4% of lives (83% of plans) would cover Fortacin™ with or without a rider at all price points.
- Payers kept their type of coverage consistent, such that plans covering ED drugs on formulary said Fortacin™ would be covered the same as the current drugs on formulary versus ED drugs through rider (i.e. Fortacin™ through a rider).

The Group has engaged the third-party marketing consultant to further its recent payer research by building out the US market landscape, price sensitivity and reimbursement expectations for both payer coverage and adding patients’ out-of-pocket expenses (or copay) sensitivity. Based on the marketing consultant’s findings, it will provide further recommendations on pricing, reimbursement and market access expectations. It is expected that the recommendations will be available to the Group by May 2021 and assist with our negotiations with potential US commercial strategic partners.

Jamie Gibson, Chief Executive Officer of Regent Pacific, said, “These initial key findings show the willingness of US payers to cover Fortacin™ and the higher than expected wholesale acquisition prices they are prepared to pay for this product represent an encouraging step forward in the commercialization of Fortacin™ in the US. We are confident that this potential high level of market acceptance in the US will not only facilitate our negotiations with potential commercial strategic partners in the region, but also bodes well for the Group’s plans to expand into its other key remaining markets such as Latin America and the Middle East.”

Despite the difficulties still presented by the COVID-19 pandemic, particularly as it relates to securing face-to-face meetings, the Group’s strategy remains to continue negotiations with potential commercial strategic partners for the US market, while we complete the submission of the study to the US Food and Drug Administration, with the aim of securing a partner just ahead of or while we conduct the Phase III trial.

The Group will continue to work closely and diligently with its current and prospective commercial partners and will keep shareholders and potential investors informed of any new developments as and when they occur.

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

Note: Unless otherwise specified herein, the amounts dominated into US\$ have been translated, for the purpose of illustration only, into HK\$ using the exchange rate of US\$1.00 = HK\$7.80.

On Behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Executive Director

Directors of the Company:

James Mellon (*Chairman*)*

Jamie Gibson (*Chief Executive Officer*)

David Comba[#]

Julie Oates[#]

Mark Searle[#]

Jayne Sutcliffe*

* *Non-Executive Directors*

Independent Non-Executive Directors

Hong Kong, 11 January 2021



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