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**HUA MEDICINE**

**華領醫藥**

*(Incorporated in the Cayman Islands with limited liability)*

**(stock code: 2552)**

**VOLUNTARY ANNOUNCEMENT  
BUSINESS UPDATE ON RECEIPT OF MILESTONE PAYMENTS  
UNDER THE COMMERCIALIZATION AGREEMENT  
IN RELATION TO HUATANGNING (華堂寧)**

This is a voluntary announcement made by Hua Medicine (the “**Company**”) to provide its shareholders and potential investors with information in relation to the latest business update of the Company.

Reference is made to (i) the announcement of the Company dated 17 August 2020 in relation to, among other things, the commercialization agreement (the “**Commercialization Agreement**”) entered into between the Company and Bayer Healthcare Company Limited (“**Bayer**”) to commercialize and form a strategic partnership for dorzagliatin, a diabetes treatment, in China; and (ii) the announcement of the Company dated 9 October 2022 in relation to, among other things, the approval of the New Drug Application (NDA) of HuaTangNing (華堂寧) (dorzagliatin tablets, HMS5552) (the “**2022 Announcement**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Company has received milestone payments from Bayer after the achievement of certain milestones relating to the development of HuaTangNing (華堂寧), details of which were disclosed in the 2022 Announcement. On 12 January 2023 and 19 January 2023, the Company received RMB400 million in aggregate upon the grant of approval of HuaTangNing (華堂寧) as monotherapy for drug naïve Type 2 diabetes (T2D) patients, the grant of approval of the use of HuaTangNing (華堂寧) in combination with metformin in metformin tolerated T2D patients in and the achievement of another commercialization milestone.

**Cautionary Statement required by Rule 18A.08(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited:** The Company cannot guarantee that it will be able to develop, or ultimately market, dorzagliatin successfully. Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

By Order of the Board  
**Dr. Li Chen**  
*Chief Executive Officer and Executive Director*

Shanghai, 7th February 2023

*As of the date of this announcement, the Board comprises Dr. Li Chen and Mr. George Chien Cheng Lin as executive Directors; Mr. Robert Taylor Nelsen and Ms. Wei Zhao as non-executive Directors; and Mr. William Robert Keller, Mr. Junling Liu, Mr. Yiu Wa Alec Tsui and Mr. Yiu Leung Andy Cheung as independent non-executive Directors.*