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HUA MEDICINE

華領醫藥

(Incorporated in the Cayman Islands with limited liability)

(stock code: 2552)

BUSINESS UPDATE IN RELATION TO THE COMMERCIALIZATION OF HUATANGNING (华堂宁®)

This announcement is made by Hua Medicine (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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

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 Hua Medicine (Shanghai) Ltd (“**Hua Shanghai**”), a wholly-owned subsidiary of the Company, and Bayer Healthcare Company Limited (“**Bayer**”) to commercialize and form a strategic partnership for dorzagliatin, a diabetes treatment, in China; (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 (华堂宁®) (dorzagliatin tablets, HMS5552); and (iii) the announcement of the Company dated 7 February 2023 in relation to the receipt of milestone payments from Bayer in connection with the approval of HuaTangNing (华堂宁®) as monotherapy for drug naïve Type 2 diabetes (T2D) patients, the grant of approval of the use of HuaTangNing (华堂宁®) in combination with metformin in metformin tolerated T2D patients and the achievement of another commercialization milestone under the Commercialization Agreement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 17 August 2023, Hua Shanghai and Bayer have confirmed the achievement of a certain milestone relating to the development of HuaTangNing (华堂宁®) and the payment of the related milestone payment.

Pursuant to the terms of the Commercialization Agreement, Hua Shanghai is entitled to receive a milestone payment of RMB800 million from Bayer. Both parties would arrange the corresponding payment process according to the Commercialization Agreement.

Cautionary Statement: The Company cannot guarantee that it will be able to develop, or ultimately market, HuaTangNing (华堂宁®) 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
Hua Medicine
Dr. Li Chen
Chief Executive Officer and Executive Director

Shanghai, 18 August 2023

As at the date of this announcement, the Board of Directors 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. Yiu Wa Alec Tsui and Mr. Yiu Leung Andy Cheung as independent non-executive Directors.