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HUA MEDICINE
華領醫藥
(Incorporated in the Cayman Islands with limited liability)
stock code: 2552

VOLUNTARY ANNOUNCEMENT
FIRST COMBINATION STUDY OF DORZAGLIATIN WITH A SGLT-2 INHIBITOR IN THE UNITED STATES

This announcement is made by Hua Medicine the "**Company**" together with its subsidiaries the "**Group**", on a voluntary basis to inform the shareholders of the Company and potential investors about the latest business updates of the Group.

The board of directors of the Company the "**Board**", is pleased to announce dosing of the first patient in a clinical trial of HMS5552 dorzagliatin, in patients with insufficiently controlled Type 2 diabetes with metformin DPP-4 inhibitor or SGLT-2 inhibitor alone or in combination therapy. The trial is a pharmacokinetic PK, and pharmacodynamic PD, study of dorzagliatin in combination with empagliflozin to investigate the PK/PD of each drug alone or in combination. The primary endpoints are pharmacokinetic and pharmacodynamic interaction between dorzagliatin and empagliflozin and safety and tolerability of dorzagliatin with simultaneous administration of empagliflozin. This trial is conducted in the United States.

There are 435 million individuals with T2D globally with a diagnosis rate of 54.2%. Diabetes imposes a large economic burden on the global healthcare system costing US$850 billion globally in 2017. Currently approved diabetes therapies cannot effectively control the progression of diabetics into more advanced stages of the diseases which then leads to the many complications associated with severe diabetes such as loss of vision peripheral neuropathy impaired kidney function cardiovascular disease and stroke.

As disclosed in the annual results announcement of the Company dated March 7 2019 the Company intends to conduct further research and development involving dorzagliatin which will include combination trials involving dorzagliatin in combination with other approved anti-diabetic drugs as set forth in the Company s pipeline. These combination trials involving dorzagliatin as an add-on to empagliflozin are different from fixed dose combination trials of the Company which involve a specific formulation of an approved anti-diabetic drug at a fixed dose plus