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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 announcement is made by Hua Medicine (the **Company**) to provide investors and shareholders of the Company with an update on the business operations of the Company.

Reference is made to (i) the announcement of the Company dated 17 August 2020 relating to, among other things, the commercialization agreement (the **Commercialization Agreement**) entered into between the Company and Bayer Healthcare Company Limited (**Bayer**) for commercialization and a strategic alliance for dorzagliatin, a diabetes treatment, in China; and (ii) the announcement of the Company dated 9 October 2022 relating to, among other things, the approval of the New Drug Application (NDA) for 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 the milestone payment for achievement of certain milestone events 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, for the grant of approval of HuaTangNing (華堂寧) and for the treatment of Type 2 diabetes (T2D) adults, the grant of approval of the use of HuaTangNing (華堂寧) in combination therapy for treatment-naive T2D adults and the achievement of the milestone event.

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 declare, make or pay any dividend. Shareholders and potential investors of the Company are advised to exercise caution when dealing with 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. Gerhard Cheng Li as executive Directors; Mr. Robert Tayloe Nelson and Mr. Wei Zhang as non-executive Directors; and Mr. William Robert Keller, Mr. Jinli Gu, Mr. Yin Wah Alec Tsui and Mr. Ying Long Andy Chan as independent non-executive Directors.