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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 DPP-4 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 Company is pleased to announce dosing of the first patient in a clinical trial of HMS5552 (Dorzagliatin) in patients with insufficiently controlled blood glucose levels 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 sitagliptin to investigate the PK/PD of each drug alone or in combination. This trial is conducted in the United States.

In this open label, sequential, multiple-dose study, patients will receive DPP-4 inhibitor (sitagliptin) alone, DPP-4 inhibitor in combination with dorzagliatin, and dorzagliatin alone, sequentially. The primary endpoints are pharmacokinetic and pharmacodynamic interaction between dorzagliatin and sitagliptin, and safety and tolerability of dorzagliatin with simultaneous administration of sitagliptin.

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 approximately 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 prospectus of the Company dated August 31, 2018 (“**Prospectus**”), 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 sitagliptin 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 dorzagliatin, combined into one formulation. The Company expects the clinical study of dorzagliatin with DPP-4 inhibitor allows the Company to validate the synergy of both mechanisms of action, and take the next step in establishing dorzagliatin as a cornerstone therapy for T2D.

About Dorzagliatin

As stated in the Prospectus, dorzagliatin is a first-in-class glucokinase activator, or GKA, designed to control the progressive degenerative nature of diabetes by restoring glucose homeostasis in Type 2 diabetics. By addressing the defect of the glucose sensor function of glucokinase, or GK, dorzagliatin has the potential to repair the impaired glucose homeostasis state of T2D and serve as a first-line standard of care therapy for the treatment of Type 2 diabetes, or as a cornerstone therapy when taken in combination with currently approved anti-diabetes drugs.

Cautionary Statement required by Rule 18A.05 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited: The Company cannot guarantee that the Company 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*

Hong Kong, February 1, 2019

As of 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 Dr. Lian Yong Chen as non-executive Directors; and Mr. Walter Teh-ming Kwauk, Mr. William Robert Keller, Mr. Junling Liu and Mr. Yiu Wa Alec Tsui as independent non-executive Directors.