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HUA MEDICINE

華領醫藥

(Incorporated in the Cayman Islands with limited liability)

(stock code: 2552)

**BUSINESS UPDATE ON
DIABETES REMISSION OF DORZAGLIATIN
ANNOUNCEMENT OF POTENTIAL INSIDE INFORMATION**

This announcement is made by Hua Medicine (the “**Company**” or “**Hua Medicine**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

On September 26, 2021, the Company announced that at the 6th China BioMed Innovation and Investment Conference in Suzhou, China (the “**CBIIIC**”), Professor Jianhua MA, Director of the Department of Endocrinology, Nanjing First Hospital, Standing Member of the Chinese Diabetes Society, as one of the principal researchers, presented the results from a clinical study called DREAM, which showed that dorzagliatin, a glucokinase activator and a first-in-class investigational drug of Hua Medicine, may make progress in diabetes remission.

The DREAM study is an observational, non-pharmacologic and non-interventional clinical study initiated by certain researchers who had participated in the SEED study (also known as HMM0301). The SEED study is a Phase III registered clinical study of dorzagliatin monotherapy in drug-naïve Type 2 diabetes patients to observe its long-term efficacy and safety. The main objective of the DREAM study is to evaluate the ability of Type 2 diabetes patients who participated in our SEED Study and achieved glycemic control as defined by investigators, to maintain normal to near-normal glucose levels (i.e., remission of Type 2 diabetes), without any glucose-lowering medication after the completion of the SEED study for a minimum follow-up period of 52-weeks.

The DREAM study was conducted in a total of 69 patients in five clinical sites in China. The researchers comprehensively evaluated the subjects and set their individual HbA1c control goals, and the results of the research showed that the subjects had a 52-week diabetes remission rate of 65.2% (95% CI, 53.4%, 77.0%)¹ during the research period.

¹ Calculated using the Kaplan-Meier methodology.

Attached hereto as Appendix 1 is the full text of the press release issued by the Company on September, 26, 2021 China time, announcing the above described business updates.

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 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

Shanghai, September 26, 2021

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.

Appendix 1

Researchers Present Key Research Results on Diabetes Remission of Dorzagliatin

26 September 2021, Shanghai, China

Hua Medicine (the “**Company**”, or “**Hua Medicine**”, SEHK stock code: 2552.HK) today announced that at the 6th China BioMed Innovation and Investment Conference (the “**CBIIC**”), Professor Jianhua MA, Director of the Department of Endocrinology, Nanjing First Hospital, Standing Member of the Chinese Diabetes Society, as one of the principal researchers, presented the results from a clinical study called DREAM, which showed that dorzagliatin, a glucokinase activator and a first-in-class investigational drug of Hua Medicine, may make progress in diabetes remission.

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Professor Jianhua MA said, “Dorzagliatin, a new class of glucokinase activator, has demonstrated the ability to effectively improve early phase insulin secretion and beta cell function and insulin resistance resulting in Type 2 diabetes remission. In the previous SEED study, dorzagliatin monotherapy also demonstrated stable long-term efficacy and a good safety profile. The DREAM study again showed positive results, where patients who reached normal blood glucose level after dorzagliatin treatment were able to maintain their blood glucose level and beta cell function after discontinuation of medication. This result will help us gain a deeper understanding of the mechanism of diabetes remission and explore more effective therapy for patients in clinical treatment. The DREAM study explores the possibility of oral dosing in diabetes remission and is of great significance in expanding the treatment options for Type 2 diabetes.”

At the CBIIC, in addition to the DREAM study results, Dr. Li CHEN, CEO, Founder and Chief Scientific Officer of Hua Medicine, also analyzed the landscape of medication for Type 2 diabetes and shared Hua Medicine’s development experience and future outlook at the session of Listed Company Roadshow.

¹ Calculated using the Kaplan-Meier methodology.

Dr. Li CHEN said that, “China has the largest number of diabetes patients in the world, with the number of Type 2 diabetes patients in China exceeding 120 million. According to an epidemiological study published in BMJ by Chinese researchers in 2020, the prevalence of diabetes and prediabetes in China was 12.8% and 35.2%, respectively, from 2015 to 2017, and diabetes prevention and control have become a strategic imperative in addressing this major public health issue. The consensus report on diabetes remission recently released by the American Diabetes Association has sparked new thoughts among clinicians and new drug developers about how to prevent diabetes from becoming a lifelong disease. The positive results of the DREAM study have strengthened our confidence in the cure of Type 2 diabetes. Hua Medicine will continue to explore the broad prospects of monotherapy and combination therapy based on dorzagliatin, while further conducting typing studies and using a combination of big data and artificial intelligence for the precise treatment of Type 2 diabetes. Hua Medicine will also actively establish a glucokinase drug development platform based on the unmet clinical needs of the general public in China, and strive to make new breakthroughs in the fields of neurodegenerative diseases, NASH and other diseases.”

About Dorzagliatin

Dorzagliatin is an investigational first-in-class, dual-acting glucokinase activator, designed to control the progressive, degenerative nature of diabetes by restoring glucose homeostasis in patients with Type 2 diabetes. By addressing the defect of the glucose sensor function of glucokinase, dorzagliatin has the potential to restore the impaired insulin and GLP-1 secretion of patients with Type 2 diabetes and serve as a cornerstone therapy targeting the root cause of the disease. Two Phase III registration trials for dorzagliatin monotherapy and the combination of dorzagliatin and metformin have been completed in China, as well as studies on drug mechanism synergy with sitagliptin (DPP-4 inhibitor) and empagliflozin (SGLT-2 inhibitor). The Company has obtained the “Drug Manufacturing Permit” of dorzagliatin issued by the Shanghai Municipal Drug Administrative Bureau, and has submitted its NDA to the National Medical Products Administration, so as to realize the “First in Global, Start from China” mission objective for the benefit of diabetic patients worldwide.

About Hua Medicine

Hua Medicine is a leading, innovative biotechnology company in China focused on developing novel therapies for diseases with unmet medical needs. Founded by an experienced group of entrepreneurs and international investment firms, Hua Medicine advanced a first-in-class oral drug for the treatment of T2DM into NDA stage and it has successfully completed two Phase III registration trials in China for dorzagliatin. The Company has initiated product life-cycle management studies of this novel diabetes therapy and advanced its use in personalized diabetes care. Hua Medicine is working closely with disease experts and regulatory agencies in China and across the world to advance diabetes care solutions for patients worldwide. Hua Medicine is listed on The Stock Exchange of Hong Kong Limited (stock code: 2552.HK).

About the DREAM Study

The DREAM Study is an observational study designed and conducted by certain lead investigators who had participated in the SEED Study to evaluate the efficacy of dorzagliatin in drug-naïve Type 2 diabetes patients. The Company did not design or control the DREAM Study and does not own or control the study's underlying data, although the Company has provided assistance to the investigators in evaluating related data and findings.

For more information

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