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*Unless otherwise defined herein, capitalised terms in this announcement shall have the same meanings as those defined in the prospectus (the “**Prospectus**”) dated Friday, August 31, 2018 issued by Hua Medicine (the “**Company**”).*

*This announcement is for information purposes only and does not constitute an invitation or offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities of the Company.*

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**HUA MEDICINE**

**華領醫藥**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2552)**

**PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION,  
STABILIZING ACTIONS AND END OF STABILIZATION PERIOD**

## **PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION**

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by Goldman Sachs (Asia) L.L.C., the Stabilization Manager (on behalf of the International Underwriters) on October 5, 2018, in respect of an aggregate of 2,980,500 Shares (the “Over-allotment Shares”), representing approximately 2.85% of the total number of the Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering, to facilitate the return to ARCH Venture Fund VII, L.P., Venrock Associates V, L.P. and Venrock Entrepreneurs Fund V, L.P. of part of the borrowed Shares which were used to cover over-allocations in the International Offering. The Over-allotment Shares will be issued and allotted by the Company at HK\$8.28 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

## **END OF STABILIZATION PERIOD AND STABILIZATION ACTIONS**

The Company announces that the stabilization period in connection with the Global Offering ended on Friday, October 5, 2018, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

The stabilization actions undertaken by Goldman Sachs (Asia) L.L.C., or any of its affiliates or any person acting for it, the Stabilizing Manager, during the stabilization period involved:

1. over-allocations of an aggregate of 15,713,000 Shares in the International Offering, representing 15% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
2. borrowing of an aggregate of 15,713,000 Shares by Goldman Sachs International from ARCH Venture Fund VII, L.P., Venrock Associates V, L.P. and Venrock Entrepreneurs Fund V, L.P. pursuant to the Stock Borrowing Agreement to cover the over-allocations in the International Offering; and
3. successive purchases of an aggregate of 12,732,500 Shares in the price range of HK\$7.17 to HK\$8.28 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Hong Kong Stock Exchange trading fee of 0.005%) on the market, during the stabilization period.

## PARTIAL EXERCISE OF OVER-ALLOTMENT ACTION

The Company announces that the Over-allotment Option described in the Prospectus was partially exercised by Goldman Sachs (Asia) L.L.C., the Stabilization Manager (on behalf of the International Underwriters) on October 5, 2018, in respect of an aggregate of 2,980,500 Shares, representing approximately 2.85% of the total number of the Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering, to facilitate the return to ARCH Venture Fund VII, L.P., Venrock Associates V, L.P. and Venrock Entrepreneurs Fund V, L.P. of part of the borrowed Shares which were used to-cover over-allocations in the International Offering.

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. The listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange on 9:00 a.m. on October 12, 2018.

### Share Capital upon the Partial Exercise of Over-allotment Option

The shareholding structure of the Company immediately before and immediately after the completion of the partial exercise of the Over-allotment Option is as follows:

	Immediately before the partial exercise of the Over-allotment Option		Immediately after the partial exercise of the Over-allotment Option	
	Number of shares	Approximate percentage of voting rights in the Company	Number of shares	Approximate percentage of voting rights in the Company
ARCH Venture Fund VII, L.P	125,088,960	11.89%	125,088,960	11.86%
HLYY Limited	117,000,000	11.12%	117,000,000	11.09%
Jane Xingfang Hong	25,320,690	2.41%	25,320,690	2.40%
Kelly Xiao Chen	7,904,895	0.75%	7,904,895	0.75%
Kevin Hong Chen	7,904,895	0.75%	7,904,895	0.75%
The George and Ann Lin 2005 Trust	688,320	0.07%	688,320	0.07%

	Immediately before the partial exercise of the Over-allotment Option		Immediately after the partial exercise of the Over-allotment Option	
	Number of shares	Approximate percentage of voting rights in the Company	Number of shares	Approximate percentage of voting rights in the Company
China Life Sciences Access Fund, L.P.	8,571,420	0.81%	8,571,420	0.81%
Public shareholders	759,434,120	72.20%	762,414,620	72.27%
	1,051,913,300	100.00%	1,054,893,800	100.00%

The additional net proceeds of approximately HK\$23.8 million from the issue of the Over-allotment Shares after deducting the underwriting commissions, the incentive fees and transaction levy and trading fee relating to the exercise of the Over-allotment Option will be used by the Company for the purposes as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

## END OF STABILIZATION PERIOD AND STABILIZATION ACTIONS

The Company makes this announcement, pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) and announces that the stabilization period in connection with the Global Offering ended on Friday, October 5, 2018, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilization actions undertaken by Goldman Sachs (Asia) L.L.C., or any of its affiliates or any person acting for it, the Stabilizing Manager, during the stabilization period involved:

1. over-allocations of an aggregate of 15,713,000 Shares in the International Offering, representing 15% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
2. borrowing of an aggregate of 15,713,000 Shares by Goldman Sachs International from ARCH Venture Fund VII, L.P., Venrock Associates V, L.P. and Venrock Entrepreneurs Fund V, L.P. pursuant to the stock borrowing agreement dated September 7, 2018 (the “**Stock Borrowing Agreement**”) to cover the over-allocations in the International Offering; and

3. successive purchases of an aggregate of 12,732,500 Shares in the price range of HK\$7.17 to HK\$8.28 per Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Hong Kong Stock Exchange trading fee of 0.005%) on the market, during the stabilization period.

The Shares borrowed from ARCH Venture Fund VII, L.P., Venrock Associates V, L.P. and Venrock Entrepreneurs Fund V, L.P. pursuant to the Stock Borrowing Agreement will be returned to ARCH Venture Fund VII, L.P., Venrock Associates V, L.P. and Venrock Entrepreneurs Fund V, L.P. in accordance with the terms of the Stock Borrowing Agreement. The last purchase in the course of stabilizing actions was made on October 2, 2018 at the price of HK\$8.28 per Share on the Hong Kong Stock Exchange (excluding brokerage of 1.0%, SFC transaction levy of 0.0027% and the Hong Kong Stock Exchange trading fee of 0.005%).

## **PUBLIC FLOAT**

The Company continues to comply with the public float requirements under Rules 8.08(1)(a) and 18A.07 of the Listing Rules.

By Order of the Board

**Hua Medicine**

**Dr. Li Chen**

*Chief Executive Officer and Executive Director*

Hong Kong, October 8, 2018

*As at the date of this announcement, the Board of Directors of the Company 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.*