HUA MEDICINE

華領醫藥

(Incorporated in the Cayman Islands with limited liability)

(stock code: 2552)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2025, together with the comparative figures for the six months ended June 30, 2024. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as those defined in the Prospectus.

BUSINESS HIGHLIGHTS

A transformative first half marked by a rapid acceleration in HuaTangNing (华堂宁®) sales, which more than doubled year-on-year, and a clear turn towards profitability driven by strong commercial execution and improved operational efficiency.

- We sold approximately 1,764,000 packs of HuaTangNing (华堂宁®) in the first half of 2025, up 108% from 846,000 packs sold during the same period in 2024. In the first half of 2025, we bore sole commercial responsibility, whereas commercial sales were conducted by a third party in 2024. The unit price remained the same for both periods.

- Revenue rose 112% year-on-year to RMB217.4 million, reflecting our smooth transition to full self-commercialization upon the termination of an exclusive promotion service agreement with Bayer, along with broader hospital coverage nationwide.

- Following inclusion in China's National Reimbursement Drug List (NRDL) in 2024, HuaTangNing (华堂宁®) continued to benefit from wide reimbursement coverage in 2025. Prescription volumes expanded significantly across Tier 2 and Tier 3 hospitals during the period, supporting greater patient access and long-term adoption.

- Increased production scale and efficiency led to significantly improved gross profit margins of 54.2% for the period, which was significantly higher than the 46.5% margin reported in the prior-year period.

- Despite a 112% year-on-year increase in revenue, selling expenses for the first half of 2025 grew only 5% to RMB64.2 million, reflecting our business strategy to optimize profitability by controlling selling expenses in direct relation to our commercialization efforts of HuaTangNing (华堂宁®) and maximizing efficiencies in the manufacturing of our drug.

- The Company recognized an other income for the period of RMB1,243.5 million upon the termination of the exclusive promotion service agreement with Bayer (the "**Agreement**") on January 1, 2025. This recognition primarily reflected the one-time release of previously deferred income following the end of the promotional partnership with Bayer and highlighted the Company's transition to self-driven growth.

- Cash balances were RMB1,022.8 million as of June 30, 2025, which provides a strong foundation for our future R&D and commercialization initiatives.

- We filed an application for registration of dorzagliatin 75 mg in Hong Kong as MYHOMSIS® (華領片™), aiming to extend its presence across Greater China and Southeast Asia.

- We are advancing multiple post-marketing studies to evaluate the long-term safety and effectiveness of dorzagliatin across diverse patient populations, both in monotherapy as well as in combination with other popular approved anti-diabetic drugs, such as GLP-1 receptor agonists, insulin, DPP-IV inhibitors and SGLT-2 inhibitors. These studies are generating new clinical insights into glucose control, cognitive outcomes, and potential for diabetes remission.

- A real-world study (BLOOM) is being conducted in 2,000 patients with Type 2 diabetes across 80 centers in China. BLOOM has already completed one-year follow-up in over 1,000 participants. In the real-world setting, BLOOM further demonstrates the broad applicability and safety of dorzagliatin. Patients receiving dorzagliatin in routine clinical practice present with a heterogeneous mix of comorbidities, including various cardiovascular and renal disorders and are managed with multiple concomitant medications. In addition to metformin, more than 60% of patients concurrently used SGLT-2 inhibitors, insulin, GLP-1 receptor agonists, or DPP-IV inhibitors and other anti-diabetic drugs with dorzagliatin. In monotherapy or in combination with the popular above-mentioned anti-diabetic drugs, dorzagliatin was generally well tolerated, and its safety profile remained consistent with previously established data.

- Hua Medicine presented new data at the 2025 American Diabetes Association (ADA) conference, reinforcing dorzagliatin's potential as a disease-modifying therapy. Insights into the novel mechanism of action (MOA) of dorzagliatin as a therapeutic GKA were published in ***Diabetes***.

FINANCIAL HIGHLIGHTS

- Bank balances and cash position were approximately RMB1,022.8 million as of June 30, 2025.

- Revenue generated by the Company for the six months ended June 30, 2025 was approximately RMB217.4 million, reflecting sales of approximately 1,764,000 packs of HuaTangNing (华堂宁®). Sales revenue and sales volume increased by approximately 112% and 108% respectively, as compared with the six months ended June 30, 2024.

- Gross profit generated by the Company for the six months ended June 30, 2025 was approximately RMB117.8 million, an increase of approximately RMB70.1 million, or approximately 147%, as compared with the six months ended June 30, 2024.

- Gross margin generated by the Company for the six months ended June 30, 2025 was approximately 54.2%, increased by approximately 7.7 percentage points, as compared with the six months ended June 30, 2024, reflecting increased manufacturing scale and improved cost efficiency.

- Selling expenses increased only by RMB3.0 million to RMB64.2 million for the six months ended June 30, 2025 from RMB61.1 million for the six months ended June 30, 2024. The composition of our selling expenses for the six months ended June 30, 2025 changed significantly from the same period in 2024 due to the Company incurring selling expenses directly as a result of assuming sole commercialization responsibilities for HuaTangNing (华堂宁®) in China, while no longer owing promotion expenses to the former commercialization partner. These figures also reflect a significant positive trend towards profitability where our selling expenses in the first half of 2025 represent approximately 29.5% of revenue whereas in the first half of 2024, our selling expenses represented approximately 59.5% of revenue.

- Other income generated by the Company for the six months ended June 30, 2025 was approximately RMB1,254.6 million, increased by approximately RMB1,199.5 million, or approximately 2,178%, as compared with the six months ended June 30, 2024. For the six months ended June 30, 2025, other income was mainly attributable to the realization of the Bayer milestone income of approximately RMB1,243.5 million, increased by approximately RMB1,195.7 million, or approximately 2,500% as compared with the six months ended June 30, 2024.

- Expenditures incurred by the Company for the six months ended June 30, 2025 were approximately RMB187.1 million, of which approximately RMB65.8 million was attributable to research and development expenses. For the six months ended June 30, 2025, research and development expenses decreased by approximately RMB54.0 million, or approximately 45%, as compared with the six months ended June 30, 2024.

- Profit before tax increased by approximately RMB1,326.2 million or approximately 932% to approximately RMB1,183.9 million for the six months ended June 30, 2025, compared with the six months ended June 30, 2024.

- Total comprehensive income for the period increased by approximately RMB1,326.1 million or approximately 934% to approximately RMB1,184.1 million for the six months ended June 30, 2025, compared with the six months ended June 30, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

The first half of 2025 marked a pivotal period for us as the Company assumed full responsibility for the commercialization of HuaTangNing (华堂宁®), its first-in-class glucokinase activator for the treatment of Type 2 diabetes. This transition followed the termination of the Agreement with Bayer effective January 1, 2025, and allowed Hua Medicine to consolidate both operational and strategic control over market execution.

Sales performance exceeded expectations, with 1.76 million packs of HuaTangNing (华堂宁®) sold during the reporting period, representing a 108% increase over the same period in 2024. This growth was achieved at the same price for both periods, underscoring strong demand and successful execution of Hua's commercial strategy. Revenue reached RMB217.4 million, a 112% increase year-on-year, and gross profit more than doubled to RMB117.8 million. Gross margin improved to 54.2%, reflecting increased manufacturing scale and greater cost efficiency.

The strong financial performance was further supported by the one-time release of RMB1.24 billion in previously deferred income associated with the Agreement. This resulted in the Company's first reported half-year profit of RMB1.18 billion – a key milestone in Hua's turn towards sustainable profitability.

HuaTangNing (华堂宁®) continued to benefit from its inclusion in China's National Reimbursement Drug List (NRDL), which took effect in January 2024. Reimbursement coverage under the NRDL has significantly increased accessibility, especially in Tier 2 and Tier 3 hospitals, and played a critical role in accelerating patient adoption.

In parallel with commercial progress, Hua continued to invest in clinical innovation and scientific validation. The Company advanced multiple post-marketing studies to generate real-world evidence of dorzagliatin's long-term safety and effectiveness, including its potential impact on cognitive function and diabetes remission.

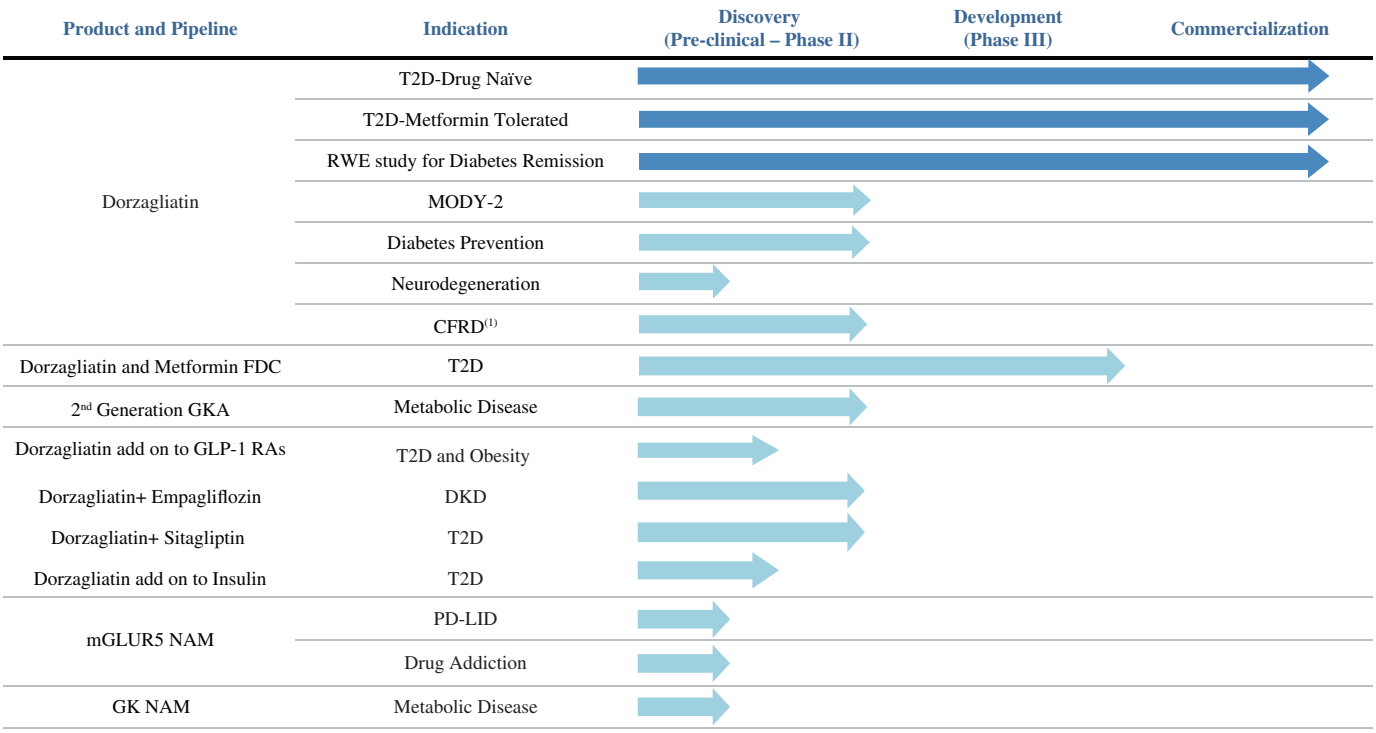
We also filed regulatory applications for HuaTangNing (华堂宁®) in Hong Kong, reflecting a commitment to expanding access across Greater China. Hua's scientific leadership was further recognized at the 2025 American Diabetes Association (ADA) Annual Meeting, where new data on dorzagliatin's mechanism of action and therapeutic potential were presented.

Looking ahead, Hua Medicine remains focused on driving long-term value through disciplined commercial execution, continued expansion of its clinical pipeline, and exploration of new indications that leverage the Company's proprietary glucokinase modulation platform.

Cautionary statement: We may not be able to ultimately develop and market our product candidates successfully.

Product pipeline and business outlook

Set out below are the key stages of our product candidates under development:



(1) The University of Pennsylvania will conduct an investigator-initiated trial with dorzagliatin for cystic fibrosis-related diabetes in the United States.

We are continuing expansion on our product pipeline through development of fixed dose combination of metformin and dorzagliatin for patients who have failed to control blood glucose levels while using high dose metformin (daily dose>1500 mg). In the loose dose combination study-DAWN Trial, dorzagliatin add-on to metformin provided HbA1c reduction of greater than 1% and post meal glucose reduction of greater than 5 mmol/L. These desirable glycemic control levels coupled with a very safe 0.8% hypoglycemic rate would suggest strong potential demand for a branded oral anti-diabetic medication using a convenient fixed dose combination of dorzagliatin and metformin. The Pre-IND submission has been achieved in August 2025, and we are expected to initiate the bioequivalence study in early 2026.

We are also advancing the combination of dorzagliatin with GLP-1RA, SGLT-2 inhibitors, insulin and DPP-IV inhibitors through combined effects in collecting real world evidence and proof-of-concept studies in animal models. The synergy between dorzagliatin with these agents has the potential to expand our indications into other diseases in metabolic disorders, such as obesity and MASH.

We continue to enhance our collaborations with leading international research institutions. A Phase I investigator-initiated trial supported by the Group and conducted at the University of Pennsylvania – designed to evaluate the efficacy and safety of dorzagliatin in patients with cystic fibrosis-related diabetes (CFRD) – has received clearance from the U.S. FDA.

We will continue our engagement in diabetes prevention, opportunities in metabolic disorder related neurodegeneration disease and eventually find a new way to increase healthy life span and longevity in humans.

Business outlook

There is a great opportunity for dorzagliatin and 2nd generation GKA in China and the global oral anti-diabetic drug market. We will continue to strengthen our own commercialization efforts through hub and spoke development with a focus on building up a strong Hua internal sales and medical marketing organization to drive business growth in 2025. This allows us to rebuild our strong connections directly to the medical community and better promotion of HuaTangNing (华堂宁®) in China and surrounding areas. As reflected in this announcement for the first half of 2025, we are seeing significant progress in our strategy.

We continue to invest into digital technology platforms to create synergy across functions and enhance the branding opportunity using AI technology.

As illustrated in our product pipeline chart, we will continue to advance our R&D efforts for both dorzagliatin and our 2nd generation GKA on our own as well as in collaboration with academic and strategic partners. We are working on the registration of dorzagliatin in Hong Kong and continue to seek partnerships in Southeast Asia and Belt and Road nations. In addition, we will continue our business development efforts on our 2nd generation GKA for the global markets based on the initial success of the Phase 1 single-ascending dose study in the United States and the initiation of our Phase 1 multiple ascending dose study planned for late 2025 or early 2026.

Important events after the reporting period

Save as disclosed above, there are no important events that have occurred since June 30, 2025 and up to the date of this announcement.

Financial review

Revenue

Our revenue was generated from the sale of our core product – HuaTangNing (华堂宁®). The collective results of our clinical trials indicate HuaTangNing (华堂宁®) has a safe, tolerable and benign profile, is effective at restoring regulation of blood glucose homeostasis through improvement in β-cell function and reduction in insulin resistance and has led to diabetes remission in select populations of T2D patients.

We have assumed full responsibility for commercialization of HuaTangNing (华堂宁®) in mainland China since January 1, 2025. In this respect, the Company recruited a pharmaceutical sales executive with over 20 years of diabetes commercialization experience in China to lead our sales and marketing efforts.

For the six months ended June 30, 2025, approximately 1,764,000 packs of HuaTangNing (华堂宁®) were sold, generating sales of approximately RMB217.4 million. For the six months ended June 30, 2024, approximately 846,000 packs of HuaTangNing (华堂宁®) were sold, generating sales of approximately RMB102.7 million. The difference represents a 112% increase in sales over a period during which the price per pack remained the same, which demonstrates that the transition of commercialization responsibility for HuaTangNing (华堂宁®) in China from Bayer to Hua Medicine has been smooth and been reinvigorated.

Gross profit

For the six months ended June 30, 2025, we recorded a gross profit of approximately RMB117.8 million and a gross margin of 54.2%. Our gross margin increased by 7.7 percentage points as compared to 46.5% for the six months ended June 30, 2024, which was primarily due to increase in manufacturing efficiency and production volume that led to a corresponding reduction in unit production costs. As our commercialization scale increases, the unit production cost is expected to continue to decrease.

Other income

Other income consisted primarily of income relating to the payments received from Bayer for the grant of dorzagliatin promotion rights by the Company (the "**Bayer milestone income**"), government grants and bank interest income. Other income increased by RMB1,199.5 million to RMB1,254.6 million for the six months ended June 30, 2025 from RMB55.1 million for the six months ended June 30, 2024, which was mainly attributable to an increase of RMB1,195.7 million in Bayer milestone income for the six months ended June 30, 2025. Upon the termination of the exclusive promotion service agreement with Bayer on January 1, 2025, the unamortized contract liabilities amounting to RMB1,243.5 million were released to profit or loss, and recognized as other income.

Other gains and losses

Other gains and losses consisted primarily of losses due to fluctuations in the exchange rates between the Renminbi and the U.S. dollar and between Renminbi and the HK dollar. Other gains and losses decreased by RMB2.2 million, which was mainly attributable to foreign exchange losses in connection with bank balances and cash denominated in U.S. dollar and HK dollar and the depreciation of the U.S. dollar and HK dollar against the Renminbi for the six months ended June 30, 2025, compared to the appreciation of the U.S. dollar and HK dollar against the Renminbi for the six months ended June 30, 2024.

Our business mainly operates in the PRC, and most of our transactions are settled in Renminbi. Since inception, we have financed our business principally through equity financings, with related proceeds denominated in U.S. dollar, HK dollar and Renminbi. We converted a portion of those U.S. dollar proceeds to Renminbi and HK dollar proceeds to U.S. dollar immediately, with the remaining amounts reserved for additional conversions to Renminbi as needed. Translation for financial statement presentation purposes of our assets and liabilities exposes us to currency-related gains or losses and the actual conversion of our U.S. dollar and HK dollar denominated cash balances will also expose us to currency exchange risk. We have not engaged in any foreign exchange hedging related activity.

Selling expenses

Selling expenses consisted primarily of expenses related to selling and marketing activities. Selling expenses increased by RMB3.0 million to RMB64.2 million for the six months ended June 30, 2025 from RMB61.1 million for the six months ended June 30, 2024, which was mainly attributable to i) an increase of RMB27.0 million in labor cost, which was primarily attributable to additional labor resources from the establishment and strengthening of our sales and marketing team during the six months ended June 30, 2025; ii) an increase of RMB10.3 million in consulting and meeting expenses due to our marketing strategy; and iii) a decrease of RMB34.9 million in promotion expenses, which was mainly due to termination of the Exclusive Promotion Service Agreement with Bayer on January 1, 2025.

Research and development expenses

The following table sets forth the components of our research and development expenses for the periods indicated.

	Six months ended June 30,			
	2025		2024	
	RMB'000	***%***	*RMB'000*	*%*
Clinical trials and research	**14,755**	**22.4%**	21,428	17.9%
Non-clinical Studies	**1,761**	**2.7%**	6,118	5.1%
Chemical, Manufacturing and Control	**7,083**	**10.8%**	47,761	39.9%
Labor Cost	**29,312**	**44.5%**	28,854	24.1%
Licensing and Patent Fee	**3,036**	**4.6%**	2,532	2.1%
Others	**9,874**	**15.0%**	13,083	10.9%
Total	**65,821**	**100%**	119,776	100%

Research and development expenses decreased by RMB54.0 million to RMB65.8 million for the six months ended June 30, 2025 from RMB119.8 million for the six months ended June 30, 2024. The decrease in research and development expenses mainly included:

- a decrease of RMB6.7 million for clinical trials and research from RMB21.4 million for the six months ended June 30, 2024 to RMB14.8 million for the six months ended June 30, 2025, which was primarily attributable to the advancement of the clinical study related to 2nd generation GKA. We developed the clinical dosage form for advancement of 2nd generation GKA in a clinical proof-of-mechanism study in year 2024 and the following clinical research is strategically scheduled to start in the second half of year 2025;

- a decrease of RMB40.7 million in chemical, manufacturing, and control expenses from RMB47.8 million for the six months ended June 30, 2024 to RMB7.1 million for the six months ended June 30, 2025, which was primarily attributable to the completion of major validation projects related to capacity expansion. During the first half of year 2024, we advanced new production line validation and process validation efforts, with most key projects nearing completion by the year-end. Closure procedures for these key projects were finalized in the first half of year 2025, while subsequent validation projects were strategically scheduled for advancement in the second half of year 2025;

- an increase of RMB0.5 million in labor cost from RMB28.9 million for the six months ended June 30, 2024 to RMB29.3 million for the six months ended June 30, 2025, which was primarily attributable to the labor resource reallocation; and

- a decrease of RMB3.2 million in other expenses from RMB13.1 million for the six months ended June 30, 2024 to RMB9.9 million for the six months ended June 30, 2025, which was primarily attributable to decreased utility expenses, rental expenses and telecom expenses due to the expense reallocation.

Administrative expenses

Administrative expenses consisted primarily of employee compensation and related costs. Administrative expenses decreased by RMB8.0 million to RMB53.1 million for the six months ended June 30, 2025 from RMB61.1 million for the six months ended June 30, 2024, which was mainly attributable to i) a decrease of RMB4.1 million in labor cost, which was primarily attributable to the decrease of share-based payment under the accelerated amortization method; and ii) a decrease of RMB2.7 million in operating and meeting expenses, which was mainly due the reduction in company events and meetings during the six months ended June 30, 2025 as compared with the same period of year 2024.

Finance cost

Finance cost consisted of expenses associated with the interest on lease liabilities and bank loan. Finance cost was RMB4.0 million for the six months ended June 30, 2025 as compared to RMB3.9 million for the six months ended June 30, 2024, which was mainly attributable to an increase in average bank loan balances in the six months ended June 30, 2025.

Income tax expense

We recognized no income tax expenses for the six months ended June 30, 2025 and the six months ended June 30, 2024.

Liquidity and capital resources

For the period ended June 30, 2025, we have been in a net profit position and negative cash flows from operations. Our primary use of cash is to fund manufacturing expenses and research and development expenses. Our operating activities used RMB84.4 million for the six months ended June 30, 2025. As of June 30, 2025, we had cash and cash equivalents of RMB1,022.8 million.

As of June 30, 2025, there were no significant investments held by the Company (including any investment in an investee company with a value of 5% or more of the Company's total assets as of June 30, 2025), nor were there any material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended June 30, 2025.

Cash flows

The following table provides information regarding our cash flows for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
Net cash used in operating activities	**(84,414)**	(226,774)
Net cash from investing activities	**1,259**	4,368
Net cash (used in) from financing activities	**(32,633)**	99,125
Effect of exchange rate changes	**(1,177)**	1,266
Net decrease in cash and cash equivalents	**(116,965)**	(122,015)

Net cash used in operating activities

The primary use of our cash was to fund our research and development activities, manufacturing activities, regulatory and other clinical trial costs, and related supporting administration. Our prepayments and other current assets, accounts payable and other payables balances were affected by the timing of vendor invoicing and payments.

During the six months ended June 30, 2025, our operating activities used RMB84.4 million of cash, which resulted principally from our profit before tax of RMB1,183.9 million, adjusted for net non-cash income and net non-operating income of RMB1,224.9 million and cash used in the movement of our working capital of RMB43.4 million. Our net non-cash income and net non-operating income during the six months ended June 30, 2025 primarily consisted of other income resulted from the realization of contract liabilities and bank interest income, adjusted for depreciation of equipment, right-of-use assets and amortization for intangible assets, share-based payment expense and interest on bank loan and lease liabilities. The movement of our working capital during the six months ended June 30, 2025 primarily consisted of the increase in trade and other receivables, the decrease in trade and other payables, the decrease in value added tax recoverable and the decrease in restricted deposits.

During the six months ended June 30, 2024, our operating activities used RMB226.8 million of cash, which resulted principally from our loss before tax of RMB142.2 million, adjusted for net non-cash income and net non-operating income of RMB27.1 million and cash used in the movement of our working capital of RMB57.5 million. Our net non-cash income and net non-operating income during the six months ended June 30, 2024 primarily consisted of other income resulted from the amortization of contract liabilities and bank interest income, adjusted for depreciation of equipment, right-of-use assets and amortization for intangible assets, share-based payment expense and interest on bank loan and lease liabilities. The movement of our working capital during the six months ended June 30, 2024 primarily consisted of the increase in trade and other receivables, the increase in inventories and the increase in value added tax recoverable.

Net cash from investing activities

Net cash from investing activities was RMB1.3 million for the six months ended June 30, 2025, which resulted primarily from the interest received from bank for short-term deposit, adjusted for the purchase of equipment. Net cash from investing activities was RMB4.4 million for the six months ended June 30, 2024, which resulted primarily from the interest received from bank for short-term deposit, adjusted for the purchase of equipment and intangible assets and construction at the Shanghai Lingang Special Area.

Net cash (used in) from financing activities

Net cash used in financing activities was RMB32.6 million for the six months ended June 30, 2025, which primarily due to the payments relating to bank loan and lease liabilities, offset by newly obtained bank loans and exercise of share options. Net cash from financing activities was RMB99.1 million for the six months ended June 30, 2024, which proceeds from short-term and long-term bank loan and exercise of share options, offset by payments relating to lease liabilities and bank loan.

Financial position

Our net current assets increased from RMB1,006.2 million as of December 31, 2024 to RMB1,082.6 million as of June 30, 2025. Current assets decreased from RMB1,336.5 million as of December 31, 2024 to RMB1,242.1 million as of June 30, 2025, primarily due to the net cash expenditure for the six months ended June 30, 2025.

Indebtedness

As of June 30, 2025, our lease liabilities and borrowings amounted to RMB58.2 million and RMB212.9 million. The following table sets forth our lease liabilities and borrowings as of the dates indicated:

	As of June 30, 2025	As of December 31, 2024
	RMB'000	*RMB'000*
Current portion	**69,718**	115,537
Non-current portion	**201,334**	184,642
Total	**271,052**	300,179

Our lease liabilities as of June 30, 2025 were from leased properties lease contracts with lease terms of one to four years. As of June 30, 2025, we did not have any other indebtedness.

Qualitative and quantitative disclosures about market risk

We are exposed to a variety of market risks, including currency risk, interest rate risk, credit risk, and liquidity risk, details of which are set out below. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. We currently do not hedge or consider it necessary to hedge any of these risks.

Currency risk

Our business mainly operates in the PRC with most of our transactions settled in Renminbi, and our financial statements are presented in Renminbi. Renminbi is not a freely convertible currency. The State Administration of Foreign Exchange, under the authority of the People's Bank of China, controls the conversion of Renminbi into foreign currencies. The value of Renminbi is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trade System market. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge our exposure to such risk.

Since our inception, we have raised funds through various rounds of offshore financings and received proceeds of such financings in U.S. dollars, HK dollars and Renminbi. We converted a portion of those funds to Renminbi immediately and placed the remaining amount in time deposits. We converted additional amounts to Renminbi as needed. The value of the Renminbi against the U.S. dollars and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. To the extent that we need to convert U.S. dollars or other currencies we have received in previous financings into Renminbi for our operations, or if any of our arrangements with other parties are denominated in U.S. dollars and need to be converted into Renminbi, appreciation of the Renminbi against the U.S. dollars or other currencies would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars or other currencies for business purposes, appreciation of the U.S. or HK dollars against the Renminbi would have a negative effect on the U.S. dollars or other currencies amounts available to us. We have conducted a sensitivity analysis to determine our exposure to changes in foreign currency rate.

The following table details our sensitivity to a 5% increase and decrease in the Renminbi against the U.S. dollar and the HK dollar, the foreign currencies to which we may have material exposure. 5% represents management's assessment of the reasonably possible changes in foreign exchange rate. The sensitivity analysis uses outstanding foreign currency denominated monetary items as a base and adjusts their translation as of June 30, 2025 for a 5% change in foreign currency rate. A negative number below indicates an increase in loss where Renminbi strengthens 5% against the U.S. dollar and the HK dollar. For a 5% weakening of the Renminbi against the U.S. dollar and the HK dollar, there would be an equal and opposite impact on gain for the period.

	As of June 30, 2025	As of December 31, 2024
	RMB'000	*RMB'000*
Impact on profit or loss		
US$	**(5,596)**	(6,441)
HK$	**(2,362)**	(2,191)

Interest rate risk

The Group is primarily exposed to fair value interest rate risk in relation to fixed-rate short-term bank deposits. The Group currently does not have an interest rate hedging policy to mitigate interest rate risk. Nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant, therefore no sensitivity analysis on such risk has been prepared.

Liquidity risk

As of June 30, 2025 and December 31, 2024, we recorded net current assets of RMB1,082.6 million and RMB1,006.2 million, respectively. In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows.

Key financial ratios

The following table sets forth our key financial ratios as of the dates indicated:

	As of June 30, 2025	As of December 31, 2024
Current ratio[(1)]	**7.8**	4.0
Quick ratio[(2)]	**7.0**	3.7
Gearing ratio[(3)]	**25.6%**	NM

(1) Current ratio represents current assets divided by current liabilities as of the same date.

(2) Quick ratio represents current assets less inventories divided by current liabilities as of the same date.

(3) Gearing ratio represents liability divided by equity as of the same date. Liability is defined as short term loan, long term loan and lease liabilities (excluding trade and other payables, deferred income and contract liabilities). Equity includes all capital and reserves of the Group. Gearing ratio is not meaningful as our equity was negative as of December 31, 2024.

The current ratio as of June 30, 2025 increased by 3.8 compared with that as of December 31, 2024, and the quick ratio as of June 30, 2025 increased by 3.3 compared with that as of December 31, 2024, which were mainly due to the realization of contract liabilities upon the termination of the Exclusive Promotion Service Agreement with Bayer on January 1, 2025.

Charge of the Group's assets

Save as disclosed in this announcement, the Group had no material assets were charged as of June 30, 2025.

Capital commitments

The following table sets forth our capital commitments as of the dates indicated:

	As of June 30, 2025 *RMB'000*	As of December 31, 2024 *RMB'000*
Capital expenditure in respect of the acquisition of construction contracted for but not provided in the consolidated financial statements	**2,141**	2,117

Future plans for material investments or capital assets

As of June 30, 2025, we planned to continue to invest in Shanghai Huasheng Inc, which was established in the Shanghai Lingang Special Area for ensuring adequate dorzagliatin commercial supply and the source of funding is expected to come from internal resources and/or external borrowings, as considered appropriate by the management of the Company.

Contingent liabilities

Save as disclosed in this announcement, the Group had no material contingent liabilities as of June 30, 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended June 30,	
		2025	2024
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**217,432**	102,663
Cost of sales		**(99,613)**	(54,901)
Gross profit		**117,819**	47,762
Other income	*5*	**1,254,565**	55,079
Other gains and losses	*6*	**(1,374)**	791
Selling expenses		**(64,155)**	(61,118)
Research and development expenses		**(65,821)**	(119,776)
Administrative expenses		**(53,120)**	(61,099)
Finance cost	*7*	**(3,968)**	(3,880)
Profit (loss) before tax	*8*	**1,183,946**	(142,241)
Income tax expense	*9*	**–**	–
Profit (loss) for the period		**1,183,946**	(142,241)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		**154**	264
Other comprehensive income for the period, net of income tax		**154**	264
Total comprehensive income (expense) for the period		**1,184,100**	(141,977)
Earnings/(loss) per share	*12*	***RMB***	*RMB*
Basic		**1.20**	(0.15)
Diluted		**1.19**	(0.15)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	At June 30, 2025 RMB'000 (unaudited)	At December 31, 2024 RMB'000 (audited)
Non-current assets			
Plant and equipment	*13*	**33,119**	38,195
Right-of-use assets	*13*	**85,012**	91,466
Intangible assets		**24,327**	26,066
Trade and other receivables	*14*	**35,468**	35,069
		177,926	190,796
Current assets			
Inventories		**126,187**	126,672
Trade and other receivables	*14*	**93,100**	61,164
Restricted bank deposits		**–**	8,907
Bank balances and cash	*15*	**1,022,788**	1,139,753
		1,242,075	1,336,496
Current liabilities			
Trade and other payables	*16*	**88,747**	116,694
Borrowings	*17*	**47,003**	98,275
Lease liabilities		**22,715**	17,262
Contract liabilities		**–**	95,654
Deferred income		**1,023**	2,386
		159,488	330,271
Net current assets		**1,082,587**	1,006,225
Total assets less current liabilities		**1,260,513**	1,197,021
Non-current liabilities			
Borrowings	*17*	**165,861**	138,736
Lease liabilities		**35,473**	45,906
Contract liabilities		**–**	1,147,845
		201,334	1,332,487
Net assets (liabilities)		**1,059,179**	(135,466)
Capital and reserves			
Share capital		**7,214**	7,214
Treasury shares held in trust		**(469)**	(492)
Reserves		**1,052,434**	(142,188)
Total equity (deficit)		**1,059,179**	(135,466)

1. General information

The Company was established in the Cayman Islands as an exempted company with limited liability on November 10, 2009 and its shares have been listed on The Stock Exchange since September 14, 2018. The address of the registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is 275 Ai Di Sheng Road, Shanghai 201203, PRC.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as "Group") are principally engaged in developing and commercialization a global first-in-class oral drug, dorzagliatin or HMS5552, for the treatment of Type 2 diabetes.

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and complied with the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The functional currency of the Company is Renminbi, which is the same as the presentation currency of the consolidated financial statements.

3. Revenue

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Timing of revenue recognition		
At a point in time		
Sales of pharmaceutical products	**217,432**	102,663

The amount of revenue recognized for the sales of pharmaceutical products represented the gross selling price less the estimated rebates to customers.

4. Segment information

For the purpose of resources allocation and performance assessment, the Group's chief executive officer, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

Revenue by geographical location:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
People's Republic of China (the "PRC")	**217,432**	102,663

5. Other income

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank interest income	**7,339**	5,446
Government grants *(Note a)*	**3,727**	1,806
– Assets-related grants	**1,363**	1,364
– Income-related grants	**2,364**	442
Release of contract liabilities upon termination of service agreement *(Note b)*	**1,243,499**	–
Amortization of payments received for exclusive promotion rights granted *(Note b)*	**–**	47,827
	1,254,565	55,079

Note a: The amount mainly represents 1) government grant related to income received as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable; and 2) amortization of subsidies received from the PRC local government authorities to subsidize the purchase of the Group's leasehold improvement, furniture, fixture and equipment.

Note b: On August 17, 2020, the Group entered into an exclusive promotion service agreement ("Agreement") with Bayer Healthcare Company Limited ("Bayer") under which the Group granted the exclusive promotion rights on dorzagliatin. Pursuant to the Agreement, the Group is entitled to a non-refundable upfront payment and additional milestone payments, while the counterparty receives the exclusive rights to commercialize the product in China and will receive tiered service fee based on the net sales. The Group served a formal notice of termination on the Agreement to Bayer in accordance with the early termination right of the Group agreed in the Agreement with effect from January 1, 2025. As a result, the outstanding contract liabilities upon such termination of RMB1,243,499,000 are recognized as other income immediately.

6. Other gains and losses

Other gains and losses mainly represent the foreign exchange gains and losses during the six months ended June 30, 2025 and 2024.

7. Finance cost

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on the lease liabilities	**985**	951
Interest on borrowings	**2,983**	2,929
	3,968	3,880

8. Profit/(loss) before tax

Profit/(loss) before tax for the period has been arrived at after charging:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Depreciation of plant and equipment	**5,533**	5,775
Depreciation of right-of-use assets	**9,749**	9,861
Amortization of intangible assets	**1,739**	1,757
Total depreciation and amortization	**17,021**	17,393
Staff cost (including directors' emoluments):		
– Salaries and other benefits	**91,206**	70,825
– Retirement benefit scheme contributions	**6,469**	4,735
– Other social security and housing provident fund	**8,296**	5,996
– Share-based payment	**4,916**	7,356
	110,887	88,912
Change in amount capitalised in inventories	**1,023**	(2,906)
	111,910	86,006
Auditors' remuneration	**821**	867
Expenses relating to short-term leases	**244**	536

9. Income tax expense

The Company was incorporated in the Cayman Islands and is exempted from income tax.

No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong profit tax during the period presented in the condensed consolidated financial statements.

Under the Law of the PRC of Enterprise Income tax (the "EIT Law") and Implementation Regulation of the EIT Law, the estimated tax rate of the Group's PRC subsidiary is 25% during the period presented in the condensed consolidated financial statements, except for Hua Shanghai (one of Group's PRC subsidiary). No PRC Enterprise Income tax was provided for as there was no estimated assessable profit of the Group's PRC subsidiary during the period presented in the condensed consolidated financial statements.

Hua Shanghai has been certified as a "High and New Technology Enterprise" by the Science and Technology Committee of Shanghai and relevant authorities on December 14, 2022 for a term of three years from December 14, 2022 to December 14, 2025, and registered with the PRC tax authorities for enjoying a reduced 15% EIT rate. Accordingly, the profits derived by Hua Shanghai is subject to 15% EIT rate for the interim period of 2025. The qualification as a High and New Technology Enterprise will be subject to review by the PRC tax authorities every three years.

The subsidiary incorporated in the United States are subject to Federal and State Income taxes. The effective combined income tax rate is 21% for the current interim period (six months ended June 30, 2024: 21%).

Deferred tax assets have been recognized only to the extent to offset the deferred tax liabilities. No additional deferred tax assets have been recognized on unused tax losses and other deductible temporary differences due to the unpredictability of future profit streams.

10. License agreement

In December 2011, the Group entered into a research, development and commercialization agreement ("GKA Agreement") with Hoffman-La Roche Inc., and F. Hoffman-La Roche AG (collectively referenced as "Roche") under which Roche granted the Group an exclusive license of patent rights, know-how and regulatory filings with respect to a compound which is a glucokinase activator to research, develop and commercialize products ("Licensed Product") in the field of diabetes in the licensed territory ("Licensed Territory"). Pursuant to the GKA Agreement, the Group made US$2,000,000 non-refundable upfront payment to Roche in 2012.

In 2017, the Group made US$1,000,000 milestone payment to Roche upon the commencement of clinical trial Phase III in the PRC (excluding Hong Kong and Macau) for the Licensed Product.

In 2021, the Group made US$1,000,000 milestone payment to Roche upon NDA filing in the PRC (excluding Hong Kong and Macau) to the National Medical Products Administration.

In 2022, the Group made US$3,000,000 milestone payments to Roche upon the achievement of development of the Licensed Product through new drug approval in the PRC (excluding Hong Kong and Macau).

The Group is further obligated to make US$33,000,000 milestone payments upon the achievement of development of the Licensed Product through new drug approval in the Licensed Territory other than the PRC (excluding Hong Kong and Macau). Upon commercialization, the Group is contingently obligated to make US$15,000,000 milestone payments for the first time when the territory-wide calendar year net sales exceed US$500,000,000 and US$40,000,000 milestone payments for the first time when the territory-wide calendar year net sales exceed US$1,000,000,000. The Group is also obligated to make royalty payments at the applicable incremental royalty rate based on sales of the Licensed Product.

The payments are recognized as intangible assets. For the period ended June 30, 2025, the Group incurred amortization cost of the license agreement of RMB1,396,000 (unaudited) (For the period ended June 30, 2024: RMB1,396,000 (unaudited)).

11. Dividends

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

12. Earnings/(loss) per share

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

Earnings/(loss) figures are calculated as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings/(loss) for the period attributable to the owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**1,183,946**	(142,241)

Number of shares:

	Six months ended June 30,	
	2025	2024
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**984,907,922**	980,647,436
Effect of dilutive potential ordinary shares:		
Options	**7,274,999**	–
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	**992,182,921**	980,647,436

The computation of diluted earnings/(loss) per share for the six months ended June 30, 2025 is based on weighted average number of shares assumed to be in issue after taking into account the effect of share options issued by the Company (six months ended June 30, 2024: did not assume the exercise of share options since their assumed exercise would result in a decrease in loss per share).

13. Plant and Equipment, and Right-of-use assets

During the current interim period, the Group acquired RMB1,023,000 (unaudited) (six months ended June 30, 2024: RMB874,000 (unaudited)) of plant and equipment. In addition, during the current interim period, there is no disposal of plant and equipment (six months ended June 30, 2024: there is no disposal of plant and equipment).

During the current interim period, the Group extended the lease terms of several existing lease agreements for one to two years. The Group is required to make fixed monthly or quarterly payments. On date of lease modification, the Group recognized right-of-use assets of RMB3,295,000 (unaudited) (six months ended June 30, 2024: RMB2,058,000 (unaudited)) and lease liabilities of RMB3,295,000 (unaudited) (six months ended June 30, 2024: RMB2,058,000 (unaudited)).

14. Trade and other receivables

	At June 30,	At December 31,
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables	**80,046**	34,388
Prepayments for research and development services	**639**	4,056
Prepayment for raw materials and manufacture services		
– current	**144**	26
– non-current	**28,000**	28,000
Prepayments for sales and marketing services	**1,045**	–
Utility and rental deposits		
– current	**626**	515
– non-current	**4,480**	4,614
Value added tax recoverable		
– current	**3,614**	17,594
– non-current	**2,988**	2,455
Interest receivables	**330**	287
Other receivables for considerations of options exercised	**1,893**	11
Others	**4,763**	4,287
	128,568	96,233
Analyzed as		
– current	**93,100**	61,164
– non-current	**35,468**	35,069
	128,568	96,233

The Group allows an average credit period of 60 days to its trade customers. The following is an aging analysis of trade receivables, presented based on invoice date:

	At June 30, 2025 ***RMB'000*** **(unaudited)**	At December 31, 2024 *RMB'000* (audited)
0-60 days	**80,046**	34,388

15. Bank balances and cash

Bank balances and cash comprise cash held by the Group and short-term bank deposits. The short term bank deposits carry interests at market rates which ranged from 0.00% to 1.65% per annum as of June 30, 2025 (December 31, 2024: from 0.00% to 4.62% per annum).

16. Trade and other payables

	At June 30, 2025 ***RMB'000*** **(unaudited)**	At December 31, 2024 *RMB'000* (audited)
Trade payables	**46,889**	63,722
Other payables	**7,426**	4,220
Construction expenditure payables	**1,827**	7,352
Payroll and bonus payables	**29,743**	37,571
Interest Payables	**340**	330
Others	**2,522**	3,499
	88,747	116,694

The average credit period on purchases of goods/services ranges up to 60 days.

The aging analysis of the trade payables presented based on the invoice date at the end of each reporting period is as follows:

	At June 30, 2025 ***RMB'000*** **(unaudited)**	At December 31, 2024 *RMB'000* (audited)
Uninvoiced or within 30 days	**43,332**	63,722
31 to 60 days	**3,557**	–
	46,889	63,722

17. Borrowings

During the current interim period, the Group obtained unsecured and unguaranteed new bank loans amounting to RMB29,853,000 (unaudited) (six months ended June 30, 2024: RMB122,562,000 (unaudited)). The Group's variable-rate borrowings carry interest at one year Loan Prime Rate (LPR) minus 0.25% or 0.15%, ranged from 2.85% to 2.95%, and are repayable in instalments over a period of two to three years. The proceeds were used for daily operations.

OTHER INFORMATION

Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the six months ended June 30, 2025. As of June 30, 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

Employees and remuneration policy

As of June 30, 2025, the Group employed a total of 285 employees, as compared to a total of 168 employees as of December 31, 2024. The majority of the employees are employed in mainland China. For the six months ended June 30, 2025, the staff costs (including Directors' emoluments but excluding any contributions to pension scheme) were approximately RMB97.0 million as compared to RMB81.4 million for the six months ended June 30, 2024.

The Group will continue to offer competitive remuneration packages, discretionary share options and bonuses to staff. The Group's employee remuneration policy is determined by taking into account factors such as remuneration in respect of the overall remuneration standard in the industry and employee's performance. The management reviews the Group's employee remuneration policy and agreements on a regular basis. Moreover, the social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve their working efficiency. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labor dispute during the six months ended June 30, 2025.

The Company has also adopted a Pre-IPO Share Incentive Scheme and a Post-IPO Share Option Scheme. Please refer to the Company's annual and interim reports for further details.

Use of net proceeds from the Global Offering

The Shares were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on September 14, 2018. The net proceeds from the Global Offering have been applied according to the intentions set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

All net proceeds from the Listing had been fully utilised by end of year 2024 in accordance with the business objectives as disclosed in the Prospectus.

Interim dividend

The Board has resolved not to declare any interim dividend for the six months ended June 30, 2025 (June 30, 2024: Nil).

Securities transactions by the Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as the guidelines for regulating the directors' dealings in the securities of the Company. Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code throughout the six months ended June 30, 2025.

Corporate governance

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code throughout the six months ended June 30, 2025. The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

Changes to information in respect of the Directors

Mr. Robert Taylor Nelsen had resigned as independent director of Lyell Immunopharm, a company listed on NASDAQ (Stock code: LYEL), with effect from May 15, 2025. He also had resigned as a director of Vir Biotechnology Inc., a company listed on NASDAQ (Stock code: VIR), with effect from May 29, 2025.

Dr. Fangxin Li had resigned as the non-executive director and a member of the Remuneration Committee of Hua Medicine with effect from 25 June 2025.

Save as disclosed above, there were no other changes to the information required to be disclosed by the Directors pursuant to Rule 13.51B of the Listing Rules.

Review of interim results

The unaudited condensed consolidated financial results of the Group for the six months ended June 30, 2025 have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

The audit committee of the Company has reviewed and discussed with the management of the Company the unaudited interim results of the Group for the six months ended June 30, 2025, and confirms that the applicable accounting principles, standard and requirements have been complied with, and that adequate disclosures have been made.

Publication of the interim results and 2025 interim report on the websites of the Stock Exchange and the Company

This interim results announcement is published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.huamedicine.com). The Company's interim report for the six months ended June 30, 2025 containing all the information required under the Listing Rules will be published on the respective websites of the Stock Exchange and the Company and will be dispatched to the Shareholders of the Company (if requested) in due course.

DEFINITIONS

In this interim results announcement, the following expressions have the meanings set out below unless the context requires otherwise.

"Board"	the board of Directors
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Company"	Hua Medicine (華領醫藥), an exempt limited liability company incorporated under the laws of the Cayman Islands on November 10, 2009 and whose Shares are listed on the Stock Exchange
"Director(s)"	the director(s) of the Company
"Group", "our", "we", "Hua's", or "us"	the Company and its subsidiaries
"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"NDA"	new drug application
"Post-IPO Share Option Scheme"	the post-IPO share option scheme approved and adopted by the Company on August 26, 2018 for the benefit of any director, employee, adviser or consultant of the Company or any of its subsidiaries
"PRC" or "China"	the People's Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan

"Pre-IPO Share Incentive Scheme"	the share incentive scheme approved and adopted by the Company on March 25, 2013 as amended from time to time, for the benefit of any director, employee, adviser or consultant of the Company or any of its subsidiaries
"Prospectus"	the prospectus of the Company dated August 31, 2018
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder of the Shares
"Share(s)"	ordinary share(s) with nominal value of US$0.001 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"T2D"	Type 2 Diabetes
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"U.S." or "United States"	the United States of America

By order of the Board
Dr. Li Chen
Chief Executive Officer
and
Executive Director

Hong Kong, August 28, 2025

As at the date of this announcement, the Board comprises Dr. Li Chen, Mr. George Chien Cheng Lin and Dr. Yi Zhang as executive Directors; Mr. Robert Taylor Nelsen as non-executive Director; and Mr. William Robert Keller, Mr. Yiu Wa Alec Tsui and Mr. Yiu Leung Andy Cheung as independent non-executive Directors.