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, 2026

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended June 30, 2026, together with the comparative figures for the six months ended June 30, 2025. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as those defined in the Prospectus.

BUSINESS HIGHLIGHTS

In the first half of 2026, we made solid progress in our transition to a commercialization-driven organization, with HuaTangNing (华堂宁®) entering a rapid scale-up phase and delivering strong sales growth. Expanded production scale and improved commercial operating efficiency led to a substantial reduction in our net loss.

- We sold approximately 3,055,000 packs of HuaTangNing (华堂宁®) in the first half of 2026, up 73% from 1,764,000 packs sold during the same period in 2025. This rapid sales growth trajectory is further supported by the maintenance of China's National Reimbursement Drug List (NRDL) price for the 2026 and 2027 calendar years.

- With continued expansion of our commercialization team and hospital coverage, revenue rose 74% year-on-year to RMB378.9 million, reflecting the successful implementation of our in-house commercialization strategy.

- Increased production scale and efficiency led to significantly improved gross profit margins of 61.8% for the period, which was significantly higher than the 54.2% margin reported in the prior-year period.

- The ratio of selling expense to revenue moved into a stable range, standing at 33.5% in the first half of 2026, 4.0 percentage points higher compared with 29.5% recorded in the same period in 2025, comparable to the 33.6% recorded for the full year of 2025.

- Cash balances were RMB1,072.9 million as of June 30, 2026, which provides a strong foundation for our future R&D and commercialization initiatives.

- In February 2026, the China National Intellectual Property Administration granted a five-year patent term extension for dorzagliatin, thereby extending its core patent protection to April 2034.

- MYHOMSIS® (華領片®) has been approved for marketing in both the Hong Kong Special Administrative Region of China and the Macao Special Administrative Region of China for the treatment of Type 2 diabetes in adults with successful launch in Hong Kong, laying the foundation for future expansion into Southeast Asian and Portuguese-speaking countries.

- Dorzagliatin Real World Study HMM0601 has been completed with topline results reported at the 2026 American Diabetes Association (ADA). The study enrolled 2,024 patients with Type 2 diabetes across 80 centers in China, and substantiated the broad applicability, efficacy and safety of dorzagliatin in a diverse real-world patient population, including elderly, obese and highly hyperglycemic patients, whether used as monotherapy or in combination with metformin, SGLT-2 inhibitors, insulin and other medications.

- Multiple combination studies were presented at the 2026 ADA. Combination of dorzagliatin with oral small-molecule GLP-1 receptor agonist, THR-β agonist, and pan-PPAR agonist demonstrated synergistic effects beyond glycemic control, including weight reduction, lipid modulation, uric acid reduction, and improved insulin sensitivity. Systematical enhanced glucose and insulin sensitivity show the potential of novel oral treatment options for patients with broad metabolic abnormalities.

- The Phase Ib multiple-ascending dose (MAD) study of the 2nd generation GKA for Western patients is ongoing in the United States. Topline data are expected to be published in the second half of 2026.

- The Company has already filed a pre-IND for the MODY-2 indication in mainland China and has communicated and reached a consensus with the Center for Drug Evaluation of the NMPA to proceed with an IND submission for dorzagliatin in MODY-2 patients in the second half of 2026.

- We engaged AI agents to empower commercialization, R&D and business development. The glucose homeostasis education platform we established enhances operational efficiency and sales productivity.

FINANCIAL HIGHLIGHTS

- Bank balances and cash position were approximately RMB1,072.9 million as of June 30, 2026, a decrease of RMB19.4 million from bank balances and cash position as of December 31, 2025 to fund the market exploration, commercial and R&D activities.

- Revenue generated by the Company for the six months ended June 30, 2026 was approximately RMB378.9 million, reflecting sales of approximately 3,055,000 packs of HuaTangNing (华堂宁®). Sales revenue and sales volume increased by approximately 74% and 73% respectively, as compared with the six months ended June 30, 2025.

- Gross profit generated by the Company for the six months ended June 30, 2026 was approximately RMB234.3 million, an increase of approximately RMB116.5 million, or approximately 99%, as compared with the six months ended June 30, 2025.

- Gross margin generated by the Company for the six months ended June 30, 2026 was approximately 61.8%, increased by approximately 7.6 percentage points, as compared with the six months ended June 30, 2025, reflecting increased manufacturing scale and improved cost efficiency.

- Other income generated by the Company for the six months ended June 30, 2026 was approximately RMB6.5 million, representing a decrease of approximately RMB1,248.0 million, or approximately 99%, as compared with the six months ended June 30, 2025. The decrease was mainly attributable to the release of contract liabilities upon termination of service agreement with Bayer of approximately RMB1,243.5 million, which was fully recognized in the six months ended June 30, 2025.

- Expenditures incurred by the Company for the six months ended June 30, 2026 were approximately RMB265.4 million, of which approximately RMB126.9 million was attributable to selling expenses and approximately RMB66.8 million was attributable to research and development expenses. For the six months ended June 30, 2026, selling expenses increased by approximately RMB62.7 million, or approximately 98%, as compared with the six months ended June 30, 2025.

- Loss before tax was approximately RMB30.2 million for the six months ended June 30, 2026, compared to the profit before tax of approximately RMB1,183.9 million in the six months ended June 30, 2025.

- Total comprehensive expense for the period was approximately RMB30.0 million for the six months ended June 30, 2026, compared to the total comprehensive income of approximately RMB1,184.1 million in the six months ended June 30, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

The first half of 2026 marked a pivotal period for us, as the strong execution of the commercialization strategy laid a solid foundation for our accelerated growth. Our commercialization team continued to scale, with the professional sales team expanding to 187 product representatives and 75 staff actively engaged in marketing, medical affairs and commercial operation as of June 30, 2026, representing growth of 93% and 79% respectively compared with the same period of 2025. HuaTangNing (华堂宁®) delivered rapid sales growth, with 3,055,000 packs sold during the reporting period, representing a 73% increase over the same period of 2025. This growth was achieved at the same price for both periods, underscoring a positive market response and continuously rising recognition among physicians and patients. Regions that already led sales in 2025, coastal areas including Shanghai, Tianjin and Guangdong province and Beijing, continued to deliver strong growth during the reporting period, reflecting the substantial market potential for further market penetration and providing a solid basis for sustained strong growth in the future.

We delivered solid financial performance during the reporting period. Revenue for the first half of 2026 reached RMB378.9 million, representing an increase of 74% compared with the same period of 2025. As manufacturing scale expanded and cost efficiencies improved, gross profit increased by 99% to RMB234.3 million, with gross margin of 61.8% rising 7.6 percentage points over the same period in 2025. As our sales organization has been fully established, the ratio of selling expense to revenue increased by 4.0 percentage points from 29.5% in the first half of 2025 to 33.5% in the reporting period, normalizing to a sustainable range. Driven by enhanced operational efficiency, our commercialization efforts achieved profit of approximately RMB107.4 million (as defined by gross profits less selling expenses), doubling from RMB53.7 million in the same period of 2025.

Excluding the one-off release of contract liabilities to other income of approximately RMB1,243.5 million in the corresponding period of 2025 following the termination of the Bayer contract, the Group's loss for the current reporting period is RMB30.2 million, narrowing by approximately RMB29.4 million as compared with the adjusted loss of approximately RMB59.6 million for the corresponding period in 2025.

We made active progress in our expansion into Asian markets. Dorzagliatin (brand names: MYHOMSIS®, 華領片®) was approved for marketing in Hong Kong on 18 February 2026 and in Macao on 27 June 2026. The product has been distributed to hospitals and pharmacies in Hong Kong, with the first prescription issued in August 2026, providing a new treatment option for patients with Type 2 diabetes outside mainland China.

Phase Ib MAD study of the 2nd generation GKA in the United States is currently our most important ongoing program. Five cohorts have been completed as planned, and the final cohort is in progress. Upon completion, we will present topline results and pursue partnerships to develop the 2nd generation GKA for global markets.

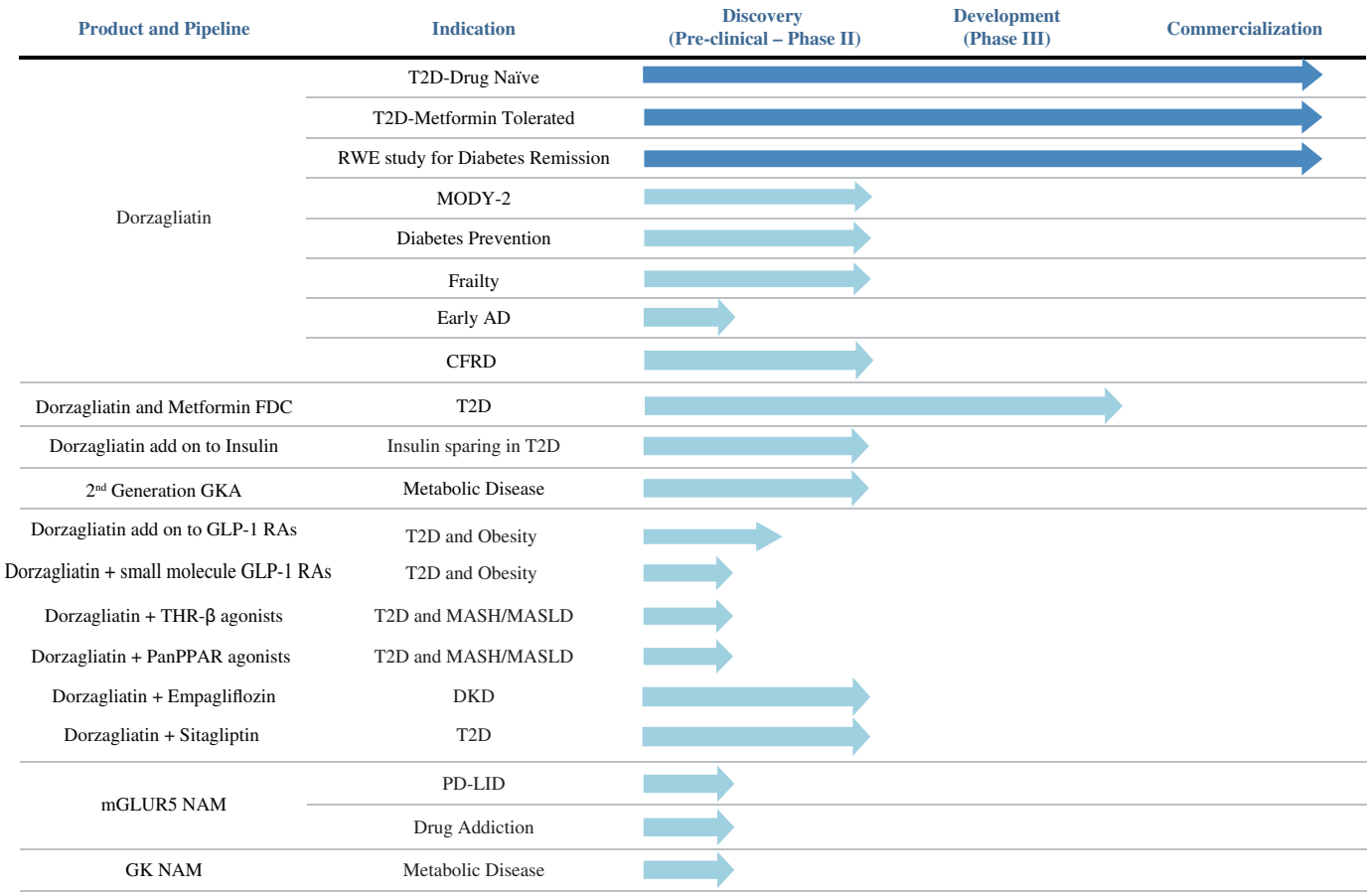
We have also continued to advance dorzagliatin's clinical evidence base through ongoing research and development. At the 2026 ADA Scientific Sessions, the Company presented multiple post-marketing real-world studies alongside preclinical combination therapy data. The real-world evidence reinforced dorzagliatin's long-term safety and consistent glycemic efficacy in complex, long-duration T2D patients. The combination therapy studies highlighted dorzagliatin's expanded therapeutic potential in the metabolic field, showing synergistic benefits across glycemic control, β-cell function, weight and lipid management, and liver-related metabolic outcomes when combined with other oral agents.

Alongside the continued development of dorzagliatin in research and clinical practice, the Company has continued to invest in the integration of AI, large language models (LLMs) and clinical big data, and has achieved concrete outcomes. We launched our proprietary GK education platform (GK Charger) in 2025. The platform uses natural language interaction to present complex glucokinase relevant knowledge in evidence-based, clinically relevant format that is easy for both physicians and patients to understand. It enables doctors to obtain up to date diagnostic and treatment information, make accurate clinical decisions, and develop individualized treatment plans for patients. Since the launch of GK Charger, the platform has cumulatively responded to more than 3,700 queries.

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

Product pipeline

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



RWE Studies for Dorzagliatin

Multiple post-marketing real-world studies of dorzagliatin are delivering results. At the 2026 ADA Scientific Sessions, the Company presented results from HMM0601, a large-scale post-marketing real-world study. Across 80 clinical centers in China, HMM0601 enrolled 2,024 patients with Type 2 diabetes with mean disease duration of 7.9 years. Over the 52-week treatment period, no drug-related serious adverse events (SAEs) or episodes of severe hypoglycemia were observed; the incidence of clinically meaningful hypoglycemia was below 1%, and no new safety signals were identified compared with the Phase III clinical trials; HbA1c was significantly reduced from baseline, and the proportion of patients achieving HbA1c<7% increased markedly. This provides robust evidence of dorzagliatin's strong safety profile and consistent glycemic control efficacy.

We also presented interim findings from a prospective real-world observational study HMM0701 enrolling 255 patients with Type 2 diabetes, with the majority of patients having long disease duration and already receiving multi-drug regimens including insulin. The 6-month interim results of subgroup analysis indicate that dorzagliatin provides meaningful efficacy in glycemic control. Even in patients with severely compromised baseline TIR, clinically meaningful reductions in HbA1c, improved TIR, enhanced β-cell function, and reduced insulin resistance were observed, collectively indicating the restoration of glucose homeostasis. This study provides a solid rationale for a novel glycemic management option in complex T2D cases.

We also continued preparations for HMM0602, a post-marketing study designed to generate further clinical evidence regarding the role of dorzagliatin in restoring glucose homeostasis and its potential contribution to diabetes remission.

New Indications for Dorzagliatin — GCK-MODY Patients

Medical experts in mainland China and Hong Kong have conducted independent clinical and preclinical studies of dorzagliatin for MODY-2 treatment. MODY-2, also called GCK-MODY, is a monogenic disease in which patients have a genetic defect of glucokinase gene (GCK) which results in elevated blood glucose and significant reduction of the second phase release of insulin. The population of GCK-MODY patients is approximately 1.7 million in China. These patients are diagnosed with diabetes at a young age and represent an unmet medical need given that currently available medications are not effective. In clinical studies with MODY-2 patients, a single dose of dorzagliatin improved overall glucose sensitivity and second phase insulin secretion significantly in GCK-MODY patients, suggesting a unique mechanism of action of dorzagliatin to regulate glucagon like peptide 1 (GLP-1) secretion.

During the Reporting Period, we continued to advance the regulatory development of dorzagliatin for GCK-MODY in China. Following prior communications with the Center for Drug Evaluation of the National Medical Products Administration, we completed the proposed clinical protocol. We plan to submit an IND application for dorzagliatin in GCK-MODY by December 2026.

Dorzagliatin for Diabetes Prevention

Prevention of diabetes is an important focus at Hua Medicine. There are approximately 1.12 billion people living with prediabetes worldwide. We have initiated the SENSITIZE 3 clinical study in Hong Kong in pre-diabetic (IGT) subjects and in early diabetes patients under the leadership of Dr Juliana Chan and Dr Elaine Chow of the Chinese University of Hong Kong. These studies represent first-in-disease studies. In this double-blinded placebo-controlled study, we will evaluate the blood glucose management and pancreatic function under intravenous glucose tolerance test and oral glucose tolerance test conditions to better define the clinical treatment baseline and endpoints. We expect to complete this study in 2026 and file IND applications of dorzagliatin for diabetes prevention in China and Asia-Pacific regions thereafter.

Dorzagliatin for Neurodegenerative Diseases

MCI shows approximately 15.5% prevalence among elderly people in China and approximately 22% in the United States, and is common in T2D patients with a 45% incidence rate. Development of dorzagliatin for neurodegenerative disease is a new focus in our drug discovery efforts. Through the Genome-Wide Association Study (GWAS) and Mendelian Randomization (MR) study, we have realized the important role of GCK gene activation in prevention of memory loss and cognitive impairment in humans. It has also come to our attention that post-meal glucose excursion is closely related to Alzheimer disease and dementia. Impaired glucose homeostasis and diabetes conditions result in a reduction of glucose transporter expression and insulin receptor expression in the brain, which can be prevented by low dose dorzagliatin. We have realized the potential of dorzagliatin in the treatment of MCI and are initiating these first-in-disease clinical studies.

Preparation of the clinical study protocol and clinical development plan has been initiated. We expect to launch pre-IND communications with the relevant regulatory authority in the fourth quarter of 2026.

Dorzagliatin for Frailty

Frailty is an age-related geriatric syndrome characterized by reduced tolerance to internal and external stressors. Approximately 17% of American older adults and 11% of Asian older adults suffer from frailty, while pre-frailty affects roughly 50% and 47% of these populations, respectively. It is not a single-organ disease, but the consequence of dysregulated multisystem homeostasis. Genetic evidence has suggested a potential relationship between glucokinase activation and a reduced risk of frailty, supporting further investigation of dorzagliatin in this area. We intend to progress the regulatory preparations for an IND submission in 2026.

The 2nd Generation of GKA is under Development in the United States

HM1005 is our second-generation GKA program based on a sustained-release formulation of dorzagliatin and is being developed as a once-daily oral therapy. In 2025, we successfully initiated MAD clinical study in T2D patients in the United States. As of the date of this report, we have completed five dose-escalation cohorts in the Phase Ib multiple ascending dose study in the United States. HM1005 was generally well tolerated across the completed cohorts. We are conducting a subsequent cohort evaluating two 246 mg tablets in the United States.

Fixed Dose Combination (FDC) of Dorzagliatin and Metformin

We are accelerating the development of the FDC of dorzagliatin with metformin. The FDC will be evaluated against branded metformin (Glucophage®) and dorzagliatin (HuaTangNing®). An IND with the NMPA has been filed for our FDC with metformin in China in 2025, with an NDA submission planned for 2027.

Further, during the Reporting Period, we completed a pivotal bioequivalence study under fed conditions involving 43 subjects. The study demonstrated bioequivalence between the FDC formulation and the corresponding reference treatments. A bioequivalence study under fasting conditions involving approximately 60 subjects is planned for September 2026. The results of the fed and fasting bioequivalence studies are expected to support the planned new drug application submission in China in 2027.

Development of Combination Therapies for Diabetes and Metabolic Diseases

We presented three combination therapy studies in animal models of metabolic disorder at the 2026 ADA. The combination of dorzagliatin and orforglipron, an oral small-molecule GLP-1 receptor agonist, demonstrated synergistic glycemic control, significantly enhanced β-cell function, and maintained weight loss and lipid-lowering benefits in diet-induced obese (DIO) mice. Notably, the data revealed a compelling dose-sparing effect which directly reduces the overall side-effect burden – particularly common GLP-1-related gastrointestinal adverse events – thereby meaningfully improving long-term patient adherence. These complementary mechanisms across glycemic control, weight loss, and lipid improvement, position the potential combination as a highly effective, well-tolerated, and differentiated oral option for T2D patients with obesity. In the study combining dorzagliatin with the THR-β agonist resmetirom, the combination synergistically improved systemic metabolism and exerted hepatoprotective effects, optimizing glycemic control, regulating lipids, reducing uric acid, and alleviating hepatic fibrosis. This supports the clinical potential of dorzagliatin for T2D patients with MASLD. Additionally, the combination of dorzagliatin with chiglitazar, a pan-PPAR agonist, improves glucose tolerance, reduces insulin resistance, enhances insulin sensitivity and β-cell function, and elevates high-density lipoprotein cholesterol levels in DIO mice model of MASLD.

Business outlook

There is a great opportunity for dorzagliatin and 2nd generation GKA in China and the global oral antidiabetic drug market. Building on the strong commercial momentum of HuaTangNing (华堂宁®) in mainland China, the business is now generating robust cash flows, enabling us to increase investment across the business and lay the foundation for accelerated growth. We are expanding our commercial team and further strengthening our commercialization capabilities, with the objective of sustaining strong sales growth and expanding our geographic reach. We will also leverage AI-empowered tools including GK Charger to enhance promotional efficiency and support the broader regional rollout of HuaTangNing (华堂宁®). Building on our glucose homeostasis platform, we plan to broaden the disease coverage beyond T2D to include early mild cognition impairment (MCI), frailty, metabolic dysfunction-associated steatohepatitis (MASH) and healthy longevity. We are conducting relevant studies on dorzagliatin for multiple potential first-in-disease indications, and will continue to expand our pipeline through both internal innovation and selective in licensing.

We are making steady progress on the U.S. clinical program for our second generation GKA. Once the ongoing Phase Ib MAD trial is completed, we expect to share topline data in the second half of the year and will seek partners to co-develop this second generation GKA for global markets. As MYHOMSIS®(華領片®) is rolled out in Hong Kong and Macao, we plan to build on this regional presence to explore partnership opportunities across Southeast Asia and Belt and Road nations.

Looking ahead, we will remain focused on disciplined commercial execution, strategic pipeline expansion, and innovative indication development leveraging our proprietary glucose homeostasis platform – a focus that we expect will drive the Company to profitability in 2027 and establish a strong foundation for sustainable earnings.

Important events after the reporting period

Save as disclosed above, there are no important events that have occurred since June 30, 2026 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, and 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.

For the six months ended June 30, 2026, approximately 3,055,000 packs of HuaTangNing (华堂宁®) were sold, generating sales of approximately RMB378.9 million. 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. The difference represents a 74% increase in sales over a period during which the price per pack remained the same, which demonstrates the solid progress in our transition to a commercialization-driven organization, with HuaTangNing (华堂宁®) entering a rapid scale-up phase and delivering strong sales growth.

Gross profit

For the six months ended June 30, 2026, we recorded a gross profit of approximately RMB234.3 million and a gross margin of 61.8%. Our gross margin increased by 7.6 percentage points as compared to 54.2% for the six months ended June 30, 2025, 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 government grants and bank interest income. Other income decreased by RMB1,248.0 million to RMB6.5 million for the six months ended June 30, 2026 from RMB1,254.6 million for the six months ended June 30, 2025, which was mainly attributable to the release of unamortized contract liabilities of RMB1,243.5 million upon the termination of service agreement with Bayer on January 1, 2025.

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 increased by RMB4.3 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 larger depreciation of the U.S. dollar and HK dollar against the Renminbi for the six months ended June 30, 2026, compared to the smaller depreciation of the U.S. dollar and HK dollar against the Renminbi for the six months ended June 30, 2025.

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 RMB62.7 million to RMB126.9 million for the six months ended June 30, 2026 from RMB64.2 million for the six months ended June 30, 2025, which was mainly attributable to i) labor cost of RMB81.4 million, increased by RMB35.2 million as compared to the six months ended June 30, 2025, which was primarily attributable to additional labor resources from the strengthening of our sales and marketing team; ii) consulting and meeting expenses of RMB36.2 million, increased by RMB22.9 million as compared to the six months ended June 30, 2025, which was mainly due to our marketing strategy; and iii) T&E expenses of RMB7.4 million, increased by RMB6.1 million as compared to the six months ended June 30, 2025, which was mainly due to the growing needs of market exploration initiatives.

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,			
	2026		2025	
	RMB'000	***%***	*RMB'000*	*%*
Clinical trials and research	**19,901**	**29.8%**	14,755	22.4%
Non-clinical Studies	**2,240**	**3.4%**	1,761	2.7%
Chemical, Manufacturing and Control	**3,846**	**5.8%**	7,083	10.8%
Labor Cost	**31,874**	**47.7%**	29,312	44.5%
Licensing and Patent Fee	**2,217**	**3.3%**	3,036	4.6%
Others	**6,744**	**10.0%**	9,874	15.0%
Total	**66,822**	**100%**	65,821	100%

Research and development expenses increased by RMB1.0 million to RMB66.8 million for the six months ended June 30, 2026 from RMB65.8 million for the six months ended June 30, 2025. The increase in research and development expenses mainly included:

- an increase of RMB5.1 million in clinical trial and research expenses from RMB14.8 million for the six months ended June 30, 2025 to RMB19.9 million for the six months ended June 30, 2026, which was primarily attributable to the advancement of the 2nd generation GKA project and the post-marketing observational study. During the first half of 2026, the Phase Ib trial of the 2nd generation GKA progressed rapidly as planned, with more than half of the scheduled patients successfully dosed in. The Company continued to advance the post-marketing observational study throughout 2025, completed the visit phase by the end of 2025 and initiated data review, analysis and database locking in the first half of 2026;

- a decrease of RMB3.2 million in chemical, manufacturing and control expenses from RMB7.1 million for the six months ended June 30, 2025 to RMB3.8 million for the six months ended June 30, 2026, which was primarily attributable to the completion of major validation projects related to capacity expansion. During the first half of 2026, registration of the new production line progressed smoothly, several subsequent validation projects are expected to commence in the second half of 2026;

- an increase of RMB2.6 million in labor cost from RMB29.3 million for the six months ended June 30, 2025 to RMB31.9 million for the six months ended June 30, 2026, which was primarily attributable to the increase of share-based payment under the accelerated amortization method; and

- a decrease of RMB3.2 million in other expenses from RMB9.9 million for the six months ended June 30, 2025 to RMB6.7 million for the six months ended June 30, 2026, which was primarily attributable to decreased rental expenses and depreciation expenses.

Administrative expenses

Administrative expenses consisted primarily of employee compensation and related costs. Administrative expenses increased by RMB14.2 million to RMB67.3 million for the six months ended June 30, 2026 from RMB53.1 million for the six months ended June 30, 2025, which was mainly attributable to i) an increase of RMB10.1 million in labor cost, which was primarily attributable to additional labor resources and the increase of share-based payment under the accelerated amortization method; ii) an increase of RMB1.8 million in consulting expenses, which was mainly due to increased consulting activities in line with our business strategy; and iii) an increase of RMB2.1 million in other expense, which was mainly due to the increased sales taxes and surcharges attributed from the increased sales scale.

Finance cost

Finance cost consisted of expenses associated with the interest on lease liabilities and bank loan. Finance cost was RMB4.4 million for the six months ended June 30, 2026 as compared to RMB4.0 million for the six months ended June 30, 2025, which was mainly attributable to an increase in average bank loan balances in the six months ended June 30, 2026.

Income tax expense

We recognized no income tax expenses for the six months ended June 30, 2026 and the six months ended June 30, 2025.

Liquidity and capital resources

For the period ended June 30, 2026, we were in a net loss position and had negative cash flows from operations. Our primary use of cash is to fund market exploration, manufacturing expenses and research and development expenses. Our operating activities used RMB62.8 million for the six months ended June 30, 2026. As of June 30, 2026, we had cash and cash equivalents of RMB1,072.9 million.

As of June 30, 2026, 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, 2026), nor were there any material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended June 30, 2026.

Cash flows

The following table provides information regarding our cash flows for the six months ended June 30, 2026 and 2025:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
Net cash used in operating activities	**(62,794)**	(84,414)
Net cash (used in) from investing activities	**(930)**	1,259
Net cash from (used in) financing activities	**49,141**	(32,633)
Effect of exchange rate changes	**(4,769)**	(1,177)
Net decrease in cash and cash equivalents	**(19,352)**	(116,965)

Net cash used in operating activities

The primary use of our cash was to fund our market exploration and commercial activities, manufacturing activities, research and development activities, 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, 2026, our operating activities used RMB62.8 million of cash, which resulted principally from our loss before tax of RMB30.2 million, adjusted for net non-cash expense and net non-operating expense of RMB30.9 million and cash used in the movement of our working capital of RMB63.5 million. Our net non-cash expense and net non-operating expense during the six months ended June 30, 2026 primarily consisted of depreciation of equipment, right-of-use assets and amortization for intangible assets, share-based payment expense and interest on bank loan and lease liabilities, adjusted for bank interest income. The movement of our working capital during the six months ended June 30, 2026 primarily consisted of the increase in trade and other receivables, the increase in trade and other payables and the decrease in inventories.

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 resulting 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.

Net cash (used in) from investing activities

Net cash used in investing activities was RMB0.9 million for the six months ended June 30, 2026, which resulted primarily from the purchase of equipment and intangible assets, adjusted for the interest received from bank for short-term deposit. 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 (used in) financing activities

Net cash from financing activities was RMB49.1 million for the six months ended June 30, 2026, which was primarily due to newly obtained bank loans and exercise of share options, offset by the payments relating to bank loan and lease liabilities. Net cash used in financing activities was RMB32.6 million for the six months ended June 30, 2025, which was primarily due to the payments relating to bank loan and lease liabilities, offset by newly obtained bank loans and exercise of share options.

Financial position

Our net current assets decreased from RMB1,086.2 million as of December 31, 2025 to RMB944.2 million as of June 30, 2026. Current assets increased from RMB1,296.4 million as of December 31, 2025 to RMB1,347.5 million as of June 30, 2026, primarily due to the expanded sales scale for the six months ended June 30, 2026.

Indebtedness

As of June 30, 2026, our lease liabilities and borrowings amounted to RMB41.0 million and RMB313.3 million. The following table sets forth our lease liabilities and borrowings as of the dates indicated:

	As of June 30, 2026	As of December 31, 2025
	RMB'000	*RMB'000*
Current portion	**235,100**	48,659
Non-current portion	**119,160**	253,014
Total	**354,260**	301,673

Our lease liabilities as of June 30, 2026 were from leased properties lease contracts with lease terms of one to three years. As of June 30, 2026, 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 functional currencies of the relevant group entities against foreign currencies, with which the Group may have a 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, 2026 for a 5% change in foreign currency rate. A negative number below indicates an increase in loss where functional currencies strengthen 5% against foreign currencies. For a 5% weakening of functional currencies against foreign currencies, there would be an equal and opposite impact on gain for the period.

	As of June 30, 2026	As of December 31, 2025
	RMB'000	*RMB'000*
Impact on profit or loss		
US$	**(1,471)**	(1,674)
HK$	**(2,347)**	(3,011)
MOP$	**(35)**	(41)
RMB	**(7)**	(5)

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, 2026 and December 31, 2025, we recorded net current assets of RMB944.2 million and RMB1,086.2 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, 2026	As of December 31, 2025
Current ratio[(1)]	**3.3**	6.2
Quick ratio[(2)]	**3.1**	5.6
Gearing ratio[(3)]	**35.7%**	30.0%

(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.

The current ratio and quick ratio as of June 30, 2026 decreased by 2.9 and 2.5 respectively, as compared with December 31, 2025; gearing ratio as of June 30, 2026 increased by 5.7 percentage points, as compared with December 31, 2025, which were mainly due to the increased short-term loan caused by our financing strategy.

Charge of the Group's assets

Save as disclosed in this announcement, the Group had no material assets charged as of June 30, 2026.

Capital commitments

Save as disclosed in this announcement, the Group had no material capital commitments as of June 30, 2026.

Future plans for material investments or capital assets

As of June 30, 2026, 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, 2026.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended June 30,	
		2026	2025
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**378,904**	217,432
Cost of sales		**(144,594)**	(99,613)
Gross profit		**234,310**	117,819
Other income	*5*	**6,531**	1,254,565
Other gains and losses	*6*	**(5,673)**	(1,374)
Selling expenses		**(126,889)**	(64,155)
Research and development expenses		**(66,822)**	(65,821)
Administrative expenses		**(67,276)**	(53,120)
Finance cost	*7*	**(4,376)**	(3,968)
(Loss)/profit before tax	*8*	**(30,195)**	1,183,946
Income tax expense	*9*	**–**	–
(Loss)/profit for the period		**(30,195)**	1,183,946
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations		**162**	154
Other comprehensive income for the period, net of income tax		**162**	154
Total comprehensive (expense) income for the period		**(30,033)**	1,184,100
(Loss)/earnings per share	*12*	***RMB***	RMB
Basic		**(0.03)**	1.20
Diluted		**(0.03)**	1.19

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	At June 30, 2026 RMB'000 (unaudited)	At December 31, 2025 RMB'000 (audited)
Non-current assets			
Plant and equipment	*13*	**28,991**	30,233
Right-of-use assets	*13*	**74,061**	79,840
Intangible assets		**22,423**	22,589
Trade and other receivables	*14*	**39,902**	38,387
Amount due from a director		**2,230**	2,259
		167,607	173,308
Current assets			
Inventories		**116,202**	121,667
Trade and other receivables	*14*	**158,318**	82,471
Bank balances and cash	*15*	**1,072,936**	1,092,288
		1,347,456	1,296,426
Current liabilities			
Trade and other payables	*16*	**168,119**	161,608
Borrowings	*17*	**215,976**	30,610
Lease liabilities		**19,124**	18,049
		403,219	210,267
Net current assets		**944,237**	1,086,159
Total assets less current liabilities		**1,111,844**	1,259,467
Non-current liabilities			
Borrowings	*17*	**97,325**	220,556
Lease liabilities		**21,835**	32,458
		119,160	253,014
Net assets		**992,684**	1,006,453
Capital and reserves			
Share capital		**7,221**	7,221
Treasury shares held in trust		**(397)**	(411)
Reserves		**985,860**	999,643
Total equity		**992,684**	1,006,453

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

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 commercializing 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,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Timing of revenue recognition		
At a point in time		
Sales of pharmaceutical products	**378,884**	217,432
Service income	**20**	–
	378,904	217,432

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,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Mainland China	**378,904**	217,432

5. Other income

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest income	**3,656**	7,339
Government grants *(Note a)*	**2,875**	3,727
– Assets-related grants	**–**	1,363
– Income-related grants	**2,875**	2,364
Release of contract liabilities upon termination of service agreement *(Note b)*	**–**	1,243,499
	6,531	1,254,565

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, 2026 and 2025.

7. Finance cost

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on the lease liabilities	**806**	985
Interest on borrowings	**3,570**	2,983
	4,376	3,968

8. (Loss)/profit before tax

(Loss)/profit before tax for the period has been arrived at after charging:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Depreciation of plant and equipment	**1,509**	5,533
Depreciation of right-of-use assets	**8,958**	9,749
Amortization of intangible assets	**1,791**	1,739
Total depreciation and amortization	**12,258**	17,021
Staff cost (including directors' emoluments):		
– Salaries and other benefits	**126,589**	92,967
– Retirement benefit scheme contributions	**9,049**	6,594
– Other social security and housing provident fund	**11,473**	8,456
– Share-based payment	**12,976**	4,916
	160,087	112,933
Change in amount capitalised in inventories	**(1,352)**	(1,023)
	158,735	111,910
Auditors' remuneration	**900**	821
Inventories recognized as cost	**111,481**	76,048
Inventories recognized as expenses	**1,623**	662

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 the Group's PRC subsidiaries). 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. The qualification as a High and New Technology Enterprise will be subject to review by the PRC tax authorities every three years. In 2026, Hua Shanghai was granted as a "High and New Technology Enterprise"by the Science and Technology Committee of Shanghai for a term of three years from December 25, 2025 to December 25, 2028, and has registered with the local tax authorities to continue enjoying the reduced 15% EIT rate.

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, 2025: 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, 2026, the Group incurred amortization cost of the license agreement of RMB1,396,000 (unaudited) (For the period ended June 30, 2025: 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. (Loss)/earnings per share

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

(Loss)/earnings figures are calculated as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss)/earnings for the period attributable to the owners of the Company for the purpose of basic and diluted (loss)/earnings per share	**(30,195)**	1,183,946

Number of shares:

	Six months ended June 30,	
	2026	2025
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**997,988,916**	984,907,922
Effect of dilutive potential ordinary shares:		
Options	**–**	7,274,999
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**997,988,916**	992,182,921

The computation of diluted loss per share for the six months ended June 30, 2026 did not assume the exercise of share option since their assumed exercise would result in a decrease in loss per share (six months ended June 30, 2025: 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).

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

During the current interim period, the Group acquired RMB2,067,000 (unaudited) (six months ended June 30, 2025: RMB1,023,000 (unaudited)) of plant and equipment. During the current interim period, there is a loss on disposal of RMB33,000 (unaudited) of plant and equipment (six months ended June 30, 2025: 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 three 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 RMB3,179,000 (unaudited) (six months ended June 30, 2025: RMB3,295,000 (unaudited)) and lease liabilities of RMB3,179,000 (unaudited) (six months ended June 30, 2025: RMB3,295,000 (unaudited)).

14. Trade and other receivables

	At June 30,	At December 31,
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables	**144,456**	74,830
Prepayments for research and development services	**2,285**	1,045
Prepayments for sales and marketing services	**532**	1,447
Prepayments for acquisition of intangible assets		
– non-current	**1,053**	–
Prepayment for raw materials and manufacture services		
– current	**178**	178
– non-current	**28,000**	28,000
Utility and rental deposits		
– current	**130**	195
– non-current	**7,037**	7,184
Value add tax ("VAT") recoverable		
– current	**–**	–
– non-current	**3,271**	3,203
Interest receivables	**416**	373
Other receivables for considerations of options exercised	**21**	454
Others		
– current	**10,300**	3,949
– non-current	**541**	–
	198,220	120,858

	At June 30, 2026 *RMB'000* (unaudited)	At December 31, 2025 *RMB'000* (audited)
Analyzed as		
– current	**158,318**	82,471
– non-current	**39,902**	38,387
	198,220	120,858

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, 2026 *RMB'000* (unaudited)	At December 31, 2025 *RMB'000* (audited)
0-60 days	**144,456**	74,830

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 1.20% per annum as of June 30, 2026 (December 31, 2025: from 0.00% to 3.12% per annum).

16. Trade and other payables

	At June 30, 2026 *RMB'000* (unaudited)	At December 31, 2025 *RMB'000* (audited)
Trade payables	**104,142**	81,650
Other payables	**11,693**	11,583
Construction expenditure payables	**325**	2,018
Payroll and bonus payables	**38,119**	55,076
Interest Payables	**383**	436
Value add tax ("VAT") payable	**7,582**	4,864
Others	**5,875**	5,981
	168,119	161,608

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, 2026 ***RMB'000*** **(unaudited)**	At December 31, 2025 *RMB'000* (audited)
Uninvoiced or within 30 days	**98,047**	81,526
31 to 60 days	**6,095**	124
	104,142	81,650

17. Borrowings

During the current interim period, the Group obtained unsecured and unguaranteed new bank loans amounting to RMB70,587,000 (unaudited) (six months ended June 30, 2025: RMB29,853,000 (unaudited)). The Group's variable-rate borrowings carry interest at one year Loan Prime Rate (LPR) minus 0.89%, 0.25% or 0.15%, ranged from 2.11% to 2.85%, and are repayable in instalments over a period of one 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, 2026. As of June 30, 2026, the Company did not hold any treasury shares (as defined under the Listing Rules).

Employees and remuneration policy

As of June 30, 2026, the Group employed a total of 424 employees, as compared to a total of 328 employees as of December 31, 2025. The majority of the employees are employed in mainland China. For the six months ended June 30, 2026, the staff costs (including Directors' emoluments but excluding any contributions to pension scheme) were approximately RMB138.2 million as compared to RMB97.0 million for the six months ended June 30, 2025.

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, 2026.

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, 2026 (June 30, 2025: 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, 2026.

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, 2026 except CG code provision B.3.5. According to code provision B.3.5, the issuer should appoint at least one director of a different gender to the nomination committee. Following the appointment of Dr. Yi ZHANG and Mr. Yiu Leung Andy CHEUNG on 25 June 2026, the nomination committee has comprised at least one Director of a different gender and continues to comprise a majority of independent non-executive Directors and in compliance with CG code provision B.3.5. 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. William Robert Keller was appointed as an independent director of Gland Pharma Limited, a company listed on the Bombay Stock Exchange (stock code: 543245) and the National Stock Exchange of India (stock code: GLAND), with effect from June 15, 2026 to June 14, 2031.

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, 2026 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, 2026, 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 2026 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, 2026 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", 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 20, 2026

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.