H g K g E cha ge a d Clea i g Li i ed a d The S ck E cha ge f H g K g Li i ed ake e ibili f he c e f hi a ce e , ake e e e a i a i acc ac c le e e a d e e l di clai a liabili w ha e e f a l h e e a i i g f i elia ce , he h le a a f he c e f hi a ce e .

HUA MEDICINE
華領醫藥

(I c a ed i he Ca a I la d i h li i ed liabili)

(stock code: 2552)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

The B a d i lea ed a ce he a di ed c lida ed e l f he G f he i h e ded J e 30, 2024, ge he i h he c a a i e fig e f he i h e ded J e 30, 2023. U le he i e defi ed he ei , ca i ali ed e ed i hi a ce e hall ha e he a e ea i g a h e defi ed i he P ec .

BUSINESS HIGHLIGHTS

Thi e i g e i d e e e he fi i a ce f hich H a Medici e e he ale f H aTa gNi g (华堂宁) (d aglia i able) de Chi a' Na i al Rei b e e D g Li f Ba ic Medical I a ce, W k- ela ed I j I a ce a d Ma e i I a ce (he **NRDL**) f T2D b he Na i al Heal hca e Sec i Ad i i a i (he **NHSA**). H aTa gNi g (华堂宁) e e ed he NRDL i N e be 2023 a d i a i ide ei b e e beca e effec i e i ai la d Chi a Ja a 1, 2024. H a Medici e ked i h ale i a e Ba e Heal hca e C a Li i ed (**Bayer**) a d 80 Tie 1 di ib begi he ha ace ical a ke e i 31 ici ali ie a d i ce i Chi a.

- Sale f H aTa gNi g (华堂宁) i he fi half f 2024 eached 846,000 ack , e e e i g a ig ifica i c ea e i ale l e a c a ed i h 212,000 ack i he fi half f 2023. S ch ig ifica ale i c ea e a d i e b he accele a i f i c ea ed h i al e ie , e eciall i Sha ghai, Beiji g a d Tia ji , be efi i g f g e e

- D agliai a , fac , i g ca aci c i , e e a d, w i h he e ec a i each e 3 illi ack i 2024. Ne ce e f la ge ca aci ha e bee e abli hed w i h , a e a d a e , de eg, la e ie f d, c i e i.

- P a ke i g cli ical , die ceeded a a accele a ed a e, i w hich HMM0601 e lled 1,368 a ie a d HMM0701 e lled 102 a ie . HMM0601 i de ig ed e al, a e he l g-e afe f d agliai b c llec i g 1- ea cli ical afe da a i 2,000 T2D a ie a d HMM0701 i a ec i e eal w ld , d e l e d agliai' cli ical be eficial effec he i e e f gl, c e h e a i, c g i i e f, c i a d diabe e e i i . A g d d, g afe file f d agliai ha bee b e ed i ce i c e cial la, ch i Oc be 2022 a i e a f e 20 h a d a i a el 100,000 a ie e , e.

- T Me delia a d i a i , die c d, c ed b , c llab a i g H g K g-ba ed cli ical i e iga , a d , bli hed i *Ca di a c, la Diabe 1 g* h ed ha gl, c ki a e ac i a i ca lead l g e be efi i ed, c i f i k i ca di a c, la di ea e a d d li idae ia. Ne cli ical i dica i hall be f, he e l ed w i h , c e ciali a i a e.

FINANCIAL HIGHLIGHTS

- Ba k bala ce a d ca h i i w a a i a el RMB1,338.8 illi a f J, e 30, 2024.

- T al e e , e ge e a ed b he C a f he i h e ded J, e 30, 2024 w a a i a el RMB102.7 illi , eflec i g ale f a i a el 846,000 ack f H, aTa gNi g (华堂宁).

- T al he i c e ge e a ed b he C a f he i h e ded J, e 30, 2024 w a a i a el RMB55.1 illi , f w hich a i a el RMB47.8 illi w a a ib, able he a i a i f Ba e ile e i c e.

- T al e e di , e i c, ed b he C a f he i h e ded J, e 30, 2024 w a a i a el RMB245.9 illi , f w hich a i a el RMB119.8 illi w a a ib, able e ea ch a d de el e e e e.

- Re ea ch a d de el e e e i c ea ed b a i a el RMB48.8 illi a i a el 68.7% a i a el RMB119.8 illi f he i h e ded J, e 30, 2024, c a ed w i h he i h e ded J, e 30, 2023.

- L bef e a i c ea ed b a i a el RMB52.1 illi a i a el 57.9% a i a el RMB142.2 illi f he i h e ded J, e 30, 2024, c a ed w i h he i h e ded J, e 30, 2023.

- T al c ehe i e e e f he e i d i c ea ed b a i a el RMB51.4 illi a i a el 56.8% a i a el RMB142.0 illi f he i h e ded J, e 30, 2024, c a ed w i h he i h e ded J, e 30, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Business overview

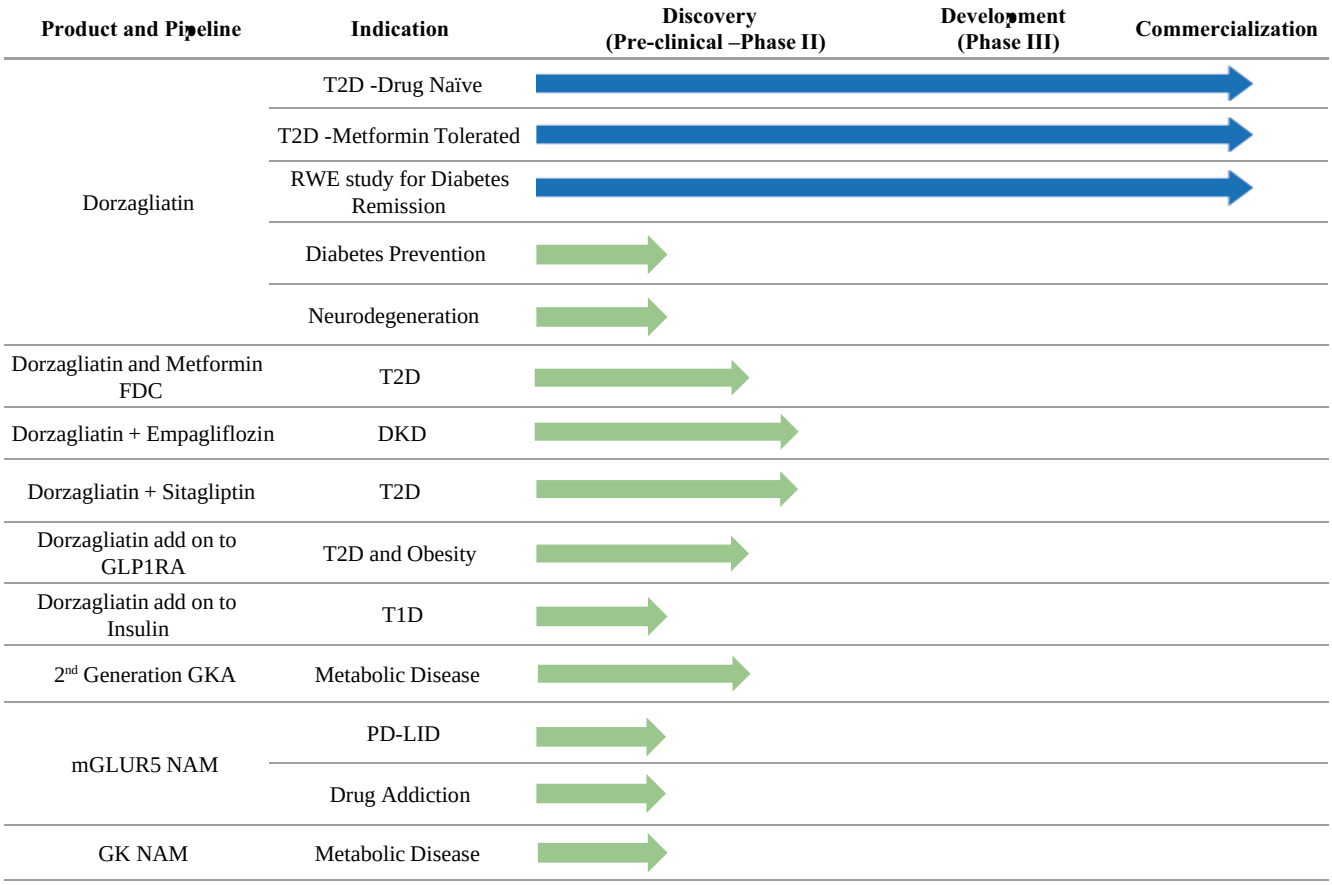
D i g he fi e i g e i d de he NRDL, H aTa gNi g (华堂宁) e e ie ced a fa e i h i al a d ha acie , e eciall i Sha ghai, Beiji g, Tia ji he e he g e e licie a ke e f el ed d g . The be f h i al e c ibi g H aTa gNi g (华堂宁) e ceeded 2,100 i he fi half f 2024. Re e e f H aTa gNi g (华堂宁) eached RMB102.7 illi f he fi half f 2024 a d i e ec ed c i e g i he ec d half f 2024. A e b ild ff e f da i de he NRDL, e la le e age , ell-e abli hed a e hi e ha ce he d aglia i a fac i g ce , hich i e ec ed lead efficie cie , e a ded ca aci a d ed c i f c f g d . We a e i i i g e a i ac he b a d i h he g al achie e fi abili i he ea f 2025.

We c i ed a ke i g cli ical die a a i a el 80 h i al be e de a d he be efi d aglia i ide a ie i h T2D a d T2D c lica i , ch a e l a d diabe e kid e di ea e. Th gh c llab a i i h cli ical e ea ch a e i H g K g e ha e di c e ed ha gl c ki a e (GK) ac i a i b i g he be efi f ed c i f i k i ca di a c la di ea e, a d d li ide ia. The e e l (a l i g he Me delia Ra d i a i (MR) e h d l g) ce ai l e a d de a di g f he be efi f GK ac i a i h gh d aglia i a d f c e i g e i dica i f d aglia i i he f e.

MR i a a i ical e h d ha e ge e ic a ia i e iga e he ca al effec f e e (e.g., ea e) c e (e.g., di ea e). I i e ad a age lie i i ed ced ce ibili c f di g a d i e- ela ed bia e c a ed i h b e a i al die hich i achie ed b le e agi g he a d all ca i f ge e ic a ia a c ce i . I e ide ce-ba ed edici e, he c edibili f e ide ce f MR i ec d l ha f a d i ed c lled ial . Th gh c llab a i i h H g K g diabe ic a age e e e e ha e di c e ed ha GK

Product pipeline and business outlook

Se bel w a e he ke age f , d c ca dida e de de el e :



We ha e ad a ced , - a ke i g eal w ld e ide ce (RWE) die HMM0601 a d HMM0701 i T2D a ie i ai la d Chi a, a d HMM0123 i H g K g, Chi a. I he e die w e a e c llec i g e ide ce i edical ac ice f i i a i f gl c e h e a i ei he h gh d agliа i al e i c bi a i w i h a da d ca e T2D edica i ch a e f i , DPP-IV i hibi , SGLT-2 i hibi , GLP-1RA a d i li . The e e l c ea e e w e ide ce f d agliа i i he e a i f i i dica i i diabe e e e i a d e i i .

H a Medici e i c i i g i d g de el e i eli e w i h a f c he fi ed d e c bi a i (FDC) f e w d g ca dida e. The e w d g D agliа i -Me f i FDC e e ed a fac i g ce alida i a d , la i la ch hi e w edici e f T2D i 2028. Addi i al e w FDC d g w i h d agliа i w ill be de el ed f T2D a ie , ail ed ecificall add e T2D a ie w i h a cia ed c lica i ch a be i a d diabe e kid e di ea e.

T f he le e age he i e ad a age f d agliа i i e i g GLP-1 ec e i i a ie w i h diabe e a d be i , H a Medici e i i ia ed i Pha e I d i he U i ed S a e w i h 2 d ge e a i GKA HMS1005. The ial ha bee ceedi g hl a d ha al ead c le ed

A he A e ica Diabe e A cia i (ADA) A , al Mee i g 2024, H, a Medici e e ed e cie ific da a , , i g he c bi a i f d aglia i wi h a SGLT-2 i hibi which led i e e i gl cae ic c l. C bi a i f d aglia i wi h ch ic kid e di ea e (CKD) edici e, , ch a SGLT-2 i hibi , e aglifl i , i id la e age diabe e kid e di ea e a ie , ffe e , , i e a d d aglia i ' i dica i .

We a e e l i g e d g e , i g , , i ie f d aglia i , i g he MR f a e k, , ch a e al di ea e , e , a h ela ed di ea e , e e ela ed di ea e , c g i i e di de , a d ca ce . A i al , die hall be f, he e f ed alida e he i i g fi di g .

We a e c i , i g i i e , ei all e ic d, la i ech l g (PAMT) a d e a i f i i e all e ic d, la (PAM), , ch a GK i i e all e ic d, la d aglia i , ega i e all e ic d, la (NAM) i ki a e a d G- ei -c , led ece (GPCR) ei . The GK NAM g a ad a ced he e-cli ical ca dida e (PCC) elec i age a d fi al i i a i f he PCC cli ical ca dida e f c ge i al h e i , li i (CHI), a d e iall f d li idae ia. We c i , e ad a ce GLUR5 NAM g a f i cli ical e ial i Pa ki ' di ea e (PDLID), F agile X d e (FXS), a d d , g addic i .

Important events after the reporting period

Sa e a di cl ed ab e, he e a e i a e e ha ha e cc, ed i ce J, e 30, 2024 a d , he da e f hi a , ce e .

Financial review

Revenue

O, e e , e a ge e a ed f he ale f , c e d, c H, aTa gNi g (华堂宁). The c llec i e e , l f , cli ical ial i dica e H, aTa gNi g (华堂宁) ha a afe, le able a d be ig file, i effec i e a e i g eg, la i f bl d gl, c e h e a i h , gh i e e i -cell f, c i a d ed, c i i i , li e i a ce, a d ha led diabe e e i i i elec , , , la i f T2D a ie .

F he i h e ded J, e 30, 2024, a i a el 846,000 ack f H, aTa gNi g (华堂宁) e e ld, ge e a i g ale f a i a el RMB102.7 illi . O, ale l, e i c ea ed b 634,000 ack RMB32.3 illi a c a ed he i h e ded J, e 30, 2023. F fi c e cial la, ch h , gh J, e 30, 2024, a i a el 1,150,000 ack f H, aTa gNi g (华堂宁) e e ld, ge e a i g ale f a i a el RMB196.9 illi .

H, aTa gNi g (华堂宁) a , cce f, ll i cl, ded i he NRDL f T2D b he NHSA a he e d f 2023. U he ab e ig ifica de el e , he ale l, e f H, aTa gNi g (华堂宁) i e ec ed ha e a h, ge i c ea e i he f ll i g ea .

Gross profit

F he i h e ded J, e 30, 2024, e ec ded a g fi f a i a el RMB47.8 illi a d a g a gi f 46.5%. O, g a gi dec ea ed b 16.1% a c a ed 62.6% f he i h e ded J, e 30, 2023, hich a i a il d, e he ale ice f H, aTa gNi g (华堂宁), hich dec ea ed f RMB341.95 e ack RMB124.88 e ack af e e e i g he NRDL a he e d f 2023. A , c e ciali a i cale i c ea e , he g a gi i e ec ed i c ea e a e ali ed a e.

Other income

O, he i c e c i ed , i a il f Ba e ile e i c e (ile e , a e f Ba e , , he achie e e f ce ai ile e ela i g he de el , e f H, aTa gNi g (华堂宁)), g e e g a a d ba k i e e i c e. O, he i c e i c ea ed b RMB16.5 illi RMB55.1 illi f he i h e ded J, e 30, 2024 f RMB38.6 illi f he i h e ded J, e 30, 2023, hich a ai l a ib, able a i c ea e f RMB26.2 illi i Ba e ile e i c e f he i h e ded J, e 30, 2024, adj, ed f a dec ea e f RMB7.2 illi i g e e g a a d a dec ea e f RMB2.5 illi i ba k i e e i c e f h - e de i .

Selling expenses

O, elli g e e c i ed i ail f e e ela ed elli g a d a ke i g ac i i ie. O, elli g e e i c ea ed b RMB8.2 illi RMB61.1 illi f he i h e ded J, e 30, 2024 f RMB52.9 illi f he i h e ded J, e 30, 2023, hich a ai l a ib, able i) a i c ea e f RMB4.2 illi i lab , c hich a i ail a ib, able addi i al lab , e , ce ; ii) a i c ea e f RMB5.9 illi i i e e e hich a ai l d, e i c ea ed ale cale i he fi half f 2024; a d iii) a adj, e f he dec ea e f RMB3.3 illi i ee i g e e d, e , a ke i g a eg .

Research and development expenses

The f ll i g able e f h he c e f , e ea ch a d de el e e e e f he e i d i dica ed.

	Six months ended June 30,			
	2024		2023	
	RMB'000	**%**	*RMB'000*	*%*
D aglia i Cli ical T ial	**21,428**	**17.9%**	1,900	2.7%
D aglia i N -cli ical S , die	**6,118**	**5.1%**	4,032	5.7%
Che ical, Ma , fac , i g a d C l	**47,761**	**39.9%**	11,900	16.8%
Lab C	**28,854**	**24.1%**	34,926	49.2%
D aglia i Lice i g a d Pa e Fee	**2,532**	**2.1%**	2,300	3.2%
O he	**13,083**	**10.9%**	15,940	22.4%
T al	**119,776**	**100%**	70,998	100%

Re ea ch a d de el e e e i c ea ed b RMB48.8 illi RMB119.8 illi f he i h e ded J, e 30, 2024 f RMB71.0 illi f he i h e ded J, e 30, 2023. The i c ea e i e ea ch a d de el e e e ai l i cl, ded:

- a i c ea e f RMB19.5 illi f d aglia i cli ical ial f RMB1.9 illi f he i h e ded J, e 30, 2023 RMB21.4 illi f he i h e ded J, e 30, 2024, hich a i ail a ib, able he , li-ce e - a ke i g b e a i al , d c d, c ed i he fi half f 2024, hich a de ig ed e al, a e he l g-e afe f d aglia i i a ie i h T2D a d 2 d ge e a i GKA , d c d, c ed i he fi half f 2024;

- a i c ea e f RMB35.9 illi i che ical, a , fac , i g, a d c l e e e f RMB11.9 illi f he i h e ded J, e 30, 2023 RMB47.8 illi f he i h e ded J, e 30, 2024. We f c, ed he e d, c i li e alida i a d ce alida i f ca aci e a i i he fi half f 2024. I he fi half f 2023, e f c, ed he cale , a d ce de el e f e i i g d, c i li e;

- a dec ea e f RMB6.0 illi i lab , c f RMB34.9 illi f he i h e ded J, e 30, 2023 RMB28.9 illi f he i h e ded J, e 30, 2024, hich a i ail a ib, able he dec ea e f ha e-ba ed a e , de he accele a ed a i a i e h d; a d

– a dec ea e f RMB2.8 illi i he e e f RMB15.9 illi f he i h e ded J e 30, 2023 RMB13.1 illi f he i h e ded J e 30, 2024, hich, a i a il a ib able dec ea ed ili e e e, e al e e e a d elec e e e d e he e e e eall ca i .

D i g he i h e ded J e 30, 2024, e a i g ac i i ie ed RMB226.8 illi f ca h, hich e l ed i ci all f l bef e a f RMB142.2 illi , adj ed f e -ca h ic e ad e - e a i g ic e f RMB27.1 illi a d ca h ed i he e e f , ki g ca ial f RMB57.5 illi . O e -ca h ic e ad e - e a i g ic e d i g he i h e ded J e 30, 2024 i ail c i ed f he ic e e l ed f he a i a i f c ac liabili ie a d ba k i e e ic e, adj ed f de ecia i f e i e , igh - f- e a e a d a i a i f i a gible a e , ha e-ba ed a e e e a d i e e ba k l a a d lea e liabili ie . The e e f , ki g ca i al d i g he i h e ded J e 30, 2024 i ail c i ed f he ic ea e i ade a d he ecei able , he ic ea e i i e ie a d he ic ea e i al e added a ec e able.

D i g he i h e ded J e 30, 2023, e a i g ac i i ie ge e a ed RMB258.8 illi f ca h, hich e l ed i ci all f l bef e a f RMB90.1 illi , adj ed f - ca h cha ge a d - e a i g ca h ic e f RMB12.0 illi , a d b ca h ge e a ed f , e a i g a e a d liabili ie f RMB360.9 illi . O e -ca h cha ge d i g he i h e ded J e 30, 2023 i ail c i ed f ha e-ba ed a e e e, de ecia i f e i e , igh - f- e a e a d a i a i f i a gible a e .

Net cash from investing activities

Ne ca h f i e i g ac i i ie a RMB4.4 illi f he i h e ded J e 30, 2024, hich e l ed i a il f he i e e ecei ed f ba k f h - e de i , adj ed f he , cha e f e i e a d i a gible a e a d c , ci a he Sha ghai Li ga g S ecial A ea. Ne ca h f i e i g ac i i ie a RMB0.7 illi f he i h e ded J e 30, 2023 hich e l ed i a il f he i e e ecei ed f ba k f h - e de i , adj ed f he , cha e f la a d e i e a d i a gible a e .

Net cash from financing activities

Ne ca h f fi a ci g ac i i ie a RMB99.1 illi f he i h e ded J e 30, 2024, hich ceed f h - e a d l g- e ba k l a a d e e ci e f ha e i , ff e b a e ela i g lea e liabili ie a d ba k l a . Ne ca h f fi a ci g ac i i ie a RMB122.7 illi f he i h e ded J e 30, 2023 hich ceed f h - e a d l g- e ba k l a a d e e ci e f ha e i , ff e b a e ela i g lea e liabili ie .

Financial position

O e c e a e dec ea ed f RMB1,320.4 illi a f Dece be 31, 2023 RMB1,205.1 illi a f J e 30, 2024. C e a e dec ea ed f RMB1,572.5 illi a f Dece be 31, 2023 RMB1,516.2 illi a f J e 30, 2024, i ail d e he e ca h e e di e f he i h e ded J e 30, 2024.

Indebtedness

As of June 30, 2024, the lease liabilities and bank borrowings amounted to RMB33.1 million and RMB239.3 million. The following table sets forth the lease liabilities and bank borrowings of the Group as indicated:

	As of June 30, 2024 *RMB'000*	As of December 31, 2023 *RMB'000*
Current	**92,229**	41,471
Non-current	**180,185**	126,283
Total	**272,414**	167,754

Our lease liabilities as of June 30, 2024 were secured by leased properties under which the lease expired as of June 30, 2024. We did not have any other indebtedness.

Qualitative and quantitative disclosures about market risk

We are exposed to various 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 on a timely and effective manner. We consider the hedge considerations and hedging of the risks.

Currency risk

Our business is mainly in the PRC which is the functional currency in Renminbi, and financial assets are mainly denominated in Renminbi. Renminbi is not freely convertible currency. The State Administration of Foreign Exchange, under the auspices 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 also to international economic and political developments affecting supply and demand in the China Foreign Exchange Trade System market. We do believe there will be significant direct foreign exchange risk that may have material adverse impact on our financial position and operating results.

Since inception, we have maintained sufficient cash and cash equivalents denominated in U.S. dollars, HK dollars and Renminbi. We consider the risk of fluctuation in Renminbi is manageable. We consider additional appropriate measures may be needed. The value of the Renminbi against the U.S. dollar and the currencies we conduct our business may fluctuate and is affected by, among other things, changes in China's political and economic conditions. There can be no assurance that the currencies we have received in connection with our Global Offering, if any, or to be converted into U.S. dollars for the purpose of paying dividends on our Shares or other business purposes, will not depreciate against the U.S. dollars. The appreciation of Renminbi against the U.S. dollars could reduce the U.S. dollar equivalent of our net assets, earnings and any dividends we declare. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our Shares or for other business purposes, appreciation of the U.S. dollars against the Renminbi would have an adverse effect on the U.S. dollar amount available to us. We have considered and implemented financial instruments to reduce our exposure to foreign exchange risk.

The f ll vi g able de ail , e i i i a 5% i c ea e a d dec ea e i he Re i bi agai
he U.S. d lla a d he HK d lla , he f eig c, e cie vi hich ve a ha e a e ial e , e.
5% e e e a age e ' a e e f he ea abl , ible cha ge i f eig e cha ge
a e. The e i i i a al i , e , a di g f eig c, e c de i a ed e a i e a a
ba e a d adj, hei a la i a f J, 1, lla a d d 46ig i c ee
he U eg a e , be beg edicTheTj ea e a d d eille h ve i bi agai deg c e

Key financial ratios

The f ll w i g able e f h , ke fi a cial a i a f he da e i dica ed:

	As of June 30, 2024	A f Dece be 31, 2023
C, e a i (1)	**4.9**	6.2
Q, ick a i (2)	**4.6**	6.1
Gea i g a i (3)	**NM**	165.8%

(1) C, e a i e ee c, e a e di ided b c, e liabili ie a f he a e da e.

(2) Q, ick a i e ee c, e a e le i e ie di ided b c, e liabili ie a f he a e da e.

(3) Gea i g a i e ee liabili di ided b e, i a f he a e da e. Liabili i defi ed a h e l a , l g e l a a d lea e liabili ie (e cl, di g ade a d he a able , defe ed i c e a d c ac liabili ie). E, i i cl, de all ca i al a d e e e f he G , . Gea i g a i i ea i gf, l a , e, i w a ega i e a f J, e 30, 2024.

The c, e a i a f J, e 30, 2024 dec ea ed b 1.3 c a ed w i h ha a f Dece be 31, 2023, a d he , ick a i a f J, e 30, 2024 dec ea ed b 1.5 c a ed w i h ha a f Dece be 31, 2023 w hich w e e ai l d, e he i c ea e f h - e a d l g- e l a ca, ed b , fi a ci g a eg .

Charge of the Group's assets

A f J, e 30, 2024, RMB8.9 illi f he G , ' ba k de i w e e cha ged b he ba k.

N -c, e ledged ba k de i a , i g RMB1,565,000 (, a, di ed) (Dece be 31, 2023: RMB1,565,000 (a, di ed)) ca i g a fi ed i e e a e f 2.75% ha e bee ledged ec, e c le i f he fac c , c i a he Sha ghai Li ga g S ecial A ea. The e de i w ill be elea ed w i hi 10 w ki g da , he c le i f he fac c , c i , if , ch c , c i i c le ed w i h i he ag eed e i d. The e ai i g -c, e ledged ba k de i a , i g RMB1,565,000 (, a, di ed) (Dece be 31, 2023: RMB1,565,000 (a, di ed)) ca i g a fi ed i e e a e f 2.75% ha e bee ledged ec, e d, c i a he fac . The e de i w ill be elea ed w i hi 10 w ki g da , he la, ch f d, c i , if , ch la, ch i c le ed w i h i he ag eed e i d.

A f J, e 30, 2024, de i a , i g RMB5,773,000 (, a, di ed) (Dece be 31, 2023: RMB476,000 (a, di ed)) ca i g a fi ed i e e a e f 2.75% w e e e ic ed d, e a di , e he a , f, e led a e w i h a c ac .

Capital commitments

The f ll w i g able e f h , ca i al c i e a f he da e i dica ed:

	As of June 30, 2024	A f Dece be 31, 2023
	RMB'000	*RMB'000*
Ca i al e e di e i e ec f he ac i i i f c c i c ac ed f b , ided i he c lida ed fi a cial a e e	**1,935**	3,186

Future plans for material investments or capital assets

A f J e 30, 2024, e la ed c i e i e i Sha ghai H a he g I c, hich a e abli hed i he Sha ghai Li ga g S ecial A ea f e i g ade a e d aglia i c e cial l a d he ce f f di g i e ec ed c e f i e al e ce a d/ e e al b i g, a c ide ed a ia e b he a age e f he C a .

Contingent liabilities

Sa e a di cl ed i hi a ce e , he G had a e ial c i ge liabili ie a f J e 30, 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended June 30,	
		2024	2023
	NOTES	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)

Revenue (unaudited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	At June 30, 2024 RMB'000 (unaudited)	A Dece be 31, 2023 RMB'000 (a di ed)
Non-current assets			
Pla a d e i e	*13*	**39,939**	45,348
Righ - f- e a e	*13*	**61,387**	69,190
I a gible a e		**27,530**	28,572
Pledged ba k de i	*15*	**3,130**	3,130
T ade a d he ecei able	*14*	**6,615**	6,656
		138,601	152,896
Current assets			
I e ie		**73,233**	44,635
T ade a d he ecei able	*14*	**98,369**	66,200
A d e f a ela ed a		**–**	342
Re ic ed ba k de i	*15*	**5,773**	476
Ba k bala ce a d ca h	*15*	**1,338,809**	1,460,824
		1,516,184	1,572,477
Current liabilities			
T ade a d he a able	*16*	**120,457**	112,182
B wi g	*17*	**65,793**	17,192
Lea e liabili ie		**26,436**	24,279
C ac liabili ie		**95,654**	95,654
Defe ed i c e		**2,736**	2,727
		311,076	252,034
Net current assets		**1,205,108**	1,320,443
Total assets less current liabilities		**1,343,709**	1,473,339

	NOTES	At June 30, 2024 RMB'000 (unaudited)	A Dece be 31, 2023 RMB'000 (a, di ed)
Non-current liabilities			
B w i g	*17*	**173,481**	106,844
Lea e liabili ie		**6,704**	19,439
C ac liabili ie		**1,195,672**	1,243,499
Defe ed i c e		**1,023**	2,406
		1,376,880	1,372,188
Net (liabilities) assets		**(33,171)**	101,151
Capital and reserves			
Sha e ca i al		**7,214**	7,214
T ea , ha e held i ,		**(509)**	(513)
Re e e		**(39,876)**	94,450
Total (deficit) equity		**(33,171)**	101,151

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

F he i h e ded J, e 30, 2024

1. General information

The C , a w a e abli hed i he Ca a I la d a a e e , ed c , a w i h li i ed liabili

5. Other income

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Bank interest income	**5,446**	7,944
Government grants *(Note a)*	**1,806**	8,998
– R&D activities related grants	**50**	4,500
– Asset-related grants	**1,364**	4,155
– Others	**392**	343
Amortisation of receipts from clinical trial insurance arrangements *(Note b)*	**47,827**	21,652
	55,079	38,594

Note a: The amounts mainly represent (1) government grants received in connection with the Group's R&D expenditures. Some of the grants received in connection with capital expenditures were recognised as deferred income which is amortised over the useful lives of the relevant assets. The grants received in connection with expenses are recognised in profit or loss when the Group recognises the related expenses which the grants are intended to compensate; and (2) amounts received from the PRC local government authorities in relation to the Group's leasehold land and buildings, for which no future related costs are expected to be incurred.

Note b: On August 17, 2020, the Group entered into a clinical trial insurance agreement with Bank of Healthcare Co., Ltd. (Bank), under which the Group acquired the clinical trial insurance rights (the "Rights") and additional benefits, while the Group received the clinical trial insurance premiums collected from the insurance holders in China and will receive investment income based on the sales. The Group received aggregate non-refundable amounts of RMB1,500,000,000 in June 30, 2024, the VAT-excluded amount was accounted for as contract liabilities RMB1,415,094,000 and amortised in the agreement clinical trial insurance period. The amortisation of receipts from clinical trial insurance arrangements during the current period amounted to RMB47,827,000 (unaudited) (six months ended June 30, 2023: RMB21,652,000 (unaudited)). The carrying amount of contract liabilities at June 30, 2024 is RMB1,291,326,000 (unaudited) (December 31, 2023: RMB1,339,153,000 (audited)). Under the clinical trial insurance agreements, Bank and the insurance providers are responsible for the marketing, sales and medical education activities in China while the Group shall pay Bank agreed service fees based on sales in China, according to the agreed terms and conditions.

6. Other gains and losses

The other gains and losses represent the foreign exchange gains and losses during the six months ended June 30, 2024 and 2023, respectively.

7. Finance cost

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Interest on lease liabilities	**951**	1,486
Interest on borrowings	**2,929**	2,043
	3,880	3,529

8. Loss before tax

L bef e a f he, e i d ha bee a i ed a af e cha gi g:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(, a, di ed)
De ecia i f, la a d e, i e	**5,775**	6,154
De ecia i f igh - f- e a e	**9,861**	9,890
A i a i f i a gible a e	**1,757**	1,742
T al de ecia i a d a i a i	**17,393**	17,786
Ca i ali ed i c , c i i , g e	**–**	

10. License agreement

I Dece be 2011, he G , e e ed i a e ea ch, de el e a d c e ciali a i ag ee e (GKA Ag ee e ,) i h H ff a -La R che I c., a d F. H ff a -La R che AG (c llec i el efe e ced a R che , de hich R che g a ed he G , a e cl, i e lice e f a e igh , k -h a d eg, la fili g i h e ec a c , , d hich i a gl, c ki a e ac i a e ea ch, de el a d c e ciali e d, c (Lice ed P d, c ,) i he field f diabe e i he lice ed e i (Lice ed Te i ,). P, , a he

OTHER INFORMATION

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

Nei he he C ˛ a a f i ˛ b idia ie had ˛ ˛ cha ed, ld edee ed a f he C ˛ a ' li ed ec˛ i ie (i cl˛ di g ale f ea ˛ ha e (a defi ed ˛ de he Li i g R˛ le)) d˛ i g he i h e ded J˛ e 30, 2024. A a 30 J˛ e 2024, he C ˛ a did h ld a ea ˛ ha e (a defi ed ˛ de he Li i g R˛ le).

Employees and remuneration policy

A f J˛ e 30, 2024, he G ˛ ˛ e ˛ l ed a al f 172 e ˛ l ee , a c ˛ a ed a al f 177 e ˛ l ee a f Dece be 31, 2023. The aj i f he e ˛ l ee a e e ˛ l ed i ai la d Chi a. F he i h e ded J˛ e 30, 2024, he aff c (i cl˛ di g Di ec ' e l˛ e b˛ e cl˛ di g a c ib˛ i ˛ e i che e) w e e a ˛ i a el RMB81.4 illi a c ˛ a ed RMB81.9 illi f he i h e ded J˛ e 30, 2023.

The G ˛ ˛ w ill c i ˛ e ffe c ˛ e i i e e ˛ e a i ˛ ackage , di c e i a ha e ˛ i a d b ˛ e aff. The G ˛ ˛ ' e ˛ l ee e ˛ e a i ˛ lic i de e i ed b aki g i acc ˛ fac ˛ ch a e ˛ e a i i e ˛ ec f he e all e ˛ e a235 T w -i

The following is the status of the Company's proceeds in the Global Offering as of June 30, 2024:

	% of use of proceeds	Net proceeds from the Global Offering *RMB million*	Unutilized net proceeds as of January 1, 2024 *RMB million*	Utilization during the six months ended June 30, 2024 *RMB million*	Actual usage up to June 30, 2024 *RMB million*	Unutilized net proceeds as of June 30, 2024 *RMB million*	Expected time frame for the unutilized amount
(a) Daglutril new drug development	39%	291.4			291.4		N/A
(b) Daglutril lifecycle management and additional indications	9%	67.2			67.2		N/A
(c) Daglutril launch and commercialization	27%	201.8			201.8		N/A
(d) New drug candidates for diabetes mellitus and technology upgrade	11%	82.2	36.4	18.2	64.0	18.2	By the end of year 2024
(e) Publicity and brand awareness	4%	29.9			29.9		N/A
(f) General working capital	10%	74.7			74.7		N/A
Total	**100%**	**747.2**	**36.4**	**18.2**	**729.0**	**18.2**	

Interim dividend

The Board has resolved not to declare the payment of any interim dividend for the six months ended June 30, 2024 (June 30, 2023: Nil).

Securities transactions by the Directors

The Company has adopted the Model Code as the guideline for the Directors' dealing in the securities of the Company. Specific enquiry has been made of each Director and all Directors have confirmed that they have complied with the applicable standards set in the Model Code for the six months ended June 30, 2024.

Corporate governance

The Company is committed to maintaining high standards of corporate governance practices in the interests of the Shareholders, enhancing corporate transparency, flexibility and accountability and making sound and effective decisions.

The Company has adopted the principles in the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

The B a d i f he ie ha he C a ha c lied i h all a licable c de i i f he CG C de h gh he i h e ded J e 30, 2024. The B a d ill e ie he c a e g e a ce c e a d ac ice f i e i e a d hall ake ece a a a ge e he he B a d c ide a ia e.

Changes to information in respect of the Directors

M . R be Ta l Nel e had e ig ed a -e ec i e Di ec f B ii Bi cie ce Li i ed, a c a li ed he S ck E cha ge (S ck c de: 2137) i h effec f J l 12, 2024.

M . Yi Le g A d Che g had bee a i ed a i de e de -e ec i e di ec f Ge c i Bi ech C a i , a c a li ed he S ck E cha ge (S ck c de: 1548) i h effec f A il 12, 2024. I addi i , M Che g had e ig ed a i de e de -e ec i e di ec f JW (Ca a) The a e ic C . L d, a c a li ed he S ck E cha ge (S ck c de: 2126) i h effec f A g 28, 2024.

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings.

Board	the board of Directors
CG Code	the Corporate Governance Code as contained in Appendix C1 to the Listing Rules
Company	Hua Medicine (華領醫藥), an exempted 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, we, our, us	the Company and its subsidiaries
HK$, 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 Date	September 14, 2018, being the date on which the Shares were listed on the Main Board of the Stock Exchange
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 as contained in Appendix C3 to the Listing Rules
NDA	new drug application
Post-IPO Share Option Scheme	the post-IPO share option scheme conditionally approved and adopted by the Company on August 26, 2018 for the benefit of directors, employees, advisers and consultants of the Company and its subsidiaries
PRC, China	the People's Republic of China, excluding, for the purposes of this circular, 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 conditionally approved and adopted by the Company on March 25, 2013 as amended from time to time, for the benefit of directors, employees, advisers and consultants of the Company and its subsidiaries

P ec , he ec f he c a da ed A g 31, 2018

RMB Re i bi Re i bi, he la f l c e c f he PRC

Sha eh lde ( ) h lde f he Sha e

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