Medtide

泰德醫藥（浙江）股份有限公司

Medtide Inc.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 3880

2025

INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Xu Qi (徐琪) (Chairperson)
Dr. Li Xiang (李湘)
Ms. Li Xiangli (李湘莉)
Ms. Cheng Tao
Ms. Li Lingmei (李玲梅)

Non-executive Director

Mr. Wu Yihui (吳一暉)

Independent Non-executive Directors

Dr. Yu Cheung Hoi (于常海)
Dr. Zhu Xun (朱迅)
Mr. Xia Xinsheng (夏心晟)

SUPERVISORS

Ms. Yan Xiya (顏喜亞)
Mr. Wu Haigang (吳海剛)
Ms. Fu Hongying (傅紅英)

AUDIT COMMITTEE

Mr. Xia Xinsheng (Chairperson)
Dr. Yu Cheung Hoi
Dr. Zhu Xun

REMUNERATION COMMITTEE

Dr. Zhu Xun (Chairperson)
Dr. Xu Qi
Mr. Xia Xinsheng

NOMINATION COMMITTEE

Dr. Xu Qi (Chairperson)
Dr. Yu Cheung Hoi
Mr. Xia Xinsheng

JOINT COMPANY SECRETARIES

Ms. Li Lingmei
Mr. Lee Chung Shing (李忠成)

AUTHORISED REPRESENTATIVES

Ms. Li Lingmei
Mr. Lee Chung Shing

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the PRC

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Hong Kong

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COMPLIANCE ADVISOR

Altus Capital Limited

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Hong Kong

CORPORATE INFORMATION

HONG KONG LEGAL ADVISER

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AUDITOR

Ernst & Young
Certified Public Accountants and
Registered Public Interest Entity Auditor
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Quarry Bay
Hong Kong

STOCK CODE

3880

COMPANY'S WEBSITE

medtideinc.com

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		Year-on-year change (%)
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	
Revenue	**253,767**	197,457	28.5%
Gross profit	**154,954**	107,407	44.3%
Gross profit margin (%)	**61.1%**	54.4%	
Profit before tax	**115,677**	58,512	97.7%
Profit for the period	**101,999**	50,567	101.7%
Net profit margin (%)	**40.2%**	25.6%	

BUSINESS HIGHLIGHTS

In the first half of 2025, building upon the solid foundation established in 2024 and project pipelines, we sustained business growth. As an important player in the fast growing global peptide drug industry, we are committed to driving sustainable business and profit growth through world-class integrated CRDMO services for peptides and oligonucleotides, while continuing to empower global partners and support the broader development of Tides drugs development.

– We successfully finished Global Offering and achieved the important milestone to become a listed company in June 2025.

– Leveraging our established CRDMO capabilities and integrated platform facilities spanning from drug discovery to commercial manufacturing, we had established stable customer relationships and service footprint in over 50 countries. We offer customers full-cycle solutions of peptide synthesis, development and production, and assist them with regulatory submissions and approvals.

– In the current period of growing peptide industry, we captured the opportunities with our rapid expansion. And we keep expanding our customer coverage globally, and participate peptide drug pipelines from discovery stage, clinical stage and commercial stage as well. We are prepared and intend to further grow within the vast global Tides drug market, particularly in the GLP-1 peptide segment.

– In January 2025, we received ISO 22716:2007 Cosmetics Good Manufacturing Practices Certification. In March 2025, we obtained the marketing approval for Goserelin Acetate APIs in China. In addition, the utilization rates for our production lines stayed at a high level during the Reporting Period.

– To ensure we fulfill the growing global customer demand for Tides CRDMO services, we are actively expanding facilities and recruiting talents. As of June 30, 2025, our full-time employees reached 520, representing a 14.5% year-over-year increase from June 30, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Key Operating Data

The following table sets forth certain of our key operating data for the periods indicated:

	Six months ended June 30,	
	2025	2024
Number of ongoing projects[(1)] at the beginning of the period	**1,549**	1,449
Number of new projects[(1)] secured during the period	**4,674**	4,353
Number of projects closed[(2)] at the end of the period	**4,760**	4,424
Number of ongoing projects[(1)] at the end of the period	**1,463**	1,378

Notes:

(1) The numbers of projects includes both Peptide and Oligonucleotide projects.

(2) For CRO projects, a project is considered closed once the products have been delivered. For CDMO projects, a project is considered closed once the project is completed or discontinued.

	Six months ended June 30,	
Number of on-going projects at the end of the period	**2025**	2024
CRO	**1,125**	1,046
CDMO (CMC development stage)	**325**	319
CDMO (Commercial manufacturing stage)	**13**	13
Total	**1,463**	1,378

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

TIDES CRDMO overall performance

– Guided by "going with the compound" strategy and making full use of our integrated CRDMO platform advantages, our TIDES CRDMO business keeps growing. We achieved the following performance indicators.

- Our revenue increased by 28.5% from RMB197.5 million in the six months ended June 30, 2024 to RMB253.8 million in the six months ended June 30, 2025.
- Our gross profit increased by 44.3% from RMB107.4 million in the six months ended June 30, 2024 to RMB155.0 million in the six months ended June 30, 2025.
- Our net profit increased by 101.7% from RMB50.6 million in the six months ended June 30, 2024 to RMB102.0 million in the six months ended June 30, 2025.
- Our adjusted net profit (non-IFRS measure)[(1)] increased by 14.9% from RMB90.6 million in the six months ended June 30, 2024 to RMB104.1 million in the six months ended June 30, 2025.
- Our ongoing CDMO project number increased from 332 as of June 30, 2024 to 338 as of June 30, 2025.

Note:

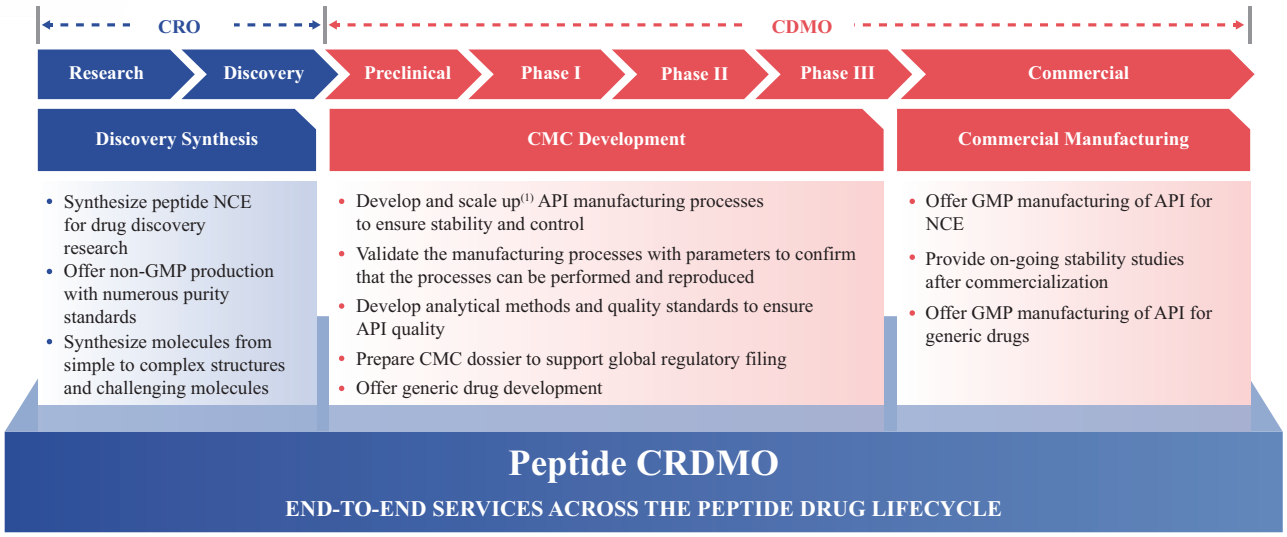
(1) We define adjusted net profit (non-IFRS measure) for the period, as profit for the period adjusted by adding back (i) fair value gains/(losses) on financial liabilities at fair value through profit or loss ("**FVTPL**") comprises fair value gains/(losses) on redemption liabilities, of which the redemption liabilities will convert to equity upon the Listing, (ii) share-based payment compensation, which are non-cash in nature, and (iii) listing expenses.

Our Services

We are one of the most comprehensive peptide focused CRDMO globally, offering full-cycle services ranging from early-stage discovery, preclinical research and clinical development to commercial-stage production. We mainly provide (i) CRO services, namely peptide NCE discovery synthesis; and (ii) CDMO services, namely peptide CMC development and commercial manufacturing. Our services primarily focus on providing customers with APIs rather than drug products. Our customers use the APIs with excipients to create the final dosage forms of drug products, determine the appropriate dosage form, route of administration, and formulation, and then use the final drug products for their clinical trials or commercial sales. We have established stable customer relationships and service footprint in over 50 countries, including major markets such as China, the United States, Japan, Europe, South Korea, and Australia. We provide our customers with peptide drug development, production, and CMC filing support services that meet regulatory requirements in major markets worldwide.

MANAGEMENT DISCUSSION AND ANALYSIS

The following chart sets forth details of our end-to-end services across the peptide drug lifecycle.



Notes:

(1) Scale up refers to the process of transforming a lab-scale product into a commercially viable product by developing a reliable manufacturing technique. This technique is designed to accommodate various output volumes, which are typically larger than lab-scale.

(2) Our services primarily focus on providing customers with APIs rather than drug products. We do not produce drug products that are directly used in clinical trials or commercially.

Leveraging our deep and long-standing experience in the global peptide industry and broad customer base, we are also well-positioned to ride the industry tailwind of oligonucleotide drugs. We strategically provide oligonucleotide CDMO service to our customers, covering preclinical research, clinical development and commercial-stage production.

Technology Platforms

As of June 30, 2025, our R&D department had 61 employees, nearly 40% of whom held a master's degree or above. Our R&D activities focus to strengthen our technologies to maintain our competitive advantages. Our team is highly adept in advanced synthesis methods for complex and long peptide chains, such as solid-phase synthesis, liquid-phase synthesis, hybrid solid-liquid-phase synthesis, and fragment condensation synthesis. We have also mastered the technologies of super-long peptide chain synthesis, cyclopeptide synthesis, difficult sequence peptide synthesis, diversified peptide modification and multiple disulfide bridge peptides.

MANAGEMENT DISCUSSION AND ANALYSIS

Our proprietary technological platforms include:

- ***OmniPeptSynth™***: Leveraging it, we excel in efficiently and precisely synthesizing a wide range of peptides, from complex to challenging sequences, and even super-long peptides.

- ***PeptiConjuX™ and PeptiNuclide LinkTech™***: Our PeptiConjuX™ and PeptiNuclide LinkTech™ platforms provide customized synthesis, conjugation, development and production of conjugate peptide API products. Our PeptiConjuX™ platform integrates advanced peptide modification techniques, such as proprietary on-resin cyclization, N-methylation, phosphorylation, glycosylation, and diverse forms of PEGylation. The PeptiNuclide LinkTech™ platform stands as our premier in-house solution for peptide-nuclear drug conjugation.

- ***GreenSynth Innovations™***: GreenSynth Innovations™ stands as a cornerstone of our advantage in the realm of green chemistry. This platform is dedicated to reshaping production processes, minimizing the use and generation of harmful substances and driving down production costs, all in line with our commitment to sustainability.

- ***Impurity Screening™***: This platform boasts mature and unique processes for analyzing and preparing peptide impurities, alongside dedicated technical support.

In addition to the above, we have GreenPepisolate™ and DisulfideDetect™. GreenPepisolate™ ensures high-efficiency peptide separation while maintaining superior product purity and yield. DisulfideDetect™ is an advanced technology for analyzing the localization of disulfide bonds.

Quality Management

We believe that an effective quality management system is critical to ensuring the quality of our services and maintaining our reputation and success. We maintain a very high standard, quality assurance and quality control department, which is responsible for supervising the implementation of the quality standards. As of June 30, 2025, our quality assurance and quality control department consisted of a total of 100 staff members. We had passed every quality inspections by customers over the past five years. We passed GMP inspections from various regulatory authorities and quality organizations, including five FDA on-site GMP inspections, and three on-site and remote GMP inspections from other overseas regulatory authorities including MFDS, EMA and TGA; Over the past five years, we had also passed nine on-site GMP or registration inspection from the NMPA. We had also obtained the ISO9001 and ISO13485 certifications.

During the Reporting Period, we accepted and passed regulatory and customer audit for 17 times, including domestic and overseas customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Manufacturing Capacity

With more than two decades of continuous development and operation experience accumulation, we have extensive peptide API production capacity equipped with a comprehensive digitized system of project research and innovation. Our cGMP-compliant production facility of Qiantang site in Hangzhou has a total gross floor area of over 20,000 square meters, with an annual API production capacity of over 500 kilograms and per-batch production capability of over 30 kilograms, capable of handling multiple 100 kilogram level peptide orders. The Qiantang Site also has the capacity to manufacture 1-17kg of oligonucleotides per year. Our international operations are based in Rocklin, California, the United States.

As of June 30, 2025, we have started new expansion in Rocklin Site (California) and in Qiantang Site, including 3,000 liter SPPS reactor among other new production lines installation.

Business Development

Operating globally, we have sales offices with dedicated sales and marketing teams in China, United States and Europe. While our existing customer base is strong in North America and China, we are strategically expanding our reach into European and Asian markets. We are also enhancing our business development resources to penetrate oligonucleotide drugs market.

During the Reporting Period, we actively participated in many industry conferences, trade exhibitions, and scientific meetings, such as DCAT 2025, Swiss Biotech Day, RNA Leaders Europe Congress, TIDES Asia 2025, TIDES USA, CPHI China 2025, and the International Oligonucleotides and Peptides Conference (IOPC). As a result, we have been able to continuously expand our customer base and increase the number of clients served annually. We plan to engage in more of these industry events and specific client meetings to enhance brand awareness while executing our broader global marketing initiatives. Since the Company's founding, our senior executives, including the CEO and CBO, have been continuously involved in sales management and marketing activities, maintaining direct communication with key clients.

Outlook

In the first half of 2025, the GLP-1 receptor agonist market, driven by semaglutide, tirzepatide, liraglutide, dulaglutide, and other key therapeutics, exhibited exceptional sales growth, reinforcing their pivotal role in addressing diabetes and obesity. Novo Nordisk's semaglutide products (Ozempic, Rybelsus, and Wegovy) achieved combined sales of DKK112.756 billion (US$16.683 billion), decisively outpacing Merck's Keytruda, which generated US$15.2 billion during the same period, thereby becoming the world's highest-selling pharmaceutical product by revenue in the first half of 2025. Meanwhile, tirzepatide demonstrated remarkable growth momentum across its dual indications, with combined revenue reaching US$14.73 billion. The robust performance reflects the enormous unmet medical need in diabetes and obesity management. According to Frost & Sullivan, the global peptide drug market is projected to grow from US$89.5 billion in 2023 to US $261.2 billion by 2032, with a CAGR of 12.6%. The GLP-1 drug market is expected to outpace this growth, expanding from US$38.9 billion in 2023 to US$129.9 billion by 2032 at a CAGR of 14.3%, underscoring the increasing demand and therapeutic impact of these innovative treatments.

We have built an extensive project pipeline, and strategically focused on the pipelines in the field of GLP-1. As of June 30, 2025, our project pipeline included 338 ongoing CDMO projects, including nine NCE GLP-1 molecule development projects with seven customers in developing oral and/or injectable GLP-1 molecule products.

MANAGEMENT DISCUSSION AND ANALYSIS

Looking forward, we plan to leverage our solid foundation and align with market trends to seize opportunities and meet customer demands through the implementation of the following strategies, further expanding our competitive advantages in the industry.

– Implement our capacity expansion plan in the United States and China to meet customers' increasing demand and capture the rapid growth of the peptide CRDMO market.

  United States. We plan to start equipment installation of our Rocklin Site in the second half of 2025 to set up annual production capacity up to 300kg in US. The Rocklin Site will focus on GMP-compliant production of peptide APIs with designed single batch capacities ranging from grams to multi kilograms. The establishment of a production base in Rocklin will fulfill most of our customers' demand for US local production and delivery.

  China. We plan to further enhance the utilization of our existing production facility in Qiantang, Hangzhou. We have started new expansion including 3,000 liter SPPS reactor among other new production lines installation as of June 30, 2025. We expect to complete the expansion by the end of 2025, achieving an additional annual productivity of 500kg. Once the expansion completed, this will position Medtide group API production capacity to well over 1,000kg annually. This project aims to optimize the use of existing resources, enhance facility efficiency, and strengthen our production capabilities.

  Moreover, in addition to Qiantang Site and Rocklin Site, we intend to either construct or acquire new production facilities in the coming years. This is to bolster our annual API manufacturing to additional several metric tons, with batch capacity up to hundred kilograms. This expansion plan is in response to growing existing and potential customer demand for GLP-1 products, which are approaching advanced stages of clinical and commercial production.

– With our comprehensive technologies, production capabilities and globally compliance quality system on peptide and oligonucleotide, we will further implement "going with the compound" strategy to enhance our competitive advantages in the TIDES industry. We prepare manufacturing capabilities and capacity according to pipelines' development plan and match production arrangement in addition to the need years forward. Some of our current projects are expected to enter into commercial production stage over the next three to five years, particularly GLP-1 pipelines. Meanwhile, with our additional capacity available, we seek for more advanced stage pipeline opportunities.

– We plan to focus our R&D efforts on developing cutting-edge technologies and continuous developing of selected generic products. We plan to conduct further CMC research on new TIDES related drugs, including GLP-1, PDC, RDC and POC drugs. We also plan to continuously enhance the automated production process which is expected to reduce quality risk, increase production efficiency, and improve our competitiveness. Meanwhile, we are continuously developing high-value generic products and actively preparing for their DMF submissions, in order to build a robust product pipeline for the future business expansion.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Revenue was RMB253.8 million for the six months ended June 30, 2025, representing a 28.5% increase from RMB197.5 million for the six months ended June 30, 2024, which was primarily due to the increase in revenue from FFS and FTE business driven by our customers' growing demand for our services.

The following table breaks down our revenue by fee model for the periods presented:

	Six months ended June 30,		Year-on-year change
	2025	2024	
	RMB'000	RMB'000	(%)
	(Unaudited)	(Unaudited)	
Revenue:			
FFS	**232,924**	192,944	20.7%
FTE	**20,843**	4,296	385.2%
Others	**–**	217	N/A
Total:	**253,767**	197,457	28.5%

The revenue from FFS was RMB232.9 million for the six months ended June 30, 2025, representing a 20.7% increase from RMB192.9 million for the six months ended June 30, 2024, which was mainly attributable to the increase in revenue from CDMO business, particularly from customers with advanced clinical stage or commercial projects.

The following table breaks down our revenue by services offering for the periods presented:

	Six months ended June 30,		Year-on-year change
	2025	2024	
	RMB'000	RMB'000	(%)
	(Unaudited)	(Unaudited)	
Revenue:			
CRO service	**55,570**	47,632	16.7%
CDMO service	**198,197**	149,608	32.5%
Others	**–**	217	N/A
Total:	**253,767**	197,457	28.5%

MANAGEMENT DISCUSSION AND ANALYSIS

The revenue from CRO was RMB55.6 million for the six months ended June 30, 2025, representing a 16.7% increase from RMB47.6 million for the six months ended June 30, 2024, which was mainly attributable to the increase of FTE services demand from customers in the U.S..

The revenue from CDMO was RMB198.2 million for the six months ended June 30, 2025, representing a 32.5% increase from RMB149.6 million for the six months ended June 30, 2024, which was mainly attributable to the increase in revenue from customers with advanced clinical stage or commercial projects, driven by their respective drug development progress and increased demand for our services.

Cost of sales

Cost of sales was RMB98.8 million for the six months ended June 30, 2025, representing a 9.7% increase from RMB90.1 million for the six months ended June 30, 2024, due to the increase of production. Our cost of sales consists of material costs, staff compensation, utilities and other overhead, depreciation and amortization, share-based payment compensation, and others. The following table sets forth a breakdown of its cost of sales by nature in absolute amount for the periods indicated.

	Six months ended June 30,		Year-on-year
	2025	2024	change
	RMB'000	RMB'000	(%)
	(Unaudited)	(Unaudited)	
Cost of sales:			
Material costs	**36,322**	28,290	28.4%
Staff compensation	**29,987**	31,672	-5.3%
Utilities and other overhead	**12,218**	13,460	-9.2%
Depreciation and amortization	**8,995**	9,646	-6.7%
Share-based payment compensation	**951**	940	1.2%
Others	**10,340**	6,042	71.1%
Total:	**98,813**	90,050	9.7%

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

As a result of the foregoing, gross profit was RMB155.0 million for the six months ended June 30, 2025, representing a 44.3% increase from RMB107.4 million for the six months ended June 30, 2024.

Gross profit margin was 61.1% for the six months ended June 30, 2025, representing an increase of 6.7 percentage points from 54.4% for the six months ended June 30, 2024. The increase in the gross profit margin was primarily due to the slower increase of cost of sales than that of revenue driven by lower staff compensation, utilities and other overhead.

Other income and gains

Our other income and gains decreased by 60.4% from RMB42.9 million in the six months ended June 30, 2024 to RMB17.0 million in the six months ended June 30, 2025. As we fulfilled all the conditions attaching to the Bond-related Grant (as defined in the Prospectus) in June 2024, the remaining Bond-related Grant is recognized as other income in 2024 and is one-off in nature.

Selling and marketing expenses

Selling and marketing expenses were RMB18.6 million for the six months ended June 30, 2025, representing a 7.5% increase from RMB17.3 million for the six months ended June 30, 2024. The increase was primarily due to increase of activities and events with customers align with sales revenue growth.

Administrative expenses

Administrative expenses were RMB40.5 million for the six months ended June 30, 2025, representing a 5.7% increase from RMB38.3 million for the six months ended June 30, 2024, primarily attributable to increase of listing expense.

Research and development expenses

Research and development expenses were RMB12.7 million for the six months ended June 30, 2025, representing a 2.3% decrease from RMB13.0 million for the six months ended June 30, 2024. The decrease was primarily attributable to the decrease of material cost.

Income tax expense

Income tax expense was RMB13.7 million for the six months ended June 30, 2025 compared to approximately RMB7.9 million for the six months ended June 30, 2024. Income tax expense for the six months ended June 30, 2025 was composed of current and deferred tax.

Fair value gains/(losses) on financial liabilities at FVTPL

Fair value gain on financial liabilities at FVTPL was RMB18.5 million for the six months ended June 30, 2025, compared with the fair value loss on financial liabilities at FVTPL of RMB21.7 million for the six months ended June 30, 2024. The change in the fair value on financial liabilities at FVTPL was primarily attributable to changes in the valuation of our Company.

Profit for the period

As a result of the foregoing, the profit for the six months ended June 30, 2025 reached RMB102.0 million, compared with a profit of RMB50.6 million for the six months ended June 30, 2024. The increase was primarily due to the increase of gross profit and fair value gains on financial liabilities at FVTPL.

MANAGEMENT DISCUSSION AND ANALYSIS

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with International Financial Reporting Standards (the "**IFRSs**"), we also use adjusted net profit as an additional financial measure, which is not required by, or presented in accordance with, IFRSs.

We believe adjusted net profit provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of adjusted net profit has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRSs.

We define adjusted net profit (non-IFRS measure) for the period, as profit for the period adjusted by adding back (i) fair value gains/(losses) on financial liabilities at FVTPL comprises fair value gains/(losses) on redemption liabilities, of which the redemption liabilities will convert to equity upon the Listing, (ii) share-based payment compensation, which are non-cash in nature, and (iii) listing expenses.

The following table reconciles our adjusted net profit for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs, which is profit for the six months ended June 30, 2025 and 2024:

	For the six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Reconciliation of profit to adjusted net profit (Non-IFRS measure):		
Profit for the period	**101,999**	50,567
Add:		
Fair value (gains)/losses on financial liabilities at FVTPL	**(18,463)**	21,683
Share-based payment compensation	**2,311**	2,132
Listing expenses	**18,211**	16,183
Adjusted net profit for the period (Non-IFRS measure)	**104,058**	90,565

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and capital resource

The Board and the Audit Committee constantly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

For the six months ended June 30, 2025, we funded our cash requirements primarily from business operations, capital contribution from shareholders and issuance of equity shares as major sources of liquidity. With respect to cash management, our objective is to optimize liquidity to secure a stable return for shareholders in a risk-averse manner. Specifically, we have policies in place to monitor and manage the settlement of trade receivables. When determining the credit term of a customer, we consider a number of factors, including length of past cooperation and its past payment timeliness. To monitor the settlement of our trade receivables and avoid credit losses, we conduct annual review of each customer's financial performance, which is primarily based on the amount and aging of the trade receivables due from such customer in the respective period.

We had cash and cash equivalents of RMB998.4 million as of June 30, 2025, as compared to RMB387.2 million as of December 31, 2024, primarily due to cash generated from operation and proceeds from the Global Offering. Most of the cash and cash equivalents of the Group were denominated in Renminbi. Most of the time deposits of the Group were denominated in U.S. dollars.

Significant investments

We did not make or hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of June 30, 2025) as of June 30, 2025.

Material acquisitions and/or disposals of subsidiaries, associates and joint ventures

We did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies during the six months ended June 30, 2025.

Future plans for material investments and capital assets

As of June 30, 2025, save for "Future Plans and Use of Proceeds" disclosed in the Prospectus and as disclosed in this report, the Group did not have any future plan for material investments or capital assets.

Employee and remuneration

As of June 30, 2025, the number of our full-time employees amounted to 520, as compared to 454 as of June 30, 2024. The total employee benefit expenses for the six months ended June 30, 2025, including share-based payment expenses, were RMB71.1 million, as compared to RMB64.4 million for the six months ended June 30, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Bank borrowings and gearing ratio

As of June 30, 2025, the Group's total outstanding borrowings was RMB50.0 million, all of which are unsecured borrowings. As of June 30, 2025, the Group's bank borrowings will mature within one year, bearing interest at rates ranging from 2.60% to 2.70% per annum.

As of June 30, 2025, the Group's gearing ratio (i.e. total liabilities divided by total assets) was 17.1% (as of December 31, 2024: 72.8%), which was mainly due to the changed balance of redemption liabilities on equity shares and the proceeds from Global Offering.

Contingent liabilities

As of June 30, 2025, we did not have any material contingent liabilities or guarantees.

Charges on assets

As of June 30, 2025, we did not pledge or charge any other assets except for the restricted cash pledged for foreign exchange trading and other operating activities.

Foreign exchange risk

Our foreign currency transactions, including sales, expose us to foreign currency risk. Certain of our bank balances and cash, trade receivables and trade payables are denominated in currencies other than the functional currency of the relevant group entities and expose us to such foreign currency risk (mainly related to US dollar, Hong Kong dollar, and European dollar). For the six months ended June 30, 2025, no financial instruments were used for hedging purposes, and the Group did not commit to any financial instruments to hedge its exposure to exchange rate risk, as the expected exchange rate risk is not significant.

The Directors and senior management will continue to monitor the foreign exchange exposure and will consider applicable derivatives when necessary.

During the six months ended June 30, 2025, exchange gains and losses from those foreign currency transactions denominated in a currency other than the functional currency were insignificant.

MANAGEMENT DISCUSSION AND ANALYSIS

Employees and Remuneration Policies

As of June 30, 2025, we had a total of 520 employees, of whom 491 were in China and 29 were in the United States, of which 70 employees have obtained a master's degree or above, with 15 holding a Ph.D. or equivalent degree. As of June 30, 2025, the gender distribution of our employees were approximately 54% male and 46% female. The table below sets forth a breakdown of our employees by function as of June 30, 2025.

Functions	Number of employees by function	Percentage
Research and development	61	12%
Manufacturing	242	47%
Quality assurance and quality control	100	19%
Business development, sales and marketing	44	8%
Management Operations	73	14%
Total	520	100%

The Company believe that our success depends in part on our ability to attract, recruit and retain quality employees. We enter into individual employment contracts and confidentiality agreements with our employees. The employment contracts cover matters such as wages, benefits and grounds for termination. The remuneration package of our employees generally includes salary and bonus. In general, we determine the remuneration package based on the qualifications, position and performance of our employees. The total remuneration cost incurred by the Group for the six months ended June 30, 2025 was RMB71.1 million, as compared to RMB64.4 million for the six months ended June 30, 2024.

The Company has adopted share incentive scheme to provide an additional means to attract, motivate, retain and reward our employees. For further details, please refer to the section headed "PRE-IPO EMPLOYEE INCENTIVE SCHEME" on page 26 in this report.

MANAGEMENT DISCUSSION AND ANALYSIS

We provide our employees with opportunities to work on advanced projects to develop their knowledge and skills. We have an effective training system, including orientation and continuous on-the-job training, to accelerate the learning progress and improve the knowledge and skill levels of our workforce. The orientation process for newly joined employees covers subjects such as corporate culture and policies, work ethics, introduction to the development process, quality management, as well as occupational safety. Our periodic on-the-job training covers streamlined technical know-how of our integrated services, environmental, health and safety management systems and mandatory training required by applicable laws and regulations. We also aim to further enhance a collaborative work environment that encourages our employees to develop their career with us.

We believe that we maintain a good working relationship with our employees. We had not experienced any material labor disputes or any material difficulties in recruiting employees for our operations during the Reporting Period.

Continuing Disclosure Obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules

The Company does not have any continuing disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules throughout the period from the Listing Date up to the Latest Practicable Date.

CORPORATE GOVERNANCE AND OTHER INFORMATION

GLOBAL OFFERING

The Company was incorporated on June 11, 2020 as a limited liability company under the laws of the PRC, and the H shares of the Company were listed on the Main Board of the Stock Exchange on June 30, 2025. Pursuant to the Global Offering, the Company issued 16,800,000 H Shares on June 30, 2025, with a nominal value of RMB1.00 each at a price of HK$30.60 per H Share and received net proceeds of approximately HK$428.77 million from the initial public offering, after deducting professional fees, underwriting commissions and other related listing expenses.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company was incorporated on June 11, 2020 as a limited liability company under the laws of the PRC, and the H shares of the Company were listed on the Main Board of the Stock Exchange on June 30, 2025, since which time the Corporate Governance Code has been applicable to the Company.

The Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. Save as disclosed below, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code throughout the period from the Listing Date up to the Latest Practicable Date.

Pursuant to code provision C.2.1 in Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairperson and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairperson and chief executive officer and Dr. Xu Qi (徐琪), our chairperson of the Board, executive Director and chief executive officer, currently performs these two roles. The Board believes that vesting the roles of both chairperson and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, given that: (1) decision to be made by our Board requires approval by at least a majority of our Directors; (2) Dr. Xu and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that she acts for the benefit and in the best interests of our Company and will make decisions for our Company accordingly; (3) the balance of power and authority is ensured by the operations of the Board, including three independent non-executive Directors, and has a fairly strong independence element; and (4) the overall strategic and other key business, financial, and operational policies of our Company are made collectively after thorough discussion at both Board, and senior management levels.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS OF LISTED ISSUERS

The Model Code as set out in Appendix C3 to the Listing Rules has been applicable to the Company since the Listing Date.

The Company has adopted the Model Code as the code of conduct regarding the Directors' and Supervisors' dealings in the securities of the Company. Having made specific enquiry of all the Directors and Supervisors of the Company, all the Directors and Supervisors confirmed that they have strictly complied with the required standards set out in the Model Code throughout the period from the Listing Date up to the Latest Practicable Date.

CHANGES IN DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

There is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules throughout the period from the Listing Date to the Latest Practicable Date.

AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. With terms of reference in compliance with the Listing Rules, the Audit Committee comprises three members, namely Mr. Xia Xinsheng (夏心晟), Dr. Yu Cheung Hoi (于常海) and Dr. Zhu Xun (朱迅). Mr. Xia Xinsheng (夏心晟), who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the Chairperson of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2025 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and Ernst & Young the auditor of the Company (the "**Auditor**").

The Auditor has performed a review of the Group's interim financial information for the six months ended June 30, 2025 in accordance with Hong Kong Standard on Review Engagements No. 2410, "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants. Based on their review, nothing has come to their attention that causes them to believe that the Group's interim financial information is not prepared, in all material respects, in accordance with IAS 34.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) from the Listing Date up to the Latest Practicable Date. As at June 30, 2025, the Company did not hold any treasury Shares (as defined under the Listing Rules).

CORPORATE GOVERNANCE AND OTHER INFORMATION

USE OF PROCEEDS FROM GLOBAL OFFERING

The shares of the Company were listed on the Stock Exchange on June 30, 2025. The Company obtained net proceeds from the Global Offering amounting to approximately HK$428.77 million. As of June 30, 2025, the Company has not utilized any of the net proceeds from the Global Offering. The table below sets forth a detailed breakdown and description of the allocation and intended use of net proceeds from the Global Offering.

Intended Use of Net Proceeds		Allocation of Net Proceeds (HK$ million)	Percentage of total Net Proceeds	Intended Timetable for use of the unutilized Net Proceeds
(i)	To further expand service capability and capacity by constructing facilities	327.58	76.40%	Before December 31, 2026
	(a) to establish our facility at Rocklin Site, the United States	163.79	38.20%	Before December 31, 2026
	(b) to expand the production capacity of our existing Qiantang Site	81.90	19.10%	Before December 31, 2025
	(c) to establish our facility at Hangzhou Biopharma Town Site	81.90	19.10%	Before December 31, 2026
(ii)	Production capacity expansion in China	17.58	4.10%	Before December 31, 2026
(iii)	To establish sales and after-sales service presence in more regions in Europe	40.73	9.50%	Before December 31, 2027
(iv)	Working capital and other general corporate purposes	42.88	10.00%	Before December 31, 2027
Total		**428.77**	**100%**	

The Group will utilize the net proceeds from the Global Offering in accordance with the intended purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

DIVIDENDS

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of June 30, 2025, save as disclosed below, none of Directors, Supervisors and chief executive of the Company has any interests and short positions in our Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

Name of Director/Supervisor	Nature of Interest	Class of Shares	Total Number of Shares/ Underlying Shares[1]	Percentage of shareholding in our Unlisted Shares/H Shares[1]	Percentage of shareholding in our total issued share capital[1]
Directors					
Dr. Xu Qi[2]	Interest in controlled corporation	Unlisted Shares	47,654,300 (L)	69.87%	33.61%
		H Shares	11,913,575 (L)	16.19%	8.40%
	Interests held jointly with another person	Unlisted Shares	20,546,812 (L)	30.13%	14.49%
		H Shares	15,410,188 (L)	20.94%	10.87%
Ms. Li Xiangli[3]	Beneficial owner	Unlisted Shares	5,136,687 (L)	7.53%	3.62%
		H Shares	5,136,688 (L)	6.98%	3.62%
	Interest in controlled corporations	Unlisted Shares	15,410,125 (L)	22.60%	10.87%
		H Shares	10,273,500 (L)	13.96%	7.25%
	Interests held jointly with another person	Unlisted Shares	47,654,300 (L)	69.87%	33.61%
		H Shares	11,913,575 (L)	16.19%	8.40%
Mr. Wu Yihui[4]	Interest in controlled corporation	H Shares	9,131,875 (L)	12.41%	6.44%
Ms. Cheng Tao	Interests in the Employee Incentive Platform	H Shares	1,541,025 (L)	2.09%	1.09%
Ms. Li Lingmei (李玲梅)	Interests in the Employee Incentive Platform	H Shares	500,000 (L)	0.68%	0.35%
Supervisors					
Mr. Wu Haigang (吳海剛)	Interests in the Employee Incentive Platform	H Shares	508,205 (L)	0.69%	0.36%
Ms. Yan Xiya (顏喜亞)	Interests in the Employee Incentive Platform	H Shares	503,555.50 (L)	0.68%	0.36%
Ms. Fu Hongying (傅紅英)	Interests in the Employee Incentive Platform	H Shares	203,555.50 (L)	0.28%	0.14%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Note:

(1) The letter "L" denotes the person's long position in the Shares. For illustrating the indirect interests of grantees in the Shares, the number of Shares are presented and calculated by multiplying their respective percentage of partnership interests in the relevant Employee Incentive Platform by the total number of Shares held by the relevant Employee Incentive Platform. As at June 30, 2025, the total number of issued share capital is 141,800,000 Shares (comprising 73,598,888 H Shares and 68,201,112 unlisted Shares).

(2) Qikang International is wholly-owned by Healthy Angel which is in turn wholly-owned by Dr. Xu. As such, Dr. Xu and Healthy Angel are deemed to be interested in the Shares held by Qikang International under the SFO. Since the establishment of our Company, Dr. Xu and Ms. Li have been acting in concert with each other in respect of all major affairs concerning our Group. Dr. Xu and Ms. Li have agreed to, provided that they remain key members in our Group or they remain interested in the share capital of our Company, continue to act in concert with each other after the Listing. As such, each of Dr. Xu and Ms. Li is deemed to be interested in the Shares held by each other by virtue of the SFO.

(3) Hangzhou Haiding is owned by Ms. Li and her spouse, Mr. Li Congyan (李從岩) as to 99% and 1%, respectively. As such, Ms. Li is deemed to be interested in the Shares held by Hangzhou Haiding.

Each of Hangzhou Xiyong and Hangzhou Yuanxi is our Employee Incentive Platform established as a limited partnership and is controlled by Ms. Li as its general partner. Ms. Li is responsible for the management of Hangzhou Xiyong and Hangzhou Yuanxi and exercising the voting rights attaching to the Shares held by Hangzhou Xiyong and Hangzhou Yuanxi, in accordance with the partnership agreements entered into among the general and limited partners of Hangzhou Xiyong and Hangzhou Yuanxi, respectively. As of the Latest Practicable Date, the Employee Incentive Platforms held 10,273,500 Shares in aggregate, representing approximately 7.25% of the total issued Shares of our Company. By virtue of the SFO, Ms. Li is deemed to be interested in the respective Shares held by Hangzhou Xiyong and Hangzhou Yuanxi.

(4) Puhua Xiaxing is a limited partnership established in the PRC, the general partner of which is Hangzhou Puyang Investment Management Co., Ltd. (杭州普陽投資管理有限公司), which is controlled by Mr. Wu Yihui (吳一暉), our non-executive Director. As such, Mr. Wu Yihui (吳一暉) and Hangzhou Puyang Investment Management Co., Ltd. (杭州普陽投資管理有限公司) are deemed to be interested in the Shares held by Puhua Xiaxing under the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best of the knowledge of the Company and the Directors, the following are the persons, other than the Directors, Supervisors or chief executive of the Company, who had interests or short positions in the Shares and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO as of June 30, 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholder	Nature of Interest	Class of Shares	Total Number of Shares/ Underlying Shares[1]	Percentage of shareholding in our Unlisted Shares/H Shares[1]	Percentage of shareholding in our total issued share capital[1]
Healthy Angel[2]	Interest in controlled corporation	Unlisted Shares	47,654,300 (L)	69.87%	33.61%
		H Shares	11,913,575 (L)	16.19%	8.40%
Qikang International[2]	Beneficial owner	Unlisted Shares	47,654,300 (L)	69.87%	33.61%
		H Shares	11,913,575 (L)	16.19%	8.40%
Hangzhou Haiding[3]	Beneficial owner	Unlisted Shares	15,410,125 (L)	22.60%	10.87%
Hangzhou Puyang Investment Management Co., Ltd. (杭州普陽投資管理有限公司)[4]	Interest in controlled corporations	H Shares	9,131,875 (L)	12.41%	6.44%
Puhua Xiaxing[4]	Beneficial owner	H Shares	9,131,875 (L)	12.41%	6.44%
Mr. Xie Li (謝力)[5]	Interest in controlled corporations	H Shares	9,492,375 (L)	12.90%	6.69%
Zhejiang Fenghua Investment Management Co., Ltd. (浙江澧華投資管理有限公司)[5]	Interest in controlled corporations	H Shares	9,492,375 (L)	12.90%	6.69%
Haibang Fenghua[5]	Interest in controlled corporations	H Shares	9,492,375 (L)	12.90%	6.69%
Haibang Taida[5]	Beneficial owner	H Shares	7,209,375 (L)	9.80%	5.08%
Hangzhou Heda Xinyiyao[6]	Beneficial owner	H Shares	5,371,750 (L)	7.30%	3.79%

Note:

(1) The letter "L" denotes the person's long position in the Shares. As at June 30, 2025, the total number of issued share capital is 141,800,000 Shares (comprising 73,598,888 H Shares and 68,201,112 unlisted Shares).

(2) Please refer to Note (2) on page 24 in this report.

(3) Please refer to Note (3) on page 24 in this report.

(4) Please refer to Note (4) on page 24 in this report.

(5) Each of Haibang Taida and Haibang Boyuan is a limited partnership established in the PRC, the general partner of which is Hangzhou Haibang Fenghua Investment Management Co., Ltd. (杭州海邦澧華投資管理有限公司, "Haibang Fenghua"). Haibang Fenghua is in turn controlled as to 75% by Zhejiang Fenghua Investment Management Co., Ltd. (浙江澧華投資管理有限公司), which is a company controlled by Mr. Xie Li (謝力) as to 46% equity interests. As such, Mr. Xie Li (謝力), Haibang Fenghua and Zhejiang Fenghua Investment Management Co., Ltd. (浙江澧華投資管理有限公司) are deemed to be interested in the respective Shares held by Haibang Taida and Haibang Boyuan.

Other than Haibang Fenghua being a general partner, Haibang Boyuan has five limited partners, among which Hangzhou Haibang Xinrun Venture Capital Partnership (Limited Partnership) (杭州海邦鑫潤創業投資合夥企業(有限合夥)) holds approximately 49.05% partnership interests therein. As such, Haibang Xinrun Venture Capital Partnership (Limited Partnership) (杭州海邦鑫潤創業投資合夥企業(有限合夥)) is deemed to be interested in the Shares held by Haibang Boyuan under the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(6) Hangzhou Heda Xinyiyao is a limited partnership established in the PRC, which is owned as to (i) 0.1% by its general partner, Hangzhou Heda Investment Management Co., Ltd., (ii) 80% by its limited partner, Hangyin Wealth Management Co., Ltd., and (iii) 19.9% by its limited partner, Hangzhou Heda Industry Fund Investment Co., Ltd. Hangzhou Heda Investment Management is controlled by Hangzhou Heda Financial Services Group Co., Ltd., which is wholly owned by Hangzhou Qiantang New Area Industrial Development Group Co., Ltd. As such, Hangzhou Heda Investment Management Co., Ltd., Hangyin Wealth Management Co., Ltd. and Hangzhou Heda Financial Services Group Co., Ltd. are deemed to be interested in the Shares held by Hangzhou Heda Xinyiyao under the SFO.

Save as disclosed above, as at June 30, 2025, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors, Supervisors and the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

PRE-IPO EMPLOYEE INCENTIVE SCHEME

The Pre-IPO Employee Incentive Scheme was adopted by the Company and took effect in December 2020, and amended in November 2021 and November 2022. The terms of the Pre-IPO Employee Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Employee Incentive Scheme does not involve the grant of new Shares or awards by our Company after the Listing. The Pre-IPO Employee Incentive Scheme will not cause any dilution of the shareholding of the Shareholders after the Listing given all underlying Shares of the Awards granted under the Pre-IPO Employee Incentive Scheme have been issued to the Employee Incentive Platforms.

For more details of principal terms of the Pre-IPO Employee Incentive Scheme, please refer to the paragraphs headed "Pre-IPO Employee Incentive Scheme" in Appendix IV to the Prospectus.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, there were no significant events that might affect the Company since June 30, 2025 and up to the Latest Practicable Date.

INDEPENDENT REVIEW REPORT

To the board of directors of Medtide Inc.
(Established in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 28 to 54, which comprises the condensed consolidated statement of financial position of Medtide Inc. (the "Company") and its subsidiaries (the "Group") as at June 30, 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes (the "Interim Financial Information"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this Interim Financial Information in accordance with IAS 34. Our responsibility is to express a conclusion on this Interim Financial Information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
August 29, 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
REVENUE	5	**253,767**	197,457
Cost of sales		**(98,813)**	(90,050)
Gross profit		**154,954**	107,407
Other income and gains	6	**16,989**	42,857
Selling and marketing expenses		**(18,641)**	(17,267)
Administrative expenses		**(40,533)**	(38,304)
Research and development expenses		**(12,650)**	(12,998)
Impairment losses on financial assets, net		**(678)**	(839)
Other expenses		**(1,706)**	(151)
Finance costs		**(521)**	(510)
Profit before fair value gains/(losses) on financial liabilities at fair value through profit or loss		**97,214**	80,195
Fair value gains/(losses) on financial liabilities at fair value through profit or loss ("FVTPL")	16	**18,463**	(21,683)
PROFIT BEFORE TAX	7	**115,677**	58,512
Income tax expense	8	**(13,678)**	(7,945)
PROFIT FOR THE PERIOD		**101,999**	50,567
Attributable to:			
Owners of the parent		**101,999**	50,567
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
Basic (RMB)		**0.82**	0.40
Diluted (RMB)		**0.82**	0.30

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	**101,999**	50,567
OTHER COMPREHENSIVE (LOSS)/INCOME		
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(487)**	400
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(487)**	400
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**101,512**	50,967
Attributable to:		
Owners of the parent	**101,512**	50,967

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
NON-CURRENT ASSETS			
Property and equipment	11	**299,891**	300,484
Goodwill		**95,406**	95,406
Other intangible assets		**33,339**	36,016
Right-of-use assets		**37,327**	38,082
Financial assets at fair value through profit or loss		**1,805**	1,634
Prepayments, other receivables and other assets		**19,692**	7,183
Deferred tax assets		**26**	23
Total non-current assets		**487,486**	478,828
CURRENT ASSETS			
Inventories		**94,448**	84,777
Trade and notes receivables	12	**32,851**	57,720
Prepayments, other receivables and other assets		**8,513**	16,098
Restricted cash		**440**	439
Time deposits		**144,614**	143,032
Prepaid income tax		**4,732**	4,551
Cash and cash equivalents		**998,403**	387,183
Total current assets		**1,284,001**	693,800
CURRENT LIABILITIES			
Trade payables	13	**28,992**	23,469
Other payables and accruals		**52,126**	53,460
Interest-bearing bank borrowings	14	**50,000**	40,000
Contract liabilities	15	**126,286**	37,444
Lease liabilities		**398**	379
Amounts due to a related party		**–**	1,811
Deferred government grants		**6,412**	6,438
Income tax payable		**1,135**	9,042
Total current liabilities		**265,349**	172,043
NET CURRENT ASSETS		**1,018,652**	521,757
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,506,138**	1,000,585

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
NON-CURRENT LIABILITIES			
Redemption liabilities on equity shares	16	**–**	639,805
Deferred government grants		**25,987**	29,072
Lease liabilities		**557**	764
Deferred tax liabilities		**10,691**	12,194
Total non-current liabilities		**37,235**	681,835
Net assets		**1,468,903**	318,750
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	**141,800**	125,000
Reserves		**1,327,103**	193,750
Total equity		**1,468,903**	318,750

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the parent						
	Notes	Share capital RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000	(Accumulated losses)/ Retained profits RMB'000	Total RMB'000
At January 1, 2025 (audited)		125,000	718,979	(471,602)	8,489	1,863	(63,979)	318,750
Profit for the period (unaudited)		–	–	–	–	–	101,999	101,999
Other comprehensive income for the period (unaudited):								–
Exchange differences on translation of foreign operations (unaudited)		–	–	–	–	(487)	–	(487)
Total comprehensive income for the period (unaudited)		–	–	–	–	(487)	101,999	101,512
Net proceeds from issue of shares from initial public offering ("IPO") (unaudited)	17	16,800	408,188	–	–	–	–	424,988
Conversion of redeemable liabilities on equity shares upon IPO (unaudited)	16	–	149,740	471,602	–	–	–	621,342
Share-based payment compensation (unaudited)	18	–	–	–	2,311	–	–	2,311
At June 30, 2025 (unaudited)		141,800	1,276,907*	–*	10,800*	1,376*	38,020*	1,468,903

		Attributable to owners of the parent						
	Note	Share capital RMB'000	Capital reserve RMB'000	Other reserve RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At January 1, 2024 (audited)		125,000	718,979	(471,602)	4,048	611	(123,152)	253,884
Profit for the period (unaudited)		–	–	–	–	–	50,567	50,567
Other comprehensive income for the period (unaudited):								
Exchange differences on translation of foreign operations (unaudited)		–	–	–	–	400	–	400
Total comprehensive income for the period (unaudited)		–	–	–	–	400	50,567	50,967
Share-based payment compensation (unaudited)	18	–	–	–	2,132	–	–	2,132
At June 30, 2024 (unaudited)		125,000	718,979	(471,602)	6,180	1,011	(72,585)	306,983

* These reserve accounts represent total reserves of RMB1,327,103,000 in the interim condensed consolidated statement of financial position as at June 30, 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**115,677**	58,512
Adjustments for:			
Finance costs		**521**	510
Bank interest income	6	**(8,609)**	(6,702)
Depreciation of property and equipment		**10,482**	10,283
Depreciation of right-of-use assets		**750**	1,621
Amortization of other intangible assets		**3,329**	3,225
Provision for inventories		**5,244**	2,131
Share-based payment compensation	18	**2,311**	2,132
Impairment loss recognized on financial assets under the expected credit loss model, net		**678**	839
Loss on disposal of property and equipment, net		**86**	151
Fair value change of financial assets at fair value through profit or loss	6	**(170)**	(2,701)
(Gain)/loss on fair value changes of financial liabilities measured at fair value through profit or loss	16	**(18,463)**	21,683
Net exchange differences		**1,620**	(3,678)
(Increase)/decrease in inventories		**(14,915)**	643
Decrease/(increase) in trade and notes receivables		**24,184**	(7,459)
Increase in prepayments, other receivables and other assets		**(2,226)**	(945)
Increase in pledged bank deposits		**–**	(2)
Increase in trade payables		**5,523**	3,722
Decrease in other payables and accruals		**(10,576)**	(81,732)
(Decrease)/increase in deferred government grants		**(3,111)**	39,000
Increase/(decrease) in contract liabilities		**88,842**	(1,621)
(Decrease)/increase in amounts due to a related party		**(1,811)**	130
Cash generated from operations		**199,366**	39,742
Income tax paid		**(23,272)**	(3,792)
Interest received		**6,951**	6,702
Net cash flows generated from operating activities		**183,045**	42,652

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment		**(22,412)**	(10,121)
Proceeds from disposal of property and equipment		**165**	6
Purchases of other intangible assets		**(652)**	(1,424)
Purchases of financial assets at fair value through profit or loss		**–**	(100,000)
Placement of time deposits		**(143,172)**	(57,125)
Withdrawal of time deposits		**143,341**	–
Withdrawal of financial assets at fair value through profit or loss		**–**	210,000
Receipt of the related parties' repayment of loans		**–**	1,659
Proceeds from withdrawal of financial assets at fair value through profit or loss		**–**	1,284
Net cash flows (used in)/generated from investing activities		**(22,730)**	44,279
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**468,815**	–
New bank borrowings		**50,000**	40,000
Repayment of bank borrowings		**(40,000)**	–
Repayment for principal of convertible bonds		**–**	(300,000)
Payment for interest of convertible bonds		**–**	(6,625)
Repayment of lease payments		**(223)**	(1,424)
Payments of listing expense		**(25,004)**	(4,167)
Interest paid		**(485)**	(466)
Net cash flows generated from/(used in) financing activities		**453,103**	(272,682)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**613,418**	(185,751)
Cash and cash equivalents at beginning of period		**387,183**	531,012
Effect of foreign exchange rate changes, net		**(2,198)**	3,758

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**998,403**	349,019
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**998,403**	349,019
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position		**998,403**	349,019
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows		**998,403**	349,019

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Medtide Inc. (the "Company") was established in the People's Republic of China ("PRC") on June 11, 2020, as a limited liability company. On February 10, 2023, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office of the Company is located at Room 501-11, Building 6, Yinhai Kechuang Center, Xiasha Street, Qiantang District, Hangzhou City, Zhejiang Province, PRC.

During the reporting periods, the principal activity of the Company and its subsidiaries (together, the "Group") was to provide prominent contract research and development manufacturing organization ("CRDMO") services that specializes in synthetic peptide production.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial information as set out in the accountants' report (the "Accountants' Report") included in Appendix I to the Company's prospectus dated June 20, 2025 in connection with the IPO of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

This interim condensed consolidated financial information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. SEGMENT INFORMATION

For the purpose of resource 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.

Geographical information

(a) Revenue from external customers

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Mainland China	**38,903**	56,624
United States of America ("USA")	**147,675**	121,990
Japan	**10,457**	2,573
Europe	**37,945**	5,551
Others	**18,787**	10,719
Total	**253,767**	197,457

The revenue information above is based on the locations of the contract entities of the customers.

(b) Non-current assets

	As at	As at
	June 30,	December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(audited)
Mainland China	**422,311**	418,599
Overseas	**63,099**	58,326
Total	**485,410**	476,925

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

4. SEGMENT INFORMATION (CONTINUED)

Information about major customers

Revenue from two customers, including sales to a group of entities which are known to be under common control with those customers, which accounted for 10% or more of the Group's revenue during the reporting period, is set out below:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Customer A	**99,352**	66,531
Customer B	**30,468**	1,162

5. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

Disaggregated revenue information

	Six months ended June 30,	
Types of goods and services	**2025**	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
CRDMO services	**253,767**	197,240
Others	**–**	217
Total	**253,767**	197,457

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

5. REVENUE (CONTINUED)

Revenue from contracts with customers (continued)

Disaggregated revenue information (continued)

Types of fee models	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Fee-for-service ("FFS")	**232,924**	192,944
Full-time-equivalent ("FTE")	**20,843**	4,296
Others	**–**	217
Total	**253,767**	197,457

Timing of revenue recognition	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Services and goods transferred at a point of time	**232,924**	192,944
Services transferred over time	**20,843**	4,513
Total	**253,767**	197,457

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other income		
Government grants		
– income*	**4,940**	29,682
– assets**	**3,111**	–
Bank interest income	**8,609**	6,702
Total other income	**16,660**	36,384
Gains		
Foreign exchange differences, net	**–**	3,678
Fair value gains on financial assets at FVTPL	**170**	2,701
Others	**159**	94
Total gains	**329**	6,473
Other income and gains	**16,989**	42,857

* This represents government grants related to income that is received as compensation for expenses or for the purpose of giving immediate financial support to the Group. There are no unfulfilled conditions or contingencies relating to these grants.

** The Group had complied with all conditions attaching to the government grants related to assets which were recognized in profit or loss over the useful lives of the relevant assets.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of inventories sold	**34,476**	28,290
Depreciation of property and equipment*	**10,482**	10,283
Depreciation of right-of-use assets*	**750**	1,621
Amortization of other intangible assets*	**3,329**	3,225
Provision for inventories	**5,244**	2,131
Foreign exchange differences, net	**1,620**	(3,678)
Impairment losses on financial assets, net	**678**	839
Losses on disposal of items of property and equipment	**86**	151
Listing expense	**18,211**	16,183

* Depreciation of property and equipment, depreciation of right-of-use assets and amortization of other intangible assets for the reporting period are set out in "Administrative expenses", "Selling and marketing expenses", "Research and development expenses" and "Cost of sales" in the interim condensed consolidated statement of profit or loss.

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operate.

Mainland China

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate for the Company and PRC subsidiaries was 25% during the reporting period.

Chinese Peptide Company was accredited as a "High and New Technology Enterprise" in 2021 and was entitled to a preferential corporate income tax rate of 15% from 2021 to 2023. This qualification is subject to review by the relevant tax authority in the PRC every three years. Chinese Peptide Company renewed its "High and New Technology Enterprise" qualification in 2023 and is entitled to the preferential tax rate of 15% from 2024 to 2026.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

8. INCOME TAX (CONTINUED)

Hong Kong

The first Hong Kong dollars ("HK$") 2,000,000 of assessable profits of the subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. No provision for Hong Kong income tax has been provided as the Group's Hong Kong entity had no estimated assessable profits during the reporting period.

USA

The Company's subsidiaries incorporated and operated in the USA were subject to the federal corporate income tax rate of 21% during the reporting period. These subsidiaries were also subject to the state income tax in California at a rate of 8.84% during the reporting period.

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current – Mainland China	**14,679**	6,867
Current – USA	**505**	500
Deferred	**(1,506)**	578
Total	**13,678**	7,945

9. DIVIDEND

No dividend has been declared or paid by the Company during the six months ended June 30, 2025 and 2024.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of shares outstanding during the period.

The calculation of the diluted earnings per share amount for the six months ended June 30, 2024 is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect fair value gains on convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

The calculations of basic and diluted earnings per share are based on:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**101,999**	50,567
Add: Fair value gain on convertible bonds	**–**	(10,781)
Profit attributable to ordinary equity holders of the parent before fair value gain on convertible bonds	**101,999**	39,786

	Number of shares ('000) Six months ended June 30,	
	2025	2024
	(unaudited)	(unaudited)
Ordinary shares (note 17)		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	**125,000**	125,000
Effect of dilution – weighted average number of ordinary shares:		
Convertible bonds	**–**	6,849
Total	**125,000**	131,849

11. PROPERTY AND EQUIPMENT

During the six months ended June 30, 2025, the Group acquired assets at a cost of RMB10,140,000 (unaudited) (June 30, 2024: RMB15,966,000 (unaudited)).

Assets (other than those classified as held for sale) with a net book value of RMB251,000 (unaudited) were disposed of by the Group during the six months ended June 30, 2025 (June 30, 2024: RMB157,000 (unaudited)), resulting in a net loss on disposal of RMB86,000 (unaudited) (June 30, 2024: RMB151,000 (unaudited)).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

12. TRADE AND NOTES RECEIVABLES

An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of allowance for expected credit losses, is as follows:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Within 1 year	**32,498**	57,460
1 to 2 years	**350**	240
2 to 3 years	**3**	20
Total	**32,851**	57,720

13. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Within 1 year	**28,853**	23,328
1 to 2 years	**30**	22
Over 2 years	**109**	119
Total	**28,992**	23,469

Trade payables are non-interest-bearing and are normally settled within one month.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

14. INTEREST-BEARING BANK BORROWINGS

	As at June 30, 2025			As at December 31, 2024		
	Effective interest rate per annum %	**Maturity**	**RMB'000 (unaudited)**	Effective interest rate per annum %	Maturity	RMB'000 (audited)
Current						
Bank loans – unsecured	**2.6-2.7**	**2026**	**50,000**	2.95	2025	40,000

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Bank loans repayable:		
Within one year	**50,000**	40,000

15. CONTRACT LIABILITIES

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Contract liabilities	**126,286**	37,444

Contract liabilities represent the obligations to transfer peptide CRDMO services to customers for which the Group has received consideration. The change of contractual liabilities is mainly influenced by whether the Group delivers services at the end of the period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

16. REDEMPTION LIABILITIES ON EQUITY SHARES

In December 2021, the Company entered into an investment agreement with several independent investors ("Series A Shares"). According to the investment agreement, convertible bonds with a nominal value of RMB100,000,000 were converted into 5,228,758 paid-in capital with Series A Shares preference rights of the Company by Hangzhou Heda New Pharmaceutical Venture Capital Partnership (Limited Partnership) ("Hangzhou Heda Xinyiyao") (杭州和達新醫藥創業投資合夥企業(有限合夥)). The Company also issued 16,444,444 paid-in capital with Series A Shares preference rights of the Company to certain independent investors including Lanxi Puhua Shuoyang Xiaxing Venture Investment Partnership (Limited Partnership) (蘭溪普華碩陽夏星創業投資合夥企業(有限合夥)) ("Puhua Xiaxing"), Hangzhou Haibang Boyuan Venture Capital, Partnership (Limited Partnership) (杭州海邦博源創業投資合夥企業(有限合夥)) ("Hangzhou Haibang Boyuan"), Shenzhen Minhe Investment Co., Ltd. (深圳市民和投資有限公司) ("Shenzhen Minhe Investment"), Nanjing Outao Information Technology Co., Ltd. (南京歐陶資訊科技有限公司) ("Nanjing Outao"), Hainan Jingsheng Yiqi Private Equity Investment Fund Partnership (Limited Partnership) (海南景盛一期私募股權投資基金合夥企業(有限合夥)) ("Hainan Jingsheng Yiqi") for a total cash consideration of RMB370,000,000 or RMB22.50 per share. Hangzhou Heda Xinyiyao, Puhua Xiaxing, Hangzhou Haibang Boyuan, Shenzhen Minhe Investment, Nanjing Outao and Hainan Jingsheng Yiqi were collectively referred to as "Series A Investors". The numbers of paid-in capital presented in this paragraph do not consider the impact of conversion of paid-in capital to share capital due to the Company's conversion to a joint stock limited liability company. Details of the key terms of the Series A Shares were set out in note 30 of Appendix I in the prospectus published on June 20, 2025.

The Group and the Company have designated the redemption liabilities on equity shares as a whole as financial liabilities carried at FVTPL and presented as "redemption liabilities on equity shares" in the consolidated statement of financial position. The change in fair value of the redemption liabilities on equity shares is charged to profit or loss except for the portion attributable to credit risk change that is charged to other comprehensive income. Management considered that the fair value change in the redemption liabilities on equity shares attributable to changes of own credit risk is not significant.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

16. REDEMPTION LIABILITIES ON EQUITY SHARES (CONTINUED)

Pursuant to the special rights termination agreement dated May 15, 2024 entered into among all current shareholders, all shareholders' special rights granted were automatically terminated upon listing, except for redemption features which were automatically terminated upon the first submission of the listing application on May 31, 2024, provided that redemption rights shall be automatically and immediately reinstated and restored upon the earlier of (i) the date when the Company's listing application is rejected, returned, or voluntarily withdrawn by the Company; or (ii) the listing has not taken place by December 31, 2026. Considering that the contingency relating to the reinstatement and restoration of the redemption features is outside the control of the Company, the redemption liabilities on equity shares are assessed to be continuously measured as financial liabilities carried at FVTPL after entering into the termination agreement.

On June 30, 2025, the Company was successfully listed on the Main Board of the Stock Exchange. Pursuant to the special rights termination agreement dated May 15, 2024, the completion of the listing triggered the automatic termination of all the special rights granted to Series A Shares and then the fair value of redemption liabilities on equity shares of RMB621,342,000 was reclassified to equity accordingly.

The movements in redemption liabilities on equity shares during the reporting period are set out below:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
At the beginning of the period/year	**639,805**	542,038
Changes in fair value	**(18,463)**	97,767
Conversion of redeemable liabilities on equity shares upon IPO	**(621,342)**	–
At the end of the period/year	**–**	639,805

The Company used the discounted cash flow and back-solve methods to determine the underlying share value of the Company and performed an equity allocation based on the Option Pricing model ("OPM model") to determine the fair value of the redemption liabilities on equity shares as at the end of each reporting period with reference to a valuation report carried out by an independent valuer.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

17. SHARE CAPITAL

A summary of movements in the Company's share capital is as follows:

	Number of ordinary shares	Share capital RMB'000
As at December 31, 2023, January 1, 2024 and December 31, 2024 (audited)	125,000,000	125,000
Shares issued upon IPO (unaudited) (note)	16,800,000	16,800
As at June 30, 2025 (unaudited)	141,800,000	141,800

Note:

On June 30, 2025, the Company issued a total of 16,800,000 ordinary shares of RMB1.00 each at the price of HK$30.60 per share by means of global offering.

18. SHARE INCENTIVE PLAN

The Pre-IPO Employee Incentive Scheme

In December 2020, the shareholders' meeting of the Company passed a resolution to adopt the 2020 share incentive plan (the "Pre-IPO Employee Incentive Scheme") in order to attract and retain senior management and employees for the continued operation and development of the Group. The Pre-IPO Employee Incentive Scheme was further amended in November 2021 and November 2022. Pursuant to the adopted and amended Pre-IPO Employee Incentive Scheme, 10,273,500 shares of the Company were transferred to two employee incentive platforms owned by Ms. Li Xiangli, namely Hangzhou Yuanxi Enterprise Management Consulting Partnership (Limited Partnership)杭州元熙企業管理諮詢合夥企業(有限合夥) and Hangzhou Xiyong Enterprise Management Consulting Partnership (Limited Partnership)杭州熙永企業管理諮詢合夥企業(有限合夥), from Hangzhou Haiding Technology Co., Ltd. (杭州海鼎科技有限公司, "Hangzhou Haiding"), a company wholly owned by Ms. Li Xiangli and her spouse at the price of RMB3.89 per share (equivalent to RMB4.00 paid-in capital before the Company's conversion into a joint stock company).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

18. SHARE INCENTIVE PLAN (CONTINUED)

The Pre-IPO Employee Incentive Scheme (continued)

Each grant of share awards needs to meet service requirements from the date of grant to the later of (1) five years from the grant date (the "Service Period") and (2) one year after successful listing of the Company (the "Lock-up Period"). In the first three years of the Service Period, 30%, 30% and 40% of the total number of share awards shall be released to eligible participants on the first, second and third anniversary of the grant date upon meeting certain individual and the Group's performance targets. The eligible participants will be repaid with original subscription price plus single digit interest if their employment is terminated within the Service Period and will be entitled to a portion of economic benefits of the released share awards if their employment is terminated within the Lock-up Period. After taking into consideration of the best estimation of the listing date, the management determined the vesting period of the relevant restricted shares based on the above performance conditions and service requirements. As such, the share-based payment expenses are amortized during the vesting period.

The fair value of services received in return for a share award granted is measured by reference to the fair value of the share award granted less the subscription price.

Set out below are details of the movements of the outstanding restricted shares granted under the Pre-IPO Employee Incentive Scheme throughout the reporting period.

	As at June 30, 2025 (unaudited)	As at December 31, 2024 (audited)
At the beginning of the period/year	**8,938,049**	6,852,425
Granted during the period/year	**–**	2,250,000
Forfeited during the period/year	**(10,274)**	(164,376)
At the end of the period/year	**8,927,775**	8,938,049

During the six months ended June 30, 2025 and 2024, equity-settled share-based payment expenses of RMB2,311,000 (unaudited) and RMB2,132,000 (unaudited) were charged to profit or loss, respectively.

The weighted average remaining contractual lives for the outstanding restricted shares granted were 1.51 years and 2.01 years as at June 30, 2025 and December 31, 2024, respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

19. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Contracted but not provided for:		
Property and equipment	**58,458**	39,912
Total	**58,458**	39,912

20. RELATED PARTY TRANSACTIONS

(a) Name and relationship

Name of related party	Relationship with the Group
Zhejiang Handing Pharmaceutical Co., Ltd. (浙江漢鼎醫藥有限公司, "Zhejiang Handing")	Note

Note: Dr. Li Xiang held approximately 64.25% interest in aggregate in Zhejiang Handing as of June 30, 2025. Dr. Li Xiang also served as a director and the chairman of Zhejiang Handing.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant related party transactions

The Group had the following material related party transactions during the period.

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Sales to		
Zhejiang Handing	**1,488**	–

The directors consider that the rendering of services or the sale of products to the related party was based on arm's length negotiation between the Group and the related party with reference to market rates.

(c) Outstanding balances with related parties

	Nature	**As at June 30, 2025 RMB'000 (unaudited)**	As at December 31, 2024 RMB'000 (audited)
Amounts due to a related party			
Contract liabilities			
Zhejiang Handing	Trade	**–**	1,811

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

20. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Compensation of key management personnel of the Group:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Salaries, bonuses, allowances and benefits in kind	**5,814**	5,005
Pension scheme contributions	**210**	188
Share-based payment compensation	**1,137**	1,137
Total compensation paid to key management personnel	**7,161**	6,330

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair values

Management has assessed that the fair values of cash and cash equivalents, time deposits, pledged bank deposits, trade and notes receivables, financial assets included in prepayments, other receivables and other assets, amounts due from related parties, trade payables, financial liabilities included in other payables and accruals and lease liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair values of the non-current time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's finance department headed by the financial director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each reporting period, the finance department analyzes the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in unlisted investments. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the redemption liabilities on equity shares measured at FVTPL are determined using the option pricing model. Further details are set out in note 15 to the Historical Financial Information.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets and liabilities measured at fair value:

As at June 30, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Financial assets				
Unlisted equity investments	–	–	1,805	1,805

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

As at December 31, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Financial assets				
Unlisted equity investments	–	–	1,634	1,634
Financial liabilities				
Redemption liabilities on equity shares	–	–	639,805	639,805

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (for the six months ended June 30, 2024: Nil).

22. EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after June 30, 2025.

23. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved and authorised for issue by the board of directors on August 29, 2025.

DEFINITIONS

"Audit Committee"	the audit committee of the Company
"Board" or "our Board"	the board of Directors
"Chief Executive Officer"	the chief executive officer of our Company
"China", "Mainland China" or "PRC"	the People's Republic of China which, for the purpose of this report and for geographical reference only, excluding Hong Kong Special Administrative Region of the PRC, Macao Special Administrative Region of the PRC, and Taiwan Region
"Company", "our Company", or "the Company"	Medtide Inc. (泰德醫藥(浙江)股份有限公司), a limited liability company incorporated in the PRC on June 11, 2020 and converted into a joint stock company with limited liability on February 10, 2023, formerly known as Taide Pharmaceutical (Zhejiang) Co., Ltd.* (泰德醫藥(浙江)有限公司)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Employee Incentive Platforms"	the pre-IPO employee incentive platforms of our Group, namely Hangzhou Xiyong and Hangzhou Yuanxi
"Global Offering"	the Hong Kong Public Offering and the International Offering as defined and described in the Prospectus
"Group", "our Group", "our", "we" or "us"	our Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any)
"H Share(s)"	overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange
"Hangzhou Haiding"	Hangzhou Haiding Technology Co., Ltd.* (杭州海鼎科技有限公司) (previously known as Shaoxing Haiding Technology Co., Ltd.* (紹興海鼎科技有限公司)), which is owned as to 99% by Ms. Li, our executive Director, and 1% by her spouse, Mr. Li Congyan (李從岩) and is one of our Controlling Shareholders

DEFINITIONS

"Hangzhou Xiyong"	Hangzhou Xiyong Enterprise Management Consulting Partnership (Limited Partnership)* (杭州熙永企業管理諮詢合夥企業(有限合夥)), formerly known as Liaocheng Xihe Enterprise Consulting Partnership (Limited Partnership)* (聊城熙和企業管理諮詢合夥企業(有限合夥)), which is a limited partnership established in the PRC on December 3, 2020 and a pre-IPO employee incentive platform of our Group, of which Ms. Li is the sole general partner and is one of our Controlling Shareholders
"Hangzhou Yuanxi"	Hangzhou Yuanxi Enterprise Management Consulting Partnership (Limited Partnership)* (杭州元熙企業管理諮詢合夥企業(有限合夥)), formerly known as Liaocheng Yuande Enterprise Consulting Partnership (Limited Partnership)* (聊城元德企業管理諮詢合夥企業(有限合夥)), which is a limited partnership established in the PRC on December 3, 2020 and a pre-IPO employee incentive platform of our Group, of which Ms. Li is the sole general partner and is one of our Controlling Shareholders
"Healthy Angel"	Healthy Angel International Limited, a company incorporated in the Marshall Islands on March 13, 2014 with limited liability, which is wholly-owned by Dr. Xu, and is one of our Controlling Shareholders
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	August 29, 2025, being the latest practicable date prior to the printing of this report for the purpose of ascertaining certain information contained in this report
"Listing Date"	June 30, 2025, the date on which the Shares were listed and dealings in the Shares were to be first permitted to take place on the Hong Kong Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"Pre-IPO Employee Incentive Scheme"	the pre-IPO employee incentive scheme of the Company approved and adopted in December 2020 and amended in November 2021 and November 2022, as amended from time to time, a summary of the principal terms of which is set forth in the section headed "Statutory and General Information – Pre-IPO Employee Incentive Scheme" in Appendix IV of the Prospectus
"Prospectus"	the prospectus issued by the Company on June 20, 2025

DEFINITIONS

"Qikang International"	Health Angel International Limited (琪康國際有限公司), a limited company incorporated in Hong Kong on April 1, 2014, which is wholly-owned by Healthy Angel, and is one of our Controlling Shareholders
"Relevant Period"	the period commencing from the Listing Date up to June 30, 2025
"Reporting Period"	the six months ended June 30, 2025
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisors of the Company
"%"	per cent

Certain amounts and percentage figures included in the Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiary) have been included in this Prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

* *For identification purposes only*

GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, explanations and definitions of certain terms used in this report in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

"ANDA"	abbreviated new drug application, a simplified submission to the FDA requesting authorization to market a new formulation of an existing drug or an investigational drug similar to an already approved drug, for which both its therapeutic indications and formulation were previously approved by the FDA
"API"	active pharmaceutical ingredients, any substance or mixture of substances intended to be used in the manufacture of a drug (medicinal) product in order to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease or to affect the structure or function of the body
"CDMO"	contract development and manufacturing organization, a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"cGMP"	current good manufacturing practice
"clinical trial"	a research study for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
"CMC"	chemistry, manufacturing, and control, a section to evaluate the characteristics of a therapeutic and its manufacturing and quality testing process used to support clinical studies and marketing applications
"commercialization"	the stage in drug development when a new drug is approved and released to the market
"CRO"	contract research organization, a company that provides support to the pharmaceutical, biotech, and medical device industries in the form of research services outsourced on a contract basis
"CRDMO"	contract research, development and manufacturing organization, a company that provides discovery, research, development and manufacturing services in the pharmaceutical and/or biotech industry on a contract basis
"DMF"	drug master files, submissions to regulatory authorities used to provide confidential, detailed information of drug products

GLOSSARY OF TECHNICAL TERMS

"drug discovery"	the process through which potential new drugs are identified and may involve a wide range of scientific disciplines, including biology, chemistry and pharmacology
"drug product"	a dosage form that contains one or more APIs and/or inactive ingredients
"FFS"	fee-for-service, a payment model where the fee income is primarily based on the services provided
"FTE"	full-time-equivalent, a payment model where a number of employees are allocated to the project at a fixed rate per employee per period of time
"generic drug"	a drug that is chemically identical to an original drug and is generally available in the same or similar strength and dosage forms as the original drug
"GLP-1"	glucagon like peptide-1, a naturally occurring peptide hormone that decreases blood sugar levels in a glucose-dependent manner by enhancing the secretion of insulin
"GMP"	good manufacturing practice, the practices required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of products
"molecule"	a group of two or more atoms connected by chemical bonds, forming the smallest unit of a substance that retains the composition and properties of that substance
"NCE"	new chemical entity, a novel, chemical molecule drug that is undergoing clinical trials or has received a first approval
"oligonucleotides"	short DNA or RNA molecules that have a wide range of application in pharmaceutical and biotech industries, which can be synthesized in laboratories or found in nature
"PDC"	peptide drug conjugate, the attachment of a drug/probe to a peptide by a selective chemical reaction
"peptide"	small fragments of proteins, typically comprising 2-99 amino acids with a molecular weight of less than 10,000 Da.
"peptide focused CRDMO"	CRDMO companies where peptide CRDMO services contribute over 50% of their revenues
"POC"	peptide-oligonucleotide conjugate, a covalent construct that links a molecule like DNA to a synthetic peptide sequence

GLOSSARY OF TECHNICAL TERMS

"RDC"	radionuclide drug conjugate, as a particular form of coupling drugs, are formed by combining radioactive isotopes with disease-targeting molecules
"registration inspection"	an inspection carried out by the NMPA to determine the safety, efficacy, quality controllability of drug candidates seeking regulatory approval for commercialization
"semaglutide"	a GLP-1 analog peptide, used for the treatment of type two diabetes and long-term weight management
"stability studies"	studies on the capability of a drug in a specific container/closure system to remain within its physical, chemical, microbiological therapeutic and toxicological specification
"synthesis"	the production of compounds by chemical reaction from simple starting materials
"TIDES"	TIDES drugs and TIDES-relevant products
"TIDES CRDMO"	CRDMO service for TIDES, including TIDES drugs and TIDES-relevant products
"tirzepatide"	a long-acting glucose-dependent insulinotropic peptide analogue that activates both the GLP-1 and glucose-dependent insulinotropic peptide receptors and is used for the treatment of type two diabetes and for weight loss