WUXI BIOLOGICS (CAYMAN) INC.
藥明生物技術有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2269)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

FINANCIAL HIGHLIGHTS

		2022 ***RMB million***	2021 *RMB million*	Change
Revenue		**15,268.7**	10,290.1	48.4%
Gross profit		**6,724.0**	4,828.9	39.2%
Gross profit margin		***44.0%***	*46.9%*	
Net profit		**4,549.9**	3,508.6	29.7%
Net profit margin		***29.8%***	*34.1%*	
Net profit attributable to owners of the Company		**4,420.3**	3,388.5	30.5%
Margin of net profit attributable to owners of the Company		***29.0%***	*32.9%*	
Adjusted net profit attributable to owners of the Company		**4,925.3**	3,316.4	48.5%
Margin of adjusted net profit attributable to owners of the Company		***32.3%***	*32.2%*	
		RMB	*RMB*	
Earnings per share	— Basic	**1.06**	0.81	30.9%
	— Diluted	**1.01**	0.77	31.2%
Adjusted earnings per share	— Basic	**1.18**	0.79	49.4%
	— Diluted	**1.13**	0.75	50.7%

The Board does not recommend any payment of final dividend for the year ended December 31, 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

CRDMO Platform — Overall Performance

Following more than a decade of sustained investment and development, the Group has established itself as a distinguished end-to-end biologics CRDMO, offering integrated one-stop services that enable its clients and partners to develop their biologics from conception to commercial manufacturing.

During the Reporting Period, the Group's unique CRDMO business model continued to fuel robust and sustained growth, guided by its "Follow and Win the Molecule" strategies, particularly in the non-COVID sector. Leveraging our fully integrated end-to-end CRDMO platform, global footprint and robust supply chain network, the Group has once again demonstrated exceptional resilience and delivered outstanding results as outlined below.

- The total number of integrated projects increased by 22.5% from 480 as at the same time last year to 588 as at December 31, 2022, including close to 550 non-COVID integrated projects, demonstrating the Group's strong sustainable business growth even without COVID-19 projects.

- The total number of pre-clinical projects increased by 11.9% from 268 as at the same time last year to 300 as at December 31, 2022.

- The total number of early-phase (phases I and II) projects increased by 36.8% from 171 as at the same time last year to 234 (166 in phase I and 68 in phase II) as at December 31, 2022.

- The number of late-phase (phase III) projects and commercial manufacturing projects increased by 31.7% from 41 as at the same time last year to 54 (37 in late-phase and 17 in commercial manufacturing) as at December 31, 2022.

- The Group also achieved great success in progressing projects from pre-IND stage to post-IND stage: 70 projects progressed from pre-clinical development stage to early-phase stage during the Reporting Period.

- The Group's effective execution of the "Win-the-Molecule" strategy further brought 11 external projects into the pipeline, including 5 late-phase and commercial manufacturing projects.

The following table sets forth the status of the on-going integrated projects of the Group as at December 31, 2022:

Biologics Development Process Stage	Number of On-Going Integrated Projects[1]	Typical Duration	Typical Service Revenue[2]
Pre-IND			
— Drug discovery	—	2 years	US$1.5-2.5 mm
— Pre-clinical development	300	1-2 years	US$5-8 mm
Post-IND			
— Early-phase (phases I & II) clinical development:	234	3 years	US$4-6 mm
— Phase I clinical development	166		
— Phase II clinical development	68		
— Late-phase (phase III) clinical development	37	3-5 years	US$20-50 mm
— Commercial manufacturing[3]	17	Annually	US$50-100 mm[4]
Total	**588**		

Notes:

(1) Integrated projects are projects that require the Group to provide services across different divisions/ departments within the Group and across various stages of the biologics development process.

(2) Milestone fees can be paid at different research and development ("**R&D**") stages, while royalty fees will be charged for 5–10 years or until the patent expires once the new drug launches in the market.

(3) The commercial manufacturing projects refer to the projects approved by regulatory authorities and signed CMO contracts with the Group.

(4) Estimated value when biologic drug reaches its peak sales. A biologic drug typically reaches its peak sales after a ramp-up period.

The Group's revenue for the year ended December 31, 2022 increased by 48.4% year-on-year to RMB15,268.7 million, together with a 39.2% year-on-year growth in gross profit to RMB6,724.0 million and 48.5% year-on-year increase in adjusted net profit attributable to owners of the Company to RMB4,925.3 million. In particular, the Group's non-COVID revenue for the year ended December 31, 2022 achieved a 62.8% year-on-year growth with strong sustained momentum. The Group's total backlog, including the service backlog and upcoming potential milestone fees, also increased by 51.3% from US$13,597 million as of December 31, 2021 to US$20,571 million as of December 31, 2022, of which service backlog increased by 70.4% from US$7,946 million to US$13,538 million and upcoming potential milestone fees increased 24.4% from US$5,651 million to US$7,032 million. The Group's total backlog within three years also increased by 25.3% from US$2,890 million as of December 31, 2021 to US$3,621 million as of December 31, 2022. The service backlog represents the revenue amount the Group has contracted but has yet to perform. The total upcoming potential milestone fees represent the total amount for upcoming milestone fees, which the Group has contracted but has not yet performed nor received. This milestone revenue may take longer to receive at the various development stages as it depends on the success rate and progress of the projects which may not be within the Group's control.

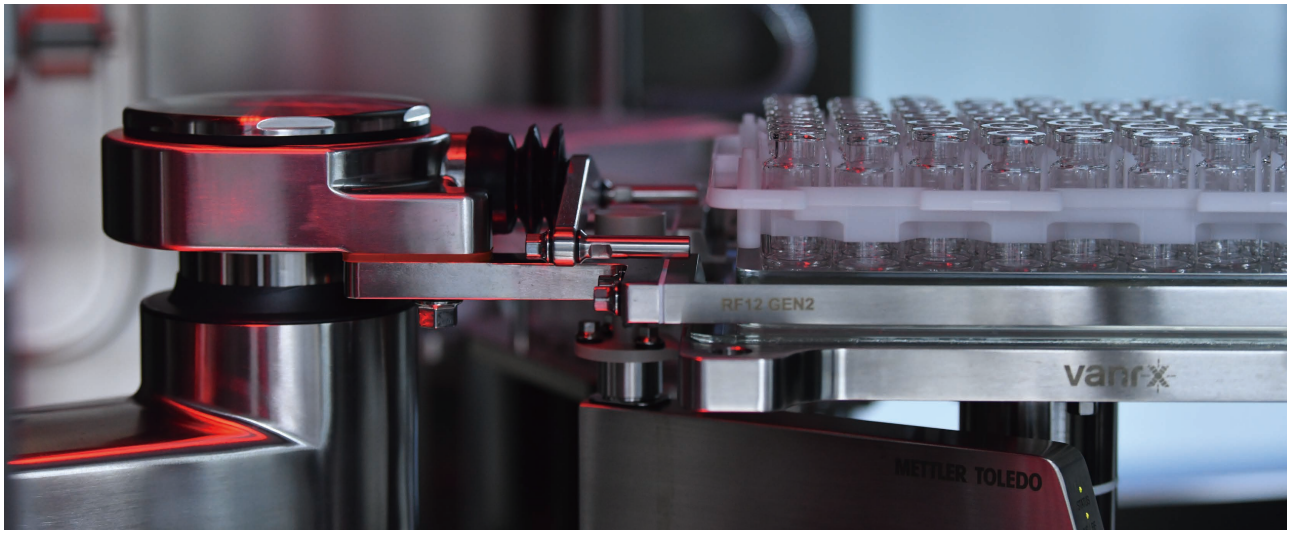
During the Reporting Period, the Group further diversified its customer base by working with all top 20 pharmaceutical companies in the world and 45 of the 50 largest pharmaceutical companies in China. The Group provided services to 599 clients for the year ended December 31, 2022, compared with over 470 clients for the same period last year. The Group believes that continuous improvement of its capabilities and capacity, combined with unwavering collaboration and commitment to its clients and partners, will strengthen its value chain, enabling the Group to consistently seize opportunities in this expanding market.

Overcoming External Challenges and Unlocking CRDMO Potential

The year 2022 commenced with unexpected external challenges, including the COVID-19 outbreak in Shanghai. Despite a brief disruption in operations, the Group successfully executed its business continuity plan and operational efficiency improvement programs to minimize the impact of external challenges on project deliverables and overall business. Our ability to achieve a 100% success rate on critical projects despite limited staffing is a credit to our devoted employees and management team, especially the 600 employees who remained on campus during this time. Meanwhile, years of buildup in our optimized global supply chain capabilities also paid off with no material shortages and no substantial interruption in either domestic or international logistics. The Group's perseverance through external challenges was further evidenced by the fact that no clients or projects were lost due to the outbreak, as its commitment to its clients and partners.

Furthermore, during the Reporting Period, both of the Group's subsidiaries were removed from the Unverified List ("**UVL**") following successful completion of the on-site end-use check visit by the U.S. Commerce Department. The removal from the UVL once again validated the Group's commitment to operate with the highest standard of compliance and in accordance with relevant laws and regulations.

While successfully overcoming external challenges, the Group also celebrated various landmark achievements for its unique CRDMO platform in 2022. Commencing with research (R) services, the Group accelerated to extend partnerships and enable partners to chart a new course for the next generation of biologics, including the license agreement with GSK plc (LSE/NYSE: GSK) on multiple novel bi- & multi-specific T cell engagers ("**TCEs**") antibodies developed using the Group's proprietary technology platforms. Progressing to development (D) services, the Group consistently earned the confidence of our clients and partners by providing cutting-edge development technology, seasoned project teams, unparalleled speed and execution, and ensuring a continuous growth of pipeline. Finally, in manufacturing (M) services, the Group offered its clients and partners a seamless, end-to-end service experience — from discovery and development to manufacturing — bolstered by a robust international quality standard system and a diverse global footprint with expanded capacity and capabilities. Please refer to the section headed "Strategic Highlights" for additional information. All these accomplishments have laid a solid foundation for the Group to fulfill its mission of enabling anyone and any company to discover, develop and manufacture biologics from concept to commercial manufacturing in a cost-effective and time-sensitive manner.



Strategic Highlights

Propelled by its well-established "Follow and Win the Molecule" strategies, the Group has consistently embraced the shifting landscape of the global biologics industry and sustained its leading position in technology. With excellent execution, best timeline and innovative technology, the Group accomplished the following strategic milestones during the Reporting Period:

- The Group announced a 10-year US$1.4 billion investment plan to establish a cutting-edge, fully integrated CRDMO center expanding its research, development, and large-scale drug substance ("**DS**") and drug product ("**DP**") manufacturing capacity and capabilities in Singapore with 120,000L biomanufacturing capacity by 2026. This investment will strengthen the Group's global research, development and manufacturing network with more robust nodes to meet the growing demand from clients worldwide for end-to-end services, and continue to enable its "Global Dual Sourcing" strategy.

- The Group has received the first GMP certificate from HPRA for its Ireland site only nine months after the operation of the site, demonstrating "WuXi Biologics Quality" and "WuXi Biologics Speed". This is the first Manufacturer's/Importation Authorisation ("**MIA**") and Investigational Medicinal Product ("**IMP**") license, further supporting the Ireland site to deliver commercial biologics for its global clients towards promising treatments for patients.

- The Group has been named a winner of the 2022 "CMO Leadership Awards" for the fifth year in a row. The Group is proud to receive this distinction in all six award categories (i.e., capabilities, compatibility, expertise, reliability, quality and service). On top of this CMO award, the Group received additional recognition as the CHAMPION in its Capabilities category, applauding for the Group's state-of-the-art facilities and robust manufacturing capabilities which outperformed the industry standard.

- Both subsidiaries of the Company, WuXi Biologics Co., Ltd. and WuXi Biologics (Shanghai) Co., Ltd., have been successfully removed from the UVL, demonstrating our strong commitment to operate with the highest standard of compliance and in accordance with relevant laws and regulations.

- The Group's industry-leading vaccines CRDMO subsidiary, WuXi Vaccines, received the GMP certificate from HPRA for its quality control ("**QC**") potency lab in Dundalk, Ireland, which marked a critical step for WuXi Vaccines to enable the manufacturing of commercial vaccine products in its Dundalk facility to supply the global market for a major pharmaceutical company.

- The Group marked another productive year in terms of capacity expansion, encompassing, among others, the launch of a comprehensive biologics CRDMO center and a new biosafety testing center in Shanghai, a state-of-the-art DS manufacturing facility in Hebei, the Group's first Europe site in Dundalk, Ireland, the Group's first North American facility in New Jersey, U.S., and its first commercial DP facility for pre-filled syringes at its Wuxi site. Moreover, the Group has accomplished the seamless integration of DS and DP facilities acquired from Bayer in Wuppertal and Leverkusen, Germany; Pfizer China in Hangzhou, China; and CMAB in Suzhou, China, thereby enhancing its worldwide production network and strengthening our commitment to our clients and partners under the "Global Dual Sourcing" strategy. Please refer to the sections headed "CRDMO Platform — Manufacturing Capabilities and Capacity — Manufacturing" and "Capacity Expansion" for additional information.

- The Group's workforce has surged to 12,373, among which a considerable size of 4,372 scientists are devoted to biologics research and development. The Group's international hiring has been fruitful. Talent retention remains robust, with a key retention rate of 95% that surpasses the industry average.

CRDMO Platform — Discovery and Development Capabilities and Capacity

Discovery Research and Development ("R&D")

The Group's discovery arm, the "R" in CRDMO, boasts an elite team of approximately 400 scientists, many of whom possess extensive biologics discovery experience at multinational pharmaceutical firms and renowned research institutions. It provides a comprehensive and streamlined suite of solutions for biologic discovery, ranging from concept to IND, that seamlessly transits to CMC and downstream process development, and continuously focused on:

- enhancing innovative biologics generation capabilities and optimizing several existing technological platforms, including traditional hybridoma technology, phage display technology (naïve, immune and fully synthetic), yeast display technology (Fab and fully length), OMT fully human antibody discovery platform, premium humanization, Fc effector and half-life engineering, and various antibody optimization platforms (including PTM removal, pH sensitivity engineering and disease microenvironment modulating engineering), bispecifics, multispecifics, nanobodies, modified cytokines, fusion proteins, and antibody fragments to expedite the discovery of novel therapeutic biologics; establishing and improving single B cell cloning technique to dramatically accelerate the discovery of lead antibodies, and applying digitalization technology to assist antibody lead identification and optimization; the timeline from target to preclinical candidate compounds ("**PCC**") was shortened to six months at certain scenarios;

- supporting the Group's global partners in using the proprietary bispecific and multispecific antibody platforms, including WuXiBody® and SDArBodY®, enabling them to considerably accelerate the development process of new bispecific and multi-functional biologics;

- building strong capabilities in selecting new targets such as tumor associated antigens ("**TAA**") using patient-centric big data driven omics approach, and making antibodies for TAAs to enable discovery of quality Antibody-drug Conjugates, immune cell engagers and other targeted therapies;

- enhancing the Group's in vitro and in vivo biology capabilities and capacity to further enhance our one-stop and modular service offering and to enable the screening, identification and characterization of desired biologics as drug development candidates;

- establishing in silico screening method, and a set of assays that can help to assess the potential development risk of a molecule and protein engineering when needed for improvement, a critical step that can significantly reduce the CMC and clinical development risk and shorten development timeline;

- continuously identifying and prioritizing new areas of biologic innovation and developing proprietary technologies to enable the Group's clients to discover and develop highly differentiated novel biologic drugs, such as conditionally activated biologics;

- continuously enhancing R&D capabilities in the design and discovery of best-in-class and first-in-class PCC molecules driven by deep understanding of disease biology and target biology and mastery of leading biologics engineering technologies;

- further expanding our service from PCC to pre-clinical development for IND-enabling by providing integrated rapid pre-clinical development services to multiple clients' SARS-CoV-2 neutralization antibody projects; and

- refining systems and structuring teams for more efficient business operations and optimized cost control to ensure the provision of quality and efficient technical solutions for clients.

Technology Platforms

The Group is devoted to providing a full range of CRDMO services through its industry-leading and globally accessible proprietary technology platforms. These platforms serve as the cornerstone of the Group's CRDMO business model, driving milestones and royalty revenues, and fueling the growth of its biologics pipeline through the implementation of the "Follow and Win the Molecule" strategies.

Antibody-Drug Conjugates

Antibody-drug Conjugates ("**ADC**") is a new class of highly potent biologics composed of an antibody linked, via a chemical linker, to a biologically active drug or cytotoxic compound. ADCs demonstrate greater effectiveness, less off-target toxicity, and a wider therapeutic range compared to traditional chemotherapy and monoclonal antibodies ("**mAbs**"). This new therapeutic modality has been making significant progress in the treatment of tumors, and its popularity is evident by the around ten ADCs that have been approved by the U.S. FDA since 2019, more than ever before.

The growing popularity of ADCs has led to a surge in demand for development and manufacturing services in this area, creating a significant opportunity for the Group to leverage its expertise and bring value to its clients and partners. As a leading biologics CRDMO, the Group possesses extensive experience in utilizing various antibodies and other biological molecules, linkers, payload chemistries, and combinations. This has equipped the Group with the ability to develop strategies that meet the specific needs of its partners in terms of ADC development and manufacturing. As of the end of the Reporting Period, the Group had secured 94 ADC integrated projects globally with 40 IND submissions.

The Group's subsidiary, WuXi XDC, provides a dedicated, comprehensive, and full-spectrum set of in-house capabilities for developing ADC and bioconjugates. WuXi XDC has developed DAR4 technology that can control drug-to-antibody ratio ("**DAR**") at approximately 4, significantly reducing the heterogeneity of ADC molecules and thereby reducing the CMC development complexity of ADC molecules. Its facilities — offering services from antibody discovery to conjugation research, to full CMC development and all the way to commercial manufacturing — are all located within close proximity to enable global ADC innovators to move their assets forward in a high quality, cost-effective and timely manner.

The Group's ADC manufacturing facility, located in Wuxi city, Jiangsu Province, encompasses nearly 26,000 square meters (approximately 280,000 square foot) and provides integrated solutions such as formulation development, technology transfer, and pilot scale to large-scale cGMP production for ADCs and other complex protein conjugates. This state-of-the-art facility, which strictly complies with global quality standards, houses an advanced, fully-isolated and automatically aseptic filling system, which can produce 2/6/10/20/50ml liquid and lyophilized products and provides the flexibility to meet production requirements of global clinical trials and product launches. The Group is also building the second ADC facility including dual manufacturing functions of mAb and DS, fill/finish, and packaging with target GMP release date soon. This will further double ADC DS and DP manufacturing capacity to meet the needs of multiple late-stage ADC development and manufacturing projects.

Bispecific and Multispecific Antibodies

The advent of multispecific biologics, particularly bispecific and multispecific antibodies, marks a turning point in biopharmaceutical innovation. Despite their tremendous potential, the numerous obstacles related to protein engineering, biology, product stability, and manufacturing have hindered the extensive development of bispecific and multispecific antibodies.

Drawing upon its extensive expertise in the development of antibodies and its top team of scientists, the Group has developed more than 10 different formats and released over 30 relevant papers, with 99 bispecific projects currently underway. The Group also offered its industry leading proprietary bispecific antibody platform WuXiBody® to enable global bispecific biologics innovation, which allows valency flexibility and permits the easy joining of almost any mAb pair to build a bispecific antibody. WuXiBody® also offers many other benefits, including high yield, high solubility, good stability in serum and increased in vivo half-life, amongst others. WuXiBody® continues to gain worldwide recognition, with 39 out-licensed projects by the end of the Reporting Period.

In addition to the widely recognized WuXiBody® platform, leveraging our leading technical capability of Variable Domain of Heavy-chain Antibodies ("**VHH**") libraries, advanced VHH immunization, VHH affinity maturation and humanization platforms and the deep understanding of disease and target biology, the Group has also developed the sophisticated VHH-based SDArBodY® (Single-Domain Antibody-related Multispecific Antibody) platform, providing our clients and partners with multi-functional therapeutic capabilities. SDArBodY® has been applied extensively across a range of projects. Moreover, the Group has harnessed its Immune Cell Engager ("**ICE**") platform to devise TCE. Through various research collaborations and licensing agreements, the Group has enabled diverse clients and partners, including multiple-national major pharmaceutical companies, to explore the potential of TCE antibodies as preeminent or pioneering treatments for tumors.

Vaccines Platform

The Group's vaccine endeavors have been continuously thriving since 2018 through WuXi Vaccines, its subsidiary that provides end-to-end vaccine CRDMO services. Its robust global supply chain enables its clients to commence vaccine initiatives within a mere four weeks and facilitates the distribution of vaccines from the Group's facilities to the desired global locations of its clients.

During the Reporting Period, the Group furnished vaccine CRDMO services that encompassed a broad array of technical platforms, such as Chinese Hamster Ovary ("**CHO**"), viral, microbial, and mRNA (messenger RNA), including the first iCMC (integrated CMC) mRNA project, the first U.S. late-stage project based on CHO platform, the first China commercial project, and the first consulting service to support the client to mitigate WHO PQ (Pre-qualification) observations and prepare for GMP inspection by national regulatory authority. Alongside the partnership manufacturing agreement with one global vaccine leader for an initial term of 20 years and a total contract value over US$3 billion, new agreements with one global vaccine leader and one Big Pharma were entered into for late-phase development and manufacturing. Furthermore, the new collaborations are expected to facilitate partners' access to the global market and aid in supplying GAVI (Global Alliance for Vaccines and Immunization) nations. The Group has also armed its clients with the capability to confront the pandemic through the development of three diverse modalities of COVID-19 vaccines, yielding hundreds of millions of doses readily available for supply.

The Group's state-of-the-art vaccine facility in Ireland has made significant contributions to these endeavors, with its modular laboratory in operation and generating revenue. The facility won the title of "Large Pharma Project of the Year" at Ireland's 2020 Pharma Industry Awards. The main facility achieved "weather-tight" status in early 2021, and received the GMP certificate from HPRA for its QC potency lab and celebrated mechanical completion during the Reporting Period. In November 2022, WuXi Vaccines embraced its domestic vaccine facility in Suzhou, China. The acquisition and transition of the Suzhou facility was consummated in December of the same year, with GMP production expect to commence in 2023.

During the Reporting Period, WuXi Vaccines has made significant strides in forging new business partnerships, with a 57.1% year-on-year increase in project numbers to 44, including 20 integrated projects, attesting to WuXi Vaccines' premium technical and quality strengths, CMC and regulatory capabilities and growing reputation in the industry.

Technology Platforms for Biologics Development

In addition to the previously listed industry-leading technological platforms, the Group's CRDMO platform also furnishes an array of cutting-edge biologics development gears. In particular, with its mission of "Turning Ideas into Life-Improving Biologics and Vaccines", the Group's industry-leading biologics development team, being capable of enabling 150 INDs and 12 Biologics License Applications ("**BLAs**") a year, successfully innovated and updated various technologies to expedite global biologics development and manufacturing.

WuXia®, the Group's proprietary CHO cell line development platform, enables 150 integrated CMC projects per year, one of the largest capacities in the world. The WuXia® platform utilizes our proprietary codon optimization program which is developed based on the codon and codon-pair usage frequencies of our own host cell lines. Coupled with proprietary expression vector system, top clones with high expression levels and desired quality attributes can be obtained and utilized for process development and cell banking within only 9–10 weeks. Combined with the Group's EU EMA, China NMPA and Japan PMDA certified cGMP cell banking and cell line characterization services, the WuXia® platform is ideal for the production of a variety of therapeutic proteins including mAbs, bispecific and multispecific antibodies, fusion proteins and other recombinant proteins.

WuXiUP™, the Group's proprietary continuous manufacturing platform, utilizes 1,000–2,000L disposable bioreactors to achieve comparable productivity as a traditional 10,000–20,000L stainless steel bioreactor while still providing similar or even better purification yield. The WuXiUP™ platform accelerates biologics development and manufacturing, and significantly reduces manufacturing costs of biologics. Coupled with continuous product capture column chromatography, the WuXiUP™ platform enables continuous direct product capture with a similar or better purification yield as traditional purification processes for almost any kind of biologics, including mAbs, bispecific antibodies, fusion proteins and recombinant proteins such as enzymes. WuXiUP™ has been implemented in more than 56 projects; among them more than 19 projects accomplished process scale-up, clinical manufacturing and commercial manufacturing and two projects received BLA approval.

CRDMO Platform — Manufacturing Capabilities and Capacity

Manufacturing

Since the banner year of 2021, the Group has continued its business momentum in late-stage and commercial manufacturing projects, contributing to considerable revenue growth. During the Reporting Period, the Group utilized its manufacturing capacity efficiently to yield hundreds of projects on time, all while building up capacity and capabilities across the global network.

DS Manufacturing

The Group operates several of the industry's leading biologics cGMP manufacturing facilities that exclusively employ single-use bioreactors in scales extending from 200L to 4,000L. The Group's capacity had reached 262,000L at the end of the Reporting Period. During the Reporting Period, the DS manufacturing delivered substantial amount of neutralizing antibodies for both COVID and non-COVID therapies. The Group's main operational DS manufacturing capacity includes:

Facility	Highlights
MFG1	• The first biologics manufacturing facility in China approved by the U.S. FDA, the EU EMA, Singapore HSA and China NMPA • Successfully completed four process performance qualification ("**PPQ**") projects during the Reporting Period
MFG2	• Offer a highly flexible manufacturing facility and competitive cost structure through combination of multiple 2,000L-capacity and 1,000L-capacity disposable bioreactors • Received GMP accreditation from various regulatory agencies, including China NMPA, U.S. FDA, Japan PMDA, Canada HC, Italy AIFA and Korea MFDS • Fully utilized by commercial products and post-PPQ products, producing substantial amount of neutralized antibody for COVID-19 during the Reporting Period
MFG3	• With MFG3, Shanghai site offers complete one-stop biologics development and manufacturing services in one central location • Enable the Group's clients to reach their clinical manufacturing goals within the shortest time possible • Despite Shanghai pandemic outbreak, substantial batches successfully completed during the Reporting Period

Facility	Highlights
MFG4	• Successfully completed the first 4,000L DS GMP production in 2020, which was a significant breakthrough in the biologics industry for the first time using the 4,000L single-use bioreactor in Asia • Approved by ANVISA and EU EMA during the Reporting Period • Successfully completed one PPQ project during the Reporting Period
MFG5	• World's largest single-use bioreactor-based cGMP biologics facility with two complete production lines in one single building • Approved by EU EMA and U.S. FDA during the Reporting Period • Four projects successfully completed PPQ in the 2,000L and 4,000L line during the Reporting Period
MFG6/7	• Successfully completed commissioning, qualification and validation ("**CQV**") and GMP release of phase 1 during the Reporting Period • Received GMP certificate from HPRA for QC potency lab during the Reporting Period
MFG8	• With 48,000L manufacturing capacity, enhancing the Group's capabilities and capacity of providing commercial manufacturing at 4,000L to 20,000L scale • GMP released and successfully completed one GMP production batch during the Reporting Period • Showcase of best practices for the "Factory of the Future"
MFG13	• Part of the Group's microbial and viral platform ("**MVP**") business unit in Hangzhou, China • With MFG13, MVP offers one-stop end-to-end services from sequence to DS GMP manufacturing and quality control release for viral and mRNA based products
MFG14	• Part of the Group's MVP business unit in Hangzhou, China • With MFG14, MVP offers one-stop services of integrated CMC package based on microbial expression systems • Substantial batches successfully completed for various modalities spanning recombinant protein, virus like particle, enzyme, and plasmid DNA, during the Reporting Period

Facility	Highlights
MFG18	• First clinical manufacturing facility in U.S., offering 150,000 square foot cGMP clinical manufacturing space with full process development capability and clinical DS and DP cGMP manufacturing capability • GMP released during the Reporting Period with an initial capacity of 4,000L utilizing single-use technology, which will grow to 6,000L
MFG20	• Acquired from Pfizer China in Hangzhou, expanded to 8,000L capacity during the Reporting Period • Finished one PPQ project during the Reporting Period • Efficiently utilized by post-PPQ and late-stage products, producing substantial amount of neutralized antibody during the Reporting Period
MFG21	• GMP certificated facility in Suzhou acquired in 2021 • Substantial batches successfully completed during the Reporting Period • Only took one year to upgrade this facility from local CDMO to global CRDMO, demonstrating the acquisition integration capability, strong resilience and powerful execution of the Group

DP Manufacturing

Over the course of more than a decade of development, the Group has built up and expanded its industry-leading DP development and manufacturing capacity and capabilities to replicate its success in DS development and manufacturing. With state-of-the-art facilities and leading technologies, including integrated high throughput and automation instruments, pioneering lyophilization technologies, and advanced process development capabilities, the Group's one-stop comprehensive DP capabilities and capacity grew the spectrum of services offered to the biologics industry, boosting the Group's revenue stream. As of the end of the Reporting Period, the Group had established a global manufacturing network with nine DP facilities in China and Germany. During the Reporting Period, the Group witnessed sustainable growth of DP projects and clients and completed over 200 batches of PPQ and post PPQ runs with 100% success rate.

In addition, a new Drug Product Packaging Center ("**DPPC**") which includes the Group's first fully automated vial packaging line, was GMP released in end of 2021. Leveraging new technologies, including anti-forgery drug tracking as well as automatic intelligent labeling and packaging, DPPC will not only provide customized end-to-end manufacturing services for clients, but also accelerate the process of high-volume clinical and commercial projects. DPPC completed close to 100 batches packaging and labelling for multiple commercial projects during the Reporting Period.

Manufacturing Support

The Group's assembly center ("**AC**") provides "faster, better and more reliable customized single-use solutions" for the Group's sites worldwide. It also helped the oversea sites to startup, especially for our facility in the U.S. with a delivery within less than 50 days during the pandemic.

The Group's Manufacturing Science and Technology ("**MSAT**") team is responsible for DS and DP late-phase and commercial manufacturing support and troubleshooting. During the Reporting Period, this team expanded its capabilities in leading the risk assessment of new product introduction, technology transfer and process verification, facility fit, and change control of late-phase and commercial products; PPQ preparation, implementation and reporting for post-clinical projects; and continuous process validation ("**CPV**") for commercial products. Currently it is handling the PPQ for more than 30 late-phase projects and supporting the production of commercial products.

Biosafety Testing

The Group's biosafety testing facility in Suzhou significantly shortens the turnaround times for all biosafety tests and viral clearance validation studies conducted for the Group's clients. The biosafety Suzhou site has received two EU EMA GMP certificates, which further validates the Group's commitment to delivering high-quality services to its global clients and partners. During the Reporting Period, the Group launched a new 8,000 square meter (approximately 86,000 square foot) biosafety testing facility in Lingang, Shanghai, with the aim of expanding existing capacity and expediting the high-quality testing service for our clients.

The Group actively builds up its biosafety testing capabilities by developing tests and methods for various biologics products including gene therapy products, as well as expanding its cell bank characterization test panels to include other species (such as the HEK293 cell line) commonly used in the production of biologics and vaccines. The commercial products testing service remains favorable, which has supported and enabled the majority of new biologics drugs in China market.

In response to the COVID-19 challenges of early 2022, the Group's well-prepared biosafety Suzhou site not only delivered all projects on time but also managed to keep the business growing by proactively and effectively implementing its business continuity plan. In particular, the site's viral clearance study team made tremendous efforts to expand its capabilities in providing remote services, which were widely recognized by global clients and partners.

Quality

The Group's quality department, which includes quality assurance, quality control, global quality compliance, regulatory affair and training center functions, is committed to the highest standard of regulatory compliance while providing high-quality services and products that meet client needs.

With its world-class quality system, the Group has completed 27 regulatory inspections conducted by U.S. FDA, EU EMA, China NMPA and other national regulatory agencies since 2017 with no critical issues and zero data integrity finding, which distinguishes the Group as the first and only biologics company certified by these regulatory agencies for commercial manufacturing in China. The Group has completed more than 900 GMP audits from global clients, and more than 70 audits by EU Qualified Person ("**EU QP**"). The Group believes that these certificates will help manifest the Group's premier quality system that meets global quality standards and thereby benefits patients globally with biologics of better quality.

Capacity Expansion

During the Reporting Period, the Group continued to increase its capacity in tandem with the expansion of the industry's late-stage and commercial production projects, while also fulfilling its "Global Dual Sourcing" strategy, thereby addressing ever-increasing demand. Through new construction and acquisitions, the total planned manufacturing capacity of the Group will reach 580,000L after 2026, including the Singapore CRDMO center.

During the Reporting Period, the Group made achievements to extend its manufacturing capacity despite various external challenges, includes:

- The Group's Dundalk, Ireland site (**MFG6** and **MFG7**), its first European site, was GMP released for its phase 1 during the Reporting Period and received the first GMP certificate from HPRA. The site has initiated the preparation work of multiple manufacturing projects. Please refer to the sections headed "CRDMO Platform — Manufacturing Capabilities and Capacity — Manufacturing" for additional information.

- To meet increasing demand from the U.S. market, the Group has taken steps to establish and grow its capacity there:

    - During the Reporting Period, the Group made substantial progress on its Manufacturing Facility 11 ("**MFG11**") in Worcester, Massachusetts, with nearly half of the construction work completed. This new 200,000 square foot biologics development and production center in the U.S. offering another choice within the Group's global network.

    - The Group's Manufacturing Facility 18 ("**MFG18**") in Cranbury, New Jersey, is its first operational manufacturing facility in the U.S. Please refer to the sections headed "CRDMO Platform — Manufacturing Capabilities and Capacity — Manufacturing" for additional information. The construction of DP facility at this site will be initiated soon.

- The Group's new site in the Fengxian district of Shanghai, an integrated biologics CRDMO center, has been launched during the Reporting Period. This 150,000 square meters (approximately 1.6 million square foot) CRDMO center provides an entire range of biologics research, development and manufacturing services and also offers proprietary technology platforms WuXiBody® and SDArBodY® for bispecific and multispecific antibodies discovery. Once the center is completed and fully operational, it will be able to deliver any biologics project with unprecedented speed by leveraging the Group's entire spectrum of services and expertise — from early-discovery to commercial manufacturing — all within one site.

- The Group's Manufacturing Facility 8 ("**MFG8**") located at Shijiazhuang, the capital city of Hebei Province in Northern China, has been released for cGMP operation during the Reporting Period. MFG8 enables the Group's clients and partners with a more robust commercial manufacturing network for DS services. Please refer to the sections headed "CRDMO Platform — Manufacturing Capabilities and Capacity — Manufacturing" for additional information.

- The Group also acquired more state-of-the-art facilities to quickly grow its ability to serve more clients and partners with its unparalleled integration capability, including DS and DP facilities and vaccine facility in Germany and China from Bayer, Pfizer China, CMAB and other companies. Please refer to the section headed "CRDMO Platform — Manufacturing Capabilities and Capacity — Manufacturing" for additional information.

WBS (WuXi Biologics Business System)

In order to continuously improve efficiency and quality, reduce cost and generate value for clients, WBS was introduced in 2021 and implemented in all functions of the Group. During the Reporting Period, over 250 Kaizen projects were completed. Benefits resulted from these Kaizen projects include:

- Material cost-saving and reducing material waste by value analysis and value engineering.
- Incremental production capacity.
- Reduction of inventory level, reducing material impairment, and lowering storage and transportation costs by optimizing inventory planning and procurement strategies.
- Significant improvement of work efficiency through standard work.
- Streamlining workflows and elimination of redundant processes.
- Reducing lead time for report generation and product release.

Through these Kaizen projects, the Group expects to save approximately 900,000 working hours annually. The Group will continue to develop WBS as a management system to drive continuous improvement and focus on value to enable our clients and partners.

Sales and Marketing

During the Reporting Period, the pandemic continued to influence the way the Group interacted with its clients and partners, particularly in China, as interactions between large groups continued to be primarily virtual events. North America and Europe benefitted from many live industry events and in-person industry sales engagements which advanced prospect and client relationships. The Group was able to participate in many in-person targeted events such as the Protein Engineering and Production Talks, PEG Conference, Festival of Biologics and Antibody Engineering and Therapeutics Conferences, focusing on our discovery services and protein production capabilities. Also of focus were the World ADC London and San Diego conferences tailored to the ADC market, and increased activities at in-person core bioprocessing events such as the BIO International Convention, Boston Biotech Week, Bio-Europe, and selected events in Singapore, Japan, and Korea. The Group also used multiple digital marketing and promotional strategies to promote our technologies, platforms, and services.

Environmental, Social and Governance ("ESG")

The Group regards ESG as an essential component of business strategy to drive its long-term success. During the Reporting Period, ESG targets and metrics are prioritized and monitored in the focused areas, such as Diversity, Equity and Inclusion ("**DEI**"), carbon neutralization, natural resource, etc. The Group has set an goal to achieve Net Zero in all of its operations by 2050, and aim to reduce waste intensity by 10% by 2027 from 2022. With the combined effort put in by the multisector taskforces, we ensure alignment of ESG priorities throughout the organization to strengthen our industry-leading position and enhance future competitiveness.

The Group will remain fully committed to incorporating ESG into sustainable corporate growth as a trusted partner and maintaining reporting transparency to all our stakeholders, and to ultimately serve our goal to benefit the patients worldwide in a sustainable way. The Group's ESG performance was recognized by multiple world's leading ESG rating agencies and institutional investors. Please also refer to the section headed "Company Awards" for further information.

Investors Relations

The Group believes that good corporate governance is essential for enhancing the confidence of shareholders and potential investors. To this end, the Group endeavors to maintain effective and on-going communication with investors to enhance the transparency and provide the investors with equal and timely disclosure of information. The Group has developed a multichannel approach to ensure that the shareholders and investors can exercise their rights in an informed manner based on a good understanding of the Group's key business imperatives. These communication tools include announcements, press releases, general meetings, interim and annual reports, investor and analyst briefings, roadshows and a company-sponsored Investor Day, etc.

The Group encourages shareholders' active participation in results announcement meetings, annual and extraordinary general meetings, Investor Day, facility tour and other roadshows, which have provided opportunities for direct interaction with the senior management. The Group has also taken more web-based and digitalized communication methods since the outbreak of COVID-19 pandemic; these live broadcasting and teleconferences have well met the demands of global investors. During the reporting period, the Group's first Ireland site and U.S. site have been put into operation and we have taken several investor visits consisting of introduction session and facility tour, which has been highly recognized by investors. To facilitate communication when confronting the unusual share price volatilities, the Group also hosted teleconferences in a timely manner to ease global investors' concerns.

Through the above efforts, within the Reporting Period, the Group has been well recognized by the capital market and won several awards during the Reporting Period. Please refer to the section headed "Company Awards" for additional information.

Company Awards

During the Reporting Period, the Company received recognitions and awards for its outstanding performance in providing exceptional services to accelerate and transform biologics development, as well as its ongoing ESG efforts. Certain honors include:

- The winner of the 2022 "CMO Leadership Awards" for the fifth year in a row. The Group is proud to receive this distinction in all six award categories (i.e., capabilities, compatibility, expertise, reliability, quality and service). On top of this CMO award, the Group received additional recognition as the CHAMPION in its Capabilities category, applauding for the Company's state-of-the-art facilities and robust manufacturing capabilities which outperformed the industry standard.

- "Best CDMO Award of the Year" at the Asia-Pacific Biologics CMO Excellence Awards ("**APBCEA**") 2022 hosted by IMAPAC, a leading consulting firm in biopharmaceutical industry, which reflects the trust and confidence our clients and partners have in us.

- The award for Bioprocessing Excellence in Viral Clearance and Safety in Greater China Region at the Asia-Pacific Bioprocessing Excellence Awards ("**ABEA**") 2022 event from IMAPAC for the second consecutive year, validating our commitment to delivering high-quality biosafety testing services for our partners as a global CRDMO service provider.

- ESG Industry and APAC Regional Top-rated Company by Sustainalytics, a global provider of ESG related research, ratings and data. This is the second year in a row that the Company has received this recognition.

- Bronze Medal by EcoVadis, the world's most trusted provider of business sustainability ratings, for the Group's sustainability management and performance. It recognized the Group's commitment to reducing its environmental impact and promoting sustainable business practices, both within the Company and across its community.

- 2022 "Prime Employers for Women" silver award by sHero, a non-profit organization dedicated to the development and growth of women, for the Group's excellent performance in creating greater DEI in the workplace.

- Most Honored Company for the fourth consecutive year by Institutional Investor, an international financial publication, which affirms the Group's high-performing leadership team, investor relations management, and dedication to ESG practices.

- Runner Up prize in the "Best Contract Manufacturing (CMO) Provider" category at the 2022 World ADC Awards at its first nomination for WuXi XDC. The World ADC Awards recognize recent ADC successes, long-term commitment to the field, and those who have gone above and beyond to ensure continued success in bringing more life-changing drugs to patients.

- "Best Vaccine CMO Award of the Year" at Asia-Pacific Vaccine Excellence Awards ("**AVEA**") 2022 for WuXi Vaccines, which is a true testimony to WuXi Vaccines' end-to-end solution that enables our partners to bring more vaccine products to the market, more efficiently, to advance and benefit global health initiatives.

Future Outlook

In 2022, the world was beset by a host of unprecedented challenges and uncertainties, including tepid global economic expansion, the recurrent COVID-19 waves, geopolitical turbulence, and negative investment sentiments in several sectors. However, such challenges did not impede the growth of the biologics industry. Investment in the biotech and biopharma industry in the U.S. and Europe has been gradually recovering. Additionally, biologics continued to experience increasing demand as a result of their indispensable efficacy and specificity in the treatment of chronic and complex diseases. It is anticipated that the vigorous R&D efforts aimed at developing innovative therapeutics, along with a growing elderly population with a heightened need for advanced drugs and treatments will further catalyze the growth of the biopharmaceutical industry.

The booming biopharmaceutical industry has brought significant demand for biologics outsourcing services from pharmaceutical and biotechnological companies. The increased demand and regulatory approvals of innovative drugs and therapeutics, such as monoclonal antibody, bispecific antibodies, ADC, fusion proteins, and vaccines etc., have created massive business opportunities for the biologics outsourcing industry. Furthermore, owing to the limitations of global biologics capacity, biotech and multinational corporations are increasingly inclined to pursue outsourcing services. The global biologics outsourcing market is estimated to keep growing in the coming several years.

The Group has consistently delivered impressive and dependable financial results. From 2014 to 2022, it recorded a 61.4% CAGR in revenue and a similarly impressive 79.6% CAGR in adjusted net profit. Of particular note, the Group's free cash flow became positive in 2022, providing a sturdy foundation for its enduring growth. During the Reporting Period, confronting various external challenges and uncertainties, the Group has honed its technology platforms with speed, quality, and resilience, and pushed the boundaries of the impossible with excellent execution, ensuring the stability of its business growth. The Group's implementation of a unique CRDMO business model, paired with leading R&D capabilities, unwavering execution, a validated quality system, and an established track record, has enabled us to expand our pipeline of non-COVID projects at a much faster pace, such as 13 Central Nervous System ("**CNS**") programs with exciting potentials, which ensures the sustained growth of the Group's business in the future.

Looking into 2023, the Group will continue to accelerate and transform the discovery, development and manufacturing process of biologics globally through its open-access integrated CRDMO platforms. The Group will also maintain its dedication to adhering to global ESG and compliance standards, bolstering operational efficiency through WBS, pursuing new platform growth, promoting globalization, embracing digitalization and delivering positive cash flow. By steadily enabling the global biologics industry through implementation of the "Follow and Win the Molecule" strategies, the Group will continuously strengthen its core competitiveness in the global biologics market to enable global clients and partners and benefit patients worldwide.

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by 48.4% from approximately RMB10,290.1 million for the year ended December 31, 2021 to approximately RMB15,268.7 million for the year ended December 31, 2022. Such increase was primarily attributed to: (i) the successful execution of the Group's "Follow and Win the Molecule" strategies, contributing record number of new integrated projects and gaining more customers to achieve sustainable high growth; (ii) continued momentum of the Group's commercial manufacturing and late-stage businesses since the banner year of 2021, contributing to significant revenue growth; (iii) unique CRDMO business model, leading technology platform, best-in-industry timeline and excellent execution track record contributing to significantly higher revenue, especially in the non-COVID sector; (iv) enlarged spectrum of services offered to the biologics industry, including one-stop shop comprehensive drug product services, fast growing technology platforms such as ADC and Bispecific Antibodies, which boosted the Group's revenue stream; (v) the utilization of existing and newly expanded capacities, as well as the successful integration of acquired businesses and facilities; and (vi) the implementation of operational efficiency improvement programs, coupled with successful executions of our business continuity plan when confronted with COVID challenges, leveraging our unparalleled integrated end-to-end CRDMO platform, global footprints and robust supply chain network.

The revenue of the Group has maintained a strong growth during the Reporting Period. The Group derived a vast majority of its revenue from providing services to customers headquartered in North America and the PRC. The table below shows the revenue distribution by countries/regions:

	Year ended December 31,			
	2022		2021	
Revenue	***RMB million***	***%***	*RMB million*	*%*
— North America	**8,496.4**	**55.6%**	5,228.9	50.8%
— PRC	**3,719.0**	**24.4%**	2,510.7	24.4%
— Europe	**2,546.2**	**16.7%**	2,276.3	22.1%
— Rest of the world *(Note)*	**507.1**	**3.3%**	274.2	2.7%
Total	**15,268.7**	**100.0%**	10,290.1	100.0%

Note: Rest of the world primarily includes Singapore, Japan, South Korea, Israel and Australia.

For the year ended December 31, 2022, the pre-IND services revenue of the Group increased by 45.8% to approximately RMB4,945.6 million, accounting for 32.4% of the total revenue. Early-phase (phases I & II) services revenue of the Group increased by 100.1% to approximately RMB3,207.8 million, accounting for 21.0% of the total revenue. Furthermore, late-phase (phase III) services and commercial manufacturing revenue of the Group increased by 39.0% to approximately RMB6,854.3 million, accounting for 44.9% of the total revenue, by implementing its "Follow and Win the Molecule" strategies.

The following table sets forth a breakdown of the Group's revenue by pre-IND services, early-phase (phases I & II) services, late-phase (phase III) services & commercial manufacturing and others for the periods indicated:

	Year ended December 31,			
	2022		2021	
	RMB million	*%*	*RMB million*	*%*
Pre-IND services	**4,945.6**	**32.4%**	3,392.0	33.0%
Early-phase (phases I & II) services	**3,207.8**	**21.0%**	1,602.7	15.6%
Late-phase (phase III) services & commercial manufacturing	**6,854.3**	**44.9%**	4,930.5	47.9%
Others *(Note)*	**261.0**	**1.7%**	364.9	3.5%
Total	**15,268.7**	**100.0%**	10,290.1	100.0%

Note: Others mainly include sales of other biologics products by Bestchrom (Zhejiang) Biosciences Co., Ltd. and Bestchrom (Shanghai) Biosciences Co., Ltd., two non-wholly owned subsidiaries of the Group. These two companies primarily engage in production and sale of biologics purification medium and chromatographic column.

The top 5 customers' revenue increased by 25.0% from approximately RMB3,744.2 million for the year ended December 31, 2021 to approximately RMB4,680.1 million for the year ended December 31, 2022, accounting for 30.7% of total revenue for the year ended December 31, 2022, as compared to 36.4% for the year ended December 31, 2021.

The top 10 customers' revenue increased by 28.1% from approximately RMB4,867.7 million for the year ended December 31, 2021 to approximately RMB6,236.6 million for the year ended December 31, 2022, accounting for 40.8% of total revenue for the year ended December 31, 2022, as compared to 47.3% for the year ended December 31, 2021.

Cost of Sales

The cost of sales of the Group increased by 56.5% from approximately RMB5,461.2 million for the year ended December 31, 2021 to approximately RMB8,544.6 million for the year ended December 31, 2022. The increase of the cost of sales was in line with the Group's revenue growth.

The cost of sales of the Group consists of direct labor costs, cost of raw materials and overhead. Direct labor costs primarily consist of salaries, bonuses, social security costs and share-based compensation for the employees in the Group's business units. Cost of raw materials primarily consists of the purchase cost of raw materials used in the Group's services rendering and manufacturing. Overhead primarily consists of depreciation charges of the facilities and equipment in use, outsourced testing service fees, utilities and maintenance, etc.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by 39.2% from approximately RMB4,828.9 million for the year ended December 31, 2021 to approximately RMB6,724.0 million for the year ended December 31, 2022, and with a gross profit margin of 44.0%, mainly due to: (i) the strong revenue growth; (ii) the Group's deployment to fully utilize the existing manufacturing facilities and successful integration of the acquired facilities; (iii) the Group's extraordinary efforts to undertake a large number of new development projects despite of the COVID constraints; and (iv) the deployment of WBS as the operation DNA to drive operation efficiency improvement, offsetting the new facility ramp-up impacts.

The Group's revenue growth exceeded the gross profit growth in the Reporting Period, primarily due to that the Group has continued to invest in talent acquisition and retention, capacity expansion and global footprint to assure the long-term sustainable growth, coupled with the impact of material inflation.

Other Income

The other income of the Group mainly consists of research and other grants, interest income and dividend income. Other income of the Group increased by 55.4% from approximately RMB196.6 million for the year ended December 31, 2021 to approximately RMB305.5 million for the year ended December 31, 2022, primarily due to: (i) an increase in research and other grants; and (ii) an increase in interest income as a result of the higher interest rates of return from USD deposits held by the Group.

Other Gains and Losses

The other gains and losses of the Group primarily include foreign exchange gains or losses, fair value gains or losses on equity investment measured at fair value through profit or loss ("**FVTPL**"), fair value gains or losses on wealth management products, etc. The net other gains of the Group increased by 15.2% from approximately RMB665.6 million for the year ended December 31, 2021 to approximately RMB766.5 million for the year ended December 31, 2022, primarily due to an increase in foreign exchange gain, as USD and EUR appreciated against RMB during the second half of 2022, which was partially offset by the decrease in fair value gain on investments measured at FVTPL.

Impairment Losses Under Expected Credit Loss Model, Net of Reversal

Impairment losses under Expected Credit Loss ("**ECL**") model, net of reversal of the Group represent loss allowances on the Group's financial assets (including trade and other receivables and contract assets) ("**Impairment Losses**") and increased from approximately RMB156.7 million for the year ended December 31, 2021 to approximately RMB258.5 million for the year ended December 31, 2022, in line with the increase of the revenue base. The Group has continuously implemented stringent credit controls, including down-payment requirements, due diligence for new customers, periodic credit evaluation, etc. The senior management has also actively engaged in collection of overdue receivables.

Selling and Marketing Expenses

The selling and marketing expenses of the Group increased by 30.7% from approximately RMB124.6 million for the year ended December 31, 2021 to approximately RMB162.9 million for the year ended December 31, 2022, mainly due to our continuous efforts in enhancing the Group's business development capability to solidify its leading role in the growing global market. Compared to the phenomenal growth, the selling and marketing expenses as a percentage of the Group's revenue decreased to 1.1% for the year ended December 31, 2022, as compared to 1.2% for the year ended December 31, 2021.

Administrative Expenses

The Group's administrative expenses increased by 44.9% from approximately RMB875.9 million for the year ended December 31, 2021 to approximately RMB1,269.6 million for the year ended December 31, 2022, mainly due to the increases in staff related costs, which was in line with the Group's expansion and ramp-up of overseas entities.

Research and Development Expenses

The research and development expenses of the Group increased by 36.1% from approximately RMB501.6 million for the year ended December 31, 2021 to approximately RMB682.8 million for the year ended December 31, 2022, as a result of our continuous investment in innovation and technologies to enhance the Group's cutting-edge platforms.

Financing Costs

The financing costs of the Group mainly include interest expense on lease liabilities, interest expense on bank borrowings and interest expense on financing component of an advance payment received from a customer. The financing costs of the Group increased by 64.3% from approximately RMB39.2 million for the year ended December 31, 2021 to approximately RMB64.4 million for the year ended December 31, 2022, mainly due to: (i) an increase in interest expense on lease liabilities, in line with the increment of lease liabilities to support the Group's expansion; and (ii) an increase in interest expense on bank borrowings, as a result of the higher interest rates applied to USD and EUR denominated bank borrowings.

Income Tax Expense

The income tax expense of the Group increased by 66.7% from approximately RMB484.5 million for the year ended December 31, 2021 to approximately RMB807.9 million for the year ended December 31, 2022, in line with the increment of profit before tax as discussed above. The income tax rate of the Group increased from 12.1% for the year ended December 31, 2021 to 15.1% for the year ended December 31, 2022, mainly due to an increase of certain expenses not deductible for tax purpose during the Reporting Period, such as recognition of fair value loss on equity investments at FVTPL and accrual of share-based compensation expense.

Net Profit and Net Profit Margin

As a result of the foregoing, the net profit of the Group increased by 29.7% from approximately RMB3,508.6 million for the year ended December 31, 2021 to approximately RMB4,549.9 million for the year ended December 31, 2022. The net profit margin of the Group for the year ended December 31, 2022 was 29.8%, as compared to 34.1% for the year ended December 31, 2021. The decrease in net profit margin was primarily due to the decrease of gross profit margin and the increases in Administrative Expenses, Research and Development Expenses and Income Tax Expense.

The net profit attributable to owners of the Company increased by 30.5% from approximately RMB3,388.5 million for the year ended December 31, 2021 to approximately RMB4,420.3 million for the year ended December 31, 2022. The margin of profit attributable to owners of the Company decreased from 32.9% for the year ended December 31, 2021 to 29.0 % for the year ended December 31, 2022, as followed the same set of reasons discussed above.

Basic and Diluted Earnings Per Share

The basic earnings per share of the Group increased by 30.9% from RMB0.81 for the year ended December 31, 2021 to RMB1.06 for the year ended December 31, 2022. The diluted earnings per share of the Group increased by 31.2% from RMB0.77 for the year ended December 31, 2021 to RMB1.01 for the year ended December 31, 2022. The increase in the basic and diluted earnings per share was primarily due to the increase in the net profit resulting from the strong business growth of the Group as discussed above.

Property, Plant and Equipment

The balance of the property, plant and equipment of the Group increased by 33.8% from approximately RMB18,065.5 million as at December 31, 2021 to approximately RMB24,170.7 million as at December 31, 2022, primarily due to the on-going facility constructions in various sites of the Group over the world.

Right-of-Use Assets

Right-of-use assets mainly include the leasehold lands, leased properties and leased machineries. The balance of the right-of-use assets of the Group slightly increased by 3.3% from approximately RMB1,690.3 million as at December 31, 2021 to approximately RMB1,745.3 million as at December 31, 2022.

Goodwill

As at December 31, 2022, goodwill amounted to approximately RMB1,529.9 million arising from acquisitions of subsidiaries and business in previous years, and kept consistent with the balance as at December 31, 2021.

Intangible Assets

The intangible assets of the Group mainly include technology and customer relationship arising from acquisitions, and patent and license held by the Group. The intangible assets of the Group decreased by 8.6% from approximately RMB600.7 million as at December 31, 2021 to approximately RMB548.8 million as at December 31, 2022, mainly due to the amortization during the Reporting Period.

Investment of an Associate Measured at FVTPL

The investment of an associate measured at FVTPL of the Group represents the equity interest held in Shanghai Duoning Biotechnology Co., Ltd. ("**Duoning**"). The balance of investment in Duoning increased by 110.2% from approximately RMB752.3 million as at December 31, 2021 to approximately RMB1,581.6 million as at December 31, 2022, mainly due to the fair value gain recognized on this investment during the Reporting Period.

Financial Assets at FVTPL (Current Portion & Non-current Portion)

The financial assets at FVTPL in the non-current assets of the Group mainly include investments in listed equity securities and unlisted equity investments. The balance decreased by 19.9% from approximately RMB1,356.1 million as at December 31, 2021 to approximately RMB1,086.2 million as at December 31, 2022, mainly due to the market value of these listed equity securities held by the Group having declined during the Reporting Period.

The financial assets at FVTPL in the current assets of the Group mainly include investments in wealth management products purchased from several banks. The balance increased by 106.5% from approximately RMB975.6 million as at December 31, 2021 to approximately RMB2,014.6 million as at December 31, 2022, as the Group has invested in principal guaranteed products to assure the safety of funds and improve the return.

Inventories

The inventories of the Group increased by 35.2% from approximately RMB1,687.4 million as at December 31, 2021 to approximately RMB2,280.9 million as at December 31, 2022, mainly due to: (i) increased inventory safety stocks to mitigate the supply chain risk under the COVID pandemic; and (ii) increased inventory stock held in new sites preparing for upcoming production.

Contract Costs

The contract costs (previously called Service Work in Progress) of the Group increased by 9.1% from approximately RMB1,005.5 million as at December 31, 2021 to approximately RMB1,096.5 million as at December 31, 2022, mainly due to the increment of on-going projects, in line with the rapid growth of the Group's revenue and business.

Trade and Other Receivables

The trade and other receivables of the Group increased by 15.5% from approximately RMB4,857.3 million as at December 31, 2021 to approximately RMB5,610.4 million as at December 31, 2022, primarily due to the increase in trade receivables as in line with the Group's revenue growth, which was partially offset by the decrease in value added tax recoverable.

Contract Assets

The contract assets of the Group increased by 272.5% from approximately RMB132.5 million as at December 31, 2021 to approximately RMB493.6 million as at December 31, 2022, along with the increment of integrated projects and revenue growth of the Group.

Trade and Other Payables

The trade and other payables of the Group decreased by 11.6% from approximately RMB3,697.8 million as at December 31, 2021 to approximately RMB3,269.2 million as at December 31, 2022, mainly due to: (i) a decrease in other payables to employees arising from exercise of their share options and restricted shares; (ii) the settlement of acquisition of WuXi XDC's payload and linker business, which was partially offset by (iii) an increase in salary and bonus payable, which was in line with the Group's workforce expansion; and (iv) the increases in trade payables and payable for purchase of property, plant and equipment, which were in line with the Group's business expansion.

Contract Liabilities (Current Portion & Non-current Portion)

The contract liabilities of the Group mainly include the advance payments received from the customers. The balance of the contract liabilities in the current liabilities increased by 94.9% from approximately RMB1,733.8 million as at December 31, 2021 to approximately RMB3,379.4 million as at December 31, 2022, mainly due to more contracts have been entered into, coupled with the management's efforts in stringent requirement of down-payments.

The contract liabilities in the non-current liabilities mainly include an advance payment received from a vaccine partner under a contract manufacturing agreement, and the related services will be provided beyond twelve months. The balance increased by 9.0% from approximately RMB652.6 million as at December 31, 2021 to approximately RMB711.5 million as at December 31, 2022, mainly due to the receipt of the further installment in year 2022. The balances at the end of each reporting period consider the financing components and the recognition of revenue during the related reporting period.

Lease Liabilities (Current Portion & Non-current Portion)

The aggregated lease liabilities in the current liabilities and non-current liabilities of the Group increased by 6.9% from approximately RMB1,532.9 million as at December 31, 2021 to approximately RMB1,638.7 million as at December 31, 2022, primarily due to more plants and offices have been leased to support the Group's business expansion, especially in Germany and the U.S.

Liquidity and Capital Resources

The aggregated balances of bank balances and cash and time deposits of the Group decreased by 34.0% from approximately RMB10,150.9 million as at December 31, 2021 to approximately RMB6,699.7 million as at December 31, 2022, mainly due to the repurchase of Shares of approximately RMB2,804.5 million during the Reporting Period. The Group achieved a positive free cash flow during the Reporting Period.

Treasury Policy

Currently, the Group follows a set of funding and treasury policies to manage its capital resources and prevent risks involved. The Group expects to fund its working capital and other capital requirements from a combination of various sources, including but not limited to internal financing and external financing at reasonable market rates. In order to better control and minimize the cost of funds, the Group's treasury activities are centralized and all cash transactions are dealt with reputable banks.

The Group's treasury policies are also designated to mitigate the foreign currency risk arising from the Group's global operations. The cash and cash equivalents held by the Group are mainly composed of RMB and USD. Certain Group's entities have foreign currency transactions, including sales and purchases transactions, borrowings and repayment, etc., and foreign currencies denominated monetary assets and liabilities, which are mainly denominated in USD and EUR. It is the Group's policy to negotiate a series of derivative instruments with different banks to hedge the foreign currency risks in the ordinary course of business. The Group usually enters into foreign currency forward contracts, collar contracts, forward extra contracts, etc., as highly effective hedging instruments.

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2022, there was no significant investment held by the Company, nor were any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Indebtedness

Borrowings

The aggregated borrowings of the Group amounted to approximately RMB2,783.0 million as at December 31, 2022, quite stable as compared to the balance of approximately RMB2,762.4 million as at December 31, 2021.

Of the total borrowings as at December 31, 2022, RMB denominated borrowings amounted to approximately RMB66.7 million with the effective interest rate around 4.9% per annum; USD denominated borrowings amounted to approximately RMB2,089.4 million with the effective interest rates ranging from 1.8% to 5.1% per annum; and EUR denominated borrowings amounted to approximately RMB626.9 million with the effective interest rates ranging from 0.8% to 2.8% per annum, respectively.

Among all, approximately RMB1,321.4 million will be due within one year; approximately RMB97.0 million will be due in more than one year but within two years; approximately RMB1,343.9 million will be due in more than two years but within five years; and approximately RMB20.7 million will be due after five years.

As at December 31, 2022, RMB denominated borrowings of approximately RMB66.7 million was secured against the Group's buildings. The remaining borrowings were unsecured.

Contingent Liabilities and Guarantees

As at December 31, 2022, the Group did not have any material contingent liabilities or guarantees.

Currency Risk

Following the "Global Dual Sourcing" manufacturing strategy, the Group has accelerated its business expansion around the world. The Group's entities are exposed to foreign exchange risks of foreign currencies other than their functional currencies, primarily with respect to USD and EUR.

During the Reporting Period, the majority of the Group's revenue was generated from sales denominated in USD, while most of the purchase of raw materials, property, plant and equipment and expenditures were settled in RMB in China and in EUR in Europe. Furthermore, the Group had USD and EUR denominated borrowings to provide financing for the Group's overseas construction and operation. At the end of each reporting period, the Group has maintained foreign currencies denominated monetary assets and liabilities (mainly in USD and EUR) which expose the Group to foreign currency risk. As a result, the Group's net profit margin was impacted when the foreign exchange rates fluctuated, especially among USD, RMB and EUR.

The Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. The Group has engaged in a series of forward contracts to manage its currency risk. Hedge accounting is also adopted by the Group for derivatives to mitigate the impact on profit or loss due to the fluctuation in foreign exchange rates.

Charges of Assets

The Group pledged the bank deposits as collateral for the banks to issue the letter of credit or guarantee for the Group's purchase of property, plant and equipment, the facility construction and bank borrowings. The pledged bank deposits of the Group decreased by 88.3% from approximately RMB218.0 million as at December 31, 2021 to approximately RMB25.4 million as at December 31, 2022, mainly due to the withdrawal of bank deposits pledged for the facility construction in Ireland.

Also, as at December 31, 2022, the buildings with carrying amounts of approximately RMB10.4 million has been pledged for RMB denominated borrowing of approximately RMB66.7 million in China.

Gearing Ratio

Gearing ratio is calculated using interest-bearing borrowings divided by total equity and multiplied by 100%. Gearing ratio decreased from 8.4% as at December 31, 2021 to 7.7% as at December 31, 2022, mainly due to the increase of reserves, as a result of net profit reported during the Reporting Period.

Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Company has provided the adjusted net profit, adjusted net profit margin, adjusted net profit attributable to owners of the Company, margin of adjusted net profit attributable to owners of the Company, adjusted EBITDA, adjusted EBITDA margin and adjusted basic and diluted earnings per share as additional financial measures, which are not required by, or presented in accordance with IFRS.

The Group believes that the adjusted financial measures are useful for understanding and assessing underlying business performance and operating trends, and that the Group's management and investors may benefit from referring to these adjusted financial measures in assessing the Group's financial performance by eliminating the impact of certain unusual, non-recurring, non-cash and/or non-operating items that the Group does not consider indicative of the performance of the Group's core business. These non-IFRS financial measures, as the management of the Group believes, is widely accepted and adopted in the industry in which the Group is operating in. However, the presentation of these non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. Shareholders of the Company and potential investors should not view the adjusted results on a stand-alone basis or as a substitute for results under IFRS. And these non-IFRS financial measures may not be comparable to the similarly-titled measures represented by other companies.

Additional information is provided below to reconcile adjusted net profit, EBITDA and adjusted EBITDA.

Adjusted Net Profit

	Year ended December 31,	
	2022	2021
	RMB million	*RMB million*
Net Profit	**4,549.9**	3,508.6
Add: share-based compensation expense	**1,234.4**	531.9
Less: foreign exchange gain	**(369.2)**	—
Less: gains from equity investments	**(361.2)**	(604.6)
Adjusted Net Profit *(Note i)*	**5,053.9**	3,435.9
Margin of Adjusted Net Profit	***33.1%***	*33.4%*
Adjusted Net Profit Attributable to Owners of the Company	**4,925.3**	3,316.4
Margin of Adjusted Net Profit Attributable to Owners of the Company	***32.3%***	*32.2%*
	RMB	*RMB*
Adjusted Earnings Per Share		
— Basic	**1.18**	0.79
— Diluted	**1.13**	0.75

Note:

i. In order to better reflect the key performance of the Group's current business and operations, the adjusted net profit is calculated on the basis of net profit, excluding:

   a) share-based compensation expense, a non-cash expenditure;

   b) foreign exchange gains or losses, primarily generated from revaluation of the assets and liabilities denominated in foreign currencies and the fair value change of derivative financial instruments, which the management believes is irrelevant to the Group's core business; and

   c) gains or losses from equity investments, a non-operating item.

EBITDA and Adjusted EBITDA

		Year ended December 31,	
		2022	2021
		RMB million	*RMB million*
Net Profit		**4,549.9**	3,508.6
Add:	income tax expense	**807.9**	484.5
	interest expense	**64.4**	39.2
	depreciation	**874.1**	582.3
	amortization	**57.1**	47.7
EBITDA		**6,353.4**	4,662.3
EBITDA Margin		***41.6%***	*45.3%*
Add:	share-based compensation expense	**1,234.4**	531.9
Less:	foreign exchange gain	**(369.2)**	—
Less:	gains from equity investments	**(361.2)**	(604.6)
Adjusted EBITDA		**6,857.4**	4,589.6
Adjusted EBITDA Margin		***44.9%***	*44.6%*

Employee and Remuneration Policies

As at December 31, 2022, the Group employed a workforce totaling 12,373 employees. The staff costs, including Directors' emoluments but excluding any contributions to (i) retirement benefit scheme contributions; and (ii) share-based payment expenses, were approximately RMB4,036.2 million for the year ended December 31, 2022, as compared to approximately RMB3,572.7 million for the year ended December 31, 2021. The remuneration package of employees generally includes salary and bonus elements. In general, the Group determines the remuneration package based on the qualifications, position and performance of its employees. The Group also makes contributions to social insurance fund, including basic pension insurance, medical insurance, unemployment insurance, childbirth insurance, work-related injury insurance funds, and housing reserve fund as applicable to the countries where the Group operates.

The Group has adopted the Pre-IPO Share Option Scheme, the Restricted Share Award Scheme, the Global Partner Program Share Scheme and subsidiary share option schemes of each of WuXi Vaccines and WuXi XDC to provide incentive or reward to eligible participants for their contribution or potential contribution to the Group.

In addition, the Group has an effective training system for its employees, including orientation and continuous on-the-job training, to accelerate the learning progress and improve the knowledge and skill levels of its workforce. Its orientation process covers subjects, such as corporate culture and policies, work ethics, introduction to the biologics development process, quality management, and occupational safety, and its periodic on-the-job training covers streamlined technical know-hows of its integrated services, environmental, health and safety management systems and mandatory training required by the applicable laws and regulations.

The remuneration of the Directors and senior management is reviewed by the Remuneration Committee and approved by the Board. The relevant experience, duties and responsibilities, time commitment, working performance and the prevailing market conditions are taken into consideration in determining the emoluments of the Directors and senior management.

Final Dividend

The Board does not recommend any payment of final dividend for the year ended December 31, 2022.

OTHER INFORMATION

AGM and Closure of Register of Members

The AGM will be held on Thursday, June 15, 2023. A notice convening the AGM is expected to be published and dispatched to the Shareholders in due course in accordance with the requirements of the Listing Rules.

For determining the qualification as members of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Monday, June 12, 2023 to Thursday, June 15, 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, non-registered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, June 9, 2023.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. The Company has complied with all the applicable code provisions as set out in Part 2 of the CG Code throughout the year ended December 31, 2022. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Written Guidelines on no less exacting terms than the Model Code as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code and the Written Guidelines throughout the Reporting Period. In order to ensure strict compliance of the Listing Rules and enhance corporate governance measures, the Company will remind all Directors as to their respective obligations under the Listing Rules in all aspects, including but not limited to the restrictions in dealing with Company's securities. No incident of non-compliance of the Guidelines for Securities Transactions by Employees (員工證券交易管理辦法) by the employees who are likely to be in possession of inside information of the Company was noted by the Company.

USE OF NET PROCEEDS FROM PLACING

On June 29, 2020, the Company entered into a placing agreement with Morgan Stanley & Co. International plc (the "**Placing Agent**"), pursuant to which the Placing Agent agreed to place 45,000,000 shares (or, failing which, to purchase itself as principal) on a fully underwritten basis to not less than six independent investors (the "**Third Placing**"). The Third Placing price was HK$137.00 per share.

The net proceeds from the Third Placing were approximately RMB5,545.8 million, which have been used for continuous global capacity growth of the Group, including the construction of commercial manufacturing facilities in the United States for projects involving COVID-19 treatments and other related CDMO projects, acquisition of manufacturing facilities outside of the PRC and development of microbial facilities in the PRC, as well as for general corporate purposes of the Group, as disclosed in the announcement of the Company dated June 30, 2020. By the end of December 2022, the net proceeds have been fully utilized.

On February 2, 2021, the Company entered into a placing agreement with the Placing Agent, pursuant to which the Placing Agent agreed to place 118,000,000 shares (or, failing which, to purchase itself as principal) on a fully underwritten basis to not less than six independent investors (the "**Fourth Placing**"). The Fourth Placing price was HK$112.00 per share. The closing price was HK$120.40 per share as quoted on the Stock Exchange on the date of the placing agreement.

The net proceeds from the Fourth Placing were approximately RMB10,899.0 million, which will be used in the following manner: (i) approximately 40% will be used for merger and acquisition of additional capacities for drug substances/drug products (DS/DP) manufacturing to match a rapidly growing pipeline; (ii) approximately 40% will be used for building-up of additional large scale manufacturing capacities for various technology platforms, including microbial and mammalian platforms; (iii) approximately 10% will be used for investment in mRNA (messenger RNA) related technologies to further enable its global clients; and (iv) approximately 10% shall be used for general corporate purposes of the Group. The table below sets out the planned applications of the net proceeds and actual usage up to December 31, 2022:

Use of proceeds	**Planned applications** *(RMB million)*	**Percentage of total net proceeds**	**Actual usage up to December 31, 2022** *(RMB million)*	**Net proceeds brought forward for the Reporting Period** *(RMB million)*	**Unutilized net proceeds as at December 31, 2022** *(RMB million)*	**Expected timeframe for utilizing the remaining unutilized net proceeds**[(1)]
Merger and acquisition of additional capacities for drug substances/drug products (DS/DP) manufacturing	4,359.6	40%	3,550.6	1,197.5	809.0	By the end of 2023
Building-up of additional large scale manufacturing capacities for various technology platforms, including microbial and mammalian platforms	4,359.6	40%	4,098.1	4,359.6	261.5	By the end of 2023
Investment in mRNA related technologies	1,089.9	10%	24.8	1,089.9	1,065.1	By the end of 2023
General corporate purposes of the Group	1,089.9	10%	1,089.9	—	—	N/A
Total	**10,899.0**	**100%**	**8,763.4**	**6,647.0**	**2,135.6**	

Note:

(1) The expected timeframe for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

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

During the Reporting Period, the Company had repurchased, a total of 61,156,500 Shares on the Stock Exchange at an aggregate purchase price of approximately HK$3,170.98 million. The repurchased Shares had been cancelled by the Company.

The financial position of the Company is solid and healthy. The Company believes the share repurchase and subsequent cancellation of the repurchased Shares will not only enhance the value of the Shares, thereby improving the return to the Shareholders, but also reduce the impact of the potential dilutive effects on the Company's shareholdings from the Group's various equity incentive schemes. In addition, the share repurchase reflects the confidence of the Company in its business development and the strong growth prospects. The Company believes that the share repurchase is in the interests of the Company and its Shareholders as a whole.

Details of the share repurchased during the Reporting Period are set out as follows:

Month of repurchases	**Number of Shares repurchased on the Stock Exchange**	**Price per Share paid**		**Aggregate purchase price**
		Highest *(HK$)*	**Lowest** *(HK$)*	*(HK$ million)*
January 2022	10,435,500	82.90	78.45	842.67
September 2022	1,500,000	47.80	47.15	71.21
October 2022	49,221,000	50.45	38.20	2,257.10

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

REVIEW OF ANNUAL RESULTS

The independent auditors of the Company, namely Messrs. Deloitte Touche Tohmatsu, have carried out a review of the annual financial information, which is based on the audited consolidated financial statements of the Group for the year ended December 31, 2022. The Audit Committee has jointly reviewed with the management and the independent auditors of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the annual results for the year ended December 31, 2022) of the Group. The Audit Committee and the independent auditors considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2022 as set out in the preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 22, 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

KEY EVENTS AFTER THE REPORTING PERIOD

The Group has the following event taken place subsequent to December 31, 2022:

- In January 2023, the Group entered into a license agreement with GSK plc (LSE/ NYSE: GSK) under which GSK will have exclusive licenses for up to four bi- & multi-specific TCE antibodies developed using the Group's proprietary technology platforms. Under the agreement, the Group will receive a US$40 million upfront payment and up to US$1.46 billion in additional payments for research, development, regulatory and commercial milestones across the four TCE antibodies. The Group is also eligible to receive tiered royalties on net sales.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of HKEX (www.hkexnews.hk) and the Company's website (www.wuxibiologics.com). The annual report for the year ended December 31, 2022 containing all the information in accordance with the requirements under the Listing Rules, will be despatched to the Shareholders and published on the respective websites of HKEX and the Company in due course.

ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2022

The Board is pleased to announce the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended December 31, 2022 and the Group's consolidated statement of financial position as at December 31, 2022, together with the comparative figures for corresponding period in 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

	NOTES	**2022** ***RMB'000***	2021 *RMB'000*
Revenue	4	**15,268,660**	10,290,050
Cost of sales		**(8,544,646)**	(5,461,153)
Gross profit		**6,724,014**	4,828,897
Other income	5	**305,454**	196,605
Impairment losses, under expected credit loss model, net of reversal	8	**(258,525)**	(156,667)
Other gains and losses	6	**766,533**	665,637
Selling and marketing expenses		**(162,913)**	(124,647)
Administrative expenses		**(1,269,592)**	(875,932)
Research and development expenses		**(682,818)**	(501,583)
Financing costs	7	**(64,382)**	(39,191)
Profit before tax	8	**5,357,771**	3,993,119
Income tax expense	9	**(807,865)**	(484,538)
Profit for the year		**4,549,906**	3,508,581
Other comprehensive (expense) income			
Item that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**(59,731)**	(29,819)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**143,151**	(572,280)
Fair value loss on hedging instruments designated in cash flow hedges, net foreign investment hedges and time value within fair value hedges, net of income tax		**(233,710)**	(116,506)
Other comprehensive expense for the year		**(150,290)**	(718,605)
Total comprehensive income for the year		**4,399,616**	2,789,976

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

		NOTE	**2022** ***RMB'000***	2021 *RMB'000*
Profit for the year attributable to:				
Owners of the Company			**4,420,286**	3,388,478
Non-controlling interests			**129,620**	120,103
			4,549,906	3,508,581
Total comprehensive income for the year attributable to:				
Owners of the Company			**4,262,390**	2,697,354
Non-controlling interests			**137,226**	92,622
			4,399,616	2,789,976
			RMB	*RMB*
Earnings per share	— Basic	10	**1.06**	0.81
	— Diluted	10	**1.01**	0.77

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2022

	NOTES	**2022** ***RMB'000***	2021 *RMB'000*
Non-current Assets			
Property, plant and equipment		**24,170,739**	18,065,495
Right-of-use assets		**1,745,259**	1,690,301
Goodwill		**1,529,914**	1,529,914
Intangible assets		**548,778**	600,654
Investment of an associate measured at fair value through profit or loss ("**FVTPL**")		**1,581,565**	752,275
Equity instruments at FVTOCI		**41,470**	94,413
Financial assets at FVTPL		**1,086,176**	1,356,134
Finance lease receivables		**109,171**	124,485
Derivative financial assets		**—**	10,942
Deferred tax assets		**222,568**	220,787
Other long-term deposits and prepayments		**58,877**	57,482
		31,094,517	24,502,882
Current Assets			
Inventories		**2,280,911**	1,687,375
Finance lease receivables		**14,166**	13,564
Trade and other receivables	12	**5,610,363**	4,857,319
Contract assets	13	**493,566**	132,545
Contract costs		**1,096,480**	1,005,470
Tax recoverable		**33,442**	9,436
Derivative financial assets		**201,243**	479,557
Financial assets at FVTPL		**2,014,632**	975,578
Pledged bank deposits	14	**25,374**	217,991
Time deposits	14	**304,469**	1,147,626
Bank balances and cash	14	**6,395,222**	9,003,280
		18,469,868	19,529,741

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2022

	NOTES	**2022** **RMB'000**	2021 RMB'000
Current Liabilities			
Trade and other payables	15	**3,269,182**	3,697,819
Borrowings	17	**1,321,430**	2,121,895
Contract liabilities	16	**3,379,372**	1,733,799
Income tax payable		**773,825**	557,725
Lease liabilities		**149,058**	103,561
Derivative financial liabilities		**425,730**	40,890
		9,318,597	8,255,689
Net Current Assets		**9,151,271**	11,274,052
Total Assets less Current Liabilities		**40,245,788**	35,776,934
Non-current Liabilities			
Deferred tax liabilities		**132,076**	124,211
Borrowings	17	**1,461,563**	640,513
Contract liabilities	16	**711,541**	652,598
Lease liabilities		**1,489,610**	1,429,318
Deferred income		**237,921**	224,128
		4,032,711	3,070,768
Net Assets		**36,213,077**	32,706,166
Capital and Reserves			
Share capital	18	**233**	235
Reserves		**35,047,174**	32,278,358
Equity attributable to owners of the Company		**35,047,407**	32,278,593
Non-controlling interests		**1,165,670**	427,573
Total Equity		**36,213,077**	32,706,166

1. GENERAL INFORMATION

The Company was established in the Cayman Islands as an exempted company with limited liability on February 27, 2014, and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since June 13, 2017. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as "**the Group**") are principally engaged in provision of discovery, development of biologics services and manufacturing of biologics products.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "**IASB**") for the first time, which are mandatorily effective for the annual period beginning on January 1, 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendments to IAS 16	*Property, Plant and Equipment — Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*
Amendments to IFRSs	*Annual Improvements to IFRSs 2018–2020*

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

4. REVENUE

For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive officer of the Company) reviews the overall results and financial position of the Group as a whole prepared based on the same accounting policies. Accordingly, the Group has only one single operating and reportable segment and no further analysis of this single segment is presented.

Geographical information

An analysis of the Group's revenue from external customers, analyzed by their respective country/region of operation, is detailed below:

	2022	2021
	RMB'000	*RMB'000*
Revenue		
— North America	**8,496,361**	5,228,865
— PRC	**3,719,048**	2,510,740
— Europe	**2,546,172**	2,276,262
— Rest of the world	**507,079**	274,183
	15,268,660	10,290,050

As at December 31, 2022, the Group's non-current assets other than financial instruments and deferred tax assets located in Ireland, Germany, USA and Singapore amount to RMB10,120,685,000, RMB2,794,914,000, RMB1,840,142,000 and RMB25,529,000 respectively (December 31, 2021: RMB7,743,261,000, RMB2,388,062,000, RMB1,078,688,000 and RMB3,954,000 respectively), the remaining of the non-current assets are located in the PRC.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2022	2021
	RMB'000	*RMB'000*
Customer A *(note)*	**1,709,429**	N/A
Customer B *(note)*	**N/A**	1,520,777

Note: N/A: not disclosed as amount less than 10% of total revenue.

5. OTHER INCOME

	2022	2021
	RMB'000	*RMB'000*
Interest income from banks and other financial assets at amortized cost	**107,475**	58,026
Research and other grants related to		
— Asset *(note i)*	**29,649**	26,292
— Income *(note ii)*	**160,015**	111,638
Dividend from an equity instrument at FVTOCI	**8,315**	—
Others	**—**	649
	305,454	196,605

Notes:

i. The Group has received certain research and other grants as incentive for investing in laboratory equipment. The grants were recognized in profit or loss over the useful lives of the relevant assets.

ii. The research and other grants received by the Group during the year were mainly related to the Group's contribution to the local high-tech industry and economy. These grants are unconditional and accounted for as immediate financial support with neither future related costs expected to be incurred nor related to any assets of the Group.

6. OTHER GAINS AND LOSSES

	2022	2021
	RMB'000	*RMB'000*
Net foreign exchange gain (loss)	**417,201**	(32,584)
(Loss) gain on derivative financial instruments	**(48,046)**	32,593
Fair value (loss) gain on		
— listed equity securities at FVTPL	**(362,042)**	164,106
— unlisted equity investments at FVTPL	**(94,978)**	74,428
— investment of an associate measured at FVTPL	**809,898**	366,053
— wealth management products	**26,559**	60,853
Others	**17,941**	188
	766,533	665,637

7. FINANCING COSTS

	2022	2021
	RMB'000	*RMB'000*
Interest expense on financing component of an advance payment received from a customer	**10,287**	9,752
Interest expense on bank borrowings	**63,187**	53,509
Interest expense on lease liabilities	**50,707**	39,966
Less: amounts capitalized in the cost of qualifying assets	**(59,799)**	(64,036)
	64,382	39,191

During the current year, borrowing cost arose on the certain general borrowings were capitalized to expenditure on qualifying assets at rates varying from 1.39% to 2.55% (2021: 1.29% to 2.31%) per annum.

8. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	2022	2021
	RMB'000	*RMB'000*
Depreciation for property, plant and equipment	**814,195**	528,558
Depreciation for right-of-use assets	**170,413**	126,871
Amortization of intangible assets	**58,382**	47,669
	1,042,990	703,098
Staff cost (including directors' emoluments):		
— Salaries and other benefits	**4,036,159**	3,572,689
— Retirement benefits scheme contributions	**332,120**	208,076
— Share-based payment expenses	**1,296,759**	577,952
	5,665,038	4,358,717
Less: Capitalized in contract costs and property, plant and equipment	**(1,666,446)**	(1,325,201)
	5,041,582	3,736,614
Impairment losses, under expected credit loss model, net of reversal		
— Trade receivables	**243,195**	129,664
— Contract assets	**16,819**	2,712
— Receivables for purchase of raw materials on behalf of customers	**(1,489)**	24,291
	258,525	156,667
Covid-19-related rent concessions	**—**	(188)
Auditors' remuneration	**6,345**	6,010
Write-down of inventories (included in cost of sales)	**85,200**	235,217
Reversals of write-down of inventories (included in cost of sales)	**(82,992)**	(14,656)
Write-down of contract costs (included in cost of sales)	**32,360**	90,488
Loss on disposal of property, plant and equipment	**19,273**	870
Cost of inventories recognized as an expense	**3,223,842**	2,338,374

9. INCOME TAX EXPENSE

	2022	2021
	RMB'000	*RMB'000*
Current tax:		
— PRC Enterprise Income Tax ("**EIT**")	**939,572**	664,266
— Hong Kong Profits Tax	**205,132**	123,519
Over provision in prior years	**(367,341)**	(137,255)
	777,363	650,530
Deferred tax:		
— Current year	**30,502**	(165,992)
	807,865	484,538

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of the PRC subsidiaries is 25%.

Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%.

For certain Group's subsidiaries operating in the PRC are eligible for certain concessions, which were accredited as "High and New Technology Enterprise", "Technologically Advanced Service Enterprise" or "Micro and Small Enterprise" were therefore entitled to a preferential EIT rate of 15% or certain concessions.

The directors of the Company are of the view that it is very probable that the subsidiaries which are eligible for "High and New Technology Enterprise" and "Technologically Advanced Service Enterprise" tax preference are able to extend their accreditation upon expiry.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2022	2021
	RMB'000	*RMB'000*
Earnings:		
Earnings for the purpose of calculating basic and diluted earnings per share	**4,420,286**	3,388,478

	2022	2021
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**4,172,735,893**	4,173,681,127
Effect of dilutive potential ordinary shares:		
Share options	**178,896,369**	214,224,668
Restricted shares	**24,275,631**	33,891,139
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**4,375,907,893**	4,421,796,934

The weighted average number of ordinary shares shown above have been arrived at after deducting the weighted average effect on 61,789,907 shares (December 31, 2021: 42,721,312 shares) held by a trustee under Restricted Share Award Scheme for the year ended December 31, 2022.

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended December 31, 2022, nor has any dividend been proposed since the end of the reporting period (2021: nil).

12. TRADE AND OTHER RECEIVABLES

	2022	2021
	RMB'000	*RMB'000*
Trade receivables from contracts with customers		
— related parties	**5,500**	2,367
Less: allowance for credit losses	**(199)**	(76)
— third parties	**5,194,251**	3,424,757
Less: allowance for credit losses	**(548,889)**	(303,293)
	4,650,663	3,123,755
Bills receivable from contracts with customers	**—**	3,247
Receivables for purchase of raw materials on behalf of customers	**291,931**	616,961
Less: allowance for credit losses	**(28,889)**	(30,378)
	263,042	586,583
Advances to suppliers		
— related parties	**16,995**	12,607
— third parties	**71,235**	70,600
	88,230	83,207
Other receivables	**273,255**	278,026
Prepayments	**25,281**	12,362
Value added tax recoverable	**309,892**	620,584
Receivable arising from payment for potential acquisition	**—**	149,555
	608,428	1,060,527
Total trade and other receivables	**5,610,363**	4,857,319

The Group allows a credit period ranging from 10 to 90 days to its customers. The following is an aged analysis of trade receivables (net of allowance for credit losses) presented based on the invoice dates:

	2022	2021
	RMB'000	*RMB'000*
Not past due	**3,017,493**	2,075,079
Overdue:		
— Within 90 days	**736,181**	719,662
— 91 days to 1 year	**735,020**	281,206
— Over 1 year	**161,969**	47,808
	4,650,663	3,123,755

As at December 31, 2022, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB1,633,170,000 (2021: RMB1,048,676,000) which are past due as at the reporting date. Out of the past due balances, RMB896,989,000 (2021: RMB329,014,000) has been past due 90 days or more and is not considered as in default as the management of the Group believed that the amounts will be settled by the customers based on the customers' committed promise and historical experience. The Group does not hold any collateral over these balances.

13. CONTRACT ASSETS

	2022	2021
	RMB'000	*RMB'000*
Contract assets		
— related parties	**7,250**	7,685
Less: allowance for credit losses	**(44)**	(2)
— third parties	**512,722**	135,357
Less: allowance for credit losses	**(26,362)**	(10,495)
	493,566	132,545

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned upon the Group's future performance in achieving specified milestones as stipulated in the contract. The contract assets are transferred to trade receivables when the rights become unconditional.

14. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS/TIME DEPOSITS

Bank balances and cash of the Group comprised of cash and short term bank deposits with an original maturity of three months or less. The short term bank deposits are carried interests at market rates which ranged from 0% to 2.03% per annum as at December 31, 2022 (2021: 0% to 2.1%).

Time deposits as at December 31, 2022 are carried fixed interest rate from 2.6% to 3.0% per annum and have original maturity over three months (2021: 0.3% to 0.6%).

The Group performed impairment assessment on time deposits, pledged bank deposits and bank balances and concluded that the associated credit risk is limited because the counterparties are banks with high credit rating and good reputation.

15. TRADE AND OTHER PAYABLES

	2022	2021
	RMB'000	*RMB'000*
Trade payables		
— related parties	**115,796**	62,214
— third parties	**676,680**	555,570
	792,476	617,784
Other payables and accrual		
— related parties	**40,716**	8,857
— third parties *(note)*	**431,434**	1,206,705
	472,150	1,215,562
Payable for purchase of property, plant and equipment	**1,029,318**	750,420
Consideration payables for acquisition of subsidiaries	**2,968**	4,008
Consideration payable to a related party for acquisition of business	**—**	280,000
Salary and bonus payables	**912,852**	781,009
Other taxes payable	**57,506**	49,036
Bill payables	**1,912**	—
Trade and other payables	**3,269,182**	3,697,819

Note: Included in the other payables, an amount of RMB4,936,000 represented the payables to employees arising from exercise of share options and restricted shares as at December 31, 2022 (2021: RMB820,634,000).

Payment terms with suppliers are mainly on credit within 90 days from the time when the goods are received from the suppliers. The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period:

	2022	2021
	RMB'000	*RMB'000*
Within three months	**674,412**	561,455
Over three months but within one year	**100,853**	37,408
Over one year but within five years	**17,211**	18,921
	792,476	617,784

16. CONTRACT LIABILITIES

	2022	2021
	RMB'000	*RMB'000*
Contract liabilities		
— related parties	**—**	98
— third parties	**4,090,913**	2,386,299
	4,090,913	2,386,397
Less: amounts shown under current liabilities	**(3,379,372)**	(1,733,799)
Amounts shown under non-current liabilities *(note)*	**711,541**	652,598

Note: The contract liabilities are classified as non-current due to the related services will be provided beyond twelve months which was related to a long-term contract manufacturing agreement signed by the Group and an independent third party in 2020. The non-current contract liabilities amounted to RMB711,541,000 at December 31, 2022 (December 31, 2021: RMB652,598,000) after considering the financing components and the recognition of revenue during the reporting period.

Revenue of RMB1,382,857,000 was recognized during the year ended December 31, 2022 that was included in the contract liabilities at the beginning the year of 2022 (2021: RMB508,933,000).

17. BORROWINGS

	2022	2021
	RMB'000	*RMB'000*
Secured bank loans	**66,700**	75,900
Unsecured bank loans	**2,716,293**	2,686,508
	2,782,993	2,762,408
The carrying amounts of the above borrowings are repayable:		
Within one year	**1,321,430**	2,121,895
Within a period of more than one year but not exceeding two years	**96,954**	583,013
Within a period of more than two years but not exceeding five years	**1,343,909**	27,600
Within a period of more than five years	**20,700**	29,900
	2,782,993	2,762,408
Less: amounts due within one year shown under current liabilities	**(1,321,430)**	(2,121,895)
Amounts shown under non-current liabilities	**1,461,563**	640,513

The amounts due are based on scheduled repayment dates set out in the loan agreements.

The exposure of the Group's bank borrowings are as follows:

	2022	2021
	RMB'000	*RMB'000*
Fixed-rate borrowings	**66,700**	75,900
Variable-rate borrowings	**2,716,293**	2,686,508
	2,782,993	2,762,408

The Group's variable-rate borrowings carry interest at LIBOR plus 1.1% to 1.2%, European Central Bank Rate plus 1.5%, EURIBOR plus 0.75% and 0.8%, and SOFR plus 0.8%. Interest is reset each one to three months based on the contracts.

The ranges of effective interest rates before the interest rate swap (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2022	2021
Effective interest rate:		
Fixed-rate borrowings	**4.90%**	3.85% to 4.90%
Variable-rate borrowings	**0.75% to 5.12%**	0.75% to 2.69%

As at the end of the reporting period, the Group has the following undrawn borrowing facilities:

	2022	2021
	RMB'000	*RMB'000*
Floating rate		
— expiring within one year	**459,219**	468,386

At December 31, 2022, the Group's borrowings were secured against the Group's property, plant and equipment as collaterals with carrying amounts of RMB10,448,000 (December 31, 2021: RMB10,597,000).

18. SHARE CAPITAL

AUTHORIZED:

	Number of shares	Par value *US$*	Authorized share capital *US$*
At January 1, 2021, December 31, 2021 and December 31, 2022	6,000,000,000	1/120,000	50,000

ISSUED AND FULLY PAID:

	Number of shares	Amount *US$*	Shown in the financial statements as *RMB'000*
At January 1, 2021	4,084,763,060	34,040	225
Issue of new shares *(notes i and ii)*	128,354,126	1,070	7
Exercise of pre-IPO share options	45,886,428	382	3
At December 31, 2021	4,259,003,614	35,492	235
Issue of new shares *(note ii)*	39,953,861	333	2
Exercise of pre-IPO share options	22,083,410	184	1
Shares repurchased and cancelled *(note iii)*	(95,779,000)	(798)	(5)
At December 31, 2022	4,225,261,885	35,211	233

Notes:

i. On February 10, 2021, the Company issued 118,000,000 new ordinary shares of US$1/120,000 each through placement to certain independent third parties at a price of HK$112.00 per share. The net cash proceed of this placement was HK$13,121,243,000 (equivalent to approximately RMB10,899,029,000), after deducting the issue cost of HK$94,757,000 (equivalent to approximately RMB78,709,000) from the gross cash proceed of HK$13,216,000,000 (equivalent to approximately RMB10,977,738,000).

ii. On June 10, 2021 and June 10, 2022, the Company issued and allotted 10,354,126 and 39,953,861 new ordinary shares at nil consideration to trustee under the Restricted Share Award Scheme or the Global Partner Program Share Scheme, respectively.

iii. During the year ended December 31, 2022, the Company repurchased its own ordinary shares through The Stock Exchange of Hong Kong Limited as follows:

Month of repurchase	No. of ordinary shares	Price per share		Aggregate consideration paid
		Highest	Lowest	
		HK$	*HK$*	*RMB'000*
January 2022	10,435,500	82.90	78.45	691,056
September 2022	1,500,000	47.80	47.15	64,527
October 2022	49,221,000	50.45	38.20	2,048,871

On January 14, 2022, 45,058,000 shares were cancelled, of which 10,435,500 shares and 34,622,500 shares were repurchased in January 2022 and December 2021, respectively.

On November 2, 2022, 50,721,000 shares were cancelled, of which 1,500,000 shares and 49,221,000 shares were repurchased in September 2022 and October 2022 respectively.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

"AGM"	the annual general meeting of the Company
"ANVISA"	the Brazilian Health Regulatory Agency
"Audit Committee"	the audit committee of the Board
"Bayer"	Bayer Aktiengesellschaft
"Board" or "Board of Directors"	the board of Directors of the Company
"Canada HC"	Health Canada
"CDMO"	Contract Development and Manufacturing Organization
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"cGMP"	Current Good Manufacturing Practice regulations, regulations enforced by the Food and Drug Administration of the United States on pharmaceutical and biotech firms to ensure that the products produced meet specific requirements for identity, strength, quality and purity
"Chairman"	the Chairman of the Board
"China" or the "PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
"China NMPA"	China National Medical Products Administration
"CMAB"	CMAB Biopharma Limited
"CMC"	Chemical Manufacturing and Control
"CMO"	Contract Manufacturing Organization
"Company"	WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司*), an exempted company incorporated in the Cayman Islands with limited liability on February 27, 2014

"CRDMO"	Contract Research, Development and Manufacturing Organization
"Director(s)"	the director(s) of the Company
"DNA"	a molecule that carries most of the genetic instructions used in the development, functioning and reproduction of all known living organisms and many viruses
"EU"	a politico-economic union of 27 member states that are located primarily in Europe
"EU EMA"	European Medicines Agency
"EUR"	Europe currency
"Global Partner Program Share Scheme"	the share award scheme for global partner program adopted by the Company on June 16, 2021
"GMP"	Good Manufacturing Practice
"Group" or "we" or "our" or "us"	the Company and its subsidiaries
"HPRA"	Ireland Health Products Regulatory Authority
"H.K. dollar(s)" or "HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKEX"	Hong Kong Exchange and Clearing Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"IND"	investigational new drug, an experimental drug for which a pharmaceutical company obtains permission to ship across jurisdictions (usually to clinical investigators) before a marketing application for the drug has been approved
"IPO"	the listing of the Shares on the Main Board of the Stock Exchange on June 13, 2017
"Italy AIFA"	Italian Medicines Agency

"Japan PMDA"	Pharmaceutical and Medical Devices Agency of Japan
"Korea MFDS"	The Ministry of Food and Drug Safety of the Republic of Korea
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Main Board"	Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"Pfizer China"	Pfizer Biologics (Hangzhou) Company Limited
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme adopted by the Company on January 5, 2016, and amended on August 10, 2016, the principal terms of which are summarized in "Statutory and General Information — E. Pre-IPO Share Option Scheme" in Appendix IV to the Prospectus
"Prospectus"	the prospectus issued by the Company dated May 31, 2017
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of the PRC
"Reporting Period"	the one-year period from January 1, 2022 to December 31, 2022
"Restricted Share Award Scheme"	the restricted share award scheme adopted by the Company on January 15, 2018
"Shareholder(s)"	holder(s) of Share(s)
"Share(s)"	ordinary share(s) in the capital of the Company with nominal value of US$1/120,000 each
"Singapore HSA"	Health Sciences Authority of Singapore

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U.S."	United States of America
"U.S. dollar(s)" or "US$" or "USD"	United States dollar(s), the lawful currency of the United States of America
"U.S. FDA"	The Food and Drug Administration of the United States of America
"WHO"	World Health Organization
"Written Guidelines"	the Written Guidelines for Securities Transactions by Directors adopted by the Company
"WuXi Vaccines"	WuXi Vaccines (Cayman) Inc., a company incorporated under the laws of the Cayman Islands, a non-wholly owned subsidiary of the Company
"WuXi XDC"	WuXi XDC Cayman Inc., a company incorporated under the laws of the Cayman Islands with limited liability, a non-wholly owned subsidiary of the Company

In this announcement, the terms "associate", "connected person", "substantial shareholder" and "subsidiary" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By order of the Board
WuXi Biologics (Cayman) Inc.
Dr. Ge Li
Chairman

Hong Kong, March 22, 2023

As at the date of this announcement, the Board comprises Dr. Zhisheng Chen and Dr. Weichang Zhou as executive Directors; Dr. Ge Li, Dr. Ning Zhao, Mr. Yibing Wu and Mr. Yanling Cao as non-executive Directors; and Mr. William Robert Keller and Mr. Kenneth Walton Hitchner III as independent non-executive Directors.

* *For identification purpose only*