This summary aims to give you an overview of the information contained in this document and should be read in conjunction with the full text of this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document, including our financial statements and the accompanying notes, before you decide to invest in the [**REDACTED**]. *There are risks associated with any investment. Some of the particular risks in investing in the* [**REDACTED**] *are set out in "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* [**REDACTED**].

OVERVIEW

We are a leading CRDMO focused on the global ADC and broader bioconjugate market and the only one dedicated to providing integrated and end-to-end services. We are the second largest CRDMO for ADCs and other bioconjugates globally in terms of revenue in 2022 and the largest bioconjugate CRDMO globally in terms of the total number of projects as of the end of 2022, according to Frost & Sullivan. Leveraging expertise in both biologics and small molecules, we offer interdisciplinary and comprehensive services, covering bioconjugate discovery, research, development and manufacturing. We provide these services from proximately located, state-of-the-art laboratories and manufacturing facilities, leading to significant reduction of development timeline and costs. As a fully integrated one-stop bioconjugate discovery, development and manufacturing platform, our mission is to continuously enhance our platform, propel and transform the development of the bioconjugate industry, enable global biopharmaceutical partners and benefit patients worldwide.

Our Market Opportunities

ADCs and other bioconjugate drugs constitute a separate modality distinct from small molecules or biologics. Taking ADCs as an example, they consist of a biologic component (the antibody), which is covalently attached, also referred to as conjugated, to a cytotoxic small molecule drug (the payload) via a chemical linker. ADCs are therefore designed to combine the target selectivity of antibodies and the cell-killing potency of highly cytotoxic small molecule drugs. This combinatorial design potentially reduces off-target toxicity of classic chemotherapy while enhancing the efficacy, thereby leading to an improved safety and efficacy. Recently, several ADCs have shown favorable efficacy for various cancers and quickly gained market share. The global sales of ADC drugs reached approximately US$7.9 billion in 2022, representing an over 40% CAGR since 2018. With constant advancement in conjugation technologies and expanding bioconjugate component library, bioconjugates are being developed for therapeutic areas in addition to oncology, including autoimmune diseases, infectious diseases, metabolic disorders and beyond.

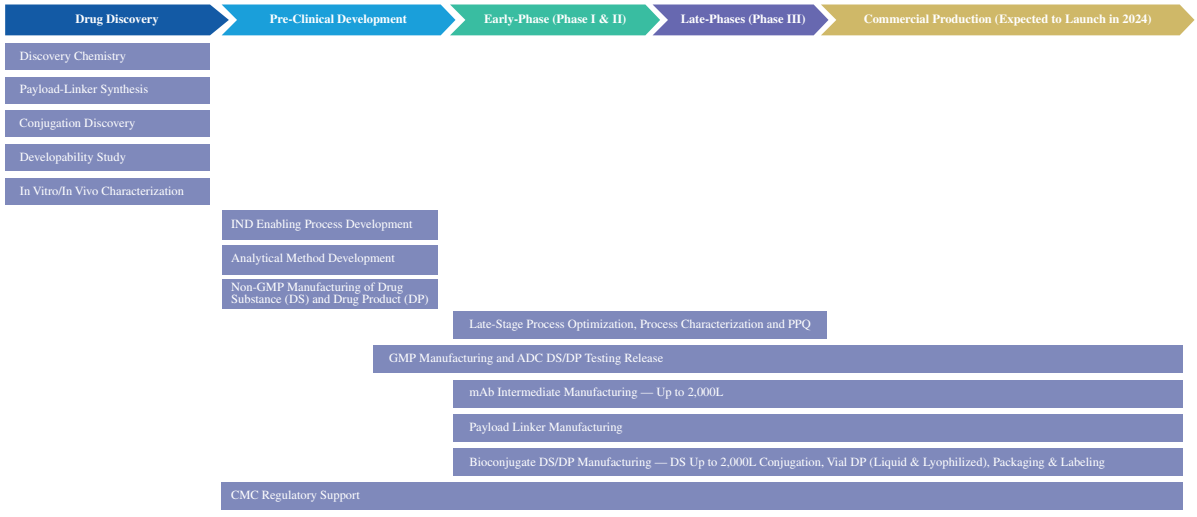
Riding on the recent trend of transformative advancements in drug design and conjugation technologies, the ADC and bioconjugate drug market is at a growth inflection point. According to Frost & Sullivan, the global ADC drug market size is anticipated to grow to US$64.7 billion in 2030 from US$7.9 billion in 2022 at a CAGR of 30.0%. The expected growth of the global ADC drug market is considerably faster than that of the global biologics drug market (excluding bioconjugates), which is expected to grow at a CAGR of 9.2% during the same period. As of the Latest Practicable Date, 15 ADC drugs have been approved globally, of which 11 have been approved since 2018 and four have been approved since 2021. There has also been a promising pipeline of ADC drugs. As of March 31, 2023, 222 ADC drug candidates around the globe had been advanced to the clinical stage, with 130, 75 and 17 under phase I, II and III clinical trials, respectively, and globally 57 ADC drug candidates entered clinical trials in 2022, according to Frost & Sullivan.

The potential of ADCs and other bioconjugate drugs is also evidenced by high-profile acquisition and licensing activities in the space. According to Frost & Sullivan, there have been over 100 deals involving ADCs since 2022, including the recently announced acquisition of Seagen Inc., a leading biotechnology company specializing in the development of ADCs for cancer treatment, by Pfizer Inc. for a total of approximately US$43 billion. China biotechnology companies have been at the forefront of ADC out-licensing arrangements, according to Frost & Sullivan. Since 2022 and as of the Latest Practicable Date, there had been 10 China pharmaceutical and biotechnology companies that reached 14 ADC out-licensing deals with overseas partners, totaling US$22.0 billion, according to the same source. Of these 10 China companies, eight are our customers.

The development of ADCs and other bioconjugates requires a suite of interdisciplinary capabilities in both biologics and small molecules that are beyond the reach of most biopharmaceutical companies. Therefore, the outsourcing rate of bioconjugate development reached around 70%, which is much higher than the 34% outsourcing rate for other biologics. The global market for ADC outsourcing services reached US$1.5 billion in 2022, exhibiting a CAGR of 34.5% between 2018 and 2022, and is expected to expand significantly to reach US$11.0 billion by 2030, with a CAGR of 28.4% from 2022 to 2030. Furthermore, the logistic difficulties in transporting different bioconjugate components, the stringent requirements for safe manufacturing and handling of cytotoxics, as well as the increasing demand for shortened development timelines, present significant challenges for a vast majority of outsourcing service providers in the space. We believe these challenges are best addressed with an end-to-end CRDMO with integrated service capabilities and geographically proximate facilities like us.

Our Services

Our fully integrated, one-stop bioconjugate platform offers end-to-end CRDMO services, including discovery, process development and GMP manufacturing for bioconjugates, monoclonal antibody intermediates and payload-linkers associated with bioconjugates. Our discovery services involve discovery chemistry, conjugation discovery, *in vitro* and *in vivo* characterization and developability for preclinical candidate selection. We also enable preclinical and clinical studies through bioconjugate drug substance process development, bioconjugate formulation development, analytical method development and late-stage development and process validation. In addition, we offer both non-GMP and GMP-compliant manufacturing of bioconjugate components, drug substance and drug product through our dedicated and specialized facilities. We also expect to launch the commercial GMP manufacturing of ADC products in the near future. The following diagram depicts our bioconjugate CRDMO services. See "Business — Our Services" for more details about our services.



Abbreviations: PPQ = process performance qualification; DS = drug substance; DP = drug product; mAb = monoclonal antibody.
Note: ADC/Bioconjugate CMC scope (process development, analytical method development, manufacturing) includes mAb intermediate for bioconjugates, payload-linker and bioconjugate DS and DP.

Our Capabilities

We are committed to continuously enhancing our platform, propelling and transforming the development of the bioconjugate industry, enabling global biopharmaceutical partners and benefiting patients worldwide. Our fully integrated, one-stop bioconjugate platform boasts state-of-the-art conjugation technologies, extensive expertise in payload-linker synthesis and process development, industry-leading process development know-how, comprehensive analytical methods, as well as dedicated and specialized facilities. In particular, we are one of the very few companies that seamlessly integrate the multidisciplinary expertise in both biologics and small molecules critical to comprehensive discovery, development and manufacturing of ADCs and other bioconjugates.

We have accumulated vast hands-on experience in bioconjugates, generating over 7,000 bioconjugate molecules for our customers incorporating over 500 protein carriers and over 600 payload-linkers. We have completed CMC development and initiated GMP manufacturing using over 10 state-of-the-art conjugation technologies for both ADC and other bioconjugates, making our portfolio of conjugation technologies one of the richest in the industry, according to Frost & Sullivan. Our conjugation expertise goes beyond ADC and encompasses PDC, ACC, PEGylated protein or peptide, antibody PROTAC conjugate, AOC and fatty-acid conjugate, among others. We have also built extensive expertise in payload-linkers, which are critical components of bioconjugates. We not only have developed a rich library of off-the-shelf payload-linkers, but also enable our customers to develop and manufacture a wide variety of tailor-made or proprietary payload-linkers by offering synthesis, process development and GMP manufacturing services. Through expanding collaborations with our partners, we also provide customers with access to a large variety of proprietary payload-linkers and conjugation technologies.

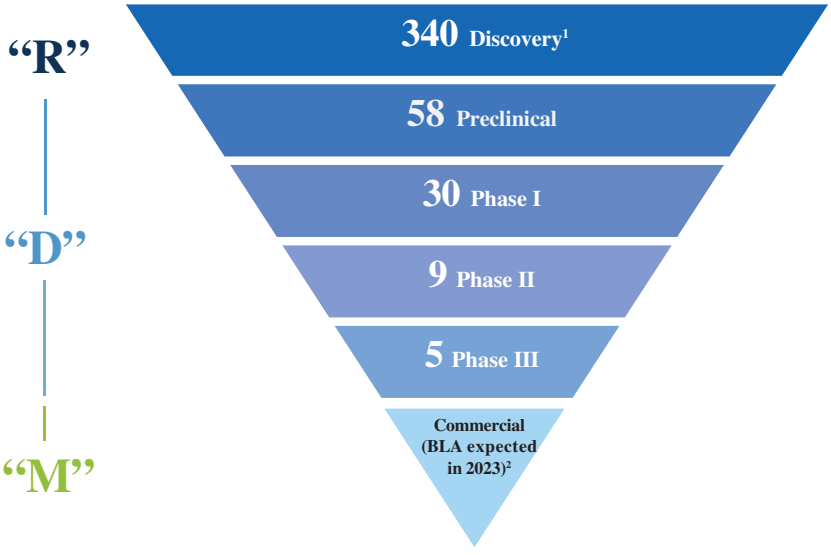
Moreover, we have developed industry-leading process development know-how for various types of bioconjugates. Our process development expertise ensures optimization of critical quality attributes, including drug load ratio (DAR), free drug removal, process efficiency and consistency. As a demonstration of our capabilities, we are the first company in the world to initiate GMP manufacturing of bioconjugates involving several conjugation technologies, including non-natural amino acid ("**NNAA**") site-specific conjugation, tyrosine tubulin ligase-assisted conjugation, sortase-assisted conjugation, farnesyltransferase-assisted conjugation, traceless affinity peptide labeling conjugation. We also initiated GMP manufacturing using our patented WuXiDAR4 technologies that enable customers to achieve tight control of product homogeneity and lot-to-lot consistency, which in turn improve the pharmacokinetics profile and stability of bioconjugate products and potentially result in better clinical outcomes.

Our integrated capabilities are also reflected in the one-stop GMP manufacturing of bioconjugates. We strategically offer our services from proximately located operation sites in Wuxi, Shanghai and Changzhou in China, where we have established dedicated and specialized facilities for bioconjugates. As such, we can better manage the supply chain and coordinate development and manufacturing operations, leading to expedited development timelines and improved quality and cost efficiencies for customers. For example, in general, we are able to significantly reduce the standard industry timeline from the antibody DNA sequence to bioconjugate IND filing in half to approximately 13 to 15 months. Our fully integrated capabilities lay a solid foundation for our comprehensive service offerings that enable our customers to bring innovative bioconjugate therapeutic solutions to patients worldwide with high quality and speed. At the forefront of the global bioconjugate development, we believe our platform will also enable us to address the industry challenges and lead the global development trends of ADCs and other bioconjugates. As an industry recognition of our capabilities, we won the runner-up prize in the "Best Contract Manufacturing (CMO) Provider" category of the 2022 World ADC Awards.

Our Achievements

We ranked No. 2 globally and No. 1 in China among CRDMO for ADCs and other bioconjugates in terms of revenue in 2022, according to Frost & Sullivan. Underpinned by our fully integrated one-stop bioconjugate platform, our global market share by revenue increased from 1.8% in 2020 to 4.6% in 2021 and 9.8% in 2022. By the end of 2022, we had 94 ongoing integrated projects, representing over 35% of the total number of outsourced integrated projects for bioconjugates globally in the same year, according to Frost & Sullivan. With our extensive technical capabilities and impeccable track record, we have become a trusted partner leading the bioconjugate development globally with a broad, loyal and fast-growing customer base. We employ an "enable, follow and win the molecule" strategy to not only grow with our existing customers by providing services from an early stage of their product development cycle, but also win new customers as their bioconjugates progress. As of the end of 2020, 2021, 2022 and May 31, 2023, as the result of our "enable" strategy, we had cumulatively progressed 9, 12, 24 and 28 ADC candidates, respectively, from discovery to CMC development. As the result of our "win the molecule" strategy, among the 102 integrated projects we had as of May 31, 2023, 35 were transferred to us from our customers or their outsourcing service providers. Our diverse and growing customer base includes both innovative biotechnology companies and global pharmaceutical companies, many of which are leading players in the ADC and bioconjugate space with potentially first-in-class or best-in-class pipeline programs. The number of our customers grew significantly from 49 in 2020 to 115 in 2021 and 167 in 2022. As of May 31, 2023, we had served 296 customers cumulatively, including most of the major players in the global ADC and bioconjugate market. As of the same date, we had won ADC development contracts for all ADC candidates in China with dual filing of IND and/or BLA in China and the United States, and eight out of the 10 China-based companies that out-licensed their ADC pipelines overseas since 2022 are our customers.

We have the largest total number of projects for ADCs and other bioconjugates worldwide in 2022, according to Frost & Sullivan. As of May 31, 2023, we had 102 ongoing integrated projects and helped customers to submit IND applications for 45 ADC candidates globally, and in 2022 alone, we helped customers submit IND applications for 18 ADC candidates globally. We have executed 340 discovery projects since our inception and as of May 31, 2023. The following funnel diagram sets forth the developmental stages of ongoing integrated projects as of May 31, 2023.



1. It is the cumulative number of discovery projects since our inception and as of May 31, 2023.
2. We have completed process validation, which is a critical step before the BLA submission, for two integrated projects.

We attribute our success to our visionary team of seasoned senior management supported by a pool of talented scientists. We are led by Dr. Jincai Li, our chief executive officer, who is supported by members of our senior management team, all of whom have extensive experience and diverse expertise in the pharmaceutical industry both domestically and internationally. We also benefit from a strong shareholder support from the WXB Group and the WXAT Group. Our heritage brings us with strong trust from industry participants in our field-tested capabilities and world-class quality.

Our Financial Performance and Path Forward

We experienced robust growth in our revenue during the Track Record Period. For the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023, our revenue was RMB96.4 million, RMB311.1 million, RMB990.4 million and RMB487.6 million, respectively. We recorded net profit of RMB26.3 million, RMB54.9 million, RMB155.7 million and RMB80.7 million for the same periods, respectively. Our adjusted net profit (non-IFRS measure) amounted to RMB32.8 million, RMB77.1 million, RMB194.4 million and RMB100.1 million in the same periods, respectively. See "Financial Information — Non-IFRS Measures." Our backlog was US$373.0 million as of May 31, 2023. As of the same date, we had 58 ongoing preclinical bioconjugate projects and 44 ongoing post-IND bioconjugate projects. As pre-IND projects advance into the post-IND stage and post-IND projects progress across clinical and commercial stage, the typical range of project contract values is also expected to increase, providing robust revenue growth momentum and visibility.

Going forward, we look to capitalize on the opportunities and solidify our leading position in the global ADC and broader bioconjugates outsourcing services market. We plan to continue expanding our capability beyond ADCs, strengthen our in-house discovery and development capabilities and manufacturing capacity, deepen our relationship with existing customers and attract new customers, as well as continue to invest in cutting-edge technologies. We strive to continuously enhance our fully integrated one-stop bioconjugate platform and become a partner of choice for global industry participants seeking to develop and manufacture bioconjugate therapeutics.

Our Business Model

We employ an "enable, follow and win the molecule" strategy to not only grow with our existing customers by providing services from an early stage of their product development cycle, but also win new customers as their bioconjugates progress. We have been able to achieve a high customer retention because of our service quality, industry-leading development timeline, world-class and innovative process development technology and proven GMP manufacturing capabilities. Since our inception in 2013 and up to May 31, 2023, all our customers for bioconjugate discovery or integrated projects advancing their bioconjugate candidates along the development process have stayed with us. Winning customers at the CMC stage is another key driver of our future growth. Also due to the aforementioned factors, we expect to continuously win over customers and integrated bioconjugate projects going forward. Our global market share by revenue increased from 1.8% in 2020 to 4.6% in 2021 and 9.8% in 2022.

During the Track Record Period, we generated revenue from a mix of bioconjugate projects in various development stages, which can be broadly categorized into (i) revenue from pre-IND projects, primarily bioconjugate discovery projects at the drug discovery stage and preclinical development stage, and (ii) revenue from post-IND projects, primarily for clinical and commercial stage projects. The following table lays out a breakdown of our revenue by the development stages of projects for the periods indicated, both in actual terms and as a percentage of total revenue.

	For the year ended December 31,						For the three months ended March 31,			
	2020		2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)									
							(unaudited)			
Pre-IND Services	53,122	55.1	152,506	49.0	381,071	38.5	41,944	34.5	185,090	38.0
Post-IND Services	43,231	44.9	158,625	51.0	609,352	61.5	79,481	65.5	302,502	62.0
Total	96,353	100.0	311,131	100.0	990,423	100.0	121,425	100.0	487,592	100.0

Our Fee Models

Our service fee arrangement can be primarily divided into two types: (i) fee-for-service, or FFS, model and (ii) full-time-equivalent, or FTE, model.

Fee-for-service Model

During the Track Record Period, we generated fee income primarily on an FFS basis for the services provided. Under the FFS model, we determine the fee level based on the scope of the services, the estimated costs and expenses, the estimated amount of time to deliver our services, and the prices charged by our competitors for similar services, among others. Fees received from our service contracts and work orders under the FFS model contributed 100.0%, 100.0%, 98.4% and 97.9% of our revenue in the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023, respectively.

Full-time-equivalent Model

Under the FTE model, we designate employees to the customer's projects at a fixed rate per FTE employee per period of time. We determine the amount of service fees based on the number of employees and the amount of time required for completing the project, among others. Fees received from our service contracts under the FTE model contributed nil, nil, 1.6% and 2.1% of our revenue in the years ended December 31, 2020, 2021 and 2022 and three months ended March 31, 2023, respectively.

For details of the payment terms of our fee models, see "Business — Our Customers — Payment Terms." For details on our revenue recognition mechanism, see "Financial Information — Critical Accounting Policies, Judgments and Estimates — Revenue from Contracts with Customers."

Facilities

Our Current Facilities

We are headquartered in Wuxi, China. As of the Latest Practicable Date, we operated three sites in Wuxi, Shanghai and Changzhou. These sites are proximately located within a 200-kilometer radius, or approximately a two-hour drive, which ease logistic coordination and management, improve efficiency and thereby potentially reduce the overall costs. The following table sets forth a summary of certain key information about our facilities as of the Latest Practicable Date. For more property information about these sites, see "Business — Properties."

Site	Site Area (sq.m.)	Owned/Leased	Primary Use
Wuxi	22,150	Owned	***Drug Substance/Drug Product*** • GMP-compliant production • Formulation and analytical development • QC release and stability testing
Shanghai Waigaoqiao	8,927	Owned	***Bioconjugate discovery and process development*** • Bioconjugate discovery, research and process development • Analytical and formulation development • Scale-up conjugation
Changzhou	819	Leased	***Payload-linker*** • Discovery, research and process and analytical development • Pilot-scale synthesis • GMP-compliant production

Our Facility Expansion Plans

Wuxi Site

We seek to expand our manufacturing capabilities and capacity at the Wuxi site, so that our capabilities encompass the full-spectrum from antibody intermediates to drug products to achieve self-sufficient operations, and our capacity meets the needs of multiple late-stage bioconjugate development and manufacturing projects. In particular, we are building additional facilities in Wuxi for clinical or commercial manufacturing, including a kilogram-scale payload-linker production line ("**XPLM1**"), a dual-function production line for antibody intermediates for bioconjugates and drug substance ("**XmAb/XBCM2**"), as well as a drug product manufacturing line ("**XDP2**"). The XPLM1 production line will be equipped with reaction kettles for GMP-compliant production with capacity of 5 to 100 liters. The dual-function XmAb/XBCM2 facility is designed with capacities ranging from 200 liters to 2,000 liters per batch for monoclonal antibody intermediates or up to 2,000 liters of bioconjugate drug substance per batch. We expect that the XmAb/XBCM2 will enable us to meet a substantial part of our own antibody intermediate requirements. The conjugation drug product facility XDP2 is designed to produce the liquid and lyophilization dosage forms with the annual capacity of up to five million vials in an isolated filling line equipped with one 5 sq.m. lyophilizer and one 20 sq.m. lyophilizer. We expect that the XPLM1 facility will commence GMP-compliant operations in the fourth quarter of 2023, and that both the XmAb/XBCM2 and the XDP2 facilities will commence GMP-compliant operations in the third quarter of 2023. Should the need arise, we will plan and build additional manufacturing facilities at our Wuxi site ahead of time.

Singapore Site

Outside of China, we are planning to establish a manufacturing base in Singapore to meet the growing demand from customers worldwide for end-to-end bioconjugate CRDMO services and implement a "global dual sourcing" strategy, which supports continuous and timely provision of services to our customers around the globe. We selected Singapore as the location of our new manufacturing facility because Singapore is a vibrant hub of the global biopharmaceutical industry that may bring us significant opportunities in brand promotion and customer acquisition.

Four production lines are planned to be established at the Singapore site for clinical and commercial manufacturing, including a dual-function production line for antibody intermediates for bioconjugates and drug substance ("**XmAb/XBCM3**"), a production line for drug substance ("**XBCM4**"), as well as two drug product manufacturing lines ("**XDP3**" and "**XDP4**"). The dual-function XmAb/XBCM3 facility is designed with capabilities ranging from 200 liters to 2,000 liters per batch for monoclonal antibody intermediates or up to 2,000 liters of bioconjugate drug substance per batch. The XBCM4 facility is designed with capabilities of up to 500 liters of bioconjugate drug substance per batch. The conjugation drug product facilities XDP3 and XDP4 are designed to produce the liquid and lyophilization dosage forms with the annual capacity of up to eight million vials and three million vials in isolated filling lines equipped with one 10 sq.m. lyophilizer and two 30 sq.m. lyophilizers, and one 5 sq.m. lyophilizer and one 10 sq.m. lyophilizer, respectively. We have started the design of the site and expect to commence GMP-compliant operations by 2026.

COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from our competitors: (i) uniquely positioned to capture the growth in the global ADC and broader bioconjugate market; (ii) leading global CRDMO dedicated to ADCs and other bioconjugates with fully integrated, one-stop service capabilities; (iii) industry-leading technical capabilities and integrated capacity; (iv) CRDMO of choice with broad, loyal and fast-growing customer base; and (v) seasoned management team supported by a diversified and strong talent pool and shareholders.

GROWTH STRATEGIES

We plan to execute the following key strategies: (i) leverage our fully integrated platform to further solidify industry leading position as we continue to focus on integrated projects and comprehensive service capabilities; (ii) expand manufacturing capacities globally to meet growing demands; (iii) continue to focus on cutting-edge technologies through internal R&D and strategic partnerships; (iv) deepen relationship with existing customers and broaden customer base; and (v) pioneer through the industry development from ADC to XDC.

OUR CUSTOMERS

Our diverse and growing customer base includes both innovative biotechnology companies and global pharmaceutical companies, many of which are leading players in the ADC and bioconjugate space with potentially first-in-class or best-in-class pipeline programs.

During the Track Record Period, part of our bioconjugate CRDMO services were provided to customers that had formally contracted with the Remaining WXB Group. Because these contracts were entered into before the [**REDACTED**], the customers did not directly contract with a member of our Group. We view this practice as being in line with our historical development. After the formation of joint venture in May 2021 between WuXi Biologics and STA Pharmaceutical, we started to gradually educate customers about our distinct capacity and encourage customers to sign contracts directly with members of our Group.

We have a broad, loyal and fast-growing customer base globally. We served a total of 49, 115, 167 and 126 ultimate customers (on a "look-through" basis, taking into account the customers who formally contracted with the Remaining WXB Group but made use of our bioconjugate CRDMO services) in each year of 2020, 2021, 2022 and the three months ended March 31, 2023, respectively. In 2022, 44.9%, 30.9%, 17.7% and 6.5% of the total revenue was generated from ultimate customers from North America, China, Europe and the rest of the world, respectively, based on the location of the customers' headquarters. During the same periods, our five largest ultimate customers (on a "look-through" basis) contributed to 51.9%, 39.8%, 34.1% and 46.6%, respectively, of our total revenue, and our largest ultimate customer accounted for 14.5%, 13.1%, 8.9% and 14.6%, respectively, of our total revenue. See "Risk Factors — Risks Relating to Our Business and Industry — The potential loss of major customers or any of our large contracts could materially and adversely affect our business, financial condition and results of operations" for more information.

None of our Directors, their respective associates, or Shareholders who, to the knowledge of our Directors, own 5% or more of our issued share capital had any interest in any of our five largest direct or ultimate customers, other than with respect to the Remaining WXB Group and the WXAT Group, during the Track Record Period. For additional information about our relationship with the Remaining WXB Group and the WXAT Group, see "Relationship with Our Controlling Shareholders" and "Connected Transactions."

OUR SUPPLIERS

The raw materials and equipment required for the provision of our services are generally readily available in the market through a number of suppliers. During the Track Record Period, procurement of raw materials for the WXB Group was conducted on a centralized basis, which had enabled us to benefit from the substantial economies of scale that are associated with the magnitude of the global business of the WXB Group. During the Track Record Period, we also sourced certain property, plant and equipment ("**PPE**") through the aforementioned centralized procurement system rather than directly from suppliers. For additional information on the arrangement, see "Connected Transactions."

We trace the raw materials and PPE from third-party suppliers to our Group by matching the unique material code in the WXB Group's transaction records, and we thereby attribute expenses to specific ultimate suppliers of our Group on a "look-through" basis. We believe presenting our suppliers on a "look-through basis" fairly depicts the relationship between our Group and our ultimate suppliers during the Track Record Period. In the years ended December 31, 2020, 2021 and 2022 and the three months ended March 31, 2023, our five largest ultimate suppliers together accounted for 52.6%, 52.7%, 71.8% and 79.2%, respectively, of our cost of services, and our largest ultimate supplier accounted for 32.8%, 15.0%, 39.9% and 60.2%, respectively, of our cost of services.

None of our Directors, their respective associates, or Shareholders who, to the knowledge of our Directors, own 5% or more of our issued share capital had any interest in any of our five largest direct or ultimate suppliers, other than with respect to the Remaining WXB Group and the WXAT Group, during the Track Record Period. During the Track Record Period, none of our major independent direct suppliers was also our customer. For details of our connected transactions with the Remaining WXB Group and the WXAT Group, see "Connected Transactions."

SALES AND MARKETING

We market our services directly to pharmaceutical and biotechnology companies through regular sales meetings with their representatives and senior management. We also utilize multiple digital marketing and promotional channels, including advertisements, press releases, social media, webinars, podcasts and email updates, to promote our technologies, platforms and services. We also gain our business through referrals from our customers. In addition, we actively participate in trade conferences, trade shows and scientific conferences.

INTELLECTUAL PROPERTY

We develop and use a number of proprietary methodologies, technologies, trade secrets, know-how and other intellectual property during the conduct of our business. We rely on a combination of patent, trademark, intellectual property laws and contractual arrangements to protect our intellectual property. As of the Latest Practicable Date, the Remaining WXB Group has transferred material patents, patent applications, registered trademarks and pending trademark applications relating to our business to us. In particular, we have been assigned with three issued patents relating to the WuXiDAR4 technologies in the United States, Japan and Taiwan, 13 pending patent applications in China and overseas, as well as seven registered trademarks relating to the WuXiDAR4 technologies in China, the United States, the EU, the United Kingdom and Japan.

Protecting the proprietary rights of our customers has been a top priority since our inception. We have established an intellectual property protection process to properly manage the document transmission and archiving, preservation of documents related to R&D and manufacturing, supervision and control of laboratory computers and access to documents in connection with confidential information. Our customers generally retain ownership of all intellectual property associated with their projects, including the intellectual property that they provide to us and the intellectual property arising from the services we provide.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to, nor were we party to, any intellectual property rights infringement claims or litigations and were not aware of any material infringement of our intellectual property rights that had a material adverse effect on our business. We had complied with all applicable intellectual property laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. See "Business — Intellectual Property" for more details.

COMPETITION

We face competition from other third-party outsourcing service providers for the discovery, development and manufacturing of ADCs and other bioconjugates. The global ADC outsourcing services market is relatively concentrated with the top five players accounting for an aggregate market share of 50.0% in terms of revenue in 2022, according to Frost & Sullivan. Our global market share by revenue increased from 1.8% in 2020 to 4.6% in 2021 and 9.8% in 2022, ranking second in the global ADC outsourcing services market in 2022. We are the only Chinese company among the top 5 players, and also the only one globally with integrated and end-to-end service capabilities for ADC development. We are the largest bioconjugate CRDMO globally in terms of the total number of projects as of the end of 2022, according to Frost & Sullivan. We ranked first in China, the most active ADC out-licensing market globally, with a market share of 69.5% in terms of revenue in 2022, according to the same source.

We face competition based on several factors, including quality and breadth of services, timeliness of delivery, price and geography, maintenance of GLP, GMP and cGMP standards and depth of customer relationships. In terms of entry barriers and key success factors, according to Frost & Sullivan, the global ADC outsourcing services market generally favors participants with integrated and end-to-end services capabilities, geographical proximity of facilities, proprietary technical capabilities and proven quality track record to accomplish the highly regulated process.

We believe that we are able to maintain our services' competitiveness by leveraging our established position in the global ADC and broader bioconjugate outsourcing services market and capitalizing on the opportunities offered by the booming ADC and broader bioconjugate market globally. We are also of the view that a comprehensive and integrated service portfolio and effective quality assurance are critical to the continuing success of our business. In addition, our expanding capacity enables us to satisfy the increasing needs of bioconjugate outsourcing and grow with our customers to establish long-term relationships. For more details, see "Business — Competition" and "Industry Overview — Overview of Global ADC Outsourcing Services Market."

RISKS AND CHALLENGES

Our business and the [**REDACTED**] involve certain risks, which are set out in the section headed "Risk Factors" in this document. Some of the major risk factors that we face include: (1) reductions in our customers' spending or demand for our services could have a material adverse effect on our business; (2) the difficulty in developing our new technologies and improving existing technologies could materially and adversely affect our future business; (3) the uncertainty in our growth strategies and business expansion could have a material adverse effect on our business; (4) failure in our expansion plan for improving our manufacturing capabilities does not proceed as planned or does not yield expected results could materially and adversely affect our business; (5) the difficulty in expanding or operating in new geographic markets could harm our future growth; (6) any inability to attract, motivate, train or retain qualified scientists or other technical personnel may have a material adverse effect on our business; (7) the loss of services of our senior management and key scientific personnel could severely disrupt our business and growth; (8) we operate in a highly competitive industry and we cannot assure you that we will continue to compete successfully; (9) failure to comply with existing or future laws, regulations and industry standards, any failure to pass inspections conducted by relevant regulatory authorities or any adverse actions by the drug approval authorities against us could negatively impact our reputation and our business; (10) failure to obtain or renew certain approvals, licenses, permits and certificates required for our business may materially and adversely affect our business; (11) we have made significant capital investment to meet customer demands and we depend on the success of our customers' projects and business; and (12) failure to provide high quality services or meet customers' evolving demands may adversely affect our business. As different investors may have different interpretations and criteria when determining the significance of a risk, you should carefully read the "Risk Factors" section in its entirety before you decide to invest in our Shares.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following is a summary of our historical financial information as of and for the years ended December 31, 2020, 2021 and 2022, and as of and for the three months ended March 31, 2022 and 2023, extracted from the Accountants' Report set out in Appendix I to this document. The summary below should be read in conjunction with the consolidated financial information in Appendix I, including the accompanying notes and the information set forth in the section headed "Financial Information" in this document. Our consolidated financial information was prepared in accordance with IFRSs.

Summary of Results of Operations

The following table sets forth a summary of our results of operations for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,						Three months ended March 31,			
	2020		2021		2022		2022		2023	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)						(unaudited)			
Revenue	96,353	100.0	311,131	100.0	990,423	100.0	121,425	100.0	487,592	100.0
Cost of services	(88,272)	(91.6)	(197,637)	(63.5)	(729,340)	(73.6)	(75,366)	(62.1)	(369,217)	(75.7)
Gross profit	8,081	8.4	113,494	36.5	261,083	26.4	46,059	37.9	118,375	24.3
Selling and marketing expenses	(478)	(0.5)	(2,028)	(0.7)	(8,769)	(0.9)	(1,746)	(1.4)	(2,153)	(0.4)
Administrative expenses	(9,608)	(10.0)	(27,858)	(9.0)	(49,210)	(5.0)	(8,273)	(6.8)	(16,323)	(3.3)
Research and development expenses	(4,075)	(4.2)	(13,815)	(4.4)	(33,842)	(3.4)	(4,375)	(3.6)	(16,252)	(3.3)
Finance costs	—	—	(493)	(0.2)	(2,916)	(0.3)	(475)	(0.4)	(427)	(0.1)
Other income	41,446	43.0	8,966	2.9	26,152	2.6	2,613	2.2	7,710	1.6
Other gains and losses	(2,711)	(2.8)	(855)	(0.3)	46,672	4.7	128	0.1	(7,340)	(1.5)
Impairment losses (recognized)/ reversed, under expected credit loss model, net of reversal	(289)	(0.3)	(10,558)	(3.4)	(43,369)	(4.4)	5,769	4.8	15,391	3.2
Profit before tax	32,366	33.6	66,853	21.5	195,801	19.8	39,700	32.7	98,981	20.3
Income tax expense	(6,067)	(6.3)	(11,923)	(3.8)	(40,070)	(4.1)	(8,931)	(7.4)	(18,310)	(3.8)
Profit for the period	26,299	27.3	54,930	17.7	155,731	15.7	30,769	25.3	80,671	16.5
Other comprehensive income/(expense)										
Items that may be reclassified subsequently to profit or loss:										
Fair value gain/(loss) on hedging instruments designated in cash flow hedges, net of income tax	1,668	1.7	499	0.2	(3,313)	(0.3)	49	0.0	1,917	0.4
Exchange gain arising on translation of foreign operations	—	—	—	—	—	—	—	—	581	0.1
Other comprehensive income/(expense) for the period	1,668	1.7	499	0.2	(3,313)	(0.3)	49	0.0	2,498	0.5
Total comprehensive income for the period	27,967	29.0	55,429	17.8	152,418	15.4	30,818	25.4	83,169	17.1

NON-IFRS MEASURES

To supplement our consolidated results which are prepared and presented in accordance with IFRSs, we use adjusted net profit, EBITDA, and adjusted EBITDA as additional financial measures, which are not required by, or presented in accordance with, IFRSs. We believe that these measures facilitate comparisons of operating performance from period to period and company to company by eliminating the potential impact of items that our management does not consider to be indicative of our operating performance, such as certain non-cash items. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRSs. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measure used by other companies. Our presentation of non-IFRS measures should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items.

The following table sets forth a reconciliation of our adjusted net profit for 2020, 2021, 2022 and the three months ended March 31, 2022 and 2023 to the nearest measure prepared in accordance with IFRSs.

	Year ended December 31,			Three months ended March 31,	
	2020	2021	2022	2022	2023
	(RMB in thousands)				
				(unaudited)	
Profit for the period	26,299	54,930	155,731	30,769	80,671
Add:					
Share-based compensation	6,476	22,157	38,626	5,204	19,409
Adjusted net profit (non-IFRS measure)	32,775	77,087	194,357	35,973	100,080

The following table sets forth a reconciliation of our EBITDA and adjusted EBITDA for 2020, 2021, 2022 and the three months ended March 31, 2022 and 2023 to the nearest measures prepared in accordance with IFRSs.

	Year ended December 31,			Three months ended March 31,	
	2020	2021	2022	2022	2023
	(RMB in thousands)				
				(unaudited)	
Profit for the period	26,299	54,930	155,731	30,769	80,671
Add:					
Income tax expense	6,067	11,923	40,070	8,931	18,310
Depreciation and amortization	13,465	18,981	30,812	6,134	10,553
Finance costs	—	493	2,916	475	427
EBITDA (non-IFRS measure)	45,831	86,327	229,529	46,309	109,961
Add:					
Share-based compensation	6,476	22,157	38,626	5,204	19,409
Adjusted EBITDA (non-IFRS measure)	52,307	108,484	268,155	51,513	129,370

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of March 31,
	2020	2021	2022	2023
	(RMB in thousands)			
Total non-current assets	308,550	629,450	1,094,048	1,179,908
Total current assets	99,918	250,303	1,402,331	1,415,215
Total assets	408,468	879,753	2,496,379	2,595,123
Total current liabilities	32,231	858,490	1,013,973	1,008,980
Net current assets/(liabilities)	67,687	(608,187)	388,358	406,235
Total assets less current liabilities	376,237	21,263	1,482,406	1,586,143
Total non-current liabilities	556	382	1,627	2,786
Total liabilities	32,787	858,872	1,015,600	1,011,766
Net assets	375,681	20,881	1,480,779	1,583,357

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

	Year ended December 31,			Three months ended March 31,
	2020	2021	2022	2023
	(RMB in thousands)			
Net cash from/(used in) operating activities	20,854	59,136	251,816	(20,132)
Net cash (used in)/from investing activities	(52,424)	(51,587)	(1,279,543)	277,694
Net cash from/(used in) financing activities	69,116	22,343	1,328,213	(46,996)
Net increase/(decrease) in cash and cash equivalents	24,627	(2,065)	308,647	206,714
Cash and cash equivalents at beginning of the period	3,763	28,390	26,325	334,972
Cash and cash equivalents at end of the period	28,390	26,325	334,972	541,686

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods indicated.

	As of/for the year ended December 31,			As of/for the three months ended March 31,	
	2020	2021	2022	2022	2023
Profitability ratios					
Gross profit margin[(1)]	8.4%	36.5%	26.4%	37.9%	24.3%
Net profit margin[(2)]	27.3%	17.7%	15.7%	25.3%	16.5%
Adjusted net profit margin (non-IFRS measure)[(3)]	34.0%	24.8%	19.6%	29.6%	20.5%
EBITDA margin (non-IFRS measure)[(4)]	47.6%	27.7%	23.2%	38.1%	22.6%
Adjusted EBITDA margin (non-IFRS measure)[(5)]	54.3%	34.9%	27.1%	42.4%	26.5%
Return on total assets[(6)]	6.4%	6.2%	6.2%	N/A	NM[(8)]
Liquidity ratios					
Current ratio[(7)]	3.1	0.3	1.4	N/A	1.4

(1) Gross profit for the period divided by revenue for the respective period and multiplied by 100.0.

(2) Profit for the period divided by revenue for the respective period and multiplied by 100.0.

(3) Adjusted net profit (non-IFRS measure), defined as profit for the period adjusted by adding back share-based compensation, divided by revenue for the respective period and multiplied by 100.0.

(4) EBITDA (non-IFRS measure), defined as profit for the period adjusted by adding back depreciation and amortization, income tax expense and finance costs, divided by revenue for the respective period and multiplied by 100.0.

(5) Adjusted EBITDA (non-IFRS measure), defined as profit for the period adjusted by adding back share-based compensation, depreciation and amortization, income tax expense and finance costs, divided by revenue for the respective period and multiplied by 100.0.

(6) Profit for the period divided by the closing balance of total assets of for the respective period and multiplied by 100.0.

(7) Current assets divided by current liabilities as of period end.

(8) Not meaningful.

See "Financial Information — Key Financial Ratios" for details.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, WuXi Biologics was directly interested in 60% of our total issued share capital and STA Pharmaceutical, an indirect subsidiary of WuXi AppTec, was directly interested in 40% of our total issued share capital. STA Pharmaceutical is directly wholly-owned by STA, which is in turn held as to 98.56% by WuXi AppTec (Shanghai), and WuXi AppTec (Shanghai) is directly wholly-owned by WuXi AppTec. Immediately following completion of the [**REDACTED**], WuXi Biologics and STA Pharmaceutical will respectively own approximately [**REDACTED**]% and [**REDACTED**]% of the total issued share capital of our Company (assuming the [**REDACTED**] is not exercised and without taking into account any exercise of the share options granted under the [**REDACTED**] Share Option Schemes), or approximately [**REDACTED**]% and [**REDACTED**]% of the total issued share capital of our Company (assuming the [**REDACTED**] is exercised in full and without

taking into account any exercise of the share options granted under the [**REDACTED**] Share Option Schemes). Immediately upon the [**REDACTED**], WuXi Biologics, STA Pharmaceutical, STA, WuXi AppTec (Shanghai) and WuXi AppTec will remain as our Controlling Shareholders and our Company will remain as a subsidiary of WuXi Biologics. See "Relationship with Our Controlling Shareholders" for more information.

CONNECTED TRANSACTIONS

We have entered into certain transactions with certain connected persons (as defined under Chapter 14A of the Listing Rules), and following the [**REDACTED**], the transactions contemplated thereunder will continue and constitute continuing connected transactions under Chapter 14A of the Listing Rules. We have applied to the Stock Exchange for, and the Stock Exchange [has granted] to us, a waiver from strict compliance with the announcement, circular, independent shareholders' approval and annual reporting requirements as applicable, as set out in Chapter 14A of the Listing Rules in respect of such continuing connected transactions. See "Connected Transactions" for details of the connected transactions.

[**REDACTED**] AND [**REDACTED**]

Our [**REDACTED**] constitutes a [**REDACTED**] of our Company from WuXi Biologics (stock code: 2269) under Practice Note 15 of the Listing Rules. The proposal in relation to the [**REDACTED**] has been submitted by WuXi Biologics to the Stock Exchange for approval pursuant to Practice Note 15 of the Listing Rules and the Stock Exchange has confirmed that WuXi Biologics may proceed with the [**REDACTED**]. WuXi Biologics considers that the [**REDACTED**] and separate [**REDACTED**] of our Group will be beneficial to WuXi Biologics, our Company and our Shareholders as a whole. For details, please see the section headed "History, Development and Corporate Structure — [**REDACTED**] of our Group from WuXi Biologics".

As the highest applicable percentage ratio under the Listing Rules for the [**REDACTED**] will not exceed 5%, the [**REDACTED**] will not constitute a notifiable transaction for WuXi Biologics under Chapter 14 of the Listing Rules. The [**REDACTED**] is not subject to shareholder's approval of WuXi Biologics. WuXi Biologics and our Company will comply with the requirements under Practice Note 15 to the Listing Rules and the applicable requirements of the Listing Rules regarding the [**REDACTED**].

In order to enable the [**REDACTED**] to participate in the [**REDACTED**] on a preferential basis as to allocation only, subject to the Stock Exchange granting approval for the [**REDACTED**] of, and permission to deal in, the Shares on the Main Board and such approval not having been withdrawn and the [**REDACTED**] becoming unconditional, the [**REDACTED**] are invited to apply for an aggregate of [**REDACTED**] in the [**REDACTED**] as an [**REDACTED**]. For details, please see the section headed "[**REDACTED**]" in this document.

[**REDACTED**] EXPENSES

We expect to incur a total of approximately RMB[**REDACTED**] (HK$[**REDACTED**]) of [**REDACTED**] in connection with the [**REDACTED**], representing approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**], being the [**REDACTED**] of the indicative [**REDACTED**] range between HK$[**REDACTED**] and HK$[**REDACTED**], and assuming that the [**REDACTED**] is not exercised), including (1) [**REDACTED**] fees and [**REDACTED**], SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all [**REDACTED**] of approximately RMB[**REDACTED**] (HK$[**REDACTED**]), and (2)

[**REDACTED**] expenses of approximately RMB[**REDACTED**] (HK$[**REDACTED**]), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB[**REDACTED**] (HK$[**REDACTED**]), and (ii) other fees and expenses of approximately RMB[**REDACTED**] (HK$[**REDACTED**]). Approximately RMB[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] is expected to be deducted from equity. The [**REDACTED**] above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

[**REDACTED**] STATISTICS

All statistics in the following table are based on the fact that (1) the [**REDACTED**] has been completed and [**REDACTED**] are issued pursuant to the [**REDACTED**]; and (2) the [**REDACTED**] is not exercised.

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
Market Capitalization of our Shares[(1)]	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted net tangible asset per Share[(2)]	HK$[**REDACTED**]	HK$[**REDACTED**]

(1) The calculation of market capitalization is based on [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

(2) The unaudited [**REDACTED**] net tangible assets per Shares is arrived at after adjusting for the estimated [**REDACTED**] from the [**REDACTED**] and on the basis that [**REDACTED**] Shares were in issue assuming that the [**REDACTED**] has been completed on March 31, 2023 but takes no account of any Shares which may be allotted and issued pursuant to the exercise of the [**REDACTED**] or any Shares which may be issued or repurchased by the Company.

FUTURE PLANS AND [**REDACTED**]

We estimate that the [**REDACTED**] of the [**REDACTED**], after deducting the estimated [**REDACTED**] and other fees and expenses payable by us in connection with the [**REDACTED**], will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the [**REDACTED**] of the indicative range of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per Share), without the exercise of the [**REDACTED**]. We currently intend to use the [**REDACTED**] from the [**REDACTED**] for the following purposes: (1) approximately [**REDACTED**] of the [**REDACTED**], or HK$[**REDACTED**], will be used to further expand our manufacturing capacity by (i) constructing our manufacturing facilities in Singapore and (ii) expanding our production capacity in China with respect to antibody intermediates; (2) approximately [**REDACTED**] of the [**REDACTED**], or HK$[**REDACTED**], will be used to selectively pursue strategic alliances, investment and acquisition opportunities to enrich our technology platform and service offerings; and (3) approximately [**REDACTED**] of the [**REDACTED**], or HK$[**REDACTED**], for working capital and other general corporate purposes.

See "[**REDACTED**]" for further information relating to our future plans and use of [**REDACTED**] from the [**REDACTED**], including the adjustment on the allocation of the [**REDACTED**] in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the midpoint of the estimated [**REDACTED**].

DIVIDENDS

During the Track Record Period, we did not pay or declare any dividend. According to our dividend policy adopted on [●], the Articles of Association and applicable laws and regulations, the determination to pay dividends will be made at the discretion of our Directors, subject to the Listing Rules, and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant. We do not have a pre-determined dividend payout ratio. We will continue to re-evaluate our dividend policy in light of our financial condition and the prevailing economic environment.

As advised by our Cayman Islands legal advisors, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which, a company may declare and pay a dividend out of either profits or share premium account. The financial position of accumulated losses does not prohibit us from declaring and paying dividends to our Shareholders, as dividends may still be declared and paid out of our share premium account notwithstanding our profitability, provided that this would not result in our Company being unable to pay debts as they fall due in the ordinary course of business.

RECENT DEVELOPMENT

No Material Adverse Change

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial and trading positions or prospects since March 31, 2023, being the date on which our latest audited consolidated financial statements were prepared, and that there is no event since March 31, 2023 which would materially affect the information in the Accountants' Report set out in Appendix I to this document.

Regulations on [REDACTED]

On February 17, 2023, the China Securities Regulatory Commission ("**CSRC**") released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and five supporting guidelines (together, the "**Trial Measures**"), which came into effect on March 31, 2023. Pursuant to the Trial Measures, domestic companies that seek to list overseas, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC. Specifically, following the principle of substance over form, if an issuer meets both of the following criteria, its overseas offering and listing will be deemed as an indirect overseas offering and listing by a domestic enterprise: (1) any of the total assets, net assets, revenue or profits of the domestic operating entities of the issuer in the most recent accounting year accounts for more than 50% of the corresponding figure in the issuer's audited consolidated financial statements for the same period; and (2) its major operational activities are carried out in China or its main places of business are located in China, or a majority of the senior management in charge of operation and management of the issuer are Chinese citizens or are domiciled in China. The filing is required to be conducted within three business days after the submission of the application for initial public [**REDACTED**] overseas to the overseas regulators. Our PRC Legal Advisor is of the view that this [**REDACTED**] shall be deemed as an indirect [**REDACTED**] by PRC domestic enterprise, and we are required to submit filings with the CSRC within three business days after we submit application for this [**REDACTED**]. We will file with the CSRC within the specific time limit as required by the Trial Measures and seek guidance from the relevant regulator and/or legal advisors to ensure our compliance in all respects.