WUXI XDC CAYMAN INC.

藥明合聯生物技術有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2268)

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

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		
	2024	2023	Change
	RMB'000	*RMB'000*	
	(unaudited)		
Revenue	**1,665,199**	993,468	67.6%
Gross profit	**535,331**	229,400	133.4%
Gross profit margin	**32.1%**	23.1%	
Net profit attributable to owners of the Company	**488,228**	177,214	175.5%
Margin of net profit attributable to owners of the Company	**29.3%**	17.8%	
Adjusted net profit attributable to owners of the Company *(Note)*	**533,619**	216,368	146.6%
Margin of adjusted net profit attributable to owners of the Company	**32.0%**	21.8%	

The Group achieved impressive results for the six months ended June 30, 2024. The Group's revenue and gross profit exhibited strong growth, increasing by 67.6% and 133.4% period-on-period to RMB1,665.2 million and RMB535.3 million, respectively, for the six months ended June 30, 2024. In addition, net profit attributable to owners of the Company has increased to RMB488.2 million for the six months ended June 30, 2024, a period-on-period increase of 175.5%, while adjusted net profit attributable to owners of the Company*(Note)* also exhibited strong growth, rising to RMB533.6 million for the six months ended June 30, 2024, which represents a period-on-period increase of 146.6%.

The Board does not recommend any payment of interim dividend for the six months ended June 30, 2024.

Note: Adjusted net profit attributable to owners of the Company is calculated as net profit attributable to owners of the Company (an IFRS measure) after elimination of listing expenses as a non-recurring item and share-based compensation expense as a non-cash item. It is intended to be used as a supplement to the Group's interim results prepared in accordance with IFRS and is not intended to be considered in isolation or as a substitute for IFRS net profit attributable to owners of the Company. For a fuller discussion of adjusted net profit attributable to owners of the Company as well as certain other non-IFRS measures, including the intended uses of these measures and the calculation and reconciliation thereof to the corresponding IFRS measures, please see "Management Discussion and Analysis — Financial Review — Non-IFRS Measures."

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group continued to experience a rapid and robust business growth in the first half of 2024, building upon the strong foundation achieved in 2023. As a key player in the thriving, innovative global bioconjugates industry, the Group aims to achieve rapid and steady business growth by providing world-class bioconjugates CRDMO services and continuing to empower its global partners to accelerate and transform ADC and broader bioconjugate development.

The Group achieved a significant milestone with the successful completion of the Global Offering and the Listing of the Company on the Main Board of the Stock Exchange in November 2023, raising more than HK$4 billion in total proceeds. This achievement lays a firm foundation for the Company to pioneer new domains. Notably, the high-profile IPO attracted top-tier investors across the globe, reaffirming their confidence in the industry's potential and acknowledging the Company's leading stature.

Recognized for its excellence, the Company has been nominated for the World ADC Award in two consecutive years, winning the "Best CDMO Winner" Prize in 2023. The continuous growth of the Group, together with the awards, underscores WuXi XDC's global leadership in providing integrated services combined with technological innovation, and strong Chemistry, Manufacturing and Controls (CMC) expertise for ADC and broader-bioconjugates.

The Group provides integrated service to global customers with its comprehensive CRDMO capabilities and facilities equipped with "All-in-One" capabilities spanning from DNA to BLA. The Group has cumulatively served 419 customers worldwide as at June 30, 2024 since its inception.

In addition, with the industry development progressing into late stage, the Group continued to grow agilely and expand its client database globally, engaging in various development projects ranging from discovery stage to late stage. Notably, the Company has successfully secured multiple PPQ projects (Process Performance Qualifications projects which are normally performed at close to commercial scale) and has entered into multiple technology collaborations with innovative biotech companies focusing on ADC developments.

To ensure that the Group is in the best position to expand its market share as well as to capture the rapidly increasing global demand for bioconjugates CRDMO services, it continued with efforts to expand its facilities and acquire talent. The announced Wuxi site expansion and the construction of the new site in Singapore are both well on track, which will bring about additional DS and DP production lines, laboratories and office space, expanding the Group's capabilities and capacities. As at June 30, 2024, the Group had 1,496 full-time employees, representing a period-on-period increase of 72.2% as compared to June 30, 2023.

Overall Performance for ADC CRDMO

During the Reporting Period, the Group's ADC CRDMO business model continued to fuel robust growth, guided by its "enable, follow and win the molecule" strategy. Leveraging on its fully integrated, one-stop bioconjugate platform, global footprint and robust supply chain network, the Group has a large number of ongoing integrated projects for ADCs and other bioconjugates. Capitalizing on the global trend of high demand for ADC and broader bioconjugates outsourcing services, the Group has demonstrated exceptional growth and delivered the following outstanding results:

- Revenue for the six months ended June 30, 2024 increased by 67.6% period-on-period to RMB1,665.2 million.

- Gross profit for the six months ended June 30, 2024 increased 133.4% period-on-period to RMB535.3 million.

- Net profit for the six months ended June 30, 2024 increased by 175.5% period-on-period to RMB488.2 million.

- Adjusted net profit for the six months ended June 30, 2024 increased by 146.6% period-on-period to RMB533.6 million.

- The total number of newly signed integrated projects increased from 17 as at June 30, 2023 to 26 as at June 30, 2024.

- The total number of integrated projects increased from 110 as at June 30, 2023 to 167 as at June 30, 2024.

- The total number of ongoing post-IND projects increased from 43 as at June 30, 2023 to 76 as at June 30, 2024.

- The total number of phase II and beyond projects increased from 16 as at June 30, 2023 to 29 as at June 30, 2024. Among these projects, 9 PPQ projects were scheduled within the Group's site in Wuxi, China.

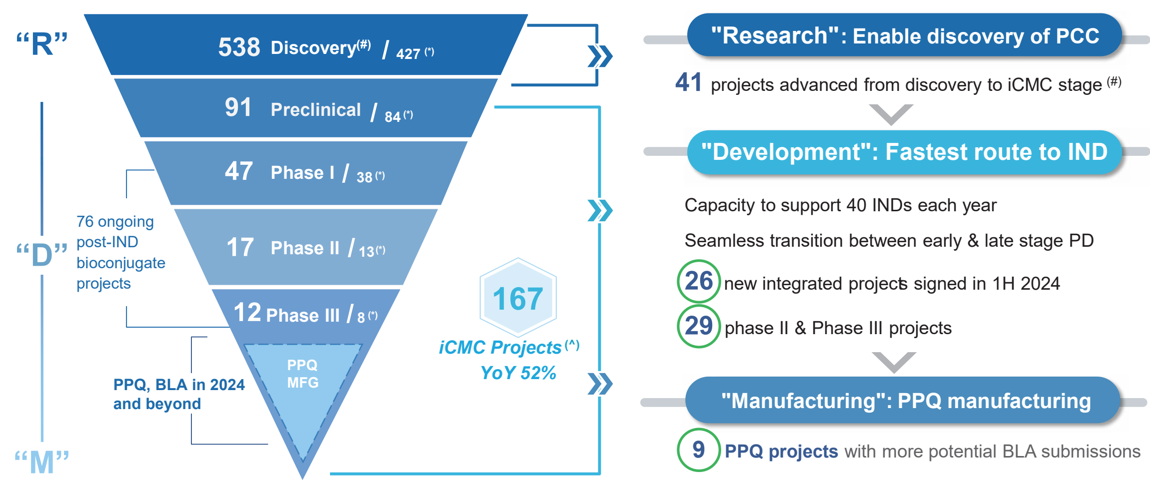
- The Group also achieved great success during the Reporting Period in progressing projects from the pre-IND stage to the post-IND stage, with 12 projects advancing from pre-clinical development into early-phase clinical development.

- The cumulative total number of drug discovery stage projects executed by the Group since inception increased from 350 as at June 30, 2023 to 538 as at June 30, 2024.

- The Group's effective execution of the "win the molecule" strategy cumulatively brought 56 external projects into the pipeline since the inception of the Group.

The following funnel diagram sets forth the developmental stages and other details of ongoing integrated projects as at June 30, 2024. From its inception through June 30, 2024, the Group has executed a cumulative total of 538 discovery projects. These discovery projects are regarded as strategic and critically important project inflow for the Group, as they help facilitate establishment of long-term customer relationships with such clients and are expected to be instrumental in winning integrated projects for the Group in the future. As at June 30, 2024, the Group had 167 ongoing integrated projects. The Group helped customers to submit IND applications for (i) 71 ADC candidates globally since its inception up to and including June 30, 2024, and (ii) 16 ADC candidates globally during the six months ended June 30, 2024.

Number of Projects Through "*Enable – Follow – Win*" Strategy



Notes:

\# Cumulative number of projects since our inception and as at June 30, 2024.

^ Number of ongoing integrated CMC projects as at June 30, 2024.

* The small-sized figures account for the number of projects as at December 31, 2023, save for the number of projects at discovery stage which is cumulative from the Group's inception up until December 31, 2023.

The following table sets forth the details of ongoing projects by each development stage. During the six months ended June 30, 2024, 12 ongoing post-IND projects were advanced from the pre-IND stage leveraging the Group's ADC CRDMO services.

Development Stage	Typical Duration	As at June 30, 2023 Number of Ongoing Projects[3]	As at June 30, 2023 Type of Projects	As at June 30, 2024 Number of Ongoing Projects[3]	As at June 30, 2024 Type of Projects
Discovery	N/A[1]	350[4]	ADC (283) and XDC (67)	538[4]	ADC (412) and XDC (126)
Preclinical	1–2 years	67	ADC (59) and XDC (8)	91	ADC (83) and XDC (8)
Clinical	Multiple years[2]	43	ADC (39) and XDC (4)	76	ADC (69) and XDC (7)

Notes:

1. The duration of discovery projects can vary significantly in light of their ad hoc nature and depends on the types of projects at issue. Therefore, there is not a typical range for discovery projects.

2. The typical duration of projects in phase I, II and III stages are 1–3 years, 2–4 years and 3–5 years, respectively.

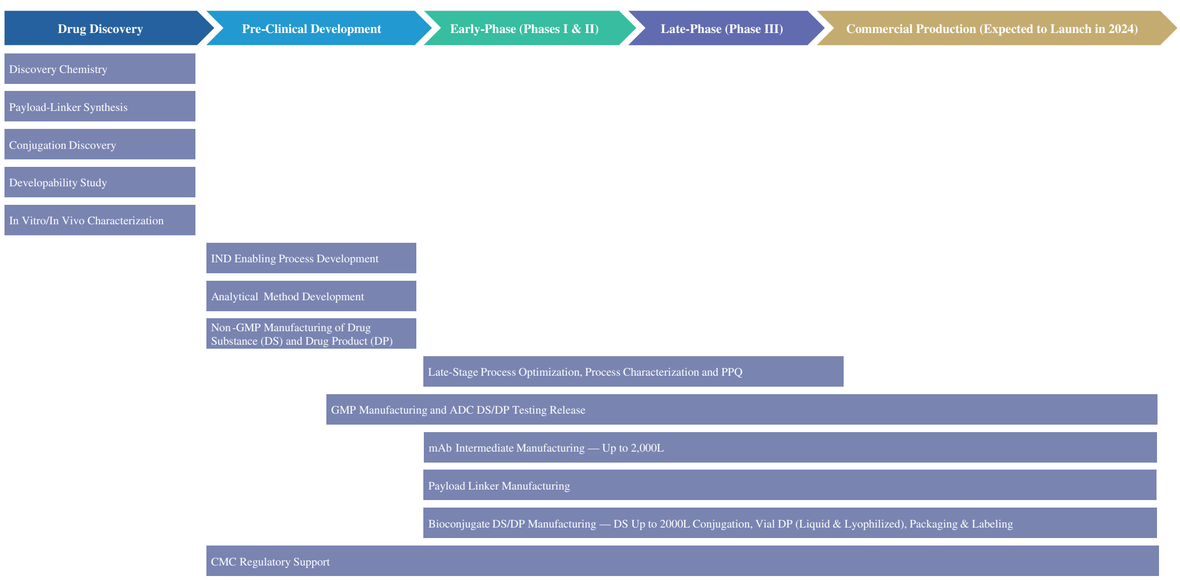
3. "Number of ongoing projects" is the number of integrated projects excluding the number of integrated projects that are inactive or for which the customers notify the Group that they do not intend to further pursue. The Group deems an integrated project inactive if the Group has not been requested to provide services for three years.

4. Represents the cumulative number of discovery projects executed from the Group's inception through the indicated date. Since the duration and chance of success of discovery projects can vary significantly due to their early-stage nature, the cumulative number, instead of the ongoing project number, of discovery projects is presented to demonstrate the Group's experience in bioconjugate discovery. As the Group continues to win new drug discovery projects, this is expected to provide the Group with an increasing number of opportunities to compete for and win more cutting-edge XDC projects in addition to traditional ADC projects.

The Group's revenue for the six months ended June 30, 2024 increased by 67.6% period-on-period to RMB1,655.2 million, together with a 133.4% period-on-period growth in gross profit to RMB535.3 million, and a 146.6% period-on-period increase in adjusted net profit attributable to owners of the Company to RMB533.6 million. The Group's total backlog also increased by 105.0% from US$410.6 million as at June 30, 2023 to US$841.7 million as at June 30, 2024. The revenue to be generated from the backlog may take longer to receive at various development stages as it depends on the success rate and progress of the projects which may not be within the Group's control.

The Group's Services

The Group is committed to continuously enhancing its platform, propelling and transforming the development of the bioconjugate industry, enabling global biopharmaceutical partners and benefiting patients worldwide. With its fully integrated, "All-in-One" bioconjugate platform that covers key aspects of bioconjugate CRDMO services, including discovery, process development and GMP manufacturing for bioconjugates, monoclonal antibody intermediates and payload-linkers associated with bioconjugates, the Group empowers its customers at any stage of the development process to advance their projects. Throughout the Reporting Period, the Group's services, based on its "enable, follow and win the molecule" strategy, continued to satisfy the needs of clients/partners in developing their bioconjugates. The following diagram depicts the Group's bioconjugate CRDMO 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 bioconjugate, payload-linker and bioconjugate DS and DP.

Drug Discovery and Process Development

Drug Discovery

ADC discovery is essential to identifying preclinical ADC drug candidates with the desired properties for preclinical candidate selection. Initially, the Group's discovery chemistry solutions empower customers to screen a variety of chemical payloads and linkers and to select payloads with the desired mechanism of action as well as linkers with different release mechanism of action and physiochemical properties. The conjugation discovery stage conjugates different carrier and payload-linker combinations and utilizes *in vitro* and *in vivo* characterization methods to assist customers in assessing whether their drug candidates are appropriate as preclinical candidates. The Group then conducts a developability study to facilitate the selection of suitable preclinical candidates that enables a smooth transition for subsequent development.

The Group has a cumulative total number of 538 projects in the drug discovery stage since inception through June 30, 2024, involving (i) discovery chemistry, (ii) conjugation discovery, (iii) *in vitro* and *in vivo* characterization and (iv) developability study, being 188 projects more than the 350 projects as at June 30, 2023. Drug discovery projects are of fundamental strategic importance, as they enable the Group to establish and deepen relationships with client teams that are conducting cutting-edge research, which is expected to provide the Group with an increasing number of opportunities to compete for and win more cutting-edge XDC projects in addition to traditional ADC projects.

Early-stage Process Development

The Group conducts various IND-enabling studies to optimize the production of ADC and to ensure its manufacturing consistency and successful scale-up. Bioconjugate drug substance development empowers the Group to optimize the process development of various types of bioconjugates, develop scale-up processes and support technology transfer to proceed to GMP manufacturing, IND filing and beyond. Thereafter, bioconjugate formulation process development services facilitate early-stage molecular assessments and develop proper formulations for first-in-human clinical trials and commercial product launches, further supported by additional analytical method development, which characterizes the intermediates at various stages of development.

As at June 30, 2024, the Group has a total of 138 projects in the preclinical and phase I process development phase, involving (i) bioconjugate drug substance development, (ii) bioconjugate formulation process development and (iii) analytical method development, being 44 projects more than the 94 projects as at June 30, 2023.

Late-stage Development and Process Validation

Leveraging on its in-depth expertise in process development, the Group offers late-stage development and process validation services to help its customers evaluate the late-stage readiness of the developed process. These studies and associated adjustments to the process enable customers to ensure that all assay methods, raw materials, equipment and cleaning methods are validated, and that the developed process for bioconjugate manufacturing delivers consistent product yield and purity within the entire operating range.

As at June 30, 2024, the Group has a total number of 29 projects in phase II and beyond development and process validation, involving process optimization, process characterization and performance qualification, being 13 projects more than the 16 projects as at June 30, 2023. The increase in the number of projects was primarily due to the implementation of the "enable, follow and win the molecule" strategies, which has enabled several early-stage projects to advance into later stages and won new projects during the Reporting Period.

Manufacturing of mAb intermediate, payload-linker, Drug Substance and Drug Product

The Group offers both non-GMP and GMP-compliant manufacturing of bioconjugate drug substance and drug product to cater to its customers' varied needs from the preclinical stage to the post-IND stage. As antibody intermediates are critical components of ADCs and certain other types of bioconjugates, the Group is expanding its capacity in the production of antibodies used for conjugation through expansion of its existing facility in Wuxi, China and is further enhancing its capability through construction of a new facility in Singapore. The Group provides manufacturing services at different scales, including laboratory scale, non-GMP pilot scale and cGMP-compliant commercial scale, to support its customers' non-clinical, clinical and commercialization needs.

As at the date of this announcement, the Group operates domestic sites in Changzhou, Shanghai and Wuxi in China and offers fully integrated and end-to-end ADC CRDMO service capabilities from DNA to BLA, making the Group globally the only CRDMO dedicated to ADCs and other bioconjugates that provides full-spectrum services since the dual function facility and the kilo-scale payload-linker facility was launched.

Over the course of the past year, the Group's "All-in-One" manufacturing facility in Wuxi, China expanded its capacity and contributed to the Group's robust supply chain. The facility ramped up faster than originally anticipated and attained a 100% delivery success rate with our efforts dedicated to delivering high-quality deliverables to global clients. Hence, the Group is able to better coordinate development and manufacturing operations, manage the supply chain and ensure seamless technology transfer and quality assurance as compared to a typical fragmented third-party service network with services provided from geographically dispersed locations. Generally, each of these operation sites focuses on differentiated segments of the bioconjugate discovery, development and manufacturing value chain, and collectively they enable the Group to provide integrated and comprehensive service offerings for ADCs and other bioconjugates.

To capture the potential significant downstream demand in ADC developments around the globe, productions line at our Wuxi site, namely the XBCM2 Line 2 (as defined below), was designed with dual functionality, and DP3, augmenting our manufacturing capacities in relation to mAb intermediates and bioconjugate DS and DP at our Wuxi site. The new production lines are currently under construction and are expected to commence operation from the fourth quarter of 2024 and onwards.

Our new facility in Singapore is currently under construction and has been advancing according to schedule, where it is expected to begin delivering GMP-compliant operations in late 2025 or early 2026. It is anticipated that there will be four production lines at the Singapore site for clinical and commercial manufacturing, including a dual-function production line for antibody intermediates for bioconjugates and drug substance, a production line for drug substance, as well as one drug product manufacturing line. The following table summarizes the current and upcoming manufacturing facilities of the Group:

Site	**Site Area (sq.m.)**	**Capacity**
Current facilities		
Wuxi	48,067	**Conjugation Drug Substance** (“**XBCM**”) **Production and Antibody Intermediates Production** (“**XmAb**”) • XBCM1 facility with single-use reactor systems ranging from five liters to 500 liters and the re-designed reactor system with additional DS capacity which is expected to launch in 2025. • The dual function XmAb/XBCM2 (“**XBCM2 Line 1**”) facility is designed with capacities ranging from 50 liters to 2,000 liters per batch for monoclonal antibody intermediates or 2,000 liters of drug substance per batch. A second line (“**XBCM2 Line 2**”), also with dual function design, is currently under construction and is expected to commence operation in the fourth quarter of 2024. **Conjugation Drug Product Production** (“**XDP**”) • XDP1 facility is designed to produce three million doses of bioconjugates in liquid or lyophilized form (3 million vials, lyophilizer 1x5 m^2 & 1x20 m^2). • XDP2 facility is designed to produce five million doses of bioconjugate drug products in liquid or lyophilized form (5 million vials, lyophilizer 1x5 m^2 & 2x20 m^2). • XDP3 facility is designed to produce seven million doses of bioconjugate drug products in liquid or lyophilized form (7 million vials, lyophilizer 2x30 m^2) and is expected to commence operation in second quarter of 2025. **Payload Linker** (“**XPLM**”) • XPLM1 facility is designed as a kilogram-scale payload and linker production line.

Site	Site Area (sq.m.)	Capacity
Changzhou	819	**Payload Linker** • Laboratory with a field-tested containment design to safely handle highly potent compounds that are designated as OEB (occupational exposure band) 5-rated materials. • Equipped with reaction kettles for GMP-compliant production with capacity of up to 150 liters per batch, enabling the Group to produce payloads and linkers at a kilogram scale.
Shanghai Waigaoqiao	8,927	**Discovery Lab** • Laboratories for bioconjugate discovery and support functions. **Bioconjugate Process Development Lab** • Bioconjugate process development and analytical method development. Laboratory-scale sample preparation to pilot-scale manufacturing of ADCs and other bioconjugates.
New facility		
Singapore	22,000	**Conjugation Drug Substance Production** • Dual function XmAb/XBCM3 facility is designed with capacity to produce 50 liters to 2,000 liters per batch for monoclonal antibody intermediates, or up to 2,000 liters per batch for bioconjugate drug substance. • XBCM4 production line facility with capacity of up to 500 liters of bioconjugate drug substance per batch. **Conjugation Drug Product Production** • The XDP4 facility is designed to produce eight million doses of bioconjugates in liquid or lyophilized form with 200 to 300 vials per minute for liquid or lyophilized drug products (8 million vials, lyophilizer 1x10 m^2 & 2x30 m^2).

CMC Regulatory Support

The Group's customers typically need to make filings with relevant authorities before they can initiate clinical trials for their bioconjugates or commercialize their bioconjugates. The Group supports its customers' regulatory filings by drafting filing dossiers, addressing regulatory questions and conducting cGMP readiness assessments for them. The Group possesses extensive knowledge and experience with regard to regulatory filings in major jurisdictions including China, the United States and Europe. In addition, as a number of payload-linkers in the Group's library have maintained drug master files with the FDA, they are ready for IND filings.

Technology Platforms

The Group is devoted to providing a full range of CRDMO services through its industry-leading and globally accessible proprietary technology platforms. During the Reporting Period, the Group has launched the upgraded proprietary version of the WuXiDARx™ technology, which effectively improves the homogeneity of ADC drugs, enhances process stability, reduces drug development costs, and greatly broadens the possibilities of different desired DARs of ADC drugs. WuXiDARx™ technology aims to enhance the percentage of desired DAR values and narrowly control the drug distribution in ADC products, so as to develop highly homogeneous ADCs with different DAR values of choices (DAR2, DAR4 and DAR6) with drugs conjugated to the interchain disulfide bonds. For example, the Group's already patented WuXiDAR4 technologies 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.

The Group boasts a rich portfolio of 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, and also collaborates with third parties including GeneQuantum Healthcare and SyntaBio. To enhance its holistic discovery and development capability and stay ahead of the curve, the Group has announced multiple partnerships with prominent biotech or biopharma companies, such as its partnerships with Multitude Therapeutics and Intocell. The application of the new technologies from this partnership is expected to enable the Group's clients to accelerate the discovery of preclinical ADC candidates (PCCs) and develop more novel bioconjugates, and to improve the efficiency of development as well as the rate of success.

The Group initiated GMP manufacturing of bioconjugates with a variety of technologies for different needs, and these platforms serve as the cornerstone of the Group's CRDMO business model. Moreover, it empowers customers to explore and assess optimal conjugation and payload-linker technologies and fuels the growth of its pipeline through the implementation of the "enable, follow and win the molecule" strategies.

Sales and Marketing

During the Reporting Period, the Group actively participated in numerous industry conferences, trade shows and scientific conferences. These include in-person targeted events or virtual events such as the World ADC London and San Diego conferences, World ADC Asia, and CPHI Japan. As a result, the Group was able to grow the number of customers served each year. The Group expects to participate in more in-person meetings with customers and industry players to cultivate relationships and solidify brand recognition, and to engage in further global marketing initiatives. Since its inception, the Group's senior management has been actively involved in managing its sales and marketing activities and maintaining direct relationships with key customers.

Quality Management

The Group's quality assurance department is committed to meeting the high industry standards and requirements and supervises the implementation of quality standards. The Group has established quality control measures for all stages of its operations, covering procurement of raw and auxiliary materials, research and development and process development, and manufacturing of bioconjugate intermediates and drug substances and drug products. The Group has adopted a centralized quality assurance system across its "All-in-One" manufacturing facilities, and hence is able to produce high quality deliverables and efficiently allocate risk exposures generated by variables at different stages of the manufacturing process.

All manufacturing operations of the Group are conducted in accordance with the GMP regulations of the FDA, the EMA and the NMPA, which ensures the high-quality manufacturing of innovative bioconjugate products. The Group has completed more than 110 GMP audits from global clients, including 11 audits by EU Qualified Persons. The Group believes that these certificates will help manifest the Group's premier quality system that meets global quality standards.

Environmental, Social and Governance

As required by applicable PRC laws and regulations, the Group's operation sites are required to pass the environmental impact assessment. The Group's Shanghai site and Wuxi sites passed such assessment in October 2022 and September 2019, respectively. To the extent possible, the Group's facilities use next-generation technologies and clean energy sources, which improve resource conservation and reduce the level of waste produced by the operations.

The Group aims to reduce its Scope 1 and Scope 2 greenhouse gas emissions intensity by 50% (tons/RMB10,000) by 2030 from a 2021 base year. For the near term, the Group aims to curb the increment of its resource consumption and waste generation in spite of the growing size of business operations. The Group will adjust the targets and goals in accordance with actual business operations, and will closely monitor the financial and non-financial impact on its business for actions taken to achieve these goals and targets. The implementation of this plan is facilitated by the design of the Group's sites, which utilize natural temperature and light for tailored heating, ventilation, air conditioning and lighting. The Group also ensures its equipment meets the energy efficiency requirements.

Investor 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 transparency and to provide equal and timely disclosure of information to investors. 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 industry and sell-side events. During the Reporting Period, the Group received recognition and awards for its effective investor relations programs and high-quality investor interaction. For instance, the Group and its management team received the "Best CEO", "Best CFO", "Best IR Professional" and "Best IR Team" awards for excellent investor interaction activities. The Company also received the "Best IPO (Equity Issue) Award" and "Outstanding IPO Award 2023" for the Global Offering and was recognized as the "Most Popular New Public Company" by influential industry platforms.

The Group encourages Shareholders' active participation in results sharing meetings with investors, annual and extraordinary general meetings, facility tours and other roadshows. The Group has progressively adopted the use of web-based and digitalized communication strategies across multiple influential platforms to strengthen its investor relations.

Achievements and Company Awards

The Group 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. The Group employs an "enable, follow and win the molecule" strategy to not only grow with its existing customers by providing services from an early stage of their product development cycle, but also win new customers as their bioconjugates progress.

As at June 30, 2023 and 2024, as the result of its "enable" strategy, the Group had cumulatively progressed 30 and 41 ADC candidates, respectively, from discovery to CMC development. As the result of the "win the molecule" strategy, among the 167 ongoing integrated projects the Group had as at June 30, 2024, 56 were transferred to the Group from its customers or their outsourcing service providers. The Group's 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 customers grew significantly from 169 in the six months ended June 30, 2023 to 309 in the six months ended June 30, 2024. As at June 30, 2024, 13 out of the top 20 global pharmaceutical companies[1] partnered with the Group to develop ADCs or XDCs, which comprises approximately 28.9% of the Group's total revenue in the six months ended June 30, 2024.

As an industry recognition of its capabilities, the Group has won the runner-up prize in the "Best Contract Manufacturing (CMO) Provider" category of the 2022 World ADC Awards and the "Best Contract Development Manufacturing Organization (CDMO)" prize at the 2023 World ADC Awards.

Future Outlook

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 at a CAGR of 30.0% from US$7.9 billion in 2022 to US$64.7 billion in 2030, which is considerably more rapid growth than the CAGR of 9.2% that is expected for the global biologics drug market during the same period.

Furthermore, in the current market, innovative bioconjugates are extending beyond ADC through conjugation of various payloads (other than chemical drugs) and various carriers (other than antibodies). Hence the name "XDC" represents the myriad bioconjugation possibilities.

[1] The top 20 global pharmaceutical companies were ranked by their revenue in 2023.

Previously, ADC developers relying on a fragmented supply chain faced a myriad of challenges associated with the intricacies of vendor management. With multiple suppliers to oversee, each specializing in a unique ADC component (antibody, linker, and payload), ADC developers frequently wrestle with harmonizing quality controls, synchronizing timelines, and ensuring efficient communication among all entities. The absence of an integrated service also exposes ADC developers to potential inconsistencies in product quality, thus giving rise to strong demand for an integrated service provider or at best "All-in-One" manufacturing facility, such as WuXi XDC, to continuously increase its market share.

Looking forward into the future, the Company intends to ride on the recent trends and capture the market opportunities and burgeoning demands through the implementation of the following strategies:

- **Implement plans to expand the Group's manufacturing capacities in order to meet growing global demand**

  The Group will continue to expand its global footprint and capacity infrastructure. With GMP-compliant manufacturing expected to commence at the Singapore site in late 2025 or early 2026, the Group believes that its expansion plan will allow further integration of manufacturing functions, expedite timelines and facilitate quality assurance, enabling the Group to keep pace with the growing global demand for bioconjugate CRDMO services. The Group is in the process of expanding its capacity at the Wuxi site, with the second line of the XmAb/XBCM2 facility and XDP3 currently under construction and expected to commence operation in the fourth quarter of 2024 and the second quarter of 2025, respectively. The Group also actively engaged in global talent acquisition, as it believes that talent retention is the key to excellence in the execution of plans and the further development of the Group.

- **Leverage the Group's fully integrated platform to further solidify its industry-leading position, focusing on integrated projects and comprehensive service capabilities**

  Considering the globally limited ADC CRDMO capacities and the Group's unique "enable, follow and win the molecule" strategy executed through its proprietary "one-stop" platform, the Group expects to steadily bring new projects into the pipeline to maintain strong growth. In the foreseeable future, the Group will continue to gain additional market share with accelerated phase II/III projects and commercial projects to reinforce its "D" and "M" capabilities, while its research business continues to enable clients to develop innovative bioconjugation and enriches its CRDMO business model. The Group successfully secured multiple PPQ projects covering diversified targets from global clients, and continuing to demonstrate its capabilities with respect to execution of plans and production of high-quality deliverables to achieve client satisfaction.

- **Continue to focus on cutting-edge technologies through internal R&D and strategic partnerships**

  The Group intends to continue investing in cutting-edge technologies and to enhance its R&D capabilities, so that it will remain at the technological frontier and continue to deliver high quality results to its customers. For instance, the Group intends to continue refining or upgrading the WuXiDARx technologies, and to extend their application to other XDC modalities. The Group may also selectively pursue strategic alliances, licensing arrangements, investments and bolt-on acquisitions in the future to enrich its technology toolboxes and service offerings and become the bioconjugate research, development and manufacturing platform of choice.

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by 67.6% from RMB993.5 million for the six months ended June 30, 2023 to RMB1,665.2 million for the six months ended June 30, 2024. This increase was primarily attributable to (i) the growth in the number of customers and projects, driven by rapid growth of the global ADC and broader bioconjugates outsourcing service market and the Group's established position as a leading ADC CRDMO service provider in that market and (ii) the advancement of the Group's projects into later stages (which typically yield higher contract values).

Revenue by Geographic Coverage

The Group has a broad, loyal and fast-growing customer base. During the Reporting Period, the Group generated revenue from ultimate customers primarily from North America, China and Europe. The following table sets forth a breakdown of revenue based on the location of the customers' headquarters, both in absolute amount and as a percentage of total revenue, for the periods indicated:

	Six months ended June 30,			
	2024		2023	
Revenue(1)	***RMB'000*** ***(unaudited)***	%	*RMB'000*	%
— North America	**823,158**	**49.4%**	367,711	37.0%
— China	**435,167**	**26.2%**	356,019	35.9%
— Europe	**310,206**	**18.7%**	229,780	23.1%
— Others (2)	**96,668**	**5.7%**	39,958	4.0%
Total	**1,665,199**	**100.0%**	993,468	100.0%

Notes:

(1) Revenue by geographic coverage is presented based on the location of the ultimate customer. For legacy contracts that were contracted with Remaining WXB Group but were executed by the Group, the Company classifies revenue based on the location of the customers' headquarters, rather than that of the Remaining WXB Group.

(2) Includes primarily countries and regions in Asia (excluding China) and Australia.

Revenue from customers in North America, China and Europe increased significantly during the Reporting Period, as a result of the continual increase in customer demand for ADC CRDMO services globally and in these markets particularly, driven by the development of the global ADC market and the Group's established industry position as a leading CRDMO service provider for ADCs and other bioconjugates.

Revenue by Project Development Stage

During the Reporting Period, we generated revenue from a mix of bioconjugate products 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 at clinical and commercial stage. The following table sets forth a breakdown of revenue by development stages of projects, both in absolute amount and as a percentage of total revenue, for the periods indicated:

	Six months ended June 30,			
	2024		2023	
Revenue	***RMB'000*** ***(unaudited)***	***%***	*RMB'000*	*%*
Pre-IND services	**654,421**	**39.3%**	371,273	37.4%
Post-IND services	**1,010,778**	**60.7%**	622,195	62.6%
Total	**1,665,199**	**100.0%**	993,468	100.0%

Revenue from both pre-IND services and post-IND services increased during the Reporting Period, as compared to the same period in 2023, primarily due to the increase in the total number of projects, the number of projects that have progressed to late-stage development and the increase in production capacity to meet the increasing demand for the Group's CRDMO services.

Revenue by Project Type

During the Reporting Period, the Group generated revenue from both ADC and non-ADC projects in terms of project types. The following table sets forth a breakdown of revenue by project types, both in absolute amount and as a percentage of total revenue, for the periods indicated:

	Six months ended June 30,			
	2024		2023	
Revenue	***RMB'000***	***%***	*RMB'000*	*%*
	(unaudited)			
ADC	**1,562,935**	**93.9%**	938,074	94.4%
Non-ADC	**102,264**	**6.1%**	55,394	5.6%
Total	**1,665,199**	**100.0%**	993,468	100.0%

As at June 30, 2024, the Group had 152 ADC integrated projects and 15 non-ADC integrated projects, accounting for respectively 91.0% and 9.0% of the total number of ongoing integrated projects as at the same date.

Cost of Sales

The cost of sales of the Group mainly consists of indirect production cost and overheads, direct labor cost, cost of raw materials and services and depreciation and amortization.

The cost of sales of the Group increased by 47.9% from RMB764.1 million for the six months ended June 30, 2023 to RMB1,129.9 million for the six months ended June 30, 2024, primarily due to increases in cost of raw materials, direct labor costs used in production and indirect production costs and overheads incurred in relation to antibodies master services, which are correlated with the Group's revenue growth.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by 133.4% from RMB229.4 million for the six months ended June 30, 2023 to RMB535.3 million for the six months ended June 30, 2024. During the Reporting Period, the Group continued to enhance its operation efficiency and optimize its procurement strategy. In addition, the utilization ratio of its production facilities continued to improve, mainly due to strong customer demand and faster ramp-up of newly operating production lines. As a result of these two factors, the Group's gross profit margin increased from 23.1% for the six months ended June 30, 2023 to 32.1% for the six months ended June 30, 2024.

Selling and Marketing Expenses

The selling and marketing expenses of the Group mainly consist of (i) depreciation and amortization, representing primarily amortization of the customer relationship asset acquired in relation to the acquisition of subsidiaries and businesses in previous years, and (ii) labor cost for the sales and marketing personnel.

The selling and marketing expenses of the Group increased by 310.9% from RMB5.8 million for the six months ended June 30, 2023 to RMB23.9 million for the six months ended June 30, 2024, primarily due to the Group's continued investments in its selling and marketing talents and an increase in share-based payment expenses during the Reporting Period.

Administrative Expenses

The administrative expenses of the Group mainly consist of (i) labor cost for the administrative personnel, (ii) expenses incurred by the Group in connection with the provision of rental and related services, (iii) logistics and accommodation expenses, (iv) depreciation and amortization, (v) professional service fees, and (vi) other administrative expenses primarily maintenance expense and utilities.

The administrative expenses of the Group increased by 76.7% from RMB42.7 million for the six months ended June 30, 2023 to RMB75.5 million for the six months ended June 30, 2024, primarily due to an increase in labor cost for the Group's increase in headcount and average compensation level of its administrative personnel and management.

Research and Development Expenses

The research and development expenses of the Group mainly consist of (i) labor cost for the R&D staff, (ii) cost of materials used in R&D activities, and (iii) depreciation and amortization of the equipment and facilities used by the R&D department and the amortization of the intangible assets used in R&D activities.

The research and development expenses of the Group increased by 60.0% from RMB29.7 million for the six months ended June 30, 2023 to RMB47.6 million for the six months ended June 30, 2024, primarily due to (i) an increase in cost of raw materials as a result of increase in material procurement for research and development activities driven by strong business growth and (ii) an increase in labor cost.

Finance Costs

The finance costs of the Group mainly include interest expense arising from lease liabilities and bank borrowing.

The finance costs of the Group decreased by 56.2% from RMB0.6 million for the six months ended June 30, 2023 to RMB0.2 million for the six months ended June 30, 2024, primarily due to repayment of intercompany borrowings.

Other Income

The other income of the Group mainly consists of (i) interest income from banks, (ii) research and other grants related to income, (iii) sales of materials to related parties, and (iv) rental income and other related income, arising from the lease of the assembly center to the Remaining WXB Group.

The other income of the Group increased by 244.7% from RMB39.6 million for the six months ended June 30, 2023 to RMB136.4 million for the six months ended June 30, 2024, primarily due to an increase in interest income from banks, primarily attributable to the increase in bank deposits which resulted from the net proceeds received from the Global Offering.

Other Gains and Losses

The other gains and losses of the Group primarily include fair value gain on wealth management products and net foreign exchange gain and loss.

The Group recorded net other gains of RMB4.5 million for the six months ended June 30, 2023 and recorded net other gains of RMB40.4 million for the six months ended June 30, 2024, primarily due to net foreign exchange gains for the six months ended June 30, 2024, which in turn primarily consisted of unrealized foreign exchange gains resulting from strengthening of the U.S. dollar and its impact on the Group's receivables from customers and bank balances that are denominated in U.S. dollars.

Impairment Losses Under ECL Model, Net of Reversal

The impairment losses, under expected credit loss ("**ECL**") model, net of reversal, represent loss allowances on the Group's financial assets (including trade and other receivables and contract assets) ("**Impairment Losses**").

The Group reversed Impairment Losses of RMB24.4 million for the six months ended June 30, 2023, primarily due to the subsequent repayment of trade receivables by certain customers. The Group recognized Impairment Losses of RMB3.2 million for the six months ended June 30, 2024, primarily due to the increased trade and other receivable balance which are in line with the Group's revenue growth.

The Group periodically reviews the credit ratings of its customers, by taking into account their historical payment records, to evaluate the collectability of their receivables. As a usual practice, customers are required to make a down payment in respect of their orders, and the Group grants credit terms to customers based on their respective credit ratings. The Group's management has been closely monitoring the status of overdue receivables, proactively following up on collection, and prudently making provisions.

Income Tax Expense

The income tax expenses of the Group increased by 113.9% from RMB34.4 million for the six months ended June 30, 2023 to RMB73.5 million for the six months ended June 30, 2024, which is in line with the increment of profit before tax. The effective tax rate of the Group decreased from 16.2% for the six months ended June 30, 2023 to 13.1% for the six months ended June 30, 2024, mainly due to additional subsidiaries of the Group operating in the PRC having been accredited as "Technologically Advanced Service Enterprise" and "High and New Technology Enterprise" which are entitled to a preferential PRC Enterprise Income Tax ("**EIT**") rate of 15% for the current interim period. These subsidiaries previously were taxed at an EIT rate of 25%.

Net Profit and Net Profit Margin

As a result of the foregoing, the net profit of the Group increased by 175.5% from RMB177.2 million for the six months ended June 30, 2023 to RMB488.2 million for the six months ended June 30, 2024. The significant growth in the Group's net profit during the Reporting Period is generally in line with the Group's revenue and business growth (after taking into account the effects of non-recurrent listing expenses in six months ended June 30, 2023 and non-cash share-based compensation in six months ended June 30, 2023). The net profit margin of the Group increased from 17.8% for the six months ended June 30, 2023 to 29.3% for the six months ended June 30, 2024, primarily due to an increase in gross profit margin and as well as increased interest income generated from placement of the as yet unutilized proceeds of the Global Offering in bank deposits at competitive interest rates.

Adjusted Net Profit and Adjusted Net Profit Margin

The adjusted net profit of the Group increased by 146.6% from RMB216.4 million for the six months ended June 30, 2023 to RMB533.6 million for the six months ended June 30, 2024. Adjusted net profit margin was 32.0% for the six months ended June 30, 2024, increased from 21.8% for the six months ended June 30, 2023.

Basic and Diluted Earnings Per Share

The basic earnings per share of the Group increased by 127.8% from RMB0.18 for the six months ended June 30, 2023 to RMB0.41 for the six months ended June 30, 2024. The diluted earnings per share of the Group increased by 123.5% from RMB0.17 for the six months ended June 30, 2023 to RMB0.38 for the six months ended June 30, 2024. The increase in 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 40.5% from RMB1,246.2 million as at December 31, 2023 to RMB1,751.6 million as at June 30, 2024, primarily due to (i) an increase in value of construction in progress as a result of the expansion of the Wuxi site and construction of the new facility at the Singapore site, (ii) an increase in leasehold improvements and (iii) an increase in machinery in connection with the Wuxi site.

Investment Property

The balance of investment property of the Group decreased by 1.6% from RMB12.4 million as at December 31, 2023 to RMB12.2 million as at June 30, 2024, primarily due to depreciation on a straight-line basis.

Goodwill

As at June 30, 2024, goodwill amounted to RMB215.2 million, being the same as at December 31, 2023. Goodwill arose from acquisition of the Payload & Linker Business in 2021.

Intangible Assets

The intangible assets of the Group mainly include technology and customer relationship.

Intangible assets decreased by 7.8% from RMB52.9 million as at December 31, 2023 to RMB48.8 million as at June 30, 2024, following the regular amortization schedule during the Reporting Period.

Inventories

The inventories of the Group mainly include raw materials, pharmaceutical intermediates and consumables. The inventory level of the Group increased by 185.7% from RMB46.8 million as at December 31, 2023 to RMB133.7 million as at June 30, 2024, primarily representing inventory stocked up for the timely fulfilment of strong client demands and inventory consumed for the research and development and manufacturing activities.

Trade and Other Receivables

Trade receivables from related parties primarily comprised outstanding amounts receivable from the Remaining WXB Group. Trade receivables from third parties primarily represented the outstanding amounts receivable from other customers for CRDMO services. Other receivables primarily represented (i) receivables for purchase of raw materials on behalf of customers, (ii) advances to suppliers, (iii) deposits, (iv) prepayments and (v) value-added tax recoverable.

The trade and other receivables of the Group increased by 45.6% from RMB956.4 million as at December 31, 2023 to RMB1,392.7 million as at June 30, 2024, primarily attributable to receivables from contracts with third parties, which is in line with the business growth of the Group.

Contract Assets

Contract assets increased by 48.5% from RMB31.1 million as at December 31, 2023 to RMB46.1 million as at June 30, 2024, which is in line with the business growth of the Group.

Contract Costs

The contract costs of the Group represent recoverable costs incurred for fulfilling contracts, revenue of which had not been recognized.

The contract costs of the Group increased by 47.4% from RMB113.7 million as at December 31, 2023 to RMB167.7 million as at June 30, 2024, which is generally in line with the business growth of the Company.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")

The financial assets at FVTPL primarily consisted of the investments in wealth management products of the Group. The Group had nil financial assets at FVTPL as at December 31, 2023 and June 30, 2024.

Trade and Other Payables

Trade payables to related parties comprised outstanding amounts payable to the Remaining WXB Group in relation to, among others, the development, manufacturing and testing services for antibody and payload-linkers, raw material procurement services and project management services that the Group procured from these related parties. Trade payables to third parties primarily represented the balances due to the suppliers for purchase of raw materials and consumables. Other payables and accrual to related parties mainly arose from administrative services provided by the related parties and rental expenses. Other payables and accruals to third parties represented payables arising from the construction in progress.

The trade and other payables of the Group increased by 0.6% from RMB915.4 million as at December 31, 2023 to RMB920.6 million as at June 30, 2024, primarily due to the increases in trade payables for the purchase for raw materials and consumables, which are generally in line with the Group's business growth.

Contract Liabilities

The contract liabilities of the Group mainly include advance payments received from customers.

Contract liabilities decreased by 28.6% from RMB328.3 million as at December 31, 2023 to RMB234.5 million as at June 30, 2024, which is primarily due to completion of successive projects and corresponding revenue recognition applied during the Reporting Period.

Liquidity and Capital Resources

Bank balances and cash decreased by 14.1% from RMB4,047.6 million as at December 31, 2023 to RMB3,476.6 million as at June 30, 2024, primarily due to the cash used in operating activities and cash used in investing activities. Taking into account the financial resources available to the Group, the Directors are of the view that the Group has sufficient working capital to meet its present requirements.

Treasury Policy

Currently, the Group follows a set of funding and treasury policies to manage its capital resources and to mitigate the associated risks. 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 done with reputable banks.

The Group's treasury policies are also designed 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, HKD and USD. Certain Group entities have foreign currency transactions, including sales and purchases transactions, borrowings and repayments, etc., as well as monetary assets and liabilities denominated in foreign currencies (mainly USD and HKD).

Significant Investments, Material Acquisitions and Disposals

As at June 30, 2024, there was no significant investment held by the Company, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Indebtedness

Borrowings

The Group had borrowings of variable-rate of RMB50.0 million as at June 30, 2024 as compared to nil as at December 31, 2023. Such borrowings were from a reputable PRC bank.

Contingent Liabilities and Guarantees

As at June 30, 2024, the Group did not have any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, liabilities under acceptance or acceptance credits, or other similar indebtedness, material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group.

Currency Risk

The foreign currency transactions of the Group, including its sales, expose the Group to foreign currency risk. Certain of the Group's bank balances and cash, trade and other receivables and trade and other payables are denominated in currencies other than the functional currency of the relevant group entities, such as U.S. dollar, Euro, Hong Kong dollars and Swiss franc, and thus expose the Group to such foreign currency risk.

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 USD in foreign countries. At the end of the Reporting Period, the Group has maintained monetary assets and liabilities denominated in foreign currencies (mainly in USD and HKD), 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, HKD, 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 plans to engage in a series of forward contracts to manage its currency risk. Hedge accounting will also be adopted by the Group for derivatives to mitigate the impact on profit or loss due to the fluctuation in foreign exchange rates.

Non-IFRS Measures

To supplement the Group's consolidated financial statements which are presented in accordance with IFRS, the Company presents adjusted net profit (non-IFRS measure), adjusted net profit margin (non-IFRS measure), adjusted net profit attributable to owners of the Company (non-IFRS measure), margin of adjusted net profit attributable to owners of the Company (non-IFRS measure), adjusted EBITDA (non-IFRS measure), adjusted EBITDA margin (non-IFRS measure) and adjusted basic and diluted earnings per share (non-IFRS measures) 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. The Group's management believes that these non-IFRS financial measures are widely accepted and adopted in the industry in which the Group operates. However, these non-IFRS financial measures are 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. Furthermore, 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 (non-IFRS measure), EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) to the corresponding measures under IFRS.

Adjusted Net Profit (non-IFRS measure)

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	
Net Profit	**488,228**	177,214
Add:		
Listing expenses	**–**	7,374
Share-based compensation expense	**45,391**	31,780
Adjusted Net Profit (non-IFRS measure)[(Note)]	**533,619**	216,368
Margin of Adjusted Net Profit (non-IFRS measure)	**32.0%**	21.8%
Adjusted Net Profit Attributable to Owners of the Company (non-IFRS measure)	**533,619**	216,368
Margin of Adjusted Net Profit Attributable to Owners of the Company (non-IFRS measure)	**32.0%**	21.8%
	RMB	*RMB*
Adjusted Earnings Per Share (non-IFRS measure)		
— Basic	**0.45**	0.22
— Diluted	**0.41**	0.21

Note:

In order to better reflect the key performance of the Group's current business and operations, the adjusted net profit is calculated as the net profit excluding listing expenses (a non-recurring item) of nil (Six months ended June 30, 2023: listing expenses of RMB7.4 million), and share-based compensation (a non-cash item) of RMB45.4 million (Six months ended June 30, 2023: share-based compensation of RMB31.8 million).

EBITDA and Adjusted EBITDA (non-IFRS measure)

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	
Net Profit	**488,228**	177,214
Add:		
Income tax expense	**73,488**	34,354
Depreciation and amortization	**45,959**	22,750
Finance costs	**249**	569
Less:		
Interest income from banks	**(101,681)**	(3,424)
EBITDA (non-IFRS measure)	**506,243**	231,463
EBITDA Margin (non-IFRS measure)	**30.4%**	23.3%
Add:		
Listing expenses	**–**	7,374
Share-based compensation expense	**45,391**	31,780
Adjusted EBITDA (non-IFRS measure)	**551,634**[(Note)]	270,617
Adjusted EBITDA Margin (non-IFRS measure)	**33.1%**	27.2%

Note:

The adjusted EBITDA is a non-IFRS financial measure and is calculated as the EBITDA excluding listing expenses (a non-recurring item) of nil (Six months ended June 30, 2023: listing expenses of RMB7.4 million), and share-based compensation (a non-cash item) of RMB45.4 million (Six months ended June 30, 2023: share-based compensation of RMB31.8 million).

Employee and Remuneration Policies

As at June 30, 2024, the Group employed a workforce totaling 1,496 employees. The staff costs, including Directors' emoluments but excluding any contributions to (i) retirement benefit scheme contributions and (ii) share-based payment expenses, were RMB184.9 million for the six months ended June 30, 2024, as compared to RMB112.0 million for the six months ended June 30, 2023. 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 funds, including basic pension insurance, medical insurance, unemployment insurance, childbirth insurance, work-related injury insurance funds, and housing reserve funds as applicable to the countries where the Group operates.

The Group has adopted the Pre-IPO Share Option Schemes and the 2024 Share Scheme to provide incentives or rewards to eligible participants for their contribution or potential contribution to the Group.

In addition, the Group provides its employees with opportunities to work on cutting-edge projects on ADCs and other bioconjugates to develop their knowledge and skills. The Group has an effective training system, including orientation and continuous on-the-job training, to accelerate the learning progress and improve the knowledge and skill levels of its workforce. The orientation process for newly joined employees covers subjects such as corporate culture and policies, work ethics, introduction to the ADC and other bioconjugates development processes, quality management, as well as occupational safety. The Group has periodic on-the-job training which covers streamlined technical know-how relating to its integrated services, environmental, health and safety management systems and mandatory training required by applicable laws and regulations. Further, the Group aims to maintain and enhance a collaborative work environment that encourages its employees to develop their career with the Group.

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.

Interim Dividend

The Board does not recommend any payment of interim dividend for the six months ended June 30, 2024.

OTHER INFORMATION

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 C1 to the Listing Rules as its own code of corporate governance. The Company has complied with the principles and all the applicable code provisions as set out in Part 2 of the CG Code during the Reporting Period. 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 SECURITY TRANSACTIONS

The Company has adopted the Guidelines for Securities Transactions by Directors ("**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 during the Reporting Period. In order to ensure strict compliance with 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 the Company's securities. No incident of non-compliance with 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.

PROCEEDS FROM THE GLOBAL OFFERING AND ITS UTILIZATION

The Company issued 178,446,000 Shares in its Global Offering at HK$20.60 which were listed on the Main Board of the Stock Exchange on November 17, 2023 and subsequently issued 19,158,500 Shares at HK$20.60 upon full exercise of the over-allotment option.

The net proceeds from the Global Offering received by the Company, after deduction of the underwriting fees and commissions and other expenses payable by the Company in connection with the Global Offering, amounted to approximately HK$3,936.9 million and the unutilized net proceeds were kept at the bank accounts of the Group as at June 30, 2024.

Details on the applications of the net proceeds from the Global Offering were disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. As at June 30, 2024, there have been no material changes to the planned applications of the net proceeds. The following table sets out the planned applications of the net proceeds, actual usage up to and remaining amount as at June 30, 2024 as well as the expected timeline for utilization:

Intended use of net proceeds as stated in the Prospectus	**Planned applications** *HK$ million*	**Amount utilized up to June 30, 2024** *HK$ million*	**Remaining amount as at June 30, 2024** *HK$ million*	**Expected timeline for utilization**(Note)
Further expansion of the Group's service capability and capacity				
Construction of the Group's facilities at the Singapore site				
Establishment of the facilities at the Singapore site	1,299.2	244.4	1,054.8	By the end of 2026
Purchase manufacturing and R&D equipment and systems and recruit manufacturing, R&D and management personnel for the operation at the Singapore site	708.7	0	708.7	By the end of 2026
Expansion of the Group's production capacity in China				
Purchase manufacturing and R&D equipment and systems, such as bioreactors, steam sterilizers, capillary electrophoresis instrument and enzyme labeling apparatus, among others	354.3	0	354.3	By the end of 2026
Establishment, maintenance and improvement of the manufacturing plants at the Wuxi site, including building up a kilogram-scale payload-linker production line	275.5	0	275.5	By the end of 2026
Selectively pursue strategic alliances, investment and acquisition opportunities	905.5	0	905.5	By the end of 2026
Working capital and other general corporate purposes	393.7	107.2	286.5	By the end of 2025
Total	**3,936.9**	**351.6**	**3,585.3**	

Note:

The expected timeline for the usage of the remaining proceeds was prepared based on the best estimate of the Group's future market conditions, which is subject to the current and future development of the market conditions.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury Shares). As at June 30, 2024, the Company did not hold any treasury Shares.

REVIEW OF INTERIM RESULTS

The independent auditors of the Company, namely Deloitte Touche Tohmatsu, have carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee 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 unaudited interim results for the six months ended June 30, 2024) of the Group. The Audit Committee and the independent auditors considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

KEY EVENTS AFTER THE REPORTING PERIOD

The Group has the following event taken place subsequent to June 30, 2024:

- On July 12, 2024, the Company granted a total of 4,496,948 restricted Shares to 211 grantees under the 2024 Share Scheme. For details of the grant, please refer to the announcement of the Company dated July 12, 2024.

PUBLICATION OF THE 2024 CONDENSED CONSOLIDATED INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of HKEx (www.hkexnews.hk) and the Company's website (www.wuxixdc.com). In accordance with the requirements under the Listing Rules which are applicable to the Reporting Period, the interim report for the six months ended June 30, 2024 containing all the information about the Company set out in this preliminary announcement of results for the six months ended June 30, 2024 will be dispatched to the Shareholders (if applicable) and published on the respective websites of HKEx and the Company in due course.

INTERIM RESULTS CALL

The Company will host an earnings conference call at 8:30 a.m. and 8:30 p.m. (Hong Kong time) on Wednesday, August 21, 2024 on the Company's 2024 interim results.

To ensure that all Shareholders and potential investors of the Company have equal and timely access to the information pertaining to the Company as well as its business and operations, details of the conference call and a copy of the presentation materials will also be available on the Company's website (www.wuxixdc.com) under the section headed "Investor Relations — Presentations & Webcasts" before the hosting of the conference call.

INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2024, together with the comparative figures for the corresponding period in 2023 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2024

		Six months ended June 30,	
		2024	2023
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	
Revenue	*4*	**1,665,199**	993,468
Cost of sales		**(1,129,868)**	(764,068)
Gross profit		**535,331**	229,400
Other income	*5*	**136,424**	39,579
Other gains and losses	*6*	**40,428**	4,461
Impairment losses (recognized) reversed, under expected credit loss model, net of reversal		**(3,168)**	24,382
Selling and marketing expenses		**(23,927)**	(5,823)
Administrative expenses		**(75,529)**	(42,739)
Research and development expenses		**(47,594)**	(29,749)
Listing expenses		**–**	(7,374)
Financing costs	*7*	**(249)**	(569)
Profit before tax	*8*	**561,716**	211,568
Income tax expense	*9*	**(73,488)**	(34,354)
Profit for the period		**488,228**	177,214
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Fair value gain on cash flow hedges, net of income tax		**–**	1,146
Exchange gain arising on translation of foreign operations		**560**	4,635
Other comprehensive income for the period		**560**	5,781
Total comprehensive income for the period		**488,788**	182,995
Earnings per share			
— Basic	*11*	**0.41**	0.18
— Diluted	*11*	**0.38**	0.17

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	NOTES	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Non-current Assets			
Property, plant and equipment		**1,751,579**	1,246,234
Investment property		**12,207**	12,409
Right-of-use assets		**18,528**	2,145
Goodwill		**215,193**	215,193
Intangible assets		**48,845**	52,946
Deferred tax assets		**6,677**	6,267
Other long-term deposits		**150**	147
		2,053,179	1,535,341
Current Assets			
Inventories		**133,731**	46,804
Trade and other receivables	*12*	**1,392,710**	956,412
Contract assets	*13*	**46,111**	31,051
Contract costs		**167,666**	113,730
Pledged bank deposits		**–**	4,400
Bank balances and cash	*14*	**3,476,581**	4,047,583
		5,216,799	5,199,980
Current Liabilities			
Trade and other payables	*15*	**920,629**	915,386
Contract liabilities		**234,493**	328,322
Borrowing	*16*	**50,000**	–
Income tax payable		**55,092**	34,455
Lease liabilities		**3,287**	1,247
		1,263,501	1,279,410
Net Current Assets		**3,953,298**	3,920,570
Total Assets less Current Liabilities		**6,006,477**	5,455,911

	NOTES	June 30, 2024 RMB'000 (Unaudited)	December 31, 2023 RMB'000 (Audited)
Non-current Liability			
Lease liabilities		**15,365**	1,595
Net Assets		**5,991,112**	5,454,316
Capital and Reserves			
Share capital	*17*	**390**	390
Reserves		**5,990,722**	5,453,926
Total Equity		**5,991,112**	5,454,316

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024

1. GENERAL INFORMATION

WuXi XDC Cayman Inc. (the "**Company**") was established in the Cayman Islands as an exempted company with limited liability on December 14, 2020, and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited on November 17, 2023. In the opinion of the directors of the Company, Biologics Cayman is the Company's ultimate holding company.

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") are principally engaged in provision of comprehensive contract research, development and manufacturing organization ("**CRDMO**") services, including discovery, process development and Good Manufacturing Practice manufacturing for bioconjugates, monoclonal antibody intermediates and payload-linkers associated with bioconjugates.

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

2. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2023.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

(i) Disaggregation of revenue from contracts with customers

The Group derives its revenue from the transfer of goods and services at a point in time and over time in the following service line:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	
Type of services and timing of revenue recognition		
CRDMO services		
— A point in time	**1,559,776**	971,062
— Over time	**105,423**	22,406
Total	**1,665,199**	993,468

The Group provides services in the discovery, development and commercial manufacturing of ADCs and other bioconjugates. Revenue generated from CRDMO services is derived from the transfer of services and/or goods through contracts under fee-for-service ("**FFS**") basis and full-time-equivalent ("**FTE**") basis. During the six months ended June 30, 2024, revenue from CRDMO contracts under FFS basis and FTE basis was RMB1,570,326,000 and RMB94,873,000 (June 30, 2023: RMB980,144,000 and RMB13,324,000), respectively.

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. Accordingly, the Group has only one single operating and reportable segment and no further analysis of this single segment is presented, and the single operating and reportable segment follows the same accounting policies as the condensed consolidated financial statements.

(ii) Entity-wide disclosure

Geographical information

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

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	
Revenue		
— North America	**789,799**	290,158
— Europe	**294,592**	213,363
— the PRC	**487,933**	471,096
— Rest of the world	**92,875**	18,851
	1,665,199	993,468

As at June 30, 2024, other than financial instruments, the Group had non-current assets of RMB419,134,000 (December 31, 2023: RMB84,637,000) located in Singapore. The remaining non-current assets of RMB1,627,218,000 (December 31, 2023: RMB1,444,290,000) are located in the PRC.

5. OTHER INCOME

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	
Interest income from banks *(note i)*	**101,681**	3,424
Research and other grants related to income *(note ii)*	**31,021**	31,303
Sales of materials to related parties	**3,263**	3,730
Rental and other related income *(note iii)*	**459**	1,122
	136,424	39,579

Notes:

(i) Interest income derived from bank balances, short-term bank deposits and pledged bank deposits.

(ii) Income from research and other grants of the Group during the current interim period 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.

(iii) In respect of the rental income, there are direct operating expenses incurred for investment property that generated rental income amounting to RMB202,000 for the six months ended June 30, 2024 (six months ended June 30, 2023: RMB946,000).

6. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	
Net foreign exchange gains (losses)	**39,487**	(1,407)
Fair value gain on wealth management products	**1,071**	5,543
Others	**(130)**	325
	40,428	4,461

7. FINANCING COSTS

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	
Interest expense on lease liabilities	**223**	149
Interest expense on bank borrowing	**26**	–
Interest expense on loans from related parties	**–**	420
	249	569

8. PROFIT BEFORE TAX

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

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	
Depreciation of property, plant and equipment	**45,829**	22,546
Depreciation for investment property	**202**	202
Depreciation of right-of-use assets	**826**	2,348
Amortization of intangible assets	**4,101**	3,601
	50,958	28,697
Staff cost (including directors' emoluments):		
— Salaries and other benefits	**184,866**	112,001
— Retirement benefit scheme contributions	**21,344**	12,286
— Share-based payment expenses	**47,007**	34,847
	253,217	159,134
Depreciation, amortization and staff cost		
— capitalized in contract cost and property, plant and equipment	**(44,123)**	(34,140)
	260,052	153,691
Impairment losses under expected credit loss model, net of reversal		
— Trade receivables	**2,984**	(23,792)
— Contract assets	**184**	1,585
— Receivables for purchase of raw materials on behalf of customers	**–**	(2,175)
	3,168	(24,382)
Listing expenses	**–**	7,374
Auditors' remuneration		
— Auditor of the Company	**1,775**	286
— Auditor of subsidiaries of the Company	**280**	380
— Non-audit services	**50**	537
Write-down of inventories (included in cost of sales)	**4,853**	380
Reversals of inventories write-down (included in cost of sales)	**(885)**	(107)
Write-down of contract costs (included in cost of sales)	**3,023**	2,720
Reversals of contract costs write-down (included in cost of sales)	**(193)**	(1,955)
Loss on disposal of property, plant and equipment	**530**	19
Cost of inventories recognized as an expense	**137,392**	80,833

9. INCOME TAX EXPENSE

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	
Current tax:		
— the PRC Enterprise Income Tax ("**EIT**")	**58,738**	33,462
— Hong Kong Profits Tax	**12,070**	3,573
— Singapore Profits Tax	**1,912**	–
Under (Over) provision in prior years	**1,178**	(5,461)
	73,898	31,574
Deferred tax:		
— Current period	**(410)**	2,780
	73,488	34,354

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%.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit.

Singapore Profits Tax is calculated at 17.0% on the estimated assessable profit.

During the current interim period, all of the subsidiaries (six months ended June 30, 2023: a subsidiary) of the Group operating in the PRC are accredited as "Technologically Advanced Service Enterprise" and "High and New Technology Enterprise", as such, the relevant subsidiaries are entitled to a preferential EIT rate of 15%.

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

10. DIVIDENDS

No dividends were paid, declared or proposed during the current interim period. The directors of the Company have resolved not to declare any interim dividend in respect of the interim period.

11. EARNINGS PER SHARE

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

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	
Earnings attributable to owners of the Company		
Earnings for the purpose of calculating basic and diluted earnings per share	**488,228**	177,214

	Six months ended June 30,	
	2024	2023
	(Unaudited)	
Number of Shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,197,719,298**	1,000,000,000
Effect of dilutive potential ordinary shares: Share options	**88,151,872**	23,010,525
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,285,871,170**	1,023,010,525

12. TRADE AND OTHER RECEIVABLES

	As at	
	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Trade receivables		
— related parties	**136,866**	85,991
Less: allowance for credit losses	**(307)**	(266)
— third parties	**1,117,396**	767,428
Less: allowance for credit losses	**(32,776)**	(30,945)
	1,221,179	822,208
Receivables for purchase of raw materials on behalf of customers	**–**	13,453
Advances to suppliers		
— related parties	**–**	82
— third parties	**1,791**	1,433
	1,791	1,515
Other receivables		
— related parties	**3,766**	1,864
— third parties	**14,073**	6,334
	17,839	8,198
Prepayments		
— third parties	**512**	122
Value added tax recoverable	**151,389**	110,916
Total trade and other receivables	**1,392,710**	956,412

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

	As at	
	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Not past due	**714,404**	424,828
Overdue:		
— Within 90 days	**217,605**	214,296
— 91 days to 1 year	**236,601**	172,261
— Over 1 year	**52,569**	10,823
	1,221,179	822,208

13. CONTRACT ASSETS

	As at	
	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Contract assets		
— related parties	**7,250**	7,685
Less: allowance for credit losses	**(229)**	(229)
— third parties	**39,674**	23,995
Less: allowance for credit losses	**(584)**	(400)
	46,111	31,051

14. BANK BALANCES AND CASH

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 bank balances and short-term bank deposits carried interest at market rates which ranged from nil to 5.71% per annum as at June 30, 2024 (December 31, 2023: from nil to 5.68% per annum).

15. TRADE AND OTHER PAYABLES

	As at **June 30, 2024** ***RMB'000*** ***(Unaudited)***	 December 31, 2023 *RMB'000* *(Audited)*
Trade payables		
— related parties	**582,378**	580,333
— third parties	**84,130**	40,118
	666,508	620,451
Accrued expenses and other payables		
— related parties	**96,851**	97,447
— third parties	**20,943**	23,121
	117,794	120,568
Payable for purchase of property, plant and equipment		
— related parties	**1,606**	1,507
— third parties	**96,023**	97,961
Salary and bonus payables	**33,253**	56,624
Accrued listing expenses and share issue cost	**2,303**	15,513
Other taxes payables	**3,142**	2,762
	136,327	174,367
Trade and other payables	**920,629**	915,386

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

	As at **June 30, 2024** ***RMB'000*** ***(Unaudited)***	 December 31, 2023 *RMB'000* *(Audited)*
Within 90 days	**660,970**	596,519
91 days to 1 year	**5,378**	22,910
Over 1 year but within 5 years	**160**	1,022
	666,508	620,451

16. BORROWING

During the current interim period, the Group obtained a new bank borrowing amounting to RMB50,000,000 (six months ended 30 June 2023: nil). The borrowing was unsecured and unguaranteed, which carried interest at 1 year Loan Prime Rate ("**LPR**") minus 0.75%. During the current interim period, the effective interest rate of the variable-rate borrowing was 2.70%.

17. SHARE CAPITAL

AUTHORIZED:

	Number of shares	**Par value**	**Authorized share capital**
		US$	*US$*
At January 1, 2023	1,000,000,000	0.00005	50,000
Creation of new shares	9,000,000,000	0.00005	450,000
At June 30, 2023, January 1, 2024 and June 30, 2024	10,000,000,000	0.00005	500,000

ISSUED AND FULLY PAID:

	Number of shares	**Par value**	**Share capital**	
		US$	*US$*	*RMB'000 equivalent*
At January 1, 2023 and June 30, 2023	1,000,000,000	0.00005	50,000	319
At January 1, 2024	1,197,604,500	0.00005	59,880	390
Exercise of pre-IPO share options	610,956	0.00005	31	*
At June 30, 2024	1,198,215,456	0.00005	59,911	390

* Amount below RMB1,000.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"2021 Pre-IPO Share Option Scheme"	the share option scheme adopted by the Company on November 23, 2021, the principal terms of which are summarized in the section headed "2021 Pre-IPO Share Option Scheme" in Appendix IV to the Prospectus
"2023 Pre-IPO Share Option Scheme"	the share option scheme adopted by the Company on March 22, 2023, the principal terms of which are summarized in the section headed "2023 Pre-IPO Share Option Scheme" in Appendix IV to the Prospectus
"2024 Share Scheme"	the share scheme adopted by the Company on June 12, 2024
"antibody drug conjugate(s)" or "ADC(s)"	an emerging class of highly potent biopharmaceutical drugs designed as a targeted therapy combining the specific targeting capabilities of monoclonal antibodies with the cancer-killing ability of cytotoxic drugs for the treatment of cancer
"Audit Committee"	the audit committee of the Board
"BLA"	Biologics license application, a request for permission to introduce, or deliver for introduction, a biologic product for commercialization in a specific jurisdiction
"Board"	the board of Directors
"CAGR"	compound annual growth rate
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"cGMP"	Current Good Manufacturing Practice, regulations enforced by the FDA on pharmaceutical and biotech firms to ensure that the products produced meet specific requirements for identity, strength, quality and purity

"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
"Company", "we", "us", "our" or "WuXi XDC"	WuXi XDC Cayman Inc. (藥明合聯生物技術有限公司)*, an exempted company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
"CRDMO"	Contract Research, Development and Manufacturing Organization
"DAR"	drug-to-antibody ratio, refers to the average number of drug molecules that are attached to each antibody molecule
"Director(s)"	the director(s) of the Company
"DNA"	deoxyribonucleic acid
"drug product" or "DP"	a dosage form that contains an active drug ingredient
"drug substance" or "DS"	an active ingredient that is intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease or to affect the structure or any function of the human body, but does not include intermediates used in the synthesis of such ingredient
"EMA"	European Medicines Agency
"EU"	European Union, a politico-economic union of 27 member states that are located primarily in Europe
"EUR"	Euro, the official currency of 20 out of 27 member States of the EU
"FDA"	the U.S. Food and Drug Administration
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
"Global Offering"	the Hong Kong Public Offering and the International Offering (both as defined in the Prospectus)

"GMP"	Good manufacturing practice
"Group"	the Company and its subsidiaries
"HK$" or "HKD"	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 application submitted to the FDA or the NMPA to seek permission or no objection to ship unapproved, experimental drug or biologic agents across jurisdictions (usually to clinical investigators) for use in clinical studies before a marketing application for the drug has been approved
"IPO"	initial public offering
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange on November 17, 2023
"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 C3 to the Listing Rules
"monoclonal antibody" or "mAb"	antibodies capable of binding to specific antigens and inducing immunological responses against the target antigens. Monoclonal antibodies when used as a cancer treatment have the ability to bind only to cancer cell-specific antigens and interrupt the growth of cancer cells to achieve efficient treatment with low dosages and less toxic side effects than traditional chemotherapy

"NMPA"	National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局) from 2013 to 2018 and the State Food and Drug Administration (國家食品藥品監督管理局) from 2003 to 2013
"Payload & Linker Business"	the payload & linker business, which includes the customer resources, personnel and assets relating to such business, acquired by the Group from STA Pharmaceutical
"Pre-IPO Share Option Schemes"	collectively, the 2021 Pre-IPO Share Option Scheme and the 2023 Pre-IPO Share Option Scheme
"Prospectus"	the prospectus issued by the Company dated November 7, 2023
"Remaining WXB Group"	WuXi Biologics and its subsidiaries, excluding the Group
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the six-month period from January 1, 2024 to June 30, 2024
"RMB"	Renminbi, the lawful currency of the PRC
"R&D"	research and development
"Share(s)"	ordinary shares in the share capital of the Company with a par value of US$0.00005 each
"Shareholder(s)"	holder(s) of Share(s)
"STA Pharmaceutical"	STA Pharmaceutical Hong Kong Investment Limited* (合全藥業香港投資有限公司), a limited liability company incorporated in Hong Kong
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U.S."	The 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
"WuXi Biologics"	WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司)*, an exempted company incorporated with limited liability in the Cayman Islands, with its shares being listed on the Main Board of the Stock Exchange (HKEx stock code: 2269)
"XDC(s)"	bioconjugates extending beyond ADC first through conjugation of various payloads other than chemical drugs with antibodies, and then further through conjugation of various carriers (other than antibodies) with various payloads
"%"	per cent

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 XDC Cayman Inc.
Dr. Jincai LI
Executive Director and Chief Executive Officer

Hong Kong, August 20, 2024

As at the date of this announcement, the board of directors of the Company comprises (i) Dr. Jincai LI, Mr. Jerry Jingwei ZHANG and Mr. Xiaojie XI as executive directors; (ii) Dr. Zhisheng CHEN, Dr. Weichang ZHOU and Ms. Ming SHI as non-executive directors; and (iii) Dr. Ulf GRAWUNDER, Mr. Stewart John HEN and Mr. Hao ZHOU as independent non-executive directors.

* *For identification purpose only*