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WUXI APPTec CO., LTD.*
無錫藥明康德新藥開發股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
 (Stock Code: 2359)

**ANNOUNCEMENT OF THE ANNUAL RESULTS
 FOR THE YEAR ENDED DECEMBER 31, 2024**

FINANCIAL HIGHLIGHTS			
	2024	2023	Change
	<i>RMB million (except for percentages)</i>	<i>RMB million (except for percentages)</i>	
Revenue	39,241.4	40,340.8	-2.7%
Gross Profit	16,016.1	16,372.5	-2.2%
<i>Gross Profit Margin</i>	40.8%	40.6%	
Net Profit Attributable to the Owners of the Company	9,352.6	10,690.2	-12.5%
<i>Margin of Net Profit Attributable to the Owners of the Company</i>	23.8%	26.5%	
Adjusted Non-IFRS Net Profit Attributable to the Owners of the Company	10,582.5	10,854.6	-2.5%
<i>Margin of Adjusted Non-IFRS Net Profit Attributable to the Owners of the Company</i>	27.0%	26.9%	
	RMB	RMB	
Earnings per Share			
— Basic	3.24	3.64	-11.0%
— Diluted	3.22	3.61	-10.8%
Adjusted Non-IFRS Earnings per Share			
— Basic	3.67	3.70	-0.8%
— Diluted	3.65	3.68	-0.8%

FINAL DIVIDEND

The Board proposes a profit distribution plan for the year ended December 31, 2024 as follows: a cash dividend of RMB9.8169 (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB2,835,113,437.82 (inclusive of tax) based on the total issued share capital of the Company as of the date of this announcement). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly. The 2024 Profit Distribution Plan is subject to, amongst others, approval by Shareholders at the forthcoming AGM.

2025 SPECIAL DIVIDEND DISTRIBUTION

In appreciation of shareholders' support for our strategic adjustments in challenging times, the Board proposes a special dividend distribution as follows: a cash dividend of RMB3.5000 (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB1,010,797,403.70 (inclusive of tax) based on the total issued share capital of the Company as of the date of this announcement). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly. The abovementioned special dividend is subject to, amongst others, approval by the Shareholders at the forthcoming AGM.

In this announcement, “we”, “us”, “our” and “WuXi AppTec” refer to the Company and where the context otherwise requires, the Group (as defined below).

MANAGEMENT DISCUSSION AND ANALYSIS

1. THE MANAGEMENT’S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP FOR THE REPORTING PERIOD

A. Analysis on Principal Operations

For the Reporting Period, the Company realized revenue of RMB39,241.4 million, representing a YoY decrease of 2.7%. During the Reporting Period, we realized net profit attributable to the owners of the Company of RMB9,352.6 million, representing a YoY decrease of 12.5%.

As a global company with operations across Asia, Europe, and North America, we provide a broad portfolio of R&D and manufacturing services that enable the global pharmaceutical and life sciences industry to advance discoveries and deliver groundbreaking treatments to patients. Through its unique business models, our integrated, end-to-end services include chemistry drug CRDMO, biology discovery, preclinical testing and clinical research services, helping customers improve the productivity of advancing healthcare products through cost-effective and efficient solutions.

At the end of 2024, the Company has approximately 6,000 active customers, this included approximately 5,500 active customers for continuing operations, and approximately 1,000 new customers added in 2024 for continuing operations. Demand from customers across regions continued to grow. By the end of 2024, backlog for the continuing operations reached RMB49.31 billion, growing 47.0% YoY. During the Reporting Period:

- Revenue from the top 20 global pharmaceutical companies reached RMB16.64 billion, growing by 24.1% YoY excluding COVID-19 commercial projects.
- Revenue from US-based customers was RMB25.02 billion, excluding COVID-19 commercial projects, revenue increased 7.7% YoY; revenue from Europe-based customers increased 14.4% YoY to RMB5.23 billion; revenue from China-based customers decreased 3.5% YoY to RMB7.07 billion; and revenue from other regions decreased 11.4% YoY to RMB1.93 billion.

Revenue

During the Reporting Period, we achieved synergy across various regions by leveraging our advantages in global presence and full industrial chain coverage, and seized new business opportunities to serve our customers continuously.

Detailed breakdown of our revenue by reportable segments is as follows:

Reportable Segments	Year ended December 31,		Revenue Change
	2024 Revenue <i>RMB million</i>	2023 Revenue <i>RMB million</i>	
Continuing Operations			
WuXi Chemistry	29,052.4	29,171.5	(0.4)%
WuXi Testing	5,670.7	5,957.7	(4.8)%
WuXi Biology	2,543.9	2,552.6	(0.3)%
Others (<i>Note 1</i>)	650.7	996.2	(34.7)%
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Discontinued Operations (<i>Note 2</i>)	1,323.6	1,662.8	(20.4)%
	<hr/>	<hr/>	<hr/>
Total	39,241.4	40,340.8	(2.7)%
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Note 1: Others comprise the non-core business, as well as income from administrative services, sales of raw materials and sales of scrap materials.

Note 2: By the end of 2024, the Group signed agreements to sell the US and UK based operations of WuXi ATU and the US medical device testing operations. According to IFRS, the aforementioned businesses are classified as discontinued operations. The Group completed the sales of the US and UK based operations of WuXi ATU and the US medical device testing operations as at the date of this announcement.

Note 3: The sum of the data may be inconsistent with the total due to rounding.

For the Reporting Period, the Company realized revenue of RMB39,241.4 million, representing a YoY decrease of 2.7%, up 5.2% YoY after excluding COVID-19 commercial projects, among which:

(1) *WuXi Chemistry*

Revenue from WuXi Chemistry reached RMB29.05 billion, up 11.2% YoY excluding COVID-19 commercial projects. During the Reporting Period:

- Small molecule drug discovery services (“**R**”) continues to generate downstream opportunities. In 2024, we successfully synthesized and delivered more than 460,000 new compounds to customers, which resulted in 10% YoY growth. Through our “follow-the-customer” and “follow-the-molecule” strategies, we established trusted partnerships with our customers globally, supporting the sustainable growth of our CRDMO business. In 2024, 366 molecules were converted from R to D.

- Small molecule development and manufacturing (“**D**”&“**M**”) services remains strong. Revenue of small molecule D&M services reached RMB17.87 billion, up 6.4% YoY excluding COVID-19 commercial projects. The small molecule CDMO pipeline continued to expand. In 2024, 1,187 new molecules were added to the small molecule D&M pipeline. As of December 31, 2024, our small molecule D&M pipeline reached 3,377 molecules, including 72 commercial projects, 80 in phase III, 360 in phase II and 2,865 in phase I and pre-clinical stages, with an increase of 25 projects in the commercial and phase III stages during 2024. In 2024, Taixing API site commenced operations, and capacity at both Changzhou and Taixing sites steadily increased over the course of the year. The total reactor volume of small molecule APIs is expected to reach over 4,000kL by the end of 2025. We continued to invest in our Switzerland (Couvet) site, doubling oral dose capacity over the course of 2024. Meanwhile, we continued to build our U.S. (Middletown) site, which is expected to commence operations by the end of 2026. In May 2024, we announced the groundbreaking of Singapore R&D and manufacturing site, Phase I expects to commence operations in 2027.

- TIDES business (oligo and peptides) sustains rapid growth. TIDES revenue grew by 70.1% YoY to RMB5.80 billion. By end of 2024, TIDES backlog was up 103.9% YoY. TIDES D&M customers grew 15% YoY, while the number of TIDES molecules grew 22% YoY. At the end of 2024, total reactor volume of solid phase peptide synthesizers reached 41,000L and is expected to further increase to over 100,000L by the end of 2025.

(2) *WuXi Testing*

Revenue from WuXi Testing reached RMB5.67 billion. During the Reporting Period:

- Revenue of lab testing services reached RMB3.86 billion, down 8.0% YoY due to market impact as pricing gradually reflected in revenue along with backlog conversion. Of which, revenue from drug safety evaluation services was down 13.0% YoY, while maintaining an industry leading position in the Asia-Pacific region. In 2024, the Qidong and Chengdu facilities received the National Medical Products Administration (NMPA) and Organization for Economic Co-operation and Development (OECD) GLP qualifications. The Suzhou facility was reviewed for the first time by the Japan Pharmaceuticals and Medical Devices Agency (PMDA) for on-site audit and successfully passed. New modality business continued to develop, while new vaccine capabilities continued to improve, and market share of nucleic acids, conjugates, and mRNA further expanded. The Company is committed to actively enabling customers global licensing. WuXi AppTec has supported approximately 40% of China biotech companies that have made out-licensing deals over the past three years.
- Revenue of clinical CRO & SMO grew 2.8% YoY to RMB1.81 billion. Of which, SMO revenue grew 15.4% YoY, maintaining the industry leading position in China. In 2024, clinical CRO enabled our customers to obtain 29 IND approvals and submit for 1 NDA filling. SMO supported 73 new drug approvals for customers. With continuous steady growth of business, SMO supported 255 new drug approvals in total over the past decade, maintaining significant advantages in multiple areas (endocrinology, dermatology, lung cancer, cardiovascular disease, ophthalmology, rheumatology, central nervous system, medical aesthetics and rare tumors, etc.).

(3) *WuXi Biology*

Revenue from WuXi Biology reached RMB2.54 billion, relatively flat YoY. During the Reporting Period:

- With platform resources further integrated, the Company fully leveraged the advantage of one-stop service platform with in vitro & in vivo synergies, 2024 revenue of the non-oncology business grew 29.9% YoY, led by growth in metabolic and neurological areas. The Company continued to build a comprehensive and integrated screening platform, with related revenue gaining 18.7% YoY. The Company continued to build capabilities related to new modalities, which contributed more than 28% of WuXi Biology's total revenue in 2024.
- The number of customers and projects served by the nucleic acid platform continued to increase. Cumulatively, the Company has provided services to more than 290 customers, and successfully delivered more than 1,400 projects since 2021.
- In 2024, WuXi Biology continued to generate downstream opportunities and contributed over 20% of the Company's new customers.

The Company expects continuing operations revenue to resume double-digit growth of 10–15% YoY in 2025, targeting to deliver a total revenue of RMB41.5–43.0 billion. The Company will continue to focus on the core CRDMO business, and to improve operating efficiency amid ongoing new capacity release.

The abovementioned operating performance forecast for the full year of 2025 is made based on the current order backlog of the Company. In addition, such operating performance forecast is subject to various prerequisites, including the stable development of the global pharmaceutical industry, the stability of the international trade environment and regulatory environment of the countries where the main operations of the Company are located. Further, such operating performance forecast does not constitute a profit forecast by the management of the Company for the full year of 2025 nor a substantive undertaking by the Company to investors. Its realization is subject to various factors including but not limited to changes in internal and external environment, where greater uncertainty exists.

Gross Profit

	Year ended December 31,				
	2024		2023		
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit Change
	RMB million		RMB million		
WuXi Chemistry	13,272.2	45.7%	12,794.8	43.9%	3.7%
WuXi Testing	1,843.9	32.5%	2,252.0	37.8%	(18.1)%
WuXi Biology	955.4	37.6%	1,026.5	40.2%	(6.9)%
Others	199.8	30.7%	183.0	18.4%	9.2%
Continuing Operations	16,271.3	42.9%	16,256.4	42.0%	0.1%
Discontinued Operations	(255.1)	(19.3)%	116.1	7.0%	(319.7)%
Total	16,016.1	40.8%	16,372.5	40.6%	(2.2)%

Note: The sum of the data may be inconsistent with the total due to rounding.

During the Reporting Period, the Company realized RMB16,016.1 million in gross profit, representing a YoY decrease of 2.2%. Gross profit margin was 40.8%, representing an increase of 0.2 percentage points as compared with the same period of 2023, mainly due to continued optimization of production process and constant improvement in efficiency, offsetting the adverse impact of market prices.

(1) WuXi Chemistry

During the Reporting Period, the gross profit was RMB13,272.2 million and the gross profit margin increased by 1.8 percentage points as compared with the same period of 2023, mainly due to continued optimization of production process and constant improvement in efficiency.

(2) WuXi Testing

During the Reporting Period, the gross profit was RMB1,843.9 million and the gross profit margin decreased by 5.3 percentage points as compared with the same period of 2023, mainly due to the impact of market prices.

(3) *WuXi Biology*

During the Reporting Period, the gross profit was RMB955.4 million and the gross profit margin decreased by 2.7 percentage point as compared with the same period of 2023, mainly due to the impact of market prices.

Other Gains and Losses

Other gains and losses decreased from gains of RMB1,350.3 million for the year ended December 31, 2023 to RMB804.4 million for the year ended December 31, 2024, primarily due to: (1) decrease of RMB1,097.6 million in deemed disposal from IPO of an associate, WuXi XDC Cayman Inc., in 2023; partially offset by (2) partial disposal of WuXi XDC Cayman Inc. shares during 2024 resulted in an increase of RMB567.7 million from gain on disposal of associates.

Impairment Losses under Expected Credit Losses (“ECL”) Model, net of Reversal

Impairment losses under ECL model, net of reversal increased from RMB240.9 million for the year ended December 31, 2023 to RMB334.3 million for the year ended December 31, 2024, primarily due to comprehensive assessment of recoverability, as well as parameters such as discount rate, leading to the increase in provision calculated by the ECL model.

Impairment losses of non-financial assets

Impairment losses of non-financial assets increased from RMB67.4 million for the year ended December 31, 2023 to RMB115.6 million for the year ended December 31, 2024, primarily stemmed from the Company’s strategic realignment of operations and the impairment losses of non-current non-financial assets incurred during the resource integration process.

Impairment losses of goodwill

Impairment losses of goodwill increased from RMB49.6 million for the year ended December 31, 2023 to RMB110.4 million for the year ended December 31, 2024, which was primarily resulted from the challenges to future performance growth in certain business, leading to the impairment losses.

Impairment losses of assets classified as held for sale

Impairment losses of assets classified as held for sale was RMB948.4 million for the year ended December 31, 2024, which primarily resulted from the upcoming divestiture of certain US and UK operations.

Share of results of associates

Share of results of associates turned from losses of RMB35.1 million for the year ended December 31, 2023 to gains of RMB252.1 million for the year ended December 31, 2024. The turnaround was primarily due to increase in equity gain picked up from WuXi XDC Cayman Inc..

Finance costs

Finance costs increased from RMB193.6 million for the year ended December 31, 2023 to RMB268.6 million for the year ended December 31, 2024, primarily due to loans from banks and the convertible bonds issued during the Reporting Period.

Cash Flows

	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Net cash generated from operating activities	11,986.8	12,641.2
Net cash used in investing activities	(5,098.0)	(6,817.0)
Net cash used in financing activities	(3,832.7)	(3,939.2)
Free cash flow	7,983.3	7,124.7

For the year ended December 31, 2024, net cash generated from operating activities of the Company amounted to RMB11,986.8 million, representing a decrease of 5.2% as compared with the year ended December 31, 2023, primarily due to substantial cash receipts from the COVID-19 commercial projects in 2023. Excluding COVID-19 commercial projects, net cash generated from operating activities for the year ended December 31, 2024 increased by RMB2.1 billion compared to the same period of 2023, representing a growth of 22.1%.

For the year ended December 31, 2024, net cash used in investing activities of the Company amounted to RMB(5,098.0) million, representing a decrease of 25.2% as compared with the year ended December 31, 2023, primarily due to the decrease in capital expenditures caused by timing difference in settlements of construction projects.

For the year ended December 31, 2024, net cash used in financing activities of the Company amounted to RMB(3,832.7) million, representing a decrease of 2.7% as compared with the year ended December 31, 2023, primarily due to the issuance of USD500 million convertible bonds, partially offset by the payment of approximately RMB3 billion for repurchase of A shares during 2024.

Indebtedness

As at December 31, 2024, total liabilities of the Company amounted to RMB21,240.2 million (December 31, 2023: RMB18,151.9 million), the composition of which was 33.1% being trade and other payables, 20.0% being bank borrowings, 16.4% being convertible bonds, 10.6% being contract liabilities and 19.9% being other items.

(1) Bank Borrowings (current and non-current)

As at December 31, 2024, the Company had aggregated bank borrowings of RMB4,238.1 million. Among the total bank borrowings, RMB1,278.6 million will be due within one year and RMB2,959.5 million will be due after one year. Floating interest rate bank borrowings amounted to RMB2,993.3 million and fixed interest rate bank borrowings amounted to RMB1,244.8 million. USD bank borrowings amounted to RMB2,196.2 million (equivalent to approximately USD300.0 million) and RMB bank borrowings amounted to RMB2,041.9 million.

(2) Charges on Assets

As at December 31, 2024, the Company pledged bank deposits with an amount of RMB22.1 million. The balance mainly represented deposits in restricted bank balance related to funds under protective freeze, and collateral for letters of guarantee for the purchase of raw materials and plant and equipment by the Group.

(3) Contingent Liabilities

As at December 31, 2024, the Company had no significant contingent liabilities.

(4) Gearing Ratio

As at December 31, 2024, the gearing ratio, calculated as total liabilities over total assets, was 26.4%, as compared with 24.6% as at December 31, 2023. The higher ratio was primarily due to new convertible bonds issued in 2024 for global expansion and daily operation.

Treasury Policies

Currently, the Group follows a set of treasury policies to manage its capital resources, foreign exchange and cash flows to prevent related risks. The Group applied its cash flows generated from operations, bank loans and proceeds from the issuance of bonds and new shares to satisfy its operational and investment needs.

Certain entities in the Group have sales and purchases in foreign currencies, which expose the Group to foreign exchange risks. In addition, certain entities in the Group also have receivables and payables which are denominated in currencies other than their respective functional currencies. The Group is mainly exposed to the foreign currency of the USD. During the Reporting Period, the Group used derivative contracts to hedge against part of our exposure to foreign exchange risks.

B. Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with the IFRS, we use adjusted EBITDA, adjusted non-IFRS gross profit, and adjusted non-IFRS net profit attributable to the owners of the Company as additional financial measures. EBITDA represents net profit before interest expenses, income tax expenses and depreciation and amortization, while adjusted EBITDA further excludes certain expenses and gains or losses as set out in the table below. We define adjusted non-IFRS gross profit and adjusted non-IFRS net profit attributable to the owners of the Company as set out in the table below. Adjusted EBITDA, adjusted non-IFRS gross profit and adjusted non-IFRS net profit attributable to the owners of the Company are not an alternative to (i) profit before income tax or profit for the year (as determined in accordance with the IFRS) as a measure of our operating performance, (ii) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs, or (iii) any other measures of performance or liquidity.

The Company believes that the adjusted EBITDA, adjusted non-IFRS gross profit and adjusted non-IFRS net profit attributable to the owners of the Company are useful for understanding and assessing underlying business performance and operating trends, and that the Company's management and investors may benefit from referring to these adjusted non-IFRS 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 business. Such adjusted EBITDA, adjusted non-IFRS gross profit and adjusted non-IFRS net profit attributable to the owners of the Company, as the management of the Group believes, are widely accepted and adopted in the industry in which the Group is operating in. However, the presentation of the adjusted EBITDA, adjusted non-IFRS gross profit and adjusted non-IFRS net profit attributable to the owners of the Company are not intended to be (and should not be) considered in isolation or as a substitute for the financial information prepared and presented in accordance with the IFRS. Shareholders and potential investors should not view the adjusted non-IFRS measures on a stand-alone basis or as a substitute for results under the IFRS, or as being comparable to results reported or forecasted by other companies.

Adjusted EBITDA

	Year Ended December 31, 2024	Year Ended December 31, 2023
	<i>RMB Million (except for percentages)</i>	<i>RMB Million (except for percentages)</i>
Profit before tax	11,441.0	12,929.6
Add:		
Interest expense	260.6	193.2
Depreciation and amortization	3,013.8	2,511.9
EBITDA	<u>14,715.5</u>	<u>15,634.6</u>
<i>EBITDA margin</i>	37.5%	38.8%
Add:		
Share-based compensation expenses	366.9	750.3
Issuance expenses of convertible bonds	7.9	0.4
Fair value gain from derivative component of convertible bonds	—	(40.2)
Foreign exchange related losses	75.3	372.4
Losses from impairment and disposal of non-financial assets	138.2	135.7
Losses from divestiture and restructuring initiatives	1,165.0	—
Realized and unrealized gains from venture capital investments	(663.0)	(1,247.0)
Realized and unrealized share of losses from joint ventures	7.1	32.5
Talent incentives and retention expenses funded by cash donation from shareholders	180.0	180.0
Adjusted EBITDA	<u>15,992.9</u>	<u>15,818.8</u>
<i>Adjusted EBITDA margin</i>	40.8%	39.2%

Note: The discrepancies between the total and sums of amounts in the table above are due to rounding.

Adjusted Non-IFRS Gross Profit and Net Profit Attributable to the Owners of the Company

	Year Ended December 31, 2024 RMB Million	Year Ended December 31, 2023 RMB Million
Net profit attributable to the owners of the Company	9,352.6	10,690.2
Add:		
Share-based compensation expenses	307.0	622.0
Issuance expenses of convertible bonds	7.8	0.3
Fair value gain from derivative component of convertible bonds	—	(40.2)
Foreign exchange related losses	29.6	294.4
Amortization of acquired intangible assets from merge and acquisition	53.5	57.9
Losses from impairment and disposal of non-financial assets	134.1	129.1
Losses from divestiture and restructuring initiatives	1,165.0	—
Talent incentives and retention expenses funded by cash donation from shareholders	151.3	151.5
	<hr/>	<hr/>
Non-IFRS net profit attributable to the owners of the Company	<u>11,200.9</u>	<u>11,905.2</u>
Add:		
Realized and unrealized gains from venture capital investments	(625.5)	(1,083.0)
Realized and unrealized share of losses from joint ventures	7.1	32.5
	<hr/>	<hr/>
Adjusted non-IFRS net profit attributable to the owners of the Company ^(Note 1)	<u>10,582.5</u>	<u>10,854.6</u>
Adjusted non-IFRS gross profit ^(Note 2)	16,326.3	16,937.8
<i>Adjusted non-IFRS gross profit margin</i>	41.6%	42.0%

Note 1: The discrepancies between the total and sums of amounts in the table above are due to rounding.

Note 2: The adjustments made to the adjusted non-IFRS gross profit mentioned above are the same as those made to the adjusted non-IFRS net profit attributable to the owners of the Company at the gross profit level.

C. Assets and Liabilities Analysis

Items	Amount as at December 31, 2024 <i>(In RMB million)</i>	Percentage of the amount the total assets as at December 31, 2024 <i>(%)</i>	Amount as at December 31, 2023 <i>(In RMB million)</i>	Percentage of the amount the total assets as at December 31, 2023 <i>(%)</i>	Ratio of change for the amount as at December 31, 2024 as compared with the amount as at December 31, 2023 <i>(%)</i>	Reasons
Assets						
Goodwill	972.4	1.2	1,820.9	2.5	-46.6	Primarily due to reclassification to assets classified as held for sale.
Other intangible assets	601.0	0.7	906.7	1.2	-33.7	Primarily due to reclassification to assets classified as held for sale.
Contract costs	912.2	1.1	695.6	0.9	31.1	Primarily due to temporary fluctuations from the lead time of order deliveries.
Income tax recoverable	87.2	0.1	17.5	0.0	397.4	Primarily due to increase of prepayment of income tax.
Financial assets at FVTPL (current)	1,234.0	1.5	11.0	0.0	11,115.0	Primarily due to purchase of financial products.
Derivative financial instruments	—	0.0	414.0	0.6	-100.0	Primarily due to the settlement and fair value change of forward foreign exchange contracts.
Bank balances and cash	13,434.3	16.7	10,001.0	13.6	34.3	Attributed to robust free cash flow and effective working capital management.
Assets classified as held for sale	2,191.3	2.7	—	0.0	N/A	Primarily due to expected sale of ATU US and UK operations and US medical device testing operations.

Items	Amount as at December 31, 2024 <i>(In RMB million)</i>	Percentage of the amount the total assets as at December 31, 2024 <i>(%)</i>	Amount as at December 31, 2023 <i>(In RMB million)</i>	Percentage of the amount the total assets as at December 31, 2023 <i>(%)</i>	Ratio of change for the amount as at December 31, 2024 as compared with the amount as at December 31, 2023 <i>(%)</i>	Reasons
Liabilities						
Derivative financial instruments	202.0	0.3	501.9	0.7	-59.7	Primarily due to the fair value change of forward foreign exchange contracts.
Bank borrowings (current)	1,278.6	1.6	3,721.6	5.1	-65.6	Primarily due to repayment of borrowings.
Convertible bonds	3,493.1	4.3	—	0.0	N/A	Primarily due to new convertible bonds issued in 2024 for global expansion and daily operation.
Liabilities associated with assets classified as held for sale	865.5	1.1	—	0.0	N/A	Primarily due to expected sale of ATU US and UK operations and US medical device testing operations.
Bank borrowings (non-current)	2,959.5	3.7	687.0	0.9	330.8	Primarily due to the increased borrowings for daily operations and capital expenditure.
Lease liabilities (non-current)	546.6	0.7	1,098.6	1.5	-50.2	Primarily due to reclassification to liabilities associated with assets classified as held for sale.

D. Analysis on Investments

Investment on wealth management product

The Group adopted a prudent financial management approach towards its treasury policy and maintained a healthy financial position throughout the Reporting Period. To better utilize surplus cash generated from operating and financing activities, we have engaged in treasury management activities by investing in wealth management products issued by financial institutions. All the short-term investments should have a proper tenor to match funding needs generated from operating and investing activities, with a view to strike a balance among principal guaranteed, liquidity and yield.

As at December 31, 2024, the balance of current-financial assets at FVTPL amounted to RMB1,233.98 million which was invested in financial products.

Investment in companies

As part of our efforts to foster the ecosystem, the Company has established joint ventures and made selective investments in a wide variety of companies within the healthcare ecosystem. We primarily focus our investments in: (1) targets that fit into and support our existing value chain, (2) cutting edge technologies that we believe will advance the healthcare industry, and (3) strategic long-term investments.

During the Reporting Period, additional investments in joint ventures and associates amounted to RMB12.2 million. The Company continues to make investment in joint ventures and associates, so as to strengthen the Company's synergy and promote the development of core business, access a broader customer base and enhance service ability.

During the Reporting Period, additional investments in other equities aside from joint ventures and associates amounted to RMB372.1 million. Our investments of financial assets at FVTPL mainly include three categories, the movements of which during the Reporting Period are listed below:

In RMB million

	Listed companies	Fund investments	Non-listed companies	Total
Opening Balance	483.9	1,541.7	6,600.5	8,626.0
Addition	—	181.1	191.0	372.1
Fair value change during the Reporting Period	(107.4)	170.0	(19.0)	43.7
Disposal of shares	(149.7)	(10.7)	(49.8)	(210.1)
Dividends	—	(76.3)	—	(76.3)
Foreign exchange effects	11.3	31.9	144.9	188.0
Ending Balance	<u>238.1</u>	<u>1,837.8</u>	<u>6,867.6</u>	<u>8,943.4</u>

Note: The discrepancies between total and sums of amounts in the table above are due to rounding.

The following are some of our major investments in non-listed companies across several different areas in the healthcare industry as at December 31, 2024.

Genesis Medtech Group Limited (“Genesis”)

Genesis provides high-quality research, production and sales services on medical device. As at December 31, 2024, the fair value of the equity interests held by our Group in Genesis amounted to RMB1,647.5 million (representing 2.1% of our total assets).

Genesis aspires to become China’s largest medical technology company, an integrated platform with comprehensive product portfolio and extensive sales network with a business focus in the high-value medical device area. As at December 31, 2024, Genesis has 1,548 employees and covers over 2,000 hospitals, of which more than 50% are Class III Grade A hospitals in China.

iKang Healthcare Group (“iKang”)

iKang is a leading medical examination and health management group in China, providing high-quality medical services including medical examination, disease detection, dental services, private doctors, vaccination and anti-aging. As at December 31, 2024, the fair value of equity interests held by our Group in iKang amounted to RMB488.4 million (representing 0.6% of our total assets).

iKang was formerly listed on the National Association of Securities Dealers Automated Quotations (“NASDAQ”) Stock Exchange and subsequently privatized in January 2019. As at December 31, 2024, iKang operated 155 medical examination centers and 18 independent dental clinics in 57 cities. iKang also cooperated with over 800 medical institutions in over 200 cities in China to provide one-stop countrywide medical examination and health management services.

Jiangsu Hanbon Science and Technology Co., Ltd. (“Hanbon”)

Hanbon, an enterprise focusing on the chromatography-related products, contributes to providing professional chromatographic technology products and services to pharmaceutical and life science industries. As at December 31, 2024, the fair value of the equity interests held by our Group in Hanbon amounted to RMB289.8 million (representing 0.4% of our total assets).

Hanbon focuses on the field of chromatographic separation and purification products. Through independent research and development and long-term investment, it has built a rich chromatography product matrix and also launched two categories line of small molecule drug and large molecule separation and purification equipment for industrial production and laboratory research and development. It forms a full product system that can meet the needs of laboratory research and development to industrial production, and provides high-quality purification equipment and application solutions to domestic and foreign pharmaceutical companies.

Boomray Pharmaceuticals Co., Ltd. (“Boomray”)

Boomray is a company dedicated to the discovery and clinical development of radionuclide targeted drugs. The company primarily focuses on precision tumor diagnosis and treatment. As at December 31, 2024, the fair value of equity interests held by the Group in Boomray amounted to RMB170.3 million (representing 0.2% of our total assets).

Boomray focuses on the discovery and development of new generation of radionuclide drug conjugates (RDC). There are various potential FIC/BIC drug candidates in the pipeline, including diagnosis and therapeutic products for multiple solid tumors. The IND of Boomray's PET-CT tracer, BR-02, for brain tumors has been approved by the FDA and CDE, respectively. Multiple IITs for diagnosis and treatment of RDC are currently underway with clinical trails. In addition, Boomray has obtained the Radiation Safety License and established the in-house radio-labelling, pre-clinical studies and preliminary clinical supply capability. Boomray is developing multiple new targets RDCs and new isotope technology platforms.

Shanghai BioEngine Sci-Tech Co., Ltd. (“BioEngine”)

BioEngine is committed to empowering the development and production of innovative biopharmaceuticals such as antibodies, vaccines and cell therapies with consistent and reliable high-quality culture media products and services for the benefit of human health worldwide. As at December 31, 2024, the fair value of the equity interests held by our Group in BioEngine amounted to RMB132.2 million (representing 0.2% of our total assets).

BioEngine specializes in providing high-quality and cost-effective cell culture media and related technical services in antibody, vaccine, and cell and gene therapy fields. As at the date of this announcement, BioEngine has supported more than 80 clinical projects in the biopharma industry, and has provided nearly 100 cell culture technology services, with many breakthrough project achievements. BioEngine's products meet the requirements of culture media for U.S. FDA certification and EU product registration, declaration and other related regulations.

Significant Investment Held

As at December 31, 2024, the Group did not hold significant investments with a value of 5% or more of the Company's total assets and none of the above mentioned investment constituted such significant investment to our Group. As at the date of this announcement, the Group does not have any plan for material investments or purchase of capital assets.

E. Core Competence Analysis

We believe that the below strengths have enabled us to succeed and stand out from our competitors:

(1) *Leading global new drug R&D services platform with integrated end-to-end capabilities*

We are one of the few open service platforms for new drug R&D in the industry that has service capabilities covering the entire new drug R&D industry chain, and we are expected to fully benefit from the rapid development of the global new drug R&D outsourcing services market. Our integrated end-to-end new drug R&D service platform can meet diversified customers' demands in terms of technologies and coverage of services. In line with the scientific pattern of continuous development of new drug research and development projects from the early stage to the later stage, in the process of continuous advancement of customer projects, the Company continues to expand our services from "follow the project" to "follow the molecule". At the early stage of new drug R&D, we enable our customers with our expertise, and have won the trusts of numerous customers, and we enjoy high reputation in the industry which allow us to obtain more business opportunities at the subsequent product development and commercialization stages, continuously driving the growth of our business. During the Reporting Period, we fully leveraged our global footprint and full industrial chain coverage to timely assist our customers in pushing forward their new drug R&D through global linkage, which gained wide recognitions from them. Going forward, we will continue to enhance our capacity and expand our scale globally in order to enable pharmaceutical innovations worldwide more effectively.

(2) *Enabling innovation through leading advantages in the industry based on latest scientific and technological discoveries*

We are committed to leveraging the latest scientific and technological discoveries to enable medical innovation in an effort to assist our customers in transforming new drug ideas into reality. With our leading service capability and scale in the industry and unique integrated CRDMO business model, we can quickly develop distinct industry insights, better predict future technological developments and emerging research trends in the industry, timely capture new development opportunities, and continuously drive long-term business growth. With the continuous breakthroughs in new technologies, new mechanisms and new molecular types, and after years of development and accumulation, we have adopted a number of industry-leading technologies and capabilities. Our API platform continues to improve our R&D capabilities in flow chemistry,

enzyme catalysis, crystallization and particle engineering process research. The capabilities of our formulation platforms have expanded from oral preparation to sterile injectable preparations, and we will continue to conduct research on the formulation process of poorly soluble drugs and the development and application of new technologies such as spray drying, hot melt extrusion and lipid nanoparticles. In addition, we have comprehensive R&D and production capabilities for highly active drugs, providing “end-to-end” services from active pharmaceutical ingredients to preparations, covering oral and injectable drugs. The capabilities of our WuXi TIDES platform fully utilize innovative technologies such as thin-film evaporation, tangential flow filtration (TFF)/precipitation and continuous flow purification to provide one-stop services covering drug discovery, CMC research and production for oligonucleotides, peptides and related chemical conjugated drugs. Looking forward, we will continue to enhance the service capabilities of new molecular types, such as peptide, oligonucleotide, PROTAC and conjugate to enable global medical innovation.

Moreover, we put efforts in exploring various technology innovations that can be applied to the new drug research and development process, and help customers to improve their R&D efficiency, minimizing the entry barrier of pharmaceutical R&D. Leveraging our deep insights into industrial trends and emerging technologies, we enable our customers to understand and study the latest scientific discoveries and convert them into potential commercial results.

(3) *Strengthening our platform through enhancing our capacities and expanding the scale by leveraging our knowledge of the industry and customer needs*

We have accumulated extensive industry experience after 20 years of rapid growth. We provide services to leading global pharmaceutical companies, and establish deep partnerships with them. Throughout the cooperation, we keep abreast of the latest industry trends and accumulate experience in meeting customer needs. Through continuous capability and capacity construction to enhance our business services, we provide customers with more premium and comprehensive services.

We continue to advance our design and construction of facilities, enhance its capabilities and capacities globally, and improve the efficiency of asset utilization to better meet customer needs. In 2024, Taixing API site commenced operations, and capacity at both Changzhou and Taixing sites steadily increased over the course of the year. The total reactor volume of small molecule APIs is expected to reach over 4,000kL by the end of 2025. At the end of 2024, total reactor volume of solid phase peptide synthesizers reached 41,000L and is expected to further increase to over 100,000L by the end of 2025. We continued

to invest in our Switzerland (Couvet) site, doubling oral dose capacity over the course of 2024. Meanwhile, we continued to build our U.S. (Middletown) site, which is expected to commence operations by the end of 2026. In May 2024, we announced the groundbreaking of Singapore R&D and manufacturing site, Phase I expects to commence operations in 2027.

In the future, with the continuous innovation of science and technology, the industry and customers' demand for high-quality capabilities, production capacity and services will continue to increase, and the Company will provide integrated, end-to-end new drug research and development and production services to the global pharmaceutical and life science industries. The Company will continue to strengthen its capabilities and scale to improve operating efficiency, to provide its customers with the best services, benefiting patients worldwide.

(4) *Strong, diverse and sticky customer base and continuing growth of our network within the healthcare ecosystem*

We have a strong, diverse and sticky customer base, covering all of the top 20 pharmaceutical companies worldwide. Meanwhile, we continued to execute our “long-tail” strategy, there were approximately 6,000 active customers at the end of 2024. Our unique integrated enabling platform helps lower the entry barrier for new drug R&D, improve R&D efficiency, and support partners in achieving success, attracting more participants to join the new drug R&D industry. Throughout this process, the Company continuously drives the development of new knowledge and technologies, improves R&D efficiency, reduces R&D costs, and the platform's innovative enabling capabilities continue to strengthen, forming a virtuous cycle ecosystem.

During the Reporting Period, the Company held the WuXi Global Forum and many Innovation Day Series activities, and top industry KOLs were invited to focus on the industry's future major challenges and opportunities, explore global innovation cooperation, and share the latest breakthroughs in the industry. The forums had nearly 4,000 registered attendees. During the Reporting Period, the Company also launched the “WuXi On Air” online activities, completing 63 live broadcasts involving 15 series, covering introductions to all reportable segments of the Company, reaching over 20 countries and regions, as well as 34 provincial administrative regions in China, with a total viewer count exceeding 100,000.

(5) *Experienced management team with vision and ambition*

We have an excellent management team with global vision and industrial strategic insight. Our management team led by Dr. Ge Li has extensive working experience in the medical industry, with strong execution ability, many years of

investment and management experience in the medical industry and international vision. It also has relatively high reputation in the global pharmaceutical and life sciences field. Our experienced and visionary management team enables the Company to have a unique and sharp understanding of the global economic cycle and the overall development trend of the medical industry. Under the leadership of our management, we are able to deeply understand market and industry development trends, policy changes and their impacts on customer needs, quickly adjust our business models, improve decision-making speed and flexibility to match customer needs, driving the rapid development of the business segments of the Company and becoming an innovation enabler and industry contributor in the global healthcare ecosystem.

F. Other Events

(1) Unlocking and trading of the Restricted A Shares granted under the 2019 A Share Incentive Plan

On March 1, 2024, the Board resolved to approve the resolution in relation to the fulfilment of the conditions for the unlocking of the Restricted A Shares granted under the 2019 Special Grant for the fourth unlocking period. As a result, 1 incentive participant has satisfied the conditions for unlocking the Restricted A Shares granted under the 2019 Special Grant for the fourth unlocking period and a total of 83,629 Restricted A Shares were unlocked, representing approximately 0.0033% of the then total number of issued A Shares of the Company and approximately 0.0028% of the then total issued share capital of the Company, respectively. The listing of the trading in the aforementioned Restricted A Shares to be unlocked commenced on March 7, 2024. Please refer to the relevant announcement of the Company dated March 1, 2024 for further details.

On March 18, 2024, the Board resolved to approve the resolution in relation to the fulfilment of the conditions for the unlocking of the Restricted A Shares granted under the 2019 Reserved Grant for the third unlocking period. As a result, a total of 12 incentive participants have satisfied the conditions for unlocking the Restricted A Shares granted under the 2019 Reserved Grant for the third unlocking period and a total of 101,376 Restricted A Shares were unlocked, representing approximately 0.0040% of the then total number of issued A Shares of the Company and approximately 0.0034% of the then total issued share capital of the Company, respectively. The listing of and trading in the aforementioned Restricted A Shares to be unlocked commenced on March 22, 2024. Please refer to the relevant announcement of the Company dated March 18, 2024 for further details.

(2) *Exercise of Share Options granted under the 2019 Adjusted Initial Grant for the third vesting periods*

Following the fulfillment of the exercise conditions for the third vesting period of the Share Options granted under the 2019 Adjusted Initial Grant, the third vesting period of the Share Options granted under the 2019 Adjusted Initial Grant was from June 27, 2023 to May 25, 2024. The number of Share Options which became vested to the 311 incentive participants during the third vesting period was 1,690,933 units at the exercise price of RMB38.62 per unit. Please refer to the relevant announcement of the Company dated June 19, 2023 for further details.

As at June 30, 2024, 307 incentive participants have exercised an aggregate 1,659,424 units of Share Options granted under the 2019 Adjusted Initial Grant for the third vesting period. The underlying shares of the exercised Share Options are ordinary A Shares to be issued by the Company to the incentive participants. The Company has completed the registration of the underlying A Shares with the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited. The underlying A Shares were credited to the respective securities accounts of the incentive participants on the first trading day (T + 1) after the date of exercise of the Share Options (T), while trading in the underlying A Shares shall commence on the trading day thereafter (T + 2). As the third vesting period has expired, the 31,509 Share Options which have not been exercised within the third vesting period have been cancelled by the Company. Please refer to the relevant announcements of the Company dated July 1, 2024 and July 29, 2024 for further details.

(3) *2023 Profit Distribution Plan*

On June 12, 2024, the 2023 Profit Distribution Plan of the Company was approved at the 2023 AGM. Pursuant to the 2023 Profit Distribution Plan, the Company would pay a cash dividend of RMB9.8974 (inclusive of tax) for every 10 Shares to the Shareholders whose names appear on the register of members of the Company on June 25, 2024. Please refer to the circular of the Company dated May 10, 2024 and the relevant announcements of the Company dated May 27, 2024 and June 12, 2024 for further details.

(4) *Further grant of 2022 Awards under the 2022 H Share Award and Trust Scheme*

During the Reporting Period, 2022 Awards with 292,040 underlying 2022 Award Shares have been further granted to 38 2022 Independent Selected Participants, accounting for approximately 0.0754% of the total number of issued H Shares and approximately 0.0100% of the total issued share capital of the Company. Please refer to the relevant announcements of the Company dated January 11, 2024 and June 24, 2024 for further details.

(5) *Termination of the 2023 H Share Award and Trust Scheme*

On October 30, 2023, the “Proposal on the Termination of the 2023 H Share Award and Trust Scheme of the Company and the Repurchase and Cancellation of H Shares” was unanimously approved by the Board at the fourth meeting of the third session of the Board, pursuant to which the implementation of the 2023 H Share Award and Trust Scheme shall be terminated and 15,467,500 H Shares shall be repurchased and cancelled.

Please refer to the relevant announcements of the Company dated April 24, 2023, October 30, 2023, the circular of the Company dated April 27, 2023 and the poll results announcement dated May 31, 2023 for further details. Please refer to the section headed “Purchase, sale or redemption of listed securities of the Company” below for further details on the completion of the repurchase and cancellation of the Acquired Award Shares.

(6) *Adoption of the 2024 H Share Award and Trust Scheme and completion of the acquisition of H Shares by the scheme trustee in the amount of HK\$1 billion under the basic condition of grant of the 2024 H Share Award and Trust Scheme*

The adoption of the 2024 H Share Award and Trust Scheme was approved at the 2023 AGM of the Company held on June 12, 2024. The source of the 2024 Award Shares under the 2024 Scheme shall be H Shares to be acquired by the trustee through on market transaction at the prevailing market price in accordance with the instructions of the Company and the relevant provision of the 2024 Scheme Rules.

As at September 24, 2024, the scheme trustee implemented the acquisition of H Shares through on-market transactions in accordance with the instructions of the Company, utilizing funds in an aggregate amount of HK\$1 billion. The number of H Shares purchased is 27,478,428 H Shares, representing approximately 0.94% of the then total issued share capital of the Company. The abovementioned H Shares purchased will serve as the source of award shares granted to the selected participants upon the fulfillment of the basic condition of grant under the 2024 H Share Award and Trust Scheme (being the revenue realized by the Group for the year 2024 being RMB38.3 billion or above).

Please refer to the relevant announcements of the Company dated April 29, 2024 and September 24, 2024, the circular of the Company dated May 10, 2024 and the poll results announcement dated June 12, 2024 for further details.

(7) *The issue of US\$500,000,000 zero coupon guaranteed convertible bonds due 2025*

On October 7, 2024 (after trading hours), the Issuer, the Company and the Lead Manager entered into the Subscription Agreement, pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to issue, and the Lead Manager has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds in a principal amount of US\$500,000,000. The Company has, in accordance with the terms of the Deed of Guarantee, unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The issue of the Bonds in an aggregate principal amount of US\$500,000,000 was completed on October 21, 2024.

The net proceeds from the subscription of the Bonds, after the deduction of fees, commissions and expenses payable, is approximately US\$494.4 million. The listing of and permission to deal in the Bonds on the Hong Kong Stock Exchange became effective on October 22, 2024.

Please refer to the relevant announcements of the Company dated October 8, 2024, October 21, 2024 and the offering circular of the Company dated October 22, 2024 for further details.

(8) *Change in Accounting Policy*

In order to provide more focused and relevant accounting information in the financial reports to reflect the Group's current main businesses and growth drivers, the Company has decided to make changes in its accounting policies and adjust the way in which the reportable segments are divided (the "**Change in Accounting Policy**"). The Change in Accounting Policy only affects the presentation of segmental information in the notes to the financial reports and does not affect the data of the financial statements of the Company such as total assets, total liabilities, net assets and net profit. The Company has prepared segmental information for the 2024 annual results announcement and 2024 annual report based on the adjusted presentation of reporting segments from the fourth quarter of 2024 onwards, and has restated the data for the corresponding period in 2023. Please refer to the relevant announcement of the Company dated March 17, 2025 for further details.

THE MANAGEMENT’S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE COMPANY

A. Industry Landscape and Trends

The global pharmaceutical research and production service industry is expected to maintain rapid growth, driven by a higher proportion of outsourcing from large pharmaceutical companies and the increasing demands from small and medium pharmaceutical companies. On the one hand, the innovative drug R&D industry is characterized by large investments, long cycles, and high risks. As a result of low R&D returns and the “patent cliff” faced by drug manufacturers, large pharmaceutical companies are expected to promote R&D projects through external R&D institutes to improve R&D efficiency and reduce R&D costs. On the other hand, small pharmaceutical companies, including small and medium pharmaceutical and life science companies and individual entrepreneurs, have become a major driving force for pharmaceutical innovation. These small and medium pharmaceutical companies do not have the sufficient time or capital to build their own R&D project laboratories and production facilities but need various services to meet their needs of R&D project in a short period of time. They will seek R&D and production outsourcing services, especially integrated end-to-end R&D services, to fulfill their R&D service needs from concept verification to product launch. According to the latest Frost & Sullivan report published in July 2024, global pharmaceutical industry R&D investment will increase from USD260.6 billion in 2023 to USD359.2 billion in 2028, with a CAGR of approximately 6.6%.

The global pharmaceutical R&D services industry, especially platform companies with global new drug R&D and production service capabilities, are expected to benefit from the rapid growth of global new drug R&D investment and outsourcing rates. According to the Frost & Sullivan report, the outsourcing ratio of the global pharmaceutical R&D investment is expected to increase from 49.2% in 2023 to 58.2% in 2028. The report also predicts that the market for global outsourcing services provided by pharmaceutical R&D service companies (excluding large-molecule CDMO) will increase from USD136.9 billion in 2023 to USD238.8 billion in 2028, with a CAGR of approximately 11.8%.

B. Development Strategies

Our vision is that “every drug can be made and every disease can be treated”. We provide the global pharmaceutical and life sciences industry with comprehensive and integrated new drug R&D and production services. We are committed to promoting new drug development and delivering groundbreaking treatment solutions to patients. With the customer-oriented principle, we help customers improve R&D efficiency by offering high-quality, efficient, and cost-effective R&D services, bringing more quality new drugs to patients faster.

Today, the healthcare industry is entering an unprecedented golden. With the continuous emergence and rapid iteration of scientific innovations, the future new drug R&D model will witness a new definition and profound reforms. A patient-centered healthcare innovation ecosystem is emerging. More and more scientists, engineers, entrepreneurs, doctors and patients will participate in all aspects of R&D and innovation. In the future, we will: (1) consistently adhere to our unique integrated CRDMO business model, effectively deliver exceptional services to customers and benefit patients worldwide; closely follow scientific innovations, develop distinct industry insights, instantly seize opportunities in new molecule, sustaining long-term growth; (2) continue to focus on our core CRDMO operations, improving operating efficiency; (3) accelerate the expansion of global capacity and capabilities, continue to invest in talent retention for long-term shared growth.

C. Operation Plan

In 2025, we will adhere to our unique integrated CRDMO business model, continue to focus on capacity and scale building, continuously improve operating efficiency and our integrated empowerment platform, so that anyone or any company can realize their own innovative dreams through the WuXi AppTec platform.

(1) Platform Building

On the one hand, we will further enhance the capabilities and scale of our R&D service platform as well as the asset utilization efficiency. We continue advancing the design and construction of various global facilities, aiming to better serve the requirements of our global customers.

On the other hand, we will further explore advantages of the integrated end-to-end R&D services platform to strengthen customer conversion. With the continuous advancement of development projects of customers, we will expand services offering by evolving from “following the project” to “following the molecule”.

(2) Customer Strategy

We are committed to further improving customers’ satisfaction through providing high quality and efficient services and strict intellectual property protections for our customers. Moreover, we will continue to add more new customers worldwide, in particular, long-tail customers, through diversified channels. We will attract more participants to join the new drug R&D industry and enable more customers to succeed through ongoing reduction of entry barrier of the drug R&D industry.

(3) *Quality and Compliance*

We have always adhered to the highest international quality standard and attached great importance to our compliance with relevant laws and regulations. We possess comprehensive management systems in quality control, safety production, intellectual property protection, international trade compliance, sales management, financial and accounting management, and business continuity planning, and continuously iterate on these systems. In 2025, we will continue to refine and implement our standard operating policies and procedures to prevent occurrence of accidents and facilitate sound growth of all segments.

(4) *Innovation and Development*

We will continue to utilize and iterate new technologies and methods to better empower global pharmaceutical innovation. We have the global-leading new drug R&D platform and extensive experience of projects and closely followed the new drug R&D technological development. We will continue to invest substantially in further improving service capabilities for new molecule types, such as peptide, oligonucleotide, PROTAC and conjugate to capture new business opportunities and empower global pharmaceutical innovation.

On such basis, we put efforts in exploring various innovative technologies that can be applied to the new drug research and development process, and help customers to improve their R&D efficiency, while minimizing the entry barrier of pharmaceutical R&D.

At the same time, we continuously advance the application of automation technology to help improve operational efficiency, enhance industry insights, and increase business predictability, thereby providing better service to our clients and patients.

(5) *Team of Talents*

We will continue to introduce, foster and retain top talents within the industry. We have taken specific initiatives including: (1) strengthening the reform of the reward, incentive and honor system by establishing a fair, transparent and result-oriented performance appraisal system; (2) providing concrete promotion opportunities; (3) providing technical and management trainings; and (4) offering market-oriented compensations to further improve our medium and long-term incentive mechanism.

(6) *Corporate Culture*

We will continue to uphold our core value of “honesty and dedication, working together and sharing success; doing the right thing and doing things well”, and firmly implement our code of conduct of “customer first, honesty and integrity, ongoing improving, efficient implementation, cross-functional collaboration, transformation and innovation”, and enhance our core competitiveness.

(7) *Long-term Sustainable Development*

In 2024, we officially joined the United Nations Global Compact (UNGC), pledging to support the UNGC’s ten principles in four areas (i.e., human rights, labor, environment and anti-corruption), and are committed to making the Global Compact and its principles part of the Company’s strategy, culture and daily operations. As an innovation enabler, a trusted partner of customers and a contributor to the global pharmaceutical and life sciences industry, the Company has consistently and systematically responded to the expectations of international clients and other stakeholders regarding climate action and responsible supply chains. The Company officially joined the Science Based Targets initiative (SBTi) and the Pharmaceutical Supply Chain Initiative (PSCI). It has continued to enhance its carbon emissions management and supply chain management systems through a series of measures, integrating higher standards into the existing management processes. Through a continuously improving disclosure mechanism, the Company comprehensively presented its goals, measures and progress, and has received high recognition from major global sustainable development rating agencies such as MSCI, CDP and EcoVadis for several consecutive years. Looking ahead, while deepening its business and forging ahead, the Company will further enhance value chain coordination and collaboration, actively fulfilling its commitments to stakeholders and creating greater value for society.

D. Potential Risks

(1) Risk of market demands decline in drug R&D services

Our business operation relies on expenditures and demands of our customers (including multi-national pharmaceutical companies, life science companies, start-ups, and scholars and non-profit research organizations, etc.) on outsourcing services, i.e., discovery, analytical testing, development and manufacturing of pharmaceuticals, etc. In the past, benefiting from continuous growth of the global pharmaceutical market and the increase of R&D budgets and the proportion of outsourcing services of our customers, the demands on our services from our customers continued to rise. Our business operation could be adversely impacted if the industry growth slows down or percentages of outsourcing services decline. In addition, any merger, consolidation and R&D budget adjustment of pharmaceutical players might also impact our customers' R&D expenditures and outsourcing demands, resulting in adverse impact on our business operation.

(2) Risk of changes in regulatory policy of the industry

The drug R&D services industry is heavily regulated by regulators including drug administrations in any nation or region where we have established our presence, which typically regulate drug R&D services players through development of relevant policies, laws and regulations. The scope of regulation may cover various aspects such as technical specifications and standards and requirements for cross-border outsourcing services and production. Systems of policies, laws and regulations in the drug R&D services industry are well established in developed countries. In China, regulators such as the NMPA also have gradually developed and continuously refined relevant laws and regulations subject to market development. In case we fail to timely adjust our operating strategy to adapt to changes of industrial policies and laws and regulations in the drug R&D services industry in corresponding nations or regions, potential adverse impact might be caused to our business operation.

(3) *Risk of heightened competition in the drug R&D services industry*

Currently, competition in the global drug R&D services market is getting increasingly intense. Our competitors in particular segments mainly include specialized CROs/CDMOs and in-house R&D department of large pharmaceutical companies, among which, most are large global pharmaceutical companies or R&D organizations, which may enjoy advantages over us in terms of financial strength, technological capabilities and customer base.

Aside from the aforementioned incumbents, we also face competition from new entrants, which either have greater financial strength, more effective business channels or stronger R&D capabilities in respective segment. We will face risk resulted from heightened competition in the pharmaceutical market and weakened competitive edge in case we fail to enhance our overall R&D strength and other strengths in business competition.

(4) *Business compliance risk*

We have always attached great importance to the compliance of our business operation and gradually established a relatively complete internal control system, which requires our staff to abide by relevant laws and regulations and carry out business activities in accordance with relevant laws. Although we have developed a comprehensive internal control and compliance approval system as well as standard operating procedures to ensure legitimacy and compliance of our daily operation, our business operation will be adversely impacted to a certain degree resulting from failure to obtain qualifications required for daily R&D, testing analysis and production, or to completing necessary approval and filing processes or to timely coping with any regulatory requirement put forward or added by the regulators due to ineffective supervision on subsidiaries or departments by the parent company and senior management in actual practices given the number of subsidiaries we control.

(5) *Risk of global operation and change of international policy*

We have built or acquired a number of companies to fuel our global business expansion and accumulated abundant experience of global operation over the years. During the Reporting Period, our revenue from global operation accounted for a significant proportion of our main business revenue. Given that we are required to abide by the laws and regulations of the nations and regions where we carry out business operations and rely on suppliers of raw materials, customers and technical service providers to ensure our orderly daily operation, our normal global operation and sustainable development may be impacted and subject to potential adverse impact in case any of the following circumstances occurs, including material change of laws, regulations, industrial policies or political and economic environment of any nation or region where we carry out business operation, or any other factors beyond our control such as international tension, war, trade sanction, or other force majeure.

The Company has learned that, the 118th Congress concluded at the beginning of 2025 without passing the proposed Biosecure Act. To date there is no proposal in the 119th Congress to re-initiate the legislative process for such bill, but we have been closely monitoring the legislative movements.

(6) *Risk of loss of key scientific staff*

Our key scientific staff is an important part of our core competence as well as foundation and key to our survival and growth. Maintenance of a stable team of key scientific staff and attraction of talents to join us play a key role on our abilities to keep our leading position in the industry in terms of technological capabilities and continuity of our R&D and manufacturing services. Turnover of key scientific staff might occur if we lose our competitive edge in terms of compensation, incentive mechanism on core technical staff fails to give its full play or human resources management/control or internal promotion system could not be effectively implemented, which will in turn adversely affect our core competitiveness and sustainable profitability.

(7) *Risk of failure in business expansion*

We anticipate that our customers' outsourcing demands on drug R&D, commercial manufacturing and clinical development will increase on an ongoing basis. In order to continuously meet market demands and seize the growth opportunity, we need to invest a great deal of capital and resources and continue to push forward strengthening of our capabilities and expansion of scale globally. Adverse impact might be caused to our business, financial and operating performances and outlook in case our entry into new segment suffers unforeseeable delay due to delay in construction and regulatory issues, or we fail to achieve our growth targets.

(8) *Exchange Rate risk*

Most of the Company's revenue was settled in USD. If RMB appreciates significantly in the future, a portion of cost denominated in foreign currencies might be increased and the size of our customers' orders might be contracted due to the increase of price. In addition, the USD assets we hold might cause foreign exchange loss when exchanged for RMB funds, which may directly impact our profitability as a result.

(9) *Risk of material impact on value of our assets at fair value by market fluctuation*

Value of our assets or liabilities measured at fair value, such as equity interests in listed companies and non-listed underlying investment interests, and biological assets, are measured at the fair value at the end of each reporting period, with the changes in fair value recognized in current profit and loss. Among which, our equity interests in listed companies and other non-listed underlying interests are recorded as other non-current financial assets measured at fair value, the value of which could be greatly affected by market fluctuations. We pay close attention to the trend of the share price on the investee listed companies with a view to making timely investment decisions with these investee companies. As we mark-to-market the fair value of certain of our investments on a periodic basis, we expect the fair value of our financial assets at fair value, especially the value of shares in publicly-traded companies held by us, may be significantly changed by capital market fluctuations which may cause significant fluctuations on our net profit and further affect our results.

(10) Risks of impact of emergencies and force majeure on our operation

Emergent public health emergencies, earthquakes, typhoons and other force majeure events may affect our operation. In response to these situations, we have developed business continuity plans to timely and systematically facilitate the resumption of the critical operations, functions, and technology in the pre-and post-crisis periods and during the crisis, ensuring that our business can continue to develop feasibly and steadily. However, if our business continuity plans fail to cope with the impact of relevant emergencies and force majeure events, it may have an adverse impact on our business, finance, operational performance and prospects.

HUMAN RESOURCES

As at December 31, 2024, the Group had 39,414 employees. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination.

The remuneration of the Group's employees includes basic salaries, allowances, bonus, share options and other employee benefits, and is determined with reference to their experience, qualifications and general market conditions. We provide regular trainings to our employees in order to improve their skills and knowledge. The training courses range from further educational studies to skill training to professional development course for management personnel.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of the PRC, which would oblige the Company to offer new shares on a pro rata basis to its existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Completion of direct repurchase of H Shares from the Scheme Trustee and cancellation of such H Shares

On January 5, 2024, the Proposal on the Direct Repurchase of H Shares in relation to the 2023 H Share Award and Trust Scheme from the Scheme Trustee and the Cancellation of such H Shares was considered and approved by way of special resolutions of (i) the Shareholders at the 2024 EGM; (ii) the A Shareholders at the 2024 First A Share Class Meeting; and (iii) the H Shareholders at the 2024 First H Share Class Meeting. Accordingly, the Company has entered into a sale and purchase agreement (the “SPA”) under the principal terms as disclosed in the circular of the Company dated December 13, 2023, for the Scheme Trustee to sell, and the Company to purchase, 15,467,500 H Shares of the Company acquired by the Scheme Trustee through on-market transaction as the source of the Award Shares of the 2023 H Share Award and Trust Scheme (the “**Acquired Award Shares**”).

Completion of the repurchase of the Acquired Award Shares under the SPA took place on January 15, 2024. The Acquired Award Shares have been cancelled by the Company's H Share Registrar on January 18, 2024. Please refer to the relevant announcement of the Company dated January 18, 2024 and the next day disclosure return of the Company dated January 18, 2024 for further details.

Repurchase of A Shares of the Company for the first time

In order to safeguard the value of the Company and the interests of the shareholders of the Company, on February 1, 2024, the seventh meeting of the third session of the Board considered and approved the Resolution on Repurchase of A Shares of the Company through Bidding, authorizing the Company to use its own funds to repurchase A Shares of the Company through bidding.

On February 5, 2024, the Company implemented the Share Repurchase for the first time, and has repurchased 20,275,407 A Shares, representing 0.69% of the then total issued share capital of the Company. 20,275,407 A Shares repurchased on February 5, 2024 were cancelled on March 20, 2024. Please refer to the relevant announcements of the Company dated February 2, 2024 and February 5, 2024 and the next day disclosure return of the Company dated March 20, 2024 for further details.

Repurchase of A Shares of the Company for the second time

In order to further safeguard the value of the Company and the interests of the shareholders of the Company, on March 8, 2024, the tenth meeting of the third session of the Board considered and approved the Resolution on Repurchase of A Shares of the Company through Bidding, authorizing the Company to continue using its own funds to repurchase A Shares of the Company through bidding.

On May 22, 2024, the Company completed the Second Share Repurchase, and has repurchased an aggregate of 21,593,780 A Shares through bidding, representing 0.74% of the then total issued share capital. 21,593,780 A Shares repurchased from the Second Share Repurchase were cancelled on May 24, 2024. Please refer to the relevant announcements of the Company dated March 8, 2024 and May 23, 2024 and the next day disclosure return of the Company dated May 24, 2024 for further details.

Repurchase of A Shares of the Company for the third time

Subsequent to the previous two times of A Share repurchase in the aggregate amount of RMB2 billion which were completed on February 5, 2024 and May 22, 2024, respectively, on September 10, 2024, the thirteenth meeting of the third session of the Board considered and approved the Resolution on Repurchase of A Shares of the Company through Bidding for the Third Time in 2024, authorizing the Company to continue to use its own funds to repurchase A Shares of the Company through bidding.

On September 26, 2024, the Company completed the Third Share Repurchase in 2024, and has cumulatively repurchased an aggregate of 23,934,621 A Shares through bidding, representing 0.82% of the then total issued share capital of the Company. 23,934,621 A Shares repurchased from the Third Share Repurchase in 2024 were cancelled on October 29, 2024. Please refer to the relevant announcements of the Company dated September 10, 2024 and September 27, 2024 and the next day disclosure return of the Company dated October 29, 2024 for further details.

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

FINAL DIVIDEND

The Board proposes a profit distribution plan for the year ended December 31, 2024 as follows: a cash dividend of RMB9.8169 (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB2,835,113,437.82 (inclusive of tax) based on the total issued share capital of the Company as of the date of this announcement). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly. The 2024 Profit Distribution Plan is subject to, amongst others, approval by the Shareholders at the forthcoming AGM. Subject to the approval of the Shareholders at the AGM, the 2024 Profit Distribution Plan is expected to be paid to the eligible Shareholders by no later than June 30, 2025.

2025 SPECIAL DIVIDEND DISTRIBUTION

In appreciation of shareholders' support for our strategic adjustments in challenging times, the Board proposes a special dividend distribution as follows: a cash dividend of RMB3.5000 (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB1,010,797,403.70 (inclusive of tax) based on the total issued share capital of the Company as of the date of this announcement). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly. The abovementioned special dividend is subject to, amongst others, approval by the Shareholders at the forthcoming AGM. Subject to the approval of the Shareholders at the AGM, the special dividend is expected to be paid to the eligible Shareholders by no later than June 30, 2025.

A circular containing further details as to, amongst others, the applicable foreign exchange rate for the proposed cash dividends, the relevant record date and book closure period will be despatched to the Shareholders in due course.

AGM AND PERIOD OF CLOSURE OF REGISTER OF MEMBERS

The Company will arrange the time of convening the forthcoming AGM as soon as practicable, and the notice of the AGM will be published and despatched to the Shareholders in a timely manner in accordance with the requirements of the Listing Rules and the Articles of Association. Once the date of the AGM is finalized, the Company will publish the period of closure of register of members of H Shares of the Company in a separate announcement and in the notice of the AGM.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required under Listing Rules and as modified by the waiver granted by the Stock Exchange upon its listing on the Hong Kong Stock Exchange on December 13, 2018.

CORPORATE GOVERNANCE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximized in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit. The Board is of the view that, the Company has complied with the relevant code provisions contained in the CG Code during the Reporting Period, save for deviation from code provision C.2.1 of the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the responsibility between the chairman and chief executive officer should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and Dr. Ge Li currently performs these two roles. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced individuals. The Board currently comprises five executive Directors (including Dr. Ge Li), two non-executive Directors and five independent non-executive Directors and therefore has a fairly strong independence element in its composition.

The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code and the Code of Conduct throughout the Reporting Period.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

REVIEW OF FINANCIAL STATEMENTS

Audit Committee

As at December 31, 2024, the Audit Committee of the Company comprises three independent non-executive Directors, namely Ms. Christine Shaohua Lu-Wong, Dr. Wei Yu and Dr. Xin Zhang. The chairman of the Audit Committee is Ms. Christine Shaohua Lu-Wong. The Audit Committee has reviewed with management and external auditor the consolidated financial information of the Group for the Reporting Period, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Reporting Period as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.wuxiaptec.com.cn). The annual report of the Company for the Reporting Period will be despatched to the Shareholders and published on the aforesaid websites in due course.

The Board is pleased to announce that the consolidated annual results of the Group for the Reporting Period with the comparative figures in the corresponding period in 2023 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Notes	Continuing Operations		Discontinued Operations		Total	
		Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000 (Restated)	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000 (Restated)	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000
Revenue	5	37,917,782	38,678,000	1,323,649	1,662,807	39,241,431	40,340,807
Cost of sales		(21,646,514)	(22,421,636)	(1,578,795)	(1,546,699)	(23,225,309)	(23,968,335)
Gross profit (loss)		16,271,268	16,256,364	(255,146)	116,108	16,016,122	16,372,472
Other income	6	1,145,938	962,383	158	116	1,146,096	962,499
Other gains and losses	7	808,123	1,356,524	(3,683)	(6,247)	804,440	1,350,277
Impairment losses under expected credit losses ("ECL") model, net of reversal		(325,300)	(237,296)	(9,022)	(3,597)	(334,322)	(240,893)
Impairment losses of non-financial assets		(115,578)	(67,400)	—	—	(115,578)	(67,400)
Impairment losses of goodwill		(110,428)	(49,606)	—	—	(110,428)	(49,606)
Impairment losses of assets classified as held for sale		—	—	(948,411)	—	(948,411)	—
Selling and marketing expenses		(638,171)	(580,071)	(107,217)	(120,959)	(745,388)	(701,030)
Administrative expenses		(2,577,144)	(2,665,702)	(432,335)	(329,244)	(3,009,479)	(2,994,946)
R&D expenses		(1,187,101)	(1,361,005)	(51,424)	(79,625)	(1,238,525)	(1,440,630)
Operating profit (loss)		13,271,607	13,614,191	(1,807,080)	(423,448)	11,464,527	13,190,743
Share of results of associates		252,138	(35,076)	—	—	252,138	(35,076)
Share of results of joint ventures		(7,073)	(32,484)	—	—	(7,073)	(32,484)
Finance costs	8	(236,136)	(157,682)	(32,429)	(35,899)	(268,565)	(193,581)
Profit (loss) before tax		13,280,536	13,388,949	(1,839,509)	(459,347)	11,441,027	12,929,602
Income tax expense	9	(1,982,491)	(2,046,579)	10,419	(85,152)	(1,972,072)	(2,131,731)
Profit (loss) for the year	10	11,298,045	11,342,370	(1,829,090)	(544,499)	9,468,955	10,797,871
Profit for the year attributable to:							
Owners of the Company		11,181,698	11,234,652	(1,829,090)	(544,499)	9,352,608	10,690,153
Non-controlling interests		116,347	107,718	—	—	116,347	107,718
		11,298,045	11,342,370	(1,829,090)	(544,499)	9,468,955	10,797,871
Earnings per Share (expressed in RMB per Share)							
— Basic	12	3.88	3.83			3.24	3.64
— Diluted	12	3.86	3.80			3.22	3.61

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000
Profit for the year	9,468,955	10,797,871
Other comprehensive income (expense) for the year		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of foreign operations	264,717	177,454
Fair value loss on hedging instrument designated in cash flow hedges	(78,998)	(90,533)
Other comprehensive income for the year, net of income tax	185,719	86,921
Total comprehensive income for the year	<u>9,654,674</u>	<u>10,884,792</u>
Attributable to:		
Owners of the Company	9,541,191	10,778,457
Non-controlling interests	113,483	106,335
	<u>9,654,674</u>	<u>10,884,792</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

		As at December 31, 2024	As at December 31, 2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets			
Non-current Assets			
Property, plant and equipment		25,267,837	25,844,429
Right-of-use assets		1,874,838	2,348,338
Goodwill		972,352	1,820,873
Other intangible assets		600,995	906,676
Interests in associates		2,322,170	2,180,396
Interests in joint ventures		3,378	35,234
Deferred tax assets		473,067	366,691
Financial assets at fair value through profit or loss ("FVTPL")	13	8,943,404	8,626,009
Other non-current assets		114,662	105,755
Biological assets		1,062,969	1,012,478
Total Non-current Assets		41,635,672	43,246,879
Current Assets			
Inventories		3,532,083	2,886,094
Contract costs		912,184	695,583
Biological assets		955,480	1,154,553
Amounts due from related parties		89,253	86,702
Trade and other receivables	14	9,643,717	9,372,741
Contract assets	14	988,836	1,234,394
Income tax recoverable		87,171	17,526
Financial assets at FVTPL	13	1,233,984	11,003
Derivative financial instruments	18	—	414,035
Other current assets		734,078	785,780
Pledged bank deposits	15	22,120	1,610
Term deposits with initial term of over three months		4,865,627	3,761,410
Bank balances and cash	15	13,434,287	10,001,039
		36,498,820	30,422,470
Assets classified as held for sale		2,191,332	—
Total Current Assets		38,690,152	30,422,470
Total Assets		80,325,824	73,669,349

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	<i>Notes</i>	As at December 31, 2024 RMB'000	As at December 31, 2023 RMB'000
Liabilities			
Current Liabilities			
Trade and other payables	16	7,025,501	7,333,527
Amounts due to related parties		15,345	11,547
Derivative financial instruments	18	202,036	501,871
Contract liabilities		2,251,025	1,955,363
Bank borrowings		1,278,629	3,721,645
Lease liabilities		224,158	240,452
Income tax payables		870,796	991,891
Convertible bonds	17	3,493,084	—
		<u>15,360,574</u>	<u>14,756,296</u>
Liabilities associated with assets classified as held for sale		865,541	—
		<u>16,226,115</u>	<u>14,756,296</u>
Total Current Liabilities			
Non-current Liabilities			
Bank borrowings		2,959,509	687,017
Deferred tax liabilities		522,414	530,107
Deferred income		985,612	1,079,932
Lease liabilities		546,561	1,098,552
		<u>5,014,096</u>	<u>3,395,608</u>
Total Non-current Liabilities			
		<u>21,240,211</u>	<u>18,151,904</u>
Total Liabilities			
Capital and Reserves			
Share capital	19	2,887,993	2,968,845
Reserves		55,744,722	52,153,609
		<u>58,632,715</u>	<u>55,122,454</u>
Equity attributable to owners of the Company		452,898	394,991
Non-controlling interests		<u>59,085,613</u>	<u>55,517,445</u>
Total Equity			
		<u>80,325,824</u>	<u>73,669,349</u>
Total Equity and Liabilities			

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. GENERAL INFORMATION

WuXi AppTec Co., Ltd. (the “**Company**”) was incorporated in the PRC on March 1, 2017 as a joint stock limited liability company under the PRC laws upon the conversion of 無錫藥明康德新藥開發有限公司 WuXi AppTec Ltd. (formerly known as 無錫藥明康德組合化學有限公司 WuXi PharmaTechs Co., Ltd.), a company with limited liability incorporated in the PRC in December 2000. The Company completed its initial public offering and listing of 104,198,556 ordinary shares of the Company (“**A Shares**”) (stock code: 603259.SH) in May 2018. The Company completed its public offering and listing of 116,474,200 ordinary shares of the Company (“**H Shares**”) (stock code: 2359.HK) in December 2018.

The address of the registered office of the Company is Mashan No. 5 Bridge, Binhu District, Wuxi, Jiangsu Province, the PRC and the principal place of business of the Company is 288 Fute Zhong Road, Waigaoqiao Free Trade Zone, Shanghai, the PRC. The de facto controllers of the Company are Dr. Ge Li, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu.

The principal activity of the Company and its subsidiaries (collectively referred to as “**Group**”) is to provide a portfolio of research and manufacturing services throughout the discovery, development and manufacturing spectrum for small molecule drugs, development of computer software and databases as well as consulting services for combinatorial chemistry and pharmaceuticals.

The functional currency of the Company is Renminbi (“**RMB**”), which is the same as the presentation currency of the consolidated financial statements.

2. BASIS OF PREPARATION

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

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

Other than additional/change in accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the consolidated financial statements for the year ended December 31, 2024 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2023.

3. APPLICATION OF AMENDMENTS TO IFRSs

In the current year, 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 periods beginning on January 1, 2024 for the preparation of the 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 year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. SEGMENT INFORMATION

Based on the Group's internal organisation structure, management requirements and internal reporting system, the Group's operations are divided into different segments whose operating results are regularly evaluated by the Group's management to determine the allocation of resources to them and evaluate their performance. In order to provide more focused and relevant accounting information in the financial report to reflect the Group's current main businesses and growth drivers, the continuing operations are primarily divided into WuXi Chemistry, WuXi Testing, WuXi Biology and Others. These reportable segments are determined based on the nature of the business. This change does not affect the financial statement data and presentation, and it only affects the presentation of segment reporting. Prior year segment disclosures have been represented to conform with the current year's presentation.

The Group's revenue streams are categorized as follows:

WuXi Chemistry	Providing services for chemistry drug development from discovery, through preclinical and clinical stages, to commercial manufacturing, offering an integrated, end-to-end solution, meeting any material requirement at any scale, covering all categories for all synthetic molecular modalities, including small molecules, oligonucleotides, peptides and related chemistry conjugates, as well as supporting the formulation business for various chemical drugs.
WuXi Testing	Providing seamless drug testing services from preclinical testing to clinical trials, covering laboratory testing service, clinical CRO service, and site management organization service, accelerating the research and development process.
WuXi Biology	Providing a full spectrum of biology services and solutions that support various biological research and testing projects, from target discovery to candidate selection and optimization, and into the clinic, for different target classes and molecular types.
Others	Comprising the non-core business, as well as income from administrative services, sales of raw materials and sales of scrap materials.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments.

	Year ended December 31, 2024						
	Continuing Operations					Discontinued Operations	Total
	WuXi Chemistry RMB'000	WuXi Testing RMB'000	WuXi Biology RMB'000	Others (Note 1) RMB'000	Subtotal RMB'000		
Segment revenue	29,052,409	5,670,738	2,543,926	650,709	37,917,782	1,323,649	39,241,431
Segment results	13,272,171	1,843,891	955,434	199,772	16,271,268	(255,146)	16,016,122
Unallocated amount:							
Other income					1,145,938	158	1,146,096
Other gains and losses					808,123	(3,683)	804,440
Impairment losses under ECL model, net of reversal					(325,300)	(9,022)	(334,322)
Impairment losses of non- financial assets					(115,578)	—	(115,578)
Impairment losses of goodwill					(110,428)	—	(110,428)
Impairment losses of assets classified as held for sale					—	(948,411)	(948,411)
Selling and marketing expenses					(638,171)	(107,217)	(745,388)
Administrative expenses					(2,577,144)	(432,335)	(3,009,479)
R&D expenses					(1,187,101)	(51,424)	(1,238,525)
Share of results of associates					252,138	—	252,138
Share of results of joint ventures					(7,073)	—	(7,073)
Finance costs					(236,136)	(32,429)	(268,565)
Profit (loss) before tax					<u>13,280,536</u>	<u>(1,839,509)</u>	<u>11,441,027</u>

Year ended December 31, 2023 (Restated)

	Continuing Operations				Subtotal RMB'000	Discontinued	Total RMB'000
	WuXi Chemistry RMB'000	WuXi Testing RMB'000	WuXi Biology RMB'000	Others (Note 1) RMB'000		Operations (Note 2) RMB'000	
Segment revenue	29,171,488	5,957,731	2,552,554	996,227	38,678,000	1,662,807	40,340,807
Segment results	<u>12,794,844</u>	<u>2,252,040</u>	<u>1,026,518</u>	<u>182,962</u>	<u>16,256,364</u>	<u>116,108</u>	<u>16,372,472</u>
Unallocated amount:							
Other income					962,383	116	962,499
Other gains and losses					1,356,524	(6,247)	1,350,277
Impairment losses under ECL model, net of reversal					(237,296)	(3,597)	(240,893)
Impairment losses of non-financial assets					(67,400)	—	(67,400)
Impairment losses of goodwill					(49,606)	—	(49,606)
Selling and marketing expenses					(580,071)	(120,959)	(701,030)
Administrative expenses					(2,665,702)	(329,244)	(2,994,946)
R&D expenses					(1,361,005)	(79,625)	(1,440,630)
Share of results of associates					(35,076)	—	(35,076)
Share of results of joint ventures					(32,484)	—	(32,484)
Finance costs					<u>(157,682)</u>	<u>(35,899)</u>	<u>(193,581)</u>
Profit (loss) before tax					<u><u>13,388,949</u></u>	<u><u>(459,347)</u></u>	<u><u>12,929,602</u></u>

The chief operating decision maker (“**CODM**”) makes decisions according to operating results of each segment. No analysis of segment asset and liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Note 1: Others comprise the non-core business, as well as income from administrative services, sales of raw materials and sales of scrap materials.

Note 2: By the end of 2024, the Group signed agreements to sell the US and UK based operations of WuXi ATU and the US medical device testing operations. According to IFRS, the aforementioned businesses are classified as discontinued operations. The Group completed the sales of the US and UK based operations of WuXi ATU and the US medical device testing operations as at the date of this announcement.

Entity-wide disclosure

Geographical information

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

	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000 (Restated)
Continuing Operations		
— USA	23,944,393	24,900,037
— PRC	7,047,571	7,315,780
— Europe	5,098,791	4,408,697
— Rest of the world	1,827,027	2,053,486
	<u>37,917,782</u>	<u>38,678,000</u>
Discontinued Operations	<u>1,323,649</u>	<u>1,662,807</u>
Total Revenue	<u><u>39,241,431</u></u>	<u><u>40,340,807</u></u>
— USA	25,019,942	26,269,745
— PRC	7,066,976	7,325,033
— Europe	5,226,494	4,569,065
— Rest of the world	1,928,019	2,176,964

Note: Above geographical information is presented based on the country/region of domicile of customers' parent company in case of multinational customers. Comparative disclosures have been represented to conform with the current year's presentation.

Information about the Group's non-current assets by geographical location of the assets is presented below:

	As at December 31, 2024 RMB'000	As at December 31, 2023 RMB'000
— PRC	26,502,197	26,901,974
— Rest of the world	5,668,916	7,352,205
	<u><u>32,171,113</u></u>	<u><u>34,254,179</u></u>

Non-current assets excluding deferred tax assets, deposits and financial assets at FVTPL.

5. REVENUE

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major service lines. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 in Note 4.

An analysis of the Group's revenue is as follows:

	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000 (Restated)
Continuing Operations		
— WuXi Chemistry	29,052,409	29,171,488
— WuXi Testing	5,670,738	5,957,731
— WuXi Biology	2,543,926	2,552,554
— Others	650,709	996,227
	<u>37,917,782</u>	<u>38,678,000</u>
Discontinued Operations	<u>1,323,649</u>	<u>1,662,807</u>
	<u>39,241,431</u>	<u>40,340,807</u>
Timing of revenue recognition		
	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000 (Restated)
Continuing Operations		
Over time		
— WuXi Chemistry	5,274,226	5,691,053
— WuXi Testing	5,670,738	5,957,731
— WuXi Biology	2,543,926	2,552,554
— Others	638,061	987,157
	<u>14,126,951</u>	<u>15,188,495</u>
At a point in time		
— WuXi Chemistry	23,778,183	23,480,435
— Others	12,648	9,070
	<u>23,790,831</u>	<u>23,489,505</u>
Discontinued Operations	<u>1,323,649</u>	<u>1,662,807</u>
	<u>39,241,431</u>	<u>40,340,807</u>

One single customer of WuXi Chemistry and other segments contributed more than 10 per cent of the Group's revenue in 2024.

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) in the continuing operations are RMB49,307 million as at December 31, 2024, among which, RMB30,852 million is expected to be recognized as revenue in 2025.

6. OTHER INCOME

	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000 (Restated)
Continuing Operations		
Interest income	626,599	444,354
R&D grants and others related to		
— asset (i)	133,373	130,999
— income (ii)	366,419	341,568
Dividend income arising from financial assets at FVTPL	19,547	45,462
	1,145,938	962,383
Discontinued Operations		
	158	116
	1,146,096	962,499

Notes:

- (i) The Group has received certain R&D grants and others to invest in laboratory equipment. The grants and subsidies were recognised in profit or loss over the useful lives of the relevant assets.
- (ii) The R&D grants and others related to income have been received to compensate for the Group's R&D expenditures. Some of the grants related to income have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants. These grants related to income are recognised in profit or loss when related costs are subsequently incurred and the Group receives acknowledge of compliance. Other grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the Reporting Period.

7. OTHER GAINS AND LOSSES

	Year ended December 31, 2024 <i>RMB'000</i>	Year ended December 31, 2023 <i>RMB'000</i> (Restated)
Continuing Operations		
Net foreign exchange gain	454,856	108,554
Gain on financial assets at FVTPL (realized)	132,937	683,522
Gain(loss) on financial assets at FVTPL (unrealized)	45,598	(482,353)
Gain on deemed disposal of associates	—	1,097,611
Gain on disposal of associates	620,969	53,269
Gain on biological assets (unrealized)	156,682	398,698
Loss on disposal of plant and equipment and biological assets	(71,765)	(72,832)
Gain on financial liabilities at FVTPL	—	5,818
Loss on derivative financial instruments (realized)	(513,140)	(480,844)
(Loss)gain on derivative financial instruments (unrealized)	(15,323)	40,174
Others	(2,691)	4,907
	<u>808,123</u>	<u>1,356,524</u>
Discontinued Operations	<u>(3,683)</u>	<u>(6,247)</u>
	<u><u>804,440</u></u>	<u><u>1,350,277</u></u>

8. FINANCE COSTS

	Year ended December 31, 2024 <i>RMB'000</i>	Year ended December 31, 2023 <i>RMB'000</i> (Restated)
Continuing Operations		
Interest expense on borrowings	199,241	134,096
Interest expense on lease liabilities	26,081	30,572
Effective interest expense on convertible bonds	40,834	3,940
Imputed interest expense on payable for acquisition of a subsidiary	—	104
	<hr/>	<hr/>
Total borrowing cost	266,156	168,712
Less: amounts capitalised in the cost of qualifying assets	(30,020)	(11,030)
	<hr/>	<hr/>
	236,136	157,682
	<hr/>	<hr/>
Discontinued Operations	32,429	35,899
	<hr/>	<hr/>
	268,565	193,581
	<hr/> <hr/>	<hr/> <hr/>

9. INCOME TAX EXPENSES

	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000 (Restated)
Continuing Operations		
Current tax:		
— PRC	1,647,512	1,682,745
— Hong Kong	399,629	218,701
— USA	1,933	4,895
— Rest of world	9,680	8,751
	<u>2,058,754</u>	<u>1,915,092</u>
(Over)under provision in respect of prior years:		
— PRC	(40,290)	31,397
— Hong Kong	3,191	(23,041)
— USA	—	(13,325)
— Rest of world	2,508	1
	<u>(34,591)</u>	<u>(4,968)</u>
Deferred tax:		
— Current year	(41,672)	136,455
	<u>1,982,491</u>	<u>2,046,579</u>
Discontinued Operations	<u>(10,419)</u>	<u>85,152</u>
	<u><u>1,972,072</u></u>	<u><u>2,131,731</u></u>

The tax charge for the Reporting Period can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000 (Restated)
Continuing Operations		
Profit before tax	13,280,536	13,388,949
Tax at the applicable tax rate of 25%	3,320,134	3,347,237
Tax effect of expenses not deductible for tax purpose	170,130	98,074
Tax effect of income that is exempt from taxation	(419,463)	(678,414)
Over provision in respect of prior years	(34,591)	(4,968)
Effect of unused tax losses and other deductible temporary differences not recognised as deferred tax assets	165,038	237,477
Utilization of tax losses and other deductible temporary differences previously not recognised as deferred tax assets	(8,235)	(7,853)
Effect on opening deferred tax assets or liabilities resulting from change in applicable tax rate	19,367	68,849
Effect of different tax rate of subsidiaries operating in other jurisdictions and tax concession	(1,240,399)	(1,039,478)
Others	10,510	25,655
	<hr/>	<hr/>
Income tax expense	1,982,491	2,046,579
	<hr/>	<hr/>
Discontinued Operations	(10,419)	85,152
	<hr/>	<hr/>
	<u>1,972,072</u>	<u>2,131,731</u>

10. PROFIT FOR THE YEAR

Profit for the year from continuing operations has been arrived at after charging:

	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000 (Restated)
Depreciation for property, plant and equipment	2,438,477	1,968,744
Depreciation of right-of-use assets	218,375	187,716
Amortization of other intangible assets and other non-current assets	125,451	124,270
Staff cost (including directors' emoluments):		
— Salaries and other benefits	8,927,645	8,942,816
— Retirement benefit scheme contributions	1,106,085	1,069,563
— Equity-settled share-based payments	366,068	747,544
— Cash-settled share-based payments	—	(5,818)
	13,182,101	13,034,835
Capitalised in inventories and contract costs	(1,652,536)	(1,262,869)
Capitalised in construction in progress	(41,928)	(11,030)
	11,487,637	11,760,936
Impairment losses recognised on inventory included in cost of sales	23,235	17,500
Expense relating to short-term leases	8,492	1,656
Expense relating to leases of low-value assets that are not shown above as short-term leases	5,191	6,596
	11,524,555	11,786,688
Auditor's remuneration	6,829	7,679

11. DIVIDENDS

Dividends for ordinary shareholders of the Company recognised as distribution during the year as follows:

	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000
2023 Final-RMB0.98974 (inclusive of tax) per ordinary share (2022: RMB0.89266)	<u>2,882,051</u>	<u>2,649,084</u>

Subsequent to the end of the Reporting Period, the Board of the Company proposes the 2024 Profit Distribution Plan as follows: a cash dividend of RMB9.8169 (2023: RMB9.8974) (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB2,835,113,437.82 (2023: RMB2,882,050,829.90) (inclusive of tax) based on the total issued share capital of the Company as of the date of this announcement). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly. The 2024 Profit Distribution Plan is subject to, amongst others, approval by the Shareholders at the forthcoming AGM.

12. EARNINGS PER SHARE

Continuing Operations

The calculation of the basic and diluted earnings per share from continuing operations attribute to the owners of the Company is based on the following data:

	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000
Earnings:		
Profit attributable to owners of the Company	9,352,608	10,690,153
Less: Loss for the year from discontinued operations	(1,829,090)	(544,499)
Cash dividends attribute to the shareholders of restricted shares expected to be unlocked in the future	—	149
	<hr/>	<hr/>
Earnings for the purpose of calculating basic earnings per share from continuing operations	11,181,698	11,234,503
Effect of dilutive potential ordinary shares:		
Add: Cash dividends attribute to the shareholders of restricted shares expected to be unlocked in the future	—	149
Effect of incentive schemes issued by a subsidiary	—	(360)
Effect of incentive schemes issued by an associate	(22,644)	—
Effect of the conversion of the convertible bonds	—	(36,337)
	<hr/>	<hr/>
Earnings for the purpose of calculating diluted earnings per share from continuing operations	<u>11,159,054</u>	<u>11,197,955</u>
	 Year ended December 31, 2024	 Year ended December 31, 2023
Number of Shares ('000):		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	2,885,201	2,934,188
	<hr/>	<hr/>
Effect of dilutive potential ordinary shares:		
Effect of incentive schemes issued by the Company	8,686	13,926
Effect of the conversion of the convertible bonds	—	1,773
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>2,893,887</u>	<u>2,949,887</u>

Continuing and Discontinued Operations

The calculation of the basic and diluted earnings per share from continuing and discontinued operations attribute to the owners of the Company is based on the following data:

	Year ended December 31, 2024 RMB'000	Year ended December 31, 2023 RMB'000
Earnings for the purpose of basic earnings per share	9,352,608	10,690,004
Effect of dilutive potential ordinary shares:		
Add: Cash dividends attribute to the shareholders of restricted shares expected to be unlocked in the future	—	149
Effect of incentive schemes issued by a subsidiary	—	(360)
Effect of incentive schemes issued by an associate	(22,644)	—
Effect of the conversion of the convertible bonds	—	(36,337)
	<hr/>	<hr/>
Earnings for the purpose of calculating diluted earnings per share	<u>9,329,964</u>	<u>10,653,456</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

The earnings for the purpose of calculating diluted earnings per share for the year ended December 31, 2024 has been adjusted on the effect of incentive schemes issued by an associate (for the year ended December 31, 2023: adjusted on the effect of incentive schemes issued by a subsidiary and the effect of the conversion of the convertible bonds).

The computation of diluted earnings per share for the year ended December 31, 2024 is based on weighted average number of shares assumed to be in issue after taking into account the effect of incentive schemes issued by the Company (for the year ended December 31, 2023: after taking into account the effect of incentive schemes and the conversion of the outstanding convertible bonds issued by the Company).

13. FINANCIAL ASSETS AT FVTPL

	As at December 31, 2024 <i>RMB'000</i>	As at December 31, 2023 <i>RMB'000</i>
Current asset		
Financial products	<u>1,233,984</u>	<u>11,003</u>
	<u>1,233,984</u>	<u>11,003</u>
Non-current assets		
Listed equity securities	238,067	483,868
Unlisted equity investments	6,867,581	6,600,451
Unlisted fund investments	<u>1,837,756</u>	<u>1,541,690</u>
	<u>8,943,404</u>	<u>8,626,009</u>

14. TRADE AND OTHER RECEIVABLES/CONTRACT ASSETS

Trade and Other Receivables

	As at December 31, 2024 <i>RMB'000</i>	As at December 31, 2023 <i>RMB'000</i>
Trade receivables		
— third parties	8,325,152	8,197,486
Less: Allowance for credit losses	<u>(461,416)</u>	<u>(373,169)</u>
	<u>7,863,736</u>	<u>7,824,317</u>
Note receivable	92,673	20,197
Total trade and note receivable	<u>7,956,409</u>	<u>7,844,514</u>
Other receivables	80,436	122,431
Prepayments	225,725	243,663
Interest receivables	15,440	10,175
Prepaid expenses	32,545	29,521
Value added tax recoverable	1,306,456	1,096,507
Deposits	<u>26,706</u>	<u>25,930</u>
	<u>1,687,308</u>	<u>1,528,227</u>
Total trade and other receivables	<u><u>9,643,717</u></u>	<u><u>9,372,741</u></u>

The Group allows a credit period ranging from 30 to 90 days to its customers. The following is an aging analysis of trade receivables (net of allowance for credit losses) and note receivable presented based on the invoice dates and their credit period, at the end of each reporting period:

	As at December 31, 2024 <i>RMB'000</i>	As at December 31, 2023 <i>RMB'000</i>
Within 180 days	6,983,531	6,742,842
181 days to 1 year	296,917	489,381
1 year to 2 years	452,237	477,383
More than 2 years	<u>223,724</u>	<u>134,908</u>
	<u>7,956,409</u>	<u>7,844,514</u>

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date on which the credit was initially granted up to the reporting date.

Contract Assets

	As at December 31, 2024 RMB'000	As at December 31, 2023 RMB'000
Contract Assets	995,684	1,244,817
Less: Allowance for credit losses	(6,848)	(10,423)
	<u>988,836</u>	<u>1,234,394</u>

The contract assets primarily relate to the Group's right to the consideration for work completed but not billed. The contract assets are transferred to trade receivables when the rights become unconditional.

15. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

At the end of each reporting period, bank balances and cash of the Group comprised of cash and short term bank deposits with an original maturity of three months or less. The short term bank deposits carry interest at market rates which range from 0.00% to 4.75% per annum as at December 31, 2024 (December 31, 2023: 0.00% to 5.25%)

Pledged bank deposits mainly represent deposits in restricted bank balance related to funds under protective freeze, and collateral for letters of guarantee for the purchase of raw materials and plant and equipment by the Group.

16. TRADE AND OTHER PAYABLES

	As at December 31, 2024 <i>RMB'000</i>	As at December 31, 2023 <i>RMB'000</i>
Trade payables	1,736,625	1,633,775
Note payable	14,381	—
	<hr/>	<hr/>
Total trade and note payable	1,751,006	1,633,775
	<hr/>	<hr/>
Salary and bonus payables	2,147,243	2,125,636
Payables for acquisition of plant and equipment	1,820,146	2,127,166
Accrued expenses	715,605	752,458
Other taxes payable	339,840	381,850
Interest payable	26,620	22,293
Others	225,041	282,112
Considerations received from employees for subscribing restricted A shares of the Company under the WuXi AppTec A Share Incentive Scheme	<hr/> — <hr/>	<hr/> 8,237 <hr/>
	7,025,501	7,333,527
	<hr/> <hr/>	<hr/> <hr/>

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

	As at December 31, 2024 <i>RMB'000</i>	As at December 31, 2023 <i>RMB'000</i>
Within one year	1,674,497	1,569,471
1 year to 2 years	39,548	33,014
2 years to 3 years	15,337	18,465
More than 3 years	21,624	12,825
	<hr/>	<hr/>
	1,751,006	1,633,775
	<hr/> <hr/>	<hr/> <hr/>

17. CONVERTIBLE BONDS

On October 21, 2024, WuXi AppTec (HongKong) Limited, a subsidiary of the Group as the issuer and the Company as guarantor issued USD500 million zero coupon convertible bonds (the “**Convertible Bonds**”). The bonds are convertible at the option of the holders into fully paid ordinary H Shares of the Company of par value RMB1.0 each at the initial conversion price of HKD80.02 per H Share. The Convertible Bonds were approved on October 22, 2024 for listing and trading on the Hong Kong Stock Exchange.

The Convertible Bonds issued by the Group contain both debt and conversion option components, which are separated upon initial recognition. The portion of the Convertible Bonds with debt characteristics, net of transaction costs, is recognized under convertible bonds. At the date of issue, the fair value of the debt component is calculated by discounting the principal repayment amount using the market interest rate. The debt component is subsequently measured at amortized cost using the effective interest method until the Convertible Bonds are either converted or redeemed.

Transaction costs that relate to the issue of the Convertible Bonds are allocated to the debt and the conversion option components in proportion to their relative fair values. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the Convertible Bonds using the effective interest method. Upon conversion, the debt component corresponding to the portion of shares converted shall be derecognized and transferred to equity at the carrying amount on the date of conversion.

The movement of the debt and conversion option components of the Convertible Bonds for the reporting period is set out as below:

	Debt component <i>RMB'000</i>	Conversion option component <i>RMB'000</i>	Total <i>RMB'000</i>
Gross proceeds from issuance of convertible bonds	3,399,254	163,546	3,562,800
Transaction costs	(39,407)	(1,896)	(41,303)
Net proceeds	<u>3,359,847</u>	<u>161,650</u>	<u>3,521,497</u>

During the year of 2024, the interest expense and exchange realignment of the debt component are RMB40,834,000 and RMB92,403,000 respectively.

18. DERIVATIVE FINANCIAL INSTRUMENTS

	As at December 31, 2024 RMB'000	As at December 31, 2023 RMB'000
Current assets		
<i>Derivatives under hedge accounting</i>		
Cash flow hedges		
— Foreign currency forward contracts	—	414,035
Current liabilities		
<i>Derivatives under hedge accounting</i>		
Cash flow hedges		
— Foreign currency forward contracts	186,697	501,871
<i>Other derivatives (not under hedge accounting)</i>		
Foreign currency forward contracts	15,339	—
	202,036	501,871

Derivatives under hedge accounting

It is the policy of the Group to enter into forward foreign exchange contracts to manage its foreign exchange rate risk arising from anticipated future foreign currency transactions within the next year, in particular, the exchange rate between USD and RMB, which are designated into cash flow hedges.

	Average strike rate as at December 31, 2024	Notional value as at December 31, 2024 USD'000	Fair value liabilities as at December 31, 2024 RMB'000
Sell USD			
Less than 3 months	7.0234	466,700	136,853
3 to 6 months	7.1174	281,820	49,844

Year ended December 31, 2024

	Fair value change of derivative financial instruments recognised in other comprehensive income <i>RMB'000</i>	Reclassification from other comprehensive income into profit or loss <i>RMB'000</i>	Profit or loss items
Cash flow hedges			
Anticipated future sales	(628,372)	533,764	Revenue
	<u>(628,372)</u>	<u>533,764</u>	

It is anticipated that the sales will take place within the next year at which time the amount recognised in other comprehensive income will be reclassified to profit or loss.

At the inception of above hedging relationships, the Group formally designates and documents the hedge relationship, risk management objective and strategy for undertaking the hedge. The cash flow hedge mentioned above were assessed to be highly effective.

The ineffective part of the hedge mainly comes from basis risk, risk of change of supply and demand in spot markets and forward markets, and other uncertainty risk of spot markets and forward markets. The amount of the ineffective part of the hedge in the current period and the previous period is not significant.

19. SHARE CAPITAL

	<i>RMB'000</i>
Ordinary shares of RMB1.00 each At January 1, 2023	<u>2,960,527</u>
Conversion of convertible bonds	7,278
Issue of A shares under the 2019 WuXi AppTec A Share Incentive Scheme	1,726
Repurchase and cancellation of restricted A shares	<u>(686)</u>
At December 31, 2023	<u>2,968,845</u>
Issue of A shares under the 2019 WuXi AppTec A Share Incentive Scheme	419
Cancellation of ordinary H shares	(15,468)
Repurchase and cancellation of ordinary A shares	<u>(65,803)</u>
At December 31, 2024	<u><u>2,887,993</u></u>

20. SUBSEQUENT EVENTS

The Group has the following events taken place subsequent to December 31, 2024.

Proposal of 2024 Profit Distribution Plan

Subsequent to the end of the Reporting Period, the Board of the Company proposes the 2024 Profit Distribution Plan as follows: a cash dividend of RMB9.8169 (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB2,835,113,437.82 (inclusive of tax) based on the total issued share capital of the Company as of the date of this announcement). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly. The 2024 Profit Distribution Plan is subject to, amongst others, approval by Shareholders at the forthcoming AGM.

Proposal of 2025 Special Dividend Distribution

The Company announced on December 24, 2024 that it had, through WuXi ATU (Ireland) Holding Limited and WuXi ATU (Hong Kong) Limited, each being a wholly-owned subsidiary of the Company, transferred all of the shares in the U.S. operating entity and the UK operating entity of the WuXi ATU business to Altaris LLC (including the entities controlled by it) and the completion took place on March 7, 2025 (United States time). The disposal of the business is to ensure that clients and patients with a pressing need for the WuXi ATU cell therapy services can continue to receive time-critical and life-saving treatments without interruption, and at the same time, valued scientists, technicians and other staff of the WuXi ATU U.S. and UK business can continue to work towards achieving the mission that “every drug can be made and every disease can be treated”. For details, please refer to the announcements of the Company dated December 24, 2024 and March 10, 2025.

During the same period, in February 2025, the Company completed the transaction with NAMSA, a U.S.-based medical technology testing, clinical, and regulatory consulting company headquartered in Ohio, to sell its medical device testing business in the United States. This transaction aims to optimize the Company’s strategic business portfolio, enabling it to focus more on its core CRDMO business. By making further investments across multiple regions, the Company seeks to enhance business synergies in research, development, and manufacturing services, strengthen its unique CRDMO business model, and better meet the evolving needs of global customers.

In appreciation of shareholders’ support for our strategic adjustments in challenging times, the Board proposes a special dividend distribution as follows: a cash dividend of RMB3.5000 (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB1,010,797,403.70 (inclusive of tax) based on the total issued share capital of the Company as of the date of this announcement). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly. The abovementioned special dividend is subject to, amongst others, approval by the Shareholders at the forthcoming AGM.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2019 A Share Incentive Plan”	the Restricted A Shares and Stock Option Incentive Plan of 2019 adopted by the Company on September 20, 2019
“2019 Adjusted Initial Grant”	the adjusted initial grant of Restricted A Shares and Share Options pursuant to the 2019 A Share Incentive Plan
“2019 Reserved Grant”	the grant of reserved interests subsequent to the initial grant under the 2019 A Share Incentive Plan
“2019 Special Grant”	the special grant of the 2019 A Share Incentive Plan
“2022 Award”	an award granted by the Board to a 2022 Selected Participant, which may vest in the form of 2022 Award Shares or the actual selling price of the 2022 Award Shares in cash, as the Board may determine in accordance with the terms of the 2022 Scheme Rules
“2022 Award Shares”	the H Shares granted to a 2022 Selected Participant in a 2022 Award
“2022 H Share Award and Trust Scheme” or “2022 Scheme”	the 2022 H Share award and trust scheme adopted by the Company in accordance with the 2022 Scheme Rules on August 18, 2022
“2022 Independent Selected Participants”	2022 Selected Participants who are not connected persons of the Group
“2022 Scheme Rules”	the rules of the 2022 Scheme (as amended from time to time)
“2022 Selected Participants”	any 2022 Eligible Employee who is approved for participation in the 2022 Scheme and has been granted any 2022 Award in accordance with the 2022 Scheme Rules
“2023 AGM”	the annual general meeting of the Company held on June 12, 2024

“2023 H Share Award and Trust Scheme” or “2023 Scheme”	the 2023 H Share award and trust scheme adopted by the Company in accordance with the 2023 Scheme Rules on May 31, 2023 and which was subsequently terminated on October 30, 2023
“2023 Profit Distribution”	the proposed distribution of cash dividend of RMB9.8974 for every 10 Shares (inclusive of tax) under the 2023 Profit Distribution Plan
“2023 Profit Distribution Plan”	the profit distribution plan of the Company for the year ended December 31, 2023 which includes the 2023 Profit Distribution
“2023 Scheme Rules”	the rules of the 2023 Scheme (as amended from time to time)
“2024 EGM”	the first extraordinary general meeting of the Company in 2024, held on January 5, 2024
“2024 First A Share Class Meeting”	the first A Share class meeting of the Company in 2024, held on January 5, 2024
“2024 First H Share Class Meeting”	the first H Share class meeting of the Company in 2024, held on January 5, 2024
“2024 H Share award and Trust Scheme” or “2024 Scheme”	the 2024 H Share award and trust scheme adopted by the Company in accordance with the 2024 Scheme Rules
“2024 Profit Distribution”	the proposed distribution of cash dividend of RMB9.8169 for every 10 Shares (inclusive of tax) under the 2024 Profit Distribution Plan
“2024 Profit Distribution Plan”	the profit distribution plan of the Company for the year ended December 31, 2024 which includes the 2024 Profit Distribution
“2024 Scheme Rules”	the rules of the 2024 Scheme (as amended from time to time)

“A Share(s)”	domestic shares of our Company, with a nominal value of RMB1.00 each, which are listed for trading on the Shanghai Stock Exchange and traded in RMB
“A Shareholders”	holder(s) of A Shares
“Acquired Award Shares”	the 15,467,500 H Shares of the Company acquired by the Scheme Trustee through on-market transaction as the source of the award shares
“AGM”	the 2024 annual general meeting to be convened by the Company
“API”	active pharmaceutical ingredient
“Articles of Association”	the articles of association of the Company as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board”	our board of Directors
“Bonds” or “Convertible Bonds”	US\$500 million zero coupon guaranteed convertible bonds due 2025 issued by a wholly-owned subsidiary of the Company and guaranteed by the Company, convertible at the option of the holder thereof into fully paid ordinary H Shares of the Company of par value of RMB1.00 each at the initial Conversion Price of HK\$80.02 per H Share
“CDE”	Centre for Drug Evaluation
“CDMO”	Contract Development and Manufacturing Organization, a CMO that in addition to comprehensive drug manufacturing services, also provide process development and other drug development services in connection with its manufacturing services
“CG Code”	the “Corporate Governance Code” as contained in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China, which for the purpose of this annual results announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan

“CMC”	Chemistry, Manufacturing and Controls
“Company”, “our Company”, “WuXi AppTec”, “We”, “our”, or “us”	WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the predecessor of which, WuXi AppTec Ltd. (無錫藥明康德新藥開發有限公司) (formerly known as WuXi PharmaTech Co., Ltd (無錫藥明康德組合化學有限公司)) was established under the laws of the PRC as an enterprise legal person in December 2000, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 603259) and the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 2359) and if the context requires, includes its predecessor
“COVID-19”	the novel coronavirus pneumonia
“CRDMO”	Contract Research Development and Manufacturing Organization
“CRO”	Contract Research Organization
“Deed of Guarantee”	the deed of guarantee in relation to the guarantee of the Bonds entered into between the Company and the Trustee
“Director(s)”	the director(s) of the Company or any one of them
“EBITDA”	Earnings before Interest, Tax, Depreciation and Amortization
“FDA”	Food and Drug Administration in the U.S.
“FVTPL”	fair value through profit or loss
“GLP”	good laboratory practice
“Group” or “our Group”	the Company and its subsidiaries
“H Share Registrar”	Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“H Share(s)”	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange

“H Shareholders”	holder(s) of H Shares
“HK\$” or “HKD”	Hong Kong dollars and cents, both are the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“IND”	investigational new drug
“IPO”	the listing of the H Shares on the Main Board of the Stock Exchange on December 13, 2018
“Issuer”	WuXi AppTec (HongKong) Limited 藥明康德(香港)有限公司, a company incorporated in Hong Kong on March 26, 2012 and a wholly-owned subsidiary of the Company
“KOLs”	key opinion leaders
“Lead Manager”	Citigroup Global Markets Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix C3 to the Listing Rules
“NDA”	new drug application
“NMPA”	the National Medical Products Administration of the PRC (國家藥品監督管理局)
“PROTAC”	proteolysis targeting chimera
“R&D”	research and development
“Reporting Period”	the year ended December 31, 2024
“Restricted A Shares”	the restricted A Shares granted by the Company under the 2019 A Share Incentive Plan

“RMB“	Renminbi, the lawful currency of the PRC
“Scheme Trustee”	the trustee appointed by the Company for the purpose of the trust to service the 2023 Scheme, Maples Trustee Services (Cayman) Limited, a company incorporated under the laws of Cayman Islands with registered address in Boundary Hall, Cricket Square, George Town, Grand Cayman, Cayman Islands, the entities the shares in which are held by the Trustee in its capacity as trustee of the trust to service the 2023 Scheme
“Second Share Repurchase”	Repurchase of 21,593,780 A Shares from the Shanghai Stock Exchange through bidding
“Share Options”	share options granted under the 2019 A Share Incentive Plan
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of Shares
“Share Repurchase”	Repurchase of 20,275,407 A Shares from the Shanghai Stock Exchange through bidding
“SMO”	Site Management Organization
“SPA”	the sale and purchase agreement entered into between the Company and the Scheme Trustee for the Scheme Trustee to sell, and the Company to repurchase, the Acquired Award Shares in the amount of 15,467,500 H Shares at the same purchase price the Scheme Trustee paid for the acquisition of the Acquired Award Shares. The principal terms are set out in the circular of the 2024 EGM
“STA”	Shanghai SynTheAll Pharmaceutical Co., Ltd* (上海合全藥業股份有限公司)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Agreement”	the subscription agreement dated October 7, 2024 entered into between the Issuer, the Company and the Lead Manager in connection with the issue and subscription of the Bonds
“Third Share Repurchase”	Repurchase of 23,934,621 A Shares from the Shanghai Stock Exchange through bidding
“Trust Deed”	the trust deed constituting the Bonds entered into between the Issuer, the Company and the Trustee
“Trustee”	Citicorp International Limited
“U.S.”	the United States of America, its territories, its possession and all areas subject to its jurisdiction
“USD” or “US\$”	United States dollars, the lawful currency of the United States
“WuXi Biology”	biology business of the Company
“WuXi Chemistry”	chemistry business of the Company
“WuXi Testing”	testing business of the Company
“YoY”	year-over-year
“%”	percentage

By order of the Board
WuXi AppTec Co., Ltd.*
Dr. Ge Li
Chairman

Hong Kong, March 17, 2025

As at the date of this announcement, the Board comprises Dr. Ge Li, Dr. Minzhang Chen, Mr. Edward Hu, Dr. Steve Qing Yang and Mr. Zhaohui Zhang as executive Directors, Mr. Xiaomeng Tong and Dr. Yibing Wu as non-executive Directors and Ms. Christine Shaohua Lu-Wong, Dr. Wei Yu, Dr. Xin Zhang, Ms. Zhiling Zhan and Mr. Xuesong Leng as independent non-executive Directors.

* *For identification purposes only*