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WUXI XDC CAYMAN INC.

藥明合聯生物技術有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2268)

CONTINUING CONNECTED TRANSACTIONS
(1) REVISION OF ANNUAL CAP FOR EXISTING PAYLOAD-LINKERS MASTER SERVICES AGREEMENT
AND
(2) RENEWAL OF EXISTING PAYLOAD-LINKERS MASTER SERVICES AGREEMENT

BACKGROUND

Reference is made to the Prospectus in relation to, among others, the Existing Payload-Linkers Master Services Agreement dated November 3, 2023.

Driven by the industry's sustained investments in research and development, inelastic demand for outsourcing, and rapid expansion into other bioconjugate modalities, general demand for the Group's ADC CRDMO services continues to grow significantly. Particularly, the Group's ADC CRDMO business experienced robust growth throughout 2024 and the first half of 2025, as demonstrated by the fact that the Group's revenue and net profit attributable to owners of the Company for the year ended December 31, 2024 were 90.8% and 277.2% higher, respectively, than the corresponding amounts for the year ended December 31, 2023, and the business has continued its upward trajectory in 2025, as demonstrated by the fact that the Group's revenue and net profit attributable to owners of the Company for the six months ended June 30, 2025 were 62.2% and 52.7% higher, respectively, than the corresponding period amounts for the six months ended June 30, 2024.

The Company's business is expected to continue its remarkable growth on the basis of increasing demand for the Group's services in the second half of 2025. In consideration of the strong performance of the Company and its latest unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2025, the Company anticipates that the transaction amount for the Existing Payload-Linkers Master Services Agreement will exceed its Original Annual Cap for 2025 and therefore, it proposes to adopt the Revised Annual Cap with respect to the Existing Payload-Linkers Master Services Agreement. Further, as the Existing Payload-Linkers Master Services Agreement will expire on December 31, 2025, the Company proposes to enter into the New Payload-Linkers Master Services Agreement to renew the Existing Payload-Linkers Master Services for a further term of three years. Lastly, the Company also proposes to enter into the New Payload-Linkers Master Services with WuXi AppTec as part of its ordinary course of business. The above transaction is subject to the announcement, reporting, annual review, circular and, where applicable, the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, details of which are set out below.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, WuXi AppTec is a substantial shareholder of the Company and is therefore a connected person of the Company under the Listing Rules.

As the highest applicable percentage ratio is more than 0.1% but less than 5%, the Revised Annual Cap for the Existing Payload-Linkers Master Services Agreement is subject to announcement, reporting and annual review requirements but exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, as the highest applicable percentage ratio is more than 5%, the New Payload-Linkers Master Services Agreement is subject to announcement, reporting, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Directors (including the independent non-executive Directors) are of the view that the Existing Payload-Linkers Master Services Agreement and the New Payload-Linkers Master Services Agreement together with the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Group, and conducted on normal commercial terms, and that the terms of such agreements as well as the relevant annual cap (including the Revised Annual Cap) are fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

A circular containing, among other things, (i) details of the renewal of the Existing Payload-Linkers Master Services Agreement, (ii) a letter from the Independent Board Committee to the Independent Shareholders, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and (iv) notice of the EGM together with the form of proxy will be despatched by the Company to the Shareholders accordingly.

BACKGROUND

Reference is made to the Prospectus in relation to, among others, the Existing Payload-Linkers Master Services Agreement dated November 3, 2023.

Driven by the industry's sustained investments in research and development, inelastic demand for outsourcing, and rapid expansion into other bioconjugate modalities, general demand for the Group's ADC CRDMO services continues to grow significantly. Particularly, the Group's ADC CRDMO business experienced robust growth throughout 2024 and the first half of 2025, as demonstrated by the fact that the Group's revenue and net profit attributable to owners of the Company for the year ended December 31, 2024 were 90.8% and 277.2% higher, respectively, than the corresponding amounts for the year ended December 31, 2023, and the business has continued its upward trajectory in 2025, as demonstrated by the fact that the Group's revenue and net profit attributable to owners of the Company for the six months ended June 30, 2025 were 62.2% and 52.7% higher, respectively, than the corresponding period amounts for the six months ended June 30, 2024.

The Company's business is expected to continue its remarkable growth on the basis of increasing demand for the Group's services in the second half of 2025. In consideration of the strong performance of the Company and its latest unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2025, the Company anticipates that the transaction amount for the Existing Payload-Linkers Master Services Agreement will exceed its Original Annual Cap for 2025 and therefore, it proposes to adopt the Revised Annual Cap with respect to the Existing Payload-Linkers Master Services Agreement. Further, as the Existing Payload-Linkers Master Services Agreement will expire on December 31, 2025, the Company proposes to enter into the New Payload-Linkers Master Services Agreement to renew the Existing Payload-Linkers Master Services for a further term of three years. Lastly, the Company also proposes to enter into the New Payload-Linkers Master Services with WuXi AppTec as part of its ordinary course of business. The above transaction is subject to the announcement, reporting, annual review, circular and, where applicable, the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, details of which are set out below.

A. REVISION OF ORIGINAL ANNUAL CAP FOR THE EXISTING PAYLOAD-LINKERS MASTER SERVICES AGREEMENTS

On November 3, 2023, the Company and WuXi AppTec entered into the Existing Payload-Linkers Master Services Agreement, pursuant to which the WXAT Group provides research and development and manufacturing services in relation to payload-linkers and supply the related intermediate products to the Group for use in its ADC CRDMO services.

Historical transaction amounts

	For the year ended December 31, 2024	**For the six months ended June 30, 2025**
Historical transaction amounts	RMB142.6 million *(Note 1)*	RMB56.5 million *(Note 2)*

Notes:

(1) Based on the audited consolidated financial statements of the Group for the year ended December 31, 2024.

(2) Based on the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2025.

Original Annual Cap and Revised Annual Cap

The Original Annual Cap and the Revised Annual Cap for the Existing Payload-Linkers Master Services Agreement are as follows:

	For the year ending December 31, 2025
Original Annual Cap	RMB168.0 million
Revised Annual Cap	RMB200.0 million

Basis for determining the Revised Annual Cap for the Existing Payload-Linkers Master Services Agreement

The Revised Annual Cap for the year ending December 31, 2025 concerning the Existing Payload-Linkers Master Services Agreement is determined with reference to: (i) the historical transaction amounts paid by the Group to the WXAT Group for the payload-linkers related services under the Existing Payload-Linkers Master Services Agreement; (ii) the expected overall business growth of the Group and increase in demand for ADC CRDMO services from clients for the second half of 2025; and (iii) the expected increase in our manufacturing capacity in relation to payload-linkers.

Reasons for and benefits of revision of the Original Annual Cap for the Existing Payload-Linkers Master Services Agreement

The Group's ADC CRDMO business demonstrated continued strength throughout 2024 and has continued its upward trajectory in 2025, as demonstrated by the fact that the Group's revenue and net profit attributable to owners of the Company for the six months ended June 30, 2025 were 62.2% and 52.7% higher, respectively, than the corresponding period amounts for the six months ended June 30, 2024. At the same time, the cumulative total number of projects since the Group's inception increased by 53.6% from 705 at June 30, 2024 to 1,083 at June 30, 2025. Such increase in the demand for high-quality ADC CRDMO services is also evidenced by the significant growth in the number of customers of the Group from 419 at June 30, 2024 to 563 at June 30, 2025. The Company believes that its strong performance will continue in the future as the Group is benefiting from the impressive growth of the global ADC market, which is expected to grow at a CAGR of approximately 30.0% from US$7.9 billion in 2022 to US$64.7 billion in 2030, according to Frost & Sullivan.

The global ADC's rapid growth has driven strong demand for the Group's ADC CRDMO services, which has translated into increased demand for payload-linkers-related services. The Group has been constantly expanding its in-house payload-linker manufacturing capacity through its facilities in Wuxi and Changzhou as well as the

newly launched technology platforms (WuXiTecan-1 and WuXiTecan-2). In line with its manufacturing strategy, the Group prioritizes deploying its in-house capacity in the first half of the year to fulfil client demands. However, given the rapid pace of growth in clients' demand for the payload-linkers-related services, the current capacity remains insufficient to fulfill all such clients' demand, and hence in the second half of 2025, the Group has to supplement with external sourcing in light of its anticipated strong growth in the demand for payload-linkers-related services.

Given the proven successful track record of providing high quality services by the WXAT Group, the Directors (including the independent non-executive Directors) are of the view that the continued engagement with the WXAT Group for the payload-linkers-related services would ensure an uninterrupted and trustworthy supply of payload-linkers to fulfill the clients' demands, and therefore it is in the interests of the Company to continue to procure payload-linkers-related services from the WXAT Group.

B. RENEWAL OF THE EXISTING PAYLOAD-LINKERS MASTER SERVICES AGREEMENTS

As the Existing Payload-Linkers Master Services Agreement will expire on December 31, 2025, on September 2, 2025, the Company and WuXi AppTec entered into the New Payload-Linkers Master Services Agreement, which will be effective on January 1, 2026 subject to the approval of the Independent Shareholders at the EGM.

The principal terms of the New Payload-Linkers Master Services Agreement are substantially the same as those of the Existing Payload-Linkers Master Services Agreement, which are summarized as follows:

Date:	September 2, 2025
Parties:	(1) The Company (2) WuXi AppTec
Term:	From January 1, 2026 to December 31, 2028
Subject Matter:	The WXAT Group will provide research and development and manufacturing services in relation to payload-linkers and supply the related intermediate products to the Group for use in its ADC CRDMO services.
Conditions Precedent:	The New Payload-Linkers Master Services Agreement shall take effect on January 1, 2026, subject to the approval of the Independent Shareholders at the EGM.

Pricing Policy: The service fees charged by the WXAT Group will be at rates no less favorable than the rates charged by the WXAT Group to independent third parties for comparable transactions, and will be determined by the parties through arm's length negotiation based on standard pricing schedule used by the WXAT Group for all its customers. When determining the prices set out in the standard pricing schedule, a number of factors that are relevant to the services provided are being taken into account, including but not limited to (i) the nature, scale, frequency and value of the relevant research and development and manufacturing services; (ii) the complexity of tasks completed by the WXAT Group at each stage under each work order; (iii) the resources spent on providing specific services; and (iv) the fees charged for historical transactions of similar nature and the then prevailing market rates.

Historical transaction amounts

	For the year ended December 31, 2023	**For the year ended December 31, 2024**	**For the six months ended June 30, 2025**
Historical transaction amounts	RMB148.1 million *(Note 1)*	RMB142.6 million *(Note 2)*	RMB56.5 million *(Note 3)*
Annual Caps	RMB206.0 million	RMB182.0 million	RMB200.0 million *(Note 4)*

Notes:

(1) Based on the audited consolidated financial statements of the Group for the year ended December 31, 2023.

(2) Based on the audited consolidated financial statements of the Group for the year ended December 31, 2024.

(3) Based on the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2025.

(4) This annual cap is applicable for the full year ending December 31, 2025.

As of the date of this announcement, the historical transaction amounts did not exceed the corresponding annual caps under the Existing Payload-Linkers Master Services Agreement.

Proposed annual caps and basis of determination

	For the year ending December 31, 2026	For the year ending December 31, 2027	For the year ending December 31, 2028
Proposed annual caps	RMB300.0 million	RMB400.0 million	RMB400.0 million

The aforesaid proposed annual caps are determined by reference to: (i) the historical transaction amounts paid by the Group to the WXAT Group for the payload-linkers related services under the Existing Payload-Linkers Master Services Agreement; (ii) the expected overall business growth of the Group and increase in demand for ADC CRDMO services from clients for the future three years ending December 31, 2028; and (iii) the expected increase in the Group's manufacturing capacity in relation to payload-linkers.

Reasons for and benefits of entering into the New Payload-Linkers Master Services Agreement

As discussed above, the Group continues to benefit from the impressive growth of the global ADC market and such growth will translate into increased demand for payload-linkers-related services. Given that the payload-linkers-related services provided by the WXAT Group have in the past proven to be uninterrupted and trustworthy, the Directors (including the independent non-executive Directors) are of the view that it is in the interests of the Company to continue to procure payload-linkers-related services from the WXAT Group.

INTERNAL CONTROL MEASURES

To ensure that the transactions contemplated under the Existing Payload-Linkers Master Services Agreement and the New Payload-Linkers Master Services Agreement are fair and reasonable, the Company has adopted and implemented the following internal control procedures to monitor its continuing connected transactions:

(a) the Company will arrange on regular basis trainings for its employees, including the business operation, finance, and legal and compliance departments, to strengthen their familiarity of the Listing Rules and enhance their awareness of the compliance with the relevant internal control procedures relating to the Group's continuing connected transactions;

(b) the Board and various internal departments of the Company (including the business operation, finance, and legal and compliance departments) will be jointly responsible for evaluating the terms under the framework agreements for the continuing connected transactions, in particular, the fairness and reasonableness of the pricing policies and proposed annual caps under each transaction, which will ensure that service fees payable the Company or charged by the Company shall be based on the standard pricing schedule and such services fees are at rates no less favorable offered by independent third parties;

(c) the Group will promote and facilitate effective communication between its different departments and between members of the Group, and specifying the data collection process, so as to assure all necessary requirements of the Listing Rules are complied with;

(d) all members of the Group will be required to report to the finance department of the Company which will closely monitor, the actual transaction amounts relating to its continuing connected transactions on a regular basis. If the actual transaction amount reaches 90% of the proposed annual caps of the relevant continuing connected transactions at any time, the matter shall be escalated to the chief financial officer of the Company, who will seek advice from the audit committee of the Company and the Board for appropriate measures, including but not limited to revising the relevant proposed annual caps in accordance with the requirements of the Listing Rules, if necessary;

(e) the Company's finance department will monitor the effectiveness and adequacy of the internal control measures and will conduct random internal testing on the internal control measures of the Company quarterly to ensure that the internal control measures in respect of all of the Group's continuing connected transactions remain complete and effective. The finance department will report such testing results and recommendation to the audit committee of the Company and the Board on a regular basis; and

(f) the independent non-executive Directors and the external auditors of the Company will conduct annual review of the continuing connected transactions, and provide annual confirmation or issue a letter under Chapter 14A of the Listing Rules to ensure that, in accordance with the Listing Rules, the transactions contemplated thereunder are entered into the ordinary and usual course of business of the Group and conducted on normal commercial terms and according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in the provision of integrated and comprehensive services of contract research, development and manufacturing of antibody-drug conjugates and other bioconjugates.

WuXi AppTec

WuXi AppTec Co., Ltd. is a joint stock company with limited liability incorporated in the PRC, the A shares of which are listed on the Shanghai Stock Exchange (SSE stock code: 603259) and the H shares of which are listed on the Stock Exchange (stock code: 2359). The WXAT Group is a leading global pharmaceutical research and development services platform engaged in the business of discovery, development and manufacturing of innovative pharmaceuticals.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, WuXi AppTec is a substantial shareholder of the Company and is therefore a connected person of the Company under the Listing Rules.

As the highest applicable percentage ratio is more than 0.1% but less than 5%, the Revised Annual Cap for the Existing Payload-Linkers Master Services Agreement is subject to announcement, reporting and annual review requirements but exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, as the highest applicable percentage ratio is more than 5%, the New Payload-Linkers Master Services Agreement is subject to announcement, reporting, annual review, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Ming Shi, who is a director the Company and the chief financial officer of WuXi AppTec, has abstained from voting on the relevant Board resolutions approving (i) the proposed adoption of the Revised Annual Cap of the Existing Payload-Linkers Master Services Agreement, and (ii) the renewal of the Existing Payload-Linkers Master Services Agreement. Save as disclosed above, none of the other Directors has, or is considered to have, any material interests in the above transactions.

GENERAL

The Directors (including the independent non-executive Directors) are of the view that the Existing Payload-Linkers Master Services Agreement and the New Payload-Linkers Master Services Agreement together with the transactions contemplated thereunder have been entered into in the ordinary and usual course of business of the Group, and conducted on normal commercial terms, and that the terms of such agreements as well as the relevant annual cap (including the Revised Annual Cap) are fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

A circular containing, among other things, (i) details of the renewal of the Existing Payload-Linkers Master Services Agreement, (ii) a letter from the Independent Board Committee to the Independent Shareholders, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and (iv) notice of the EGM together with the form of proxy will be despatched by the Company to the Shareholders accordingly.

DEFINITIONS

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

"antibody drug conjugate(s)" or "ADC(s)"	an emerging class of highly potent biopharmaceutical drugs designed as a targeted therapy combining the specific targeting capabilities of monoclonal antibodies with the cancer-killing ability of cytotoxic drugs for the treatment of cancer
"Board"	the board of directors of the Company

"Company"	WuXi XDC Cayman Inc. (藥明合聯生物技術有限公司*), an exempted company incorporated under the laws of Cayman Islands with limited liability on December 14, 2020, the Shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"CRDMO"	Contract Research, Development and Manufacturing Organization
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the renewal of the Existing Payload-Linkers Master Services Agreement, as well as the transactions contemplated thereunder
"Existing Payload-Linkers Master Services"	the transactions contemplated under the Existing Payload-Linkers Master Services Agreement
"Existing Payload-Linkers Master Services Agreement"	the payload-linkers master services framework agreement dated November 3, 2023 and entered into between WuXi AppTec and the Company, which is subject to the announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules
"Group"	the Company and its subsidiaries from time to time
"Independent Board Committee"	the independent board committee of the Company comprising Dr. Ulf GRAWUNDER, Mr. Kenneth Walton HITCHNER III and Mr. Hao ZHOU, being all the independent non-executive Directors of the Company, which is formed to advise the Independent Shareholders on the matters to be approved at the EGM
"Independent Financial Adviser"	the independent financial adviser to be appointed by the Company to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the renewal of the Existing Payload-Linkers Master Services Agreement and the transactions contemplated thereunder

''Independent Shareholders''	in relation to the entering into of the New Payload-Linkers Master Services Agreement together with the transactions contemplated thereunder, Shareholders other than STA Pharmaceutical and its associates as well as other parties (if any) who are interested or involved in the matters aforementioned
''Listing Rules''	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
''Main Board''	Main Board of the Stock Exchange
''New Payload-Linkers Master Services''	the transactions contemplated under the New Payload-Linkers Master Services Agreement
''New Payload-Linkers Master Services Agreement''	the payload-linkers master services framework agreement dated September 2, 2025 and entered into between WuXi AppTec and the Company, which is subject to the announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules
''Original Annual Cap''	the original annual cap in respect of the transactions under the Existing Payload-Linkers Master Services Agreement, for the year ending December 31, 2025 as set out in the Prospectus
''payload''	the component that elicits the desired therapeutic response, which is attached to the antibody by a linker and is released at the desired target
''payload-linker''	payload, linker and/or payload-linker, which combines both the payload and the linker, as the context requires. Conjugation, which typically refers to the combination of the antibody intermediate and payload-linker and is one of the most important steps in generating bioconjugates, is a separate step from combining the payload and linker molecules
''percentage ratio''	has the meaning ascribed to it under the Listing Rules
''Prospectus''	the prospectus of the Company dated November 7, 2023
''Revised Annual Cap''	the proposed revised annual cap in respect of the transactions under the Existing Payload-Linkers Master Services Agreement for the year ending December 31, 2025 as set out in the section headed ''Revision of Original Annual Cap for the Existing Payload-Linkers Master Services Agreement''

"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary shares in the share capital of the Company with a par value of US$0.00005 each
"Shareholder(s)"	holder(s) of the Shares
"STA Pharmaceutical"	STA Pharmaceutical Hong Kong Investment Limited* (合全藥業香港投資有限公司), a limited liability company incorporated in Hong Kong and a non-wholly owned subsidiary of WuXi AppTec
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"WuXi AppTec"	WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司), a joint stock company with limited liability incorporated in the PRC, with its A shares being listed on the Shanghai Stock Exchange (SSE stock code: 603259) and its H shares being listed on the Main Board of the Stock Exchange (HKEx stock code: 2359)
"WXAT Group"	Wuxi AppTec together with its subsidiaries from time to time
"%"	per cent

By order of the Board
WuXi XDC Cayman Inc.
Dr. Jincai LI
Executive Director and Chief Executive Officer

Hong Kong, September 2, 2025

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

* *For identification purpose only*