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WUXI BIOLOGICS (CAYMAN) INC.

藥明生物技術有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2269)

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

FINANCIAL HIGHLIGHTS				
		2024	2023	Change
		<i>RMB million</i>	<i>RMB million</i>	
Revenue		18,675.4	17,034.3	9.6%
Gross profit		7,650.8	6,827.9	12.1%
Gross profit margin		41.0%	40.1%	
Net profit		3,945.4	3,570.6	10.5%
Net profit margin		21.1%	21.0%	
Net profit attributable to owners of the Company		3,356.1	3,399.7	(1.3%)
Margin of net profit attributable to owners of the Company		18.0%	20.0%	
Adjusted net profit attributable to owners of the Company		4,784.1	4,698.9	1.8%
Margin of adjusted net profit attributable to owners of the Company		25.6%	27.6%	
		RMB	RMB	
Earnings per share	— Basic	0.82	0.82	—
	— Diluted	0.78	0.77	1.3%
Adjusted earnings per share	— Basic	1.17	1.13	3.5%
	— Diluted	1.12	1.06	5.7%

The Board does not recommend any payment of final dividend for the year ended December 31, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overall Performance

During the Reporting Period, driven by its fully integrated CRDMO platform and well-established “Follow and Win the Molecule” strategies, the Group once again delivered solid results despite a dynamic macroeconomic landscape.

Notably, the Group added 151 new integrated projects in 2024, bringing the total to 817 as of December 31, 2024, demonstrating its sustainable growth momentum. The Group’s late-phase and non-COVID commercial manufacturing business also experienced robust growth, with totals reaching 66 and 21 projects respectively as of December 31, 2024. In particular, the Group further secured 20 external projects through its “Win-the-Molecule” strategy during the Reporting Period, including 13 late-phase and commercial manufacturing projects, laying a solid foundation for future revenue growth.

The following table sets forth the status of the ongoing integrated projects of the Group as at December 31, 2024:

Biologics Development Process Stage	Number of Ongoing Integrated Projects ⁽¹⁾	Typical Duration	Typical Service Revenue ⁽²⁾
Pre-IND			
— Pre-clinical development	402	6–15 months	US\$5–8 mm
Post-IND			
— Early-phase (phases I & II) clinical development:	328	3 years	US\$4–6 mm
— Phase I clinical development	243		
— Phase II clinical development	85		
— Late-phase (phase III) clinical development	66	3–5 years	US\$20–50 mm
— Commercial manufacturing ⁽³⁾	21	annually	US\$50–100 mm ⁽⁴⁾
Total	817		

Notes:

- (1) Integrated projects are projects that require the Group to provide services across different divisions/ departments within the Group and across various stages of the biologics development process.
- (2) Milestone fees can be paid at different research and development (“R&D”) stages, while royalty fees will be charged for 5–10 years or until the patent expires once the new drug launches in the market.
- (3) The commercial manufacturing projects refer to the projects approved by regulatory authorities and signed CMO contracts with the Group.
- (4) Estimated value when biologic drug reaches its peak sales. A biologic drug typically reaches its peak sales after a ramp-up period.

The Group’s revenue for the year ended December 31, 2024 increased by 9.6% year-on-year to RMB18,675.4 million, with a year-on-year 13.1% increase in non-COVID revenue. The gross profit increased by 12.1% year-on-year to RMB7,650.8 million, and net profit increased by year-on-year 10.5% to RMB3,945.4 million. Please refer to the section headed “Financial Review” for further information. The Group’s total backlog reached US\$18.5 billion as of December 31, 2024, including US\$10.5 billion service backlog and US\$8.0 billion upcoming potential milestone fees, while the total backlog within three years reached US\$3.7 billion as of December 31, 2024. Subsequent to the Ireland vaccines facility asset transaction with MSD International GmbH (“**MSD International**”) as disclosed in the announcement of the Company dated January 6, 2025, approximately US\$3 billion related backlog has been removed. The timing and probability of potential milestone fee realization may vary, as it is contingent upon project success and development progress — factors that may be beyond the Group’s control.

The Group has established collaborations with the world’s top 20 pharmaceutical companies and most of the largest pharmaceutical companies in China. During the Reporting Period, the Group further diversified its client base and expanded the number of clients served, reaffirming its commitment to delivering fully integrated CRDMO services and advancing biologics development to benefit patients worldwide. The Group believes that continuous investment in its capabilities and capacity, coupled with unwavering collaboration and commitment to its clients and partners, will further strengthen its value chain, positioning the Group to consistently leverage new market opportunities.



Business Highlights

CRDMO Platform — Research (R)

With the integration of protein science group into our research service unit, the Group has established a global biologics research (“**GBR**”) business unit comprising approximately 800 scientists. As the Group’s research and discovery arm, the “**R**” in CRDMO, it offers a comprehensive and streamlined suite of solutions for biologics discovery. GBR provides standalone and modular services, enabling global clients to access our technologies and discovery platform at any stage through our traditional CRO service. Additionally, its fully integrated project (“**FIP**”) service supports clients from initial concept through IND submission, seamlessly integrating with CMC and downstream process development. The Group remains committed to enhancing its biologics generation and optimization capabilities, offering high-throughput protein production across small, medium, and large scales. The Group continues to strengthen its position as an industry partner of choice, accelerating the discovery and development of innovative therapeutic biologics for its clients.

- **Protein Production.** Leveraging our cutting-edge technologies and state-of-the-art facilities, our research protein production service delivers tailored solutions to meet the diverse protein needs of our global clients across various scales and stages of biologics discovery and development with industry highest yield, superior quality and unmatched speed.
- **Bispecific Antibodies.** Riding on our deep expertise in antibody development and our top-tier team of scientists, the Group has advanced over 70 different formats across over 150 bispecific projects. **WuXiBody™**, the Group’s proprietary bispecific antibody platform, allows valency flexibility, enabling pairing of virtually any monoclonal antibody (“**mAb**”) to construct bispecific antibodies. **WuXiBody™** continues to gain industry recognition, with over 50 collaborations established as of the end of the Reporting Period.



- **Multispecific Antibodies.** Drawing upon our technical capability of Variable Domain of Heavy-chain Antibodies (“**VHH**”) libraries, advanced VHH immunization, VHH affinity maturation and humanization platforms and a deep understanding of disease and target biology, the Group has developed the VHH-based **SDArBody™** (Single-Domain Antibody-related Multispecific Antibody) platform. This sophisticated platform provides our clients with multi-functional therapeutic capabilities and has been applied extensively across a diverse range of projects. Together with **WuXiBody™**, **SDArBody™** and our protein engineering expertise, we continue to enable our clients to develop multispecific antibodies to meet various therapeutic needs.



- **T-cell Engager (“TCE”) Platform.** The Group has leveraged its Immune Cell Engager (“ICE”) platform to devise TCE with its proprietary cynomolgus monkey cross-reactive anti-CD3 mAb with unique binding epitope and binding kinetics in an optimized antibody format, exploring their potential as preeminent treatments for tumors and autoimmune diseases in close collaboration with clients and partners. The Group is further developing next generation costimulatory TCE, masked TCE, $\gamma\delta$ TCE and NK cell engager (NKCE) to solidify its position in ICE platforms.
- **Tumor Associated Antigens (“TAA”) mAb Technology.** The Group has developed comprehensive technologies for validating TAAs and utilizes its advanced antibody discovery platforms to identify the best mAbs to TAAs to enable clients globally, including leading multinational pharmaceutical companies. These antibodies, with their unique properties, enable our clients to discover potentially best-in-class antibody-drug conjugates (“ADC”) molecules and other novel tumor targeted therapeutic agents.
- **Single B Cell Technology.** Using the Berkeley Light Beacon system, the Group’s single B cell technology is applicable to a variety of species critical for lead generation of therapeutic antibodies. This advancement significantly enhances existing technologies, facilitating and enabling the discovery of valuable lead molecules for challenging targets.

These cutting-edge technologies and platforms have allowed the Group to accelerate its collaborations and enable clients to advance new biologics modalities, such as a discovery service agreement with GSK plc (LSE/NYSE: GSK) on multiple novel bi- and multi-specific TCE antibodies, a research agreement with Candid Therapeutics, Inc. for a preclinical trispecific TCE discovered at WuXiBody™ platform for autoimmune diseases, a research service agreement with BioNTech SE (NASDAQ: BNTX) for the discovery of investigational mAbs, and a strategic partnership with Medigene AG (FSE: MDG1) to design and co-research T cell receptor (TCR)-guided TCE (TCR-TCEs) for the treatment of difficult-to-treat tumors. In addition, in collaboration with Hangzhou DAC Biotechnology Co., Ltd., our FIP research service enabled Aadi Bioscience, Inc. (NASDAQ: AADI) for a three-asset portfolio of preclinical next-wave ADCs. Through these strategic collaborations, our research (R) platform has propelled multiple global discovery projects during the Reporting Period. These partnerships strengthen client trust, drive innovation in biological therapies to benefit patients worldwide, and further expand our biologics pipeline.

CRDMO Platform — Development (D)

To further enable our clients to deliver more high-quality and affordable biologics to patients, the Group’s industry-leading biologics development team consistently drives innovation with the mission of “Turning Ideas into Life-Improving Biologics and Vaccines”. The Group continues to optimize delivery timelines while maintaining uncompromising quality, reducing the development cycle for mAb projects from DNA to IND to just nine months. Notably, a recent autoimmune disease project was completed in just six months. As of the end of the Reporting Period, the Group had enabled over 600 INDs.

The Group consistently advances and provides cutting-edge technology platforms to accelerate biologics development and manufacturing, most notably:

- **WuXia™**. The Group's proprietary CHO (Chinese Hamster Ovary) cell line development platform WuXia™ enables 150 integrated CMC projects per year, one of the industry's largest capacities. The Group has delivered more than 1,000 cell lines, including five commercial products. Derived from WuXia™, WuXia RidGS™ is a high-yield glutamine synthetase (GS)-knockout CHO expression system platform specialized in non-antibiotic cell line development, and WuXia^{ADCC} PLUS™ is the Group's high-yielding mammalian cell line platform for the development and manufacturing of afucosylated antibodies to elicit an enhanced ADCC response. Both WuXia RidGS™ and WuXia^{ADCC} PLUS™ cell lines are compatible with the WuXia™ platform process, enabling the stable production of biologics at various scales for clinical and commercial manufacturing.

The logo for WuXia™ features the word "WuXia" in a bold, black, sans-serif font. The "X" is stylized with a blue and green gradient. Below the text is a horizontal bar with a blue-to-green gradient. The entire logo is enclosed in a blue L-shaped frame.The logo for WuXia RidGS™ features the word "WuXia" in a bold, black, sans-serif font. The "X" is stylized with a blue and green gradient. To the right of "WuXia" is the word "RidGS" in a blue, sans-serif font. A green arc is positioned above "RidGS". Below the text is a horizontal bar with a blue-to-green gradient. The entire logo is enclosed in a blue L-shaped frame.The logo for WuXia Plus™ features the word "WuXia" in a bold, black, sans-serif font. The "X" is stylized with a blue and green gradient. To the right of "WuXia" is the word "Plus" in a blue, sans-serif font. Above "Plus" is the text "ADCC" in a smaller, blue, sans-serif font. Below the text is a horizontal bar with a blue-to-green gradient. The entire logo is enclosed in a blue L-shaped frame.

- **WuXiUP™**. The Group's ultra-high productivity continuous bioprocessing platform WuXiUP™ is an end-to-end next-generation solution for high-yield drug substance ("DS") while also being highly flexible and cost-effective. WuXiUP™ can be implemented in 1,000–2,000L single-use bioreactors to achieve comparable productivity to 10,000–20,000L stainless steel bioreactors while ensuring high product quality. WuXiUP™ has been implemented in over 140 processes achieving productivity of 20–100 g/L and enabling over ten IND approvals.

The logo for WuXiUP™ features the word "WuXiUP" in a bold, black, sans-serif font. The "X" is stylized with a blue and green gradient. Below the text is a horizontal bar with a blue-to-green gradient. The entire logo is enclosed in a blue L-shaped frame.

- **WuXiUI™**. In comparison with the conventional fed-batch process, the Group's new proprietary bioprocessing platform WuXiUI™ applies an innovative ultra-intensified intermittent-perfusion fed-batch (UI-IPFB) strategy to achieve a 3- to 6-fold increase in productivity in a typical culture duration for over 35 cell lines expressing different types of recombinant proteins including mAbs, bispecific antibodies and fusion proteins, while ensuring high product quality with significantly reduced manufacturing cost of goods (COGS). During the Reporting Period, the Group has successfully completed first scale-up of WuXiUI™ in 2,000L GMP manufacturing.

The logo for WuXiUI™ features the word "WuXiUI" in a bold, black, sans-serif font. The "X" is stylized with a blue and green gradient. Below the text is a horizontal bar with a blue-to-green gradient. The entire logo is enclosed in a blue L-shaped frame.

- **WuXiHigh™.** The Group’s proprietary high concentration (≥ 100 mg/mL) drug product (“DP”) development platform WuXiHigh™ incorporates features such as high-throughput formulation screening strategies, novel methodology in viscosity reduction with proprietary viscosity-reducing excipients, and molecular dynamics simulation. As of the end of the Reporting Period, WuXiHigh™ platform had provided tailored solutions for over 100 projects (up to 230 mg/mL) with a wide range of modalities.



During the Reporting Period, underscoring the distinctive advantages of our CRDMO platform and our position as an industry partner of choice, our client, Curon Biopharmaceutical, licensed its investigational B-cell depletion therapy, CN201, to Merck & Co., Inc. (NYSE: MRK). CN201 leveraged our WuXiBody™, TCE platform, and WuXiUP™ platforms, demonstrating the strength of our integrated solutions in advancing innovative therapies.

CRDMO Platform — Manufacturing (M)

The Group’s biologics cGMP DS manufacturing facilities exclusively utilize single-use bioreactors, scalable from 200L to 5,000L. In addition, the Group’s one-stop comprehensive DP capabilities and capacity expanded its service offerings to the biologics industry, bolstering revenue streams through state-of-the-art facilities and cutting-edge technologies, including integrated high throughput and automation instruments, pioneering lyophilization technologies, and advanced process development capabilities.



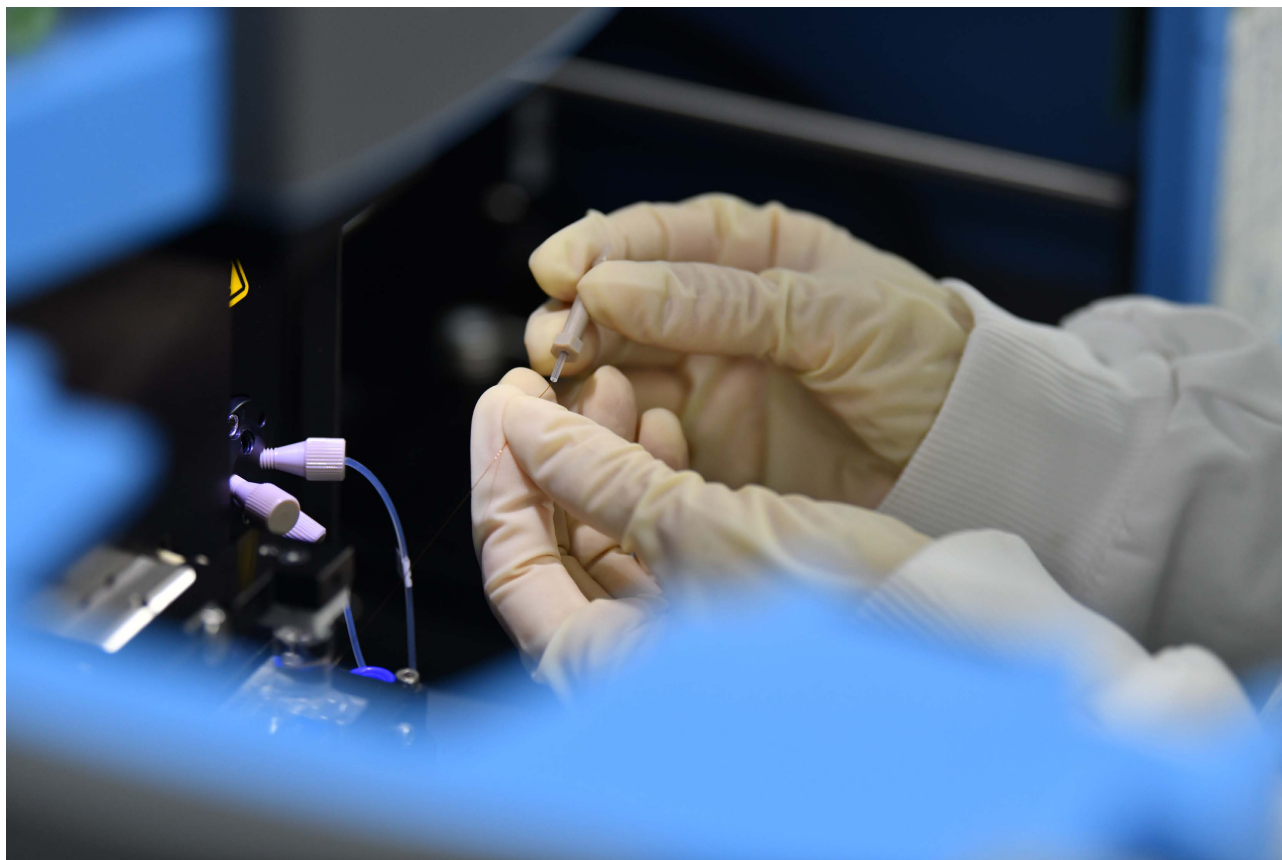
During the Reporting Period, the Group’s manufacturing services achieved significant milestones driven by the successful execution of our “Follow and Win the Molecule” and “Global Dual Sourcing” strategies:

- **Growing Projects.** Late-phase and non-COVID commercial manufacturing projects saw significant expansion, with totals reaching 66 and 21 projects respectively as of the end of the Reporting Period. Moreover, 13 “Win-the-Molecule” late-phase and commercial manufacturing projects were secured during the Reporting Period, reinforcing the Group’s long-term growth outlook.

- **Promising Indicators.** The Group’s facilities achieved a PPQ (Process Performance Qualification) success rate exceeding 98% for both DS and DP manufacturing. In addition, 16 PPQ projects were successfully completed during the Reporting Period, laying a solid foundation for the growth of commercial manufacturing projects under our “Global Dual Sourcing” strategy.
- **Overseas Milestones.** During the Reporting Period, all three manufacturing facilities at the Ireland site received GMP approval from the Irish HPRA. During the Reporting Period, the Ireland site successfully completed multiple 16,000-liter PPQ runs and started commercial manufacturing. Please also refer to the section headed “Geographic Footprint” for further information.

New Growth Drivers

Leveraging its extensive expertise across the entire biologics development lifecycle, the Group has strategically deployed its capabilities and capacity to establish multiple integrated platforms for emerging modalities. Since the launch of these platforms, they have expanded the Group’s service offerings, positioning them as key drivers of the Group’s continued growth and innovations.



- **Microbial Platform.** The Group continues to offer comprehensive, end-to-end, single-source solutions that encompass CMC development and GMP manufacturing services across a diverse range of biologics and vaccines derived from microbial-based systems. During the Reporting Period, the microbial platform successfully completed substantial manufacturing batches across various modalities, including antibody fragment, enzymes, cytokines, virus-like particles (VLP), pDNA and other recombinant proteins. In addition, the Group established platform capabilities of process characterization study for microbial system, developed platform-based inclusion body production processes, and engineered a proprietary high-expression E. coli strain, which has been trademarked under the brand name EffiX™.
- **WuXi XDC.** The Company’s subsidiary WuXi XDC, a leading CRDMO focused on the global ADC and broader bioconjugate market and dedicated to providing integrated and comprehensive services, was listed on the Main Board on November 17, 2023 (stock code: 2268). As of the end of the Reporting Period, WuXi XDC had secured 194 ongoing iCMC (integrated CMC) projects for ADCs and other bioconjugates globally with 34 in phase II and beyond.
- **TCE Platform.** Please refer to the section headed “CRDMO Platform — Research (R)” for detailed information of our proprietary TCE platform.

Quality

The Group consistently prioritizes quality, especially data integrity, at the forefront, ensuring the safeguarding of our clients’ and partners’ interests. Supported by a world-class quality system, the Group has successfully completed 42 regulatory inspections by various national regulatory agencies since 2017 (including 22 regulatory inspections by the EU EMA and U.S. FDA) with no critical issues identified and zero data integrity findings. This achievement establishes the Group as the first biologics company in China certified by these regulatory agencies for commercial manufacturing. Additionally, the Group has undergone over 1,500 GMP audits by global clients, and approximately 200 audits by EU Qualified Persons (“**EU QP**”). These certifications reinforce the Group’s premier quality system, which adheres to global regulatory standards, ultimately ensuring that patients worldwide benefit from high-quality biologics.

Sustainability

The Group regards sustainability as the cornerstone of its business strategy, integrating its corporate vision and mission to drive long-term success. We embrace social and environmental responsibility to deliver stronger ESG performance, offering end-to-end green biologics solutions for the benefit of all stakeholders and for the greater good of society. During the Reporting Period, the Group's ESG targets and metrics were prioritized and monitored in key areas, such as corporate governance, climate change, energy saving, resource efficiency and sustainable supply chain, etc.

The Group committed to the Science-Based Targets initiative (“**SBTi**”), became a participant in the United Nations Global Compact (“**UNGC**”) in 2023, and joined the Pharmaceutical Supply Chain Initiative (“**PSCI**”) as a Supplier Partner during the Reporting Period. The Group has been recognized by various ESG rating agencies. Please refer to the section headed “Company Awards” for further information.

Geographic Footprint

The Group's multi-region manufacturing network offers a flexible and efficient global supply chain, enabling clients to initiate new projects within just four weeks and ensuring the seamless distribution of biologics products worldwide. To meet rising demand and advance its “Global Dual Sourcing” strategy, the Group continued to enhance its manufacturing capacity during the Reporting Period. Highlights include:

- In China, three sets of 5,000L single-use bioreactors were successfully GMP released at the Group's DS facility at the Hangzhou site, which increased the site's total capacity to 23,000L, further enhancing the Group's manufacturing capacity for global clients. At the Suzhou site, the DP facility DP17 achieved mechanical completion during the Reporting Period, and is expected to achieve GMP readiness soon. At the Chengdu site, the Group launched its microbial and viral platform business unit, finalized the site's master plan by the end of the Reporting Period, and is progressing as planned.
- In Europe, Phase 2 of the manufacturing facility MFG6 (“**MFG6.2**”) at the Ireland site successfully completed Environmental Monitoring Performance Qualification (“**EMPQ**”) on the first attempt. Its engineering run took place at the end of 2024, and was successfully completed in early 2025.
- In the U.S., the Group opened its third global research service center and its first in the country — the Boston research service center. This center complements the Group's comprehensive service offerings both within the U.S. and globally. Additionally, the Group's Manufacturing Facility 11 (“**MFG11**”) in Worcester, Massachusetts has completed its facility design optimization. MFG11, featuring extensive automation technologies, six 6,000-liter single-use bioreactors, and one downstream production line, will synergize with the Boston research service center and the Group's Cranbury

site (“MFG18”) in New Jersey upon its operation, to provide end-to-end services in the U.S., encompassing biologics research, development, clinical manufacturing, and both small- and large-scale commercial manufacturing to better support global clients.

- In Singapore, the lifting of fabricated modules for WuXi XDC production facility has been completed, with critical utilities in the final phase of design and construction. Additionally, significant progress has been made in the design of the Company’s production assets.

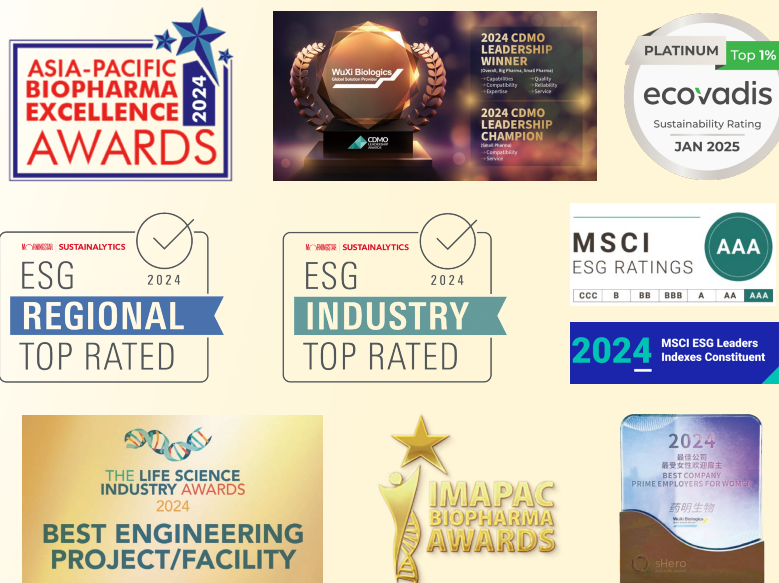


WBS (WuXi Biologics Business System)

Introduced and implemented across all functions of the Group in 2021, WBS continues to enhance efficiency, quality, and cost optimization, delivering greater value for our clients. During the Reporting Period, the Group executed over 260 Kaizen projects and events and achieved improved labor efficiency, cost savings, inventory reduction, and delivery acceleration. Additionally, ESG-focused Kaizen projects contributed to the Group’s sustainability goals, achieving notable reductions in carbon emissions, water consumption, waste, and material usage. The Group remains committed to advancing WBS as a management system, fostering continuous improvement and talent development, and further enhancing value creation for our clients.

Company Awards

During the Reporting Period, the Company received multitudes of recognitions and awards for its outstanding performance in providing exceptional services to accelerate and transform biologics development, as well as its ongoing commitment to ESG initiatives, notably: “CDMO Leadership Award” for the seventh year in a row; “Best CDMO Award”, “Bioprocessing Excellence in Greater China Region Award”, “Best Bioprocessing Supplier Award” and “Best Aseptic Fill-Finish & Packaging CMO of the Year” from IMAPAC; “Best Engineering Project/Facility” of The Life Science Industry Awards 2024 by Ireland site; “Prime Employers For Women Award” for the third consecutive year from sHero; as well as various ESG top ratings and awards, including inclusion in the Dow Jones Sustainability Indices; an AAA rating from MSCI ESG Ratings; a Platinum Medal from EcoVadis; an ESG Industry Top-Rated and Regional Top-Rated Company by Sustainalytics; a score of A for Water Security and A- for Climate Change from CDP; a Platinum Award from The Asset ESG Corporate Awards; and inclusion in the UNGC 20 Case Examples of Sustainable Development for 20 Years Collection. During the Reporting Period, it was further included in 2024 MSCI ESG Leaders Indexes and Hang Seng ESG 50 Index.



Future Outlook

In 2024, the Group's resilient operations enabled it to navigate a range of crosscurrents in the macro environment while remaining steadfast in its mission and vision: to empower anyone and any company to discover, develop and manufacture biologics from concept to commercial manufacturing. Supported by our unique CRDMO business model and well-established "Follow and Win the Molecule" strategies, we have accomplished solid results in 2024, and we are confident in our capabilities and capacity to provide unparalleled support to our clients, ensuring the delivery of sustainable outcomes in 2025 and beyond.

With extraordinary efficacy in the treatment of chronic diseases and great potential to address diseases that were once deemed untreatable or challenging to treat with fewer side effects, there has been a continuously increasing demand for biologics over recent years. Meanwhile, biotechnology advancements such as bispecifics, multispecific antibodies, and ADCs have fueled the growth of novel therapeutic targets and drug candidates. The global biologics market is forecasted to grow at a double-digit rate in the coming years.

The dynamic nature of the biopharma industry is driving burgeoning demand for biologics outsourcing services to accelerate discovery, development, and manufacturing processes while optimizing costs across research, development, and production. By enhancing efficiency and productivity, outsourcing enables faster delivery of effective treatments to patients. The Group therefore anticipates that biopharmaceutical and biotechnology companies will continue to expand their demand for outsourcing services.

Leveraging its one-stop, end-to-end CRDMO platform, diverse global manufacturing footprint, and best-in-industry timelines, the Group remains committed to delivering fully integrated services to the biologics industry. With continuous investments in both capabilities and capacity, the Group is well positioned to sustain strong growth by attracting new clients and accelerating the introduction of novel biologics through its "Follow and Win the Molecule" and "Global Dual Sourcing" strategies.

Looking ahead, the Group remains committed to enhancing its unique and fully integrated CRDMO platform, expanding its capabilities and capacity, optimizing its WBS operations, and continuing to adhere to the highest standards of compliance to pursue new opportunities and enable its clients and partners to develop and deliver innovative biologics to benefit patients worldwide.

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by 9.6% from approximately RMB17,034.3 million for the year ended December 31, 2023 to approximately RMB18,675.4 million for the year ended December 31, 2024. Such increase was primarily attributed to (i) successful execution of the Group’s “Follow and Win the Molecule” strategies, coupled with the leading technology platform, best-in-industry timeline and excellent execution track record, contributing to the growth of the Group’s revenue; (ii) enlarged spectrum of services offered to the biologics industry, fast growing technology platforms including ADCs and bispecific antibodies, contributing to the Group’s revenue stream; (iii) growth of research services revenue generated from the Group’s various cutting-edge technologies; and (iv) the utilization of existing and newly expanded capacities, including ramp-up of the manufacturing sites in Europe.

Revenue by region

Reflecting the Group’s global footprint, its revenue demonstrates diversification across a wide array of regions, including North America, Europe, and PRC. The table below shows the revenue distribution by countries/regions:

Revenue	Year ended December 31,			
	2024		2023	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
— North America	10,695.8	57.3%	8,073.5	47.4%
— Europe	4,322.8	23.1%	5,140.8	30.2%
— PRC	2,820.4	15.1%	3,121.5	18.3%
— Rest of the world (<i>Note</i>)	836.4	4.5%	698.5	4.1%
Total	<u>18,675.4</u>	<u>100.0%</u>	<u>17,034.3</u>	<u>100.0%</u>

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

Revenue by phase

For the year ended December 31, 2024, the pre-IND services revenue of the Group increased by 30.7% to approximately RMB7,062.2 million, accounting for 37.8% of the total revenue. Early-phase (phases I & II) services revenue amounted to approximately RMB3,815.5 million, representing 5.5% increase as compared to the comparative period, and accounted for 20.4% of the total revenue. Late-phase (phase III) services and commercial manufacturing revenue of the Group decreased by 3.2% to approximately RMB7,485.0

million, accounting for 40.1% of the total revenue. Excluding COVID-related sales in the comparative period, late-phase and commercial manufacturing revenue grew by 3.9% during the year.

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

Revenue	Year ended December 31,			
	2024		2023	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
Pre-IND services	7,062.2	37.8%	5,401.8	31.7%
Early-phase (phases I & II) services	3,815.5	20.4%	3,616.5	21.2%
Late-phase (phase III) services & commercial manufacturing	7,485.0	40.1%	7,731.5	45.4%
Others (<i>Note</i>)	312.7	1.7%	284.5	1.7%
Total	<u>18,675.4</u>	<u>100.0%</u>	<u>17,034.3</u>	<u>100.0%</u>

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

The top 5 customers' revenue decreased by 10.2% from approximately RMB6,059.7 million for the year ended December 31, 2023 to approximately RMB5,442.3 million for the year ended December 31, 2024, accounting for 29.1% of the Group's total revenue for the year ended December 31, 2024, as compared to 35.6% for the year ended December 31, 2023.

The top 10 customers' revenue increased by 1.7% from approximately RMB7,660.4 million for the year ended December 31, 2023 to approximately RMB7,787.7 million for the year ended December 31, 2024, accounting for 41.7% of the Group's total revenue for the year ended December 31, 2024, as compared to 45.0% for the year ended December 31, 2023.

Revenue by segment

The Group encompasses two primary business segments: biologics and XDC. XDC is dedicated to providing CRDMO services for ADCs and various bioconjugates. Concurrently, the biologics segment continues to engage in provision of biologics discovery, development and manufacturing.

During the years, the revenue from each business segment of the Group is as follows:

Revenue from external customers	Year ended December 31,			
	2024		2023	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
— biologics	14,731.4	78.9%	15,128.2	88.8%
— XDC	3,944.0	21.1%	1,906.1	11.2%
Total	<u>18,675.4</u>	<u>100.0%</u>	<u>17,034.3</u>	<u>100.0%</u>

Cost of Sales

The cost of sales of the Group increased by 8.0% from approximately RMB10,206.4 million for the year ended December 31, 2023 to approximately RMB11,024.6 million for the year ended December 31, 2024. The increase of the cost of sales was in line with the Group's revenue growth.

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

Gross Profit and Gross Profit Margin

The gross profit of the Group increased by 12.1% from approximately RMB6,827.9 million for the year ended December 31, 2023 to approximately RMB7,650.8 million for the year ended December 31, 2024. The gross profit margin increased from 40.1% for the year ended December 31, 2023 to 41.0% for the year ended December 31, 2024. The increases were mainly due to the efficiency improvements driven from WBS and digitalization, and also the improvements of the ramp-up impacts from the recently commissioned facilities in Europe and the U.S. as expected.

Other Income

The other income of the Group mainly consists of research and other grants, interest income and dividend income. Other income of the Group increased by 41.1% from approximately RMB416.7 million for the year ended December 31, 2023 to approximately RMB588.1 million for the year ended December 31, 2024, mainly attributable to an increase in interest income, as a result of a higher interest rate for USD deposits; coupled with an increased average balance of cash on hand, post WuXi XDC's listing on the Main Board in late 2023.

Impairment Losses Under Expected Credit Loss Model, Net of Reversal

Impairment losses under Expected Credit Loss (“ECL”) model, net of reversal of the Group represent loss allowances on the Group's financial assets (including trade and other receivables and contract assets) (“**Impairment Losses**”). The Impairment Losses of the Group decreased from approximately RMB320.0 million for the year ended December 31, 2023 to approximately RMB151.8 million for the year ended December 31, 2024, primarily attributable to (i) the implementation of stringent credit control measures by the management; (ii) a warmed BioTech funding environment which secured clients with sound financial positions; and (iii) recovery of certain legacy overdue accounts.

Periodical credit rating is performed to evaluate the collectability by customer, with reference to their historical payment records. Down-payment is required and credit term is granted according to the evaluation results. The management has been closely monitoring the status of overdue debts, taking the follow-up actions for collection, and making provisions prudently.

Other Gains and Losses

The other gains and losses of the Group primarily include foreign exchange gain or loss, fair value gains or losses on equity investments measured at fair value through profit or loss (“FVTPL”), fair value gains or losses on wealth management products, etc. The Group has reported net other losses of approximately RMB181.6 million for the year ended December 31, 2024, while net other gains of approximately RMB36.5 million reported for the year ended December 31, 2023. The decrease was mainly due to (i) an increased fair value loss recognized on equity investments at FVTPL; and (ii) an unmaterialized foreign exchange translation loss as a result of the depreciation of EUR against RMB, partially offset by the appreciation of USD against RMB during the year, as compared to a net foreign exchange gain recognized in the comparative period.

Selling and Marketing Expenses

The selling and marketing expenses of the Group are primarily comprised of the staff related costs of our business development personnel, marketing and promotion expenditures, etc. The selling and marketing expenses of the Group increased by 61.1% from approximately RMB294.0 million for the year ended December 31, 2023 to approximately RMB473.6 million for the year ended December 31, 2024, and the selling and marketing expenses as a percentage of the Group's revenue increased from 1.7% for the year ended December 31, 2023 to 2.5% for the year ended December 31, 2024, along with the Group's geographic footprint by its continuous investing in talent acquisition and increased spending on more frequent and grand market exposure.

Administrative Expenses

The administrative expenses of the Group primarily consist of the staff related costs of our administrative and management personnel, expenses for purchased services, depreciation and amortization, etc. The Group's administrative expenses increased by 11.9% from approximately RMB1,495.4 million for the year ended December 31, 2023 to approximately RMB1,673.5 million for the year ended December 31, 2024, primarily due to (i) increases in staff related costs, facilities, depreciation, etc. to support the rapid expansion of the Group's operations globally; and (ii) an increased spending in enhancing the standalone capabilities of WuXi XDC post the listing of its shares on the Main Board.

R&D Expenses

The R&D expenses of the Group mainly include labor costs, cost of raw materials and allocated overhead associated with our R&D projects. The R&D expenses of the Group decreased by 2.5% from approximately RMB785.8 million for the year ended December 31, 2023 to approximately RMB766.4 million for the year ended December 31, 2024, as a result of the increased automation and enhanced efficiency driven from WBS and digitalization initiatives.

Other Expenses

The other expenses of the Group represented the listing expenses incurred for the spin-off and separate listing of the shares of WuXi XDC on the Main Board in 2023. This was non-recurring expenditure and no such expenses occurred during the year.

Financing Costs

The financing costs of the Group mainly include interest expense on lease liabilities, interest expense on bank borrowings and interest expense on financing component of an advance payment received from a customer. The financing costs of the Group amounted to approximately RMB157.6 million for the year ended December 31, 2024, quite stable as compared to the amount of approximately RMB158.5 million for the year ended December 31, 2023.

Income Tax Expense

The income tax expense of the Group increased by 47.4% from approximately RMB603.2 million for the year ended December 31, 2023 to approximately RMB889.0 million for the year ended December 31, 2024, as a result of less tax refund received during the Reporting Period; despite of which, the effective tax rate of the Group improved from 23.6% for the year ended December 31, 2023 to 21.4% for the year ended December 31, 2024.

Net Profit and Net Profit Margin

As a result of the foregoing, the net profit of the Group increased by 10.5% from approximately RMB3,570.6 million for the year ended December 31, 2023 to approximately RMB3,945.4 million for the year ended December 31, 2024, primarily attributable to the increase in gross profit as discussed above. The net profit margin of the Group was 21.1% for the year ended December 31, 2024, consistent with 21.0% for the year ended December 31, 2023.

The net profit attributable to owners of the Company slightly decreased by 1.3% from approximately RMB3,399.7 million for the year ended December 31, 2023 to approximately RMB3,356.1 million for the year ended December 31, 2024. Furthermore, the margin of net profit attributable to owners of the Company decreased a bit from 20.0% for the year ended December 31, 2023 to 18.0% for the year ended December 31, 2024.

Basic and Diluted Earnings Per Share

The basic earnings per share of the Group remained flat at RMB0.82 for the years ended December 31, 2024 and 2023. The diluted earnings per share of the Group slightly increased by 1.3% from RMB0.77 for the year ended December 31, 2023 to RMB0.78 for the year ended December 31, 2024.

Property, Plant and Equipment

The balance of the property, plant and equipment of the Group decreased by 4.8% from approximately RMB27,377.6 million as at December 31, 2023 to approximately RMB26,070.5 million as at December 31, 2024, mainly due to the reclassification of the assets related to the vaccines manufacturing facility in Ireland (“**Vaccines Ireland Facility**”) to “Assets Classified as Held for Sale” as a separate line item presented in the Group’s consolidated statement of financial position, as the Group has reached an agreement to divest these assets, which was partially offset by on-going facility constructions, in particular, the planned capacity expansion of WuXi XDC post its listing on the Main Board.

Right-of-Use Assets

The right-of-use assets of the Group mainly include the leasehold lands, leased properties and leased machinery & equipment. The balance of the right-of-use assets of the Group decreased by 7.7% from approximately RMB2,561.8 million as at December 31, 2023 to approximately RMB2,364.9 million as at December 31, 2024, along with the regular amortization during the year, which was partially offset by certain new lease agreements entered.

Goodwill

Both as at December 31, 2024 and 2023, the goodwill of the Group amounted to approximately RMB1,529.9 million, arising from acquisitions of subsidiaries and business in previous years.

Intangible Assets

The intangible assets of the Group mainly include technology and customer relationship arising from acquisitions, and patent and license held by the Group. The intangible assets of the Group decreased by 13.6% from approximately RMB511.8 million as at December 31, 2023 to approximately RMB442.4 million as at December 31, 2024, following the regular amortization schedule during the year.

Investment of an Associate Measured at FVTPL

The investment of an associate measured at FVTPL of the Group represents the equity interest held in Shanghai Duoning Biotechnology Co., Ltd. (“**Duoning**”). The balance of investment in Duoning decreased by 9.1% from approximately RMB1,393.5 million as at December 31, 2023 to approximately RMB1,266.6 million as at December 31, 2024, as a result of fair value loss recognized on this investment during the year.

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

The financial assets at FVTPL in the non-current assets of the Group mainly include investments in listed equity securities and unlisted equity investments. The balance decreased by 25.4% from approximately RMB1,519.3 million as at December 31, 2023 to approximately RMB1,133.3 million as at December 31, 2024, following the divestitures of certain investments in listed equity securities, partially offset by new investments during the year.

The financial assets at FVTPL in the current assets of the Group represent the investment in wealth management products deployed with several reputable banks. The balance decreased by 57.6% from approximately RMB1,233.6 million as at December 31, 2023 to approximately RMB523.6 million as at December 31, 2024, as the Group has gradually shifted from investing in wealth management products to increasing time deposits and current deposits, following the interest rate hikes during the year.

Inventories

The inventories of the Group decreased by 13.8% from approximately RMB1,765.8 million as at December 31, 2023 to approximately RMB1,521.7 million as at December 31, 2024, mainly attributable to the Group's WBS projects, which has been targeting at lean operation, and the reduction of the safety stocks post COVID.

Contract Costs

The contract costs (previously called Service Work in Progress) of the Group increased by 22.0% from approximately RMB1,223.7 million as at December 31, 2023 to approximately RMB1,492.9 million as at December 31, 2024, as a result of the ramping-up of our global operations and the increment of on-going projects.

Trade and Other Receivables

The trade and other receivables of the Group slightly decreased by 0.8% from approximately RMB6,292.7 million as at December 31, 2023 to approximately RMB6,240.7 million as at December 31, 2024, primarily attributed to the decrease in trade receivables following a sound pace of cash collection during the year, partially offset by an increase in value added tax recoverable.

Contract Assets

The contract assets of the Group decreased by 61.6% from approximately RMB499.7 million as at December 31, 2023 to approximately RMB191.9 million as at December 31 2024, mainly due to its conversion to trade receivables during the year, along with the projects achieving the milestones as stipulated in the contracts with customers.

Assets Classified as Held for Sale

The Group has announced a transaction to sell its Vaccines Ireland Facility to MSD International. For further details, please refer to the announcement of the Company dated January 6, 2025. The assets reclassified as held for sales comprise all the property and assets related to Vaccines Ireland Facility, including buildings, manufacturing equipment, inventories, etc. The transaction is expected to be completed in the first half of 2025.

Trade and Other Payables

The trade and other payables of the Group slightly increased by 0.8% from approximately RMB2,755.8 million as at December 31, 2023 to approximately RMB2,778.2 million as at December 31, 2024, mainly due to (i) the reclassification of the remaining balance of advance payment previously received from MSD International under a contract manufacturing agreement from “Contract Liabilities”, following the signing of the potential asset divestiture deal with MSD International; (ii) an increase in salary and bonus payables, which was partially offset by the decreases in trade payables and payable for purchase of property, plant and equipment.

Contract Liabilities (Current Portion & Non-current Portion)

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

The contract liabilities in the current liabilities of the Group decreased by 23.8% from approximately RMB3,089.8 million as at December 31, 2023 to approximately RMB2,355.8 million as at December 31, 2024, primarily due to the continuous project completion and corresponding revenue recognition during the year, and netting with Contract Assets.

The contract liabilities in the non-current liabilities of the Group decreased by 79.9% from approximately RMB711.2 million as at December 31, 2023 to approximately RMB142.8 million as at December 31, 2024, mainly due to the reclassification of the remaining balance of advance payment received from MSD International to “Trade and Other Payables”.

Lease Liabilities (Current Portion & Non-current Portion)

The aggregated balance of lease liabilities in the current liabilities and non-current liabilities of the Group decreased by 4.6% from approximately RMB2,414.0 million as at December 31, 2023 to approximately RMB2,303.6 million as at December 31, 2024, following the scheduled repayments during the year.

Liquidity and Capital Resources

The aggregated balance of bank balances and cash and time deposits of the Group amounted to approximately RMB10,186.2 million as at December 31, 2024, comparable to the balance of approximately RMB10,009.8 million as at December 31, 2023, mainly due to the net cash inflow generated from operating activities during the year, which was partially offset by (i) payment for purchase of property, plant and equipment; (ii) payment on repurchase of Shares; and (iii) payment for acquisition of partial interest of certain subsidiaries.

Treasury Policy

Currently, the Group adheres to a comprehensive set of funding and treasury policies to effectively manage its capital requirements and cash flows, thereby mitigating associated risks. The Group anticipates to fund its working capital and other capital needs through a diverse array of sources, which includes, but not limited to cash inflow generated from operating activities, both internal and external financing at competitive market rates, etc. This strategic approach is aimed at ensuring the Group's stability and fostering sustainable growth. To enhance control and minimize the funding costs, the Group's treasury functions are centralized and all cash transactions are conducted with reputable banks.

The Group's treasury policies are also designated to mitigate the foreign currency risks arising from its global operations. In the course of its daily operation, the Group engage in certain transactions denominated in currencies other than the functional currencies of individual entity, which includes sales and purchases transactions, borrowings and repayments, etc, and record monetary assets and liabilities denominated in USD and EUR. Also, the cash and cash equivalents held by the Group primarily consist of RMB and USD. It is the Group's policy to negotiate a range of derivative instruments with various banks, such as foreign currency forward contracts, collar contracts, forward extra contracts, etc., as highly effective hedging instruments to mitigate these foreign currency risks.

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2024, there was no significant investment held by the Company, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Indebtedness

Borrowings

The aggregated borrowings of the Group increased by 22.8% from approximately RMB2,147.4 million as at December 31, 2023 to approximately RMB2,636.2 million as at December 31, 2024, primarily due to WuXi XDC's financial demands to support its rapid business expansion post its separate listing on the Main Board.

Of the total borrowings as at December 31, 2024, RMB denominated borrowings amounted to approximately RMB710.4 million with the effective interest rates ranging from 1.4% to 3.9% per annum; USD denominated borrowings amounted to approximately RMB1,358.6 million with the effective interest rates ranging from 5.6% to 6.5% per annum; and EUR denominated borrowings amounted to approximately RMB567.2 million with the effective interest rates ranging from 2.4% to 6.0% per annum, respectively.

Among all, approximately RMB2,435.3 million will be due within one year; approximately RMB31.5 million will be due in more than one year but within two years; approximately RMB94.6 million will be due in more than two years but within five years; and approximately RMB74.8 million will be due after five years.

Contingent Liabilities and Guarantees

As at December 31, 2024, the Group did not have any material contingent liabilities or guarantees.

Currency Risk

During the Reporting Period, the majority of the Group's revenue was generated from sales denominated in USD, while the procurement of raw materials, property, plant and equipment and expenditures were settled in RMB, USD and EUR upon various business arrangements. The Group also has USD and EUR denominated borrowings to provide financing for its construction and operational activities. Additionally, at the end of each reporting period, certain entities of the Group have maintained monetary assets and liabilities denominated in foreign currencies other than their functional currencies (predominantly in USD and EUR), exposing the Group to foreign currency risks. As a result, fluctuations in foreign exchange rates among USD, RMB, and EUR have had an impact on the Group's net profit margin.

The Group aims to mitigate its exposure to foreign currency risks by closely monitoring and minimizing its net foreign currency positions. The Group has engaged in a series of forward contracts to manage its foreign currency risks. Hedge accounting is also adopted by the Group for its derivatives to reduce the impact of fluctuations in foreign exchange rates on its consolidated statement of profit or loss.

Charges of Assets

The Group has pledged the bank deposits as collateral to secure its bank borrowings and lease arrangements. The pledged bank deposits of the Group decreased by 22.8% from approximately RMB18.0 million as at December 31, 2023 to approximately RMB13.9 million as at December 31, 2024, along with a reduced volume of Letter of Credit issuance.

In addition, as at December 31, 2024, the buildings with carrying amounts of approximately RMB16.9 million has been pledged for RMB denominated borrowing of approximately RMB48.3 million in China.

Gearing Ratio

Gearing ratio is calculated by dividing interest-bearing borrowings by total equity and then multiplying the result by 100%. Gearing ratio increased from 4.9% as at December 31, 2023 to 5.8% as at December 31, 2024, primarily due to the increase of borrowings as discussed above.

Non-IFRS Measures

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

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

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

Adjusted Net Profit

	Year ended December 31,	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Net Profit	3,945.4	3,570.6
Add: share-based compensation expense	1,215.6	1,274.1
Add: losses from equity investments	138.3	57.8
Add: foreign exchange loss (gain)	97.6	(5.7)
Add: listing expenses	—	53.6
	<hr/>	<hr/>
Adjusted Net Profit <i>(Note)</i>	5,396.9	4,950.4
Margin of Adjusted Net Profit	28.9%	29.1%
Adjusted Net Profit Attributable to Owners of the Company	4,784.1	4,698.9
Margin of Adjusted Net Profit Attributable to Owners of the Company	25.6%	27.6%
	<i>RMB</i>	<i>RMB</i>
Adjusted Earnings Per Share		
— Basic	1.17	1.13
— Diluted	1.12	1.06

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

- a) share-based compensation expense, a non-cash expenditure;
- b) gains or losses from equity investments, a non-operating item;
- c) foreign exchange gain or loss, primarily generated from revaluation of the assets and liabilities denominated in foreign currencies and the fair value change of derivative financial instruments, which the management believes is irrelevant to the Group's core business; and
- d) listing expenses incurred during the comparable period by WuXi XDC for its separate listing on the Main Board, a non-recurring expenditure.

EBITDA and Adjusted EBITDA

	Year ended December 31,	
	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Net Profit	3,945.4	3,570.6
Add: income tax expense	889.0	603.2
interest expense	157.6	158.5
depreciation	1,496.4	1,219.8
amortization	59.4	61.1
EBITDA	6,547.8	5,613.2
<i>EBITDA Margin</i>	35.1%	33.0%
Add: share-based compensation expense	1,215.6	1,274.1
Add: losses from equity investments	138.3	57.8
Add: foreign exchange loss (gain)	97.6	(5.7)
Add: listing expenses	—	53.6
Adjusted EBITDA	7,999.3	6,993.0
<i>Adjusted EBITDA Margin</i>	42.8%	41.1%

Employee and Remuneration Policies

As of the end of the Reporting Period, the Group employed a workforce totaling 12,575 employees, with 4,383 scientists. Talent retention has continued to be successful, with a total key talent retention rate of approximately 95.8%. The staff costs, including Directors' emoluments but excluding any contributions to (i) retirement benefit scheme contributions; and (ii) share-based payment expenses, were approximately RMB5,073.3 million for the year ended December 31, 2024, as compared to approximately RMB4,486.6 million for the year ended December 31, 2023. The remuneration package of employees generally includes salary and bonus elements. In general, the Group determines the remuneration package based on the qualifications, position and performance of its employees. The Group also makes contributions to social insurance fund, including basic pension insurance, medical insurance, unemployment insurance, childbirth insurance, work-related injury insurance funds, and housing reserve fund as applicable to the countries where the Group operates.

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

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

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

Final Dividend

The Board does not recommend any payment of final dividend for the year ended December 31, 2024.

OTHER INFORMATION

AGM and Closure of Register of Members

The AGM will be held on Friday, June 6, 2025. A notice convening the AGM is expected to be published in due course in accordance with the requirements of the Listing Rules.

For determining the qualification as members of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 3, 2025 to Friday, June 6, 2025, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, non-registered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, June 2, 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as its own code of corporate governance. The Company has complied with all the code provisions as set out in Part 2 of the CG Code throughout the year ended December 31, 2024 save for the deviation from code provision F.2.2 in relation to attendance of general meetings by directors. The executive Director Dr. Zhisheng Chen and the non-executive Director Dr. Weichang Zhou attended the annual general meeting held on June 19, 2024 in person, while the other Directors were unable to attend due to other business commitments. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

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

USE OF NET PROCEEDS FROM PLACING

On February 2, 2021, the Company entered into a placing agreement with Morgan Stanley & Co. International plc (the “**Placing Agent**”), pursuant to which the Placing Agent agreed to place 118,000,000 shares (or, failing which, to purchase itself as principal) on a fully underwritten basis to not less than six independent professional, institutional and/or other investors (the “**Fourth Placing**”). The Fourth Placing price was HK\$112.00 per share. The net price per Fourth Placing share was approximately HK\$111.20. The closing price was HK\$120.40 per share as quoted on the Stock Exchange on the date of the placing agreement. For further details, please refer to the announcement of the Company dated February 3, 2021.

The net proceeds from the Fourth Placing were approximately RMB10,899.0 million, which will be used in the following manner: (i) approximately 40% will be used for merger and acquisition of additional capacities for drug substances/drug products (DS/DP) manufacturing to match a rapidly growing pipeline; (ii) approximately 40% will be used for building-up of additional large scale manufacturing capacities for various technology platforms, including microbial and mammalian platforms; (iii) approximately 10% will be used for investment in mRNA related technologies to further enable its global clients; and (iv) approximately 10% shall be used for general corporate purposes of the Group, as disclosed in the announcement of the Company dated February 3, 2021. The table below sets out the planned applications of the net proceeds and actual usage up to December 31, 2024:

Use of proceeds	Planned applications (RMB million)	Percentage of total net proceeds	Net proceeds			Expected timeframe for utilizing the remaining unutilized net proceeds ^(Note)
			Actual usage up to December 31, 2024 (RMB million)	brought forward for the Reporting Period (RMB million)	Unutilized net proceeds as at December 31, 2024 (RMB million)	
Merger and acquisition of additional capacities for drug substances/drug products (DS/DP) manufacturing	4,359.6	40%	3,660.1	699.5	699.5	By the end of 2026
Building-up of additional large scale manufacturing capacities for various technology platforms, including microbial and mammalian platforms	4,359.6	40%	4,359.6	—	—	N/A
Investment in mRNA related technologies	1,089.9	10%	54.1	1,035.8	1,035.8	By the end of 2027
General corporate purposes of the Group	1,089.9	10%	1,089.9	—	—	N/A
Total	<u>10,899.0</u>	<u>100%</u>	<u>9,163.7</u>	<u>1,735.3</u>	<u>1,735.3</u>	

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

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

During the Reporting Period, the Company had repurchased, a total of 125,512,500 Shares on the Stock Exchange at an aggregate purchase price of approximately HK\$1,938.09 million. The reason for repurchase is to demonstrate the Company's confidence in its own business outlook and prospects as the Company believes that the current trading price of the Shares does not reflect their intrinsic value or the actual prospects of the Company. As at the date of this announcement, the Shares repurchased during the Reporting Period had been cancelled by the Company.

Details of the Shares repurchased during the year ended December 31, 2024 are set out as follows:

Month of repurchases	Number of Shares repurchased on the Stock Exchange	Price per Share paid		Aggregate purchase price (HK\$ million)
		Highest (HK\$)	Lowest (HK\$)	
January 2024	10,091,500	30.35	28.00	291.50
February 2024	37,556,500	19.70	16.90	680.57
March 2024	3,490,000	14.38	13.80	49.87
April 2024	10,705,000	14.22	12.62	142.33
May 2024	13,256,000	15.00	11.14	171.29
June 2024	1,810,000	11.08	10.98	19.92
September 2024	44,420,500	13.52	10.52	502.94
October 2024	4,183,000	20.25	17.60	79.67

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury Shares) during the Reporting Period. As at December 31, 2024, the Company did not hold any treasury Shares.

REVIEW OF ANNUAL RESULTS

The independent auditor of the Company, namely Messrs. Deloitte Touche Tohmatsu, has carried out a review of the annual financial information, which is based on the audited consolidated financial statements of the Group for the year ended December 31, 2024. The Audit Committee has jointly reviewed with the management and the independent auditor of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the annual results for the year ended December 31, 2024) of the Group. The Audit Committee and the independent auditor of the Company considered that the annual results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on March 25, 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

KEY EVENTS AFTER THE REPORTING PERIOD

The Group has the following event taken place subsequent to December 31, 2024:

- In January 2025, the Company and WuXi Vaccines Ireland Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with MSD International, pursuant to which WuXi Vaccines Ireland Limited has conditionally agreed to sell, and MSD International has conditionally agreed to purchase, the assets related to the vaccines manufacturing facility. For further details, please refer to the announcement of the Company dated January 6, 2025.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of HKEX (www.hkexnews.hk) and the Company's website (www.wuxibiologics.com). The annual report for the year ended December 31, 2024 containing all the information in accordance with the requirements under the Listing Rules, will be published on the respective websites of HKEX and the Company in due course.

ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

The Board is pleased to announce the consolidated statement of profit or loss and other comprehensive income of the Group for the year ended December 31, 2024 and the Group's consolidated statement of financial position as at December 31, 2024, together with the comparative figures for corresponding period in 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

	NOTES	2024 RMB'000	2023 RMB'000
Revenue	4	18,675,371	17,034,255
Cost of sales		<u>(11,024,551)</u>	<u>(10,206,354)</u>
Gross profit		7,650,820	6,827,901
Other income	6	588,078	416,657
Impairment losses under expected credit loss model, net of reversal	9	(151,779)	(319,970)
Other gains and losses	7	(181,576)	36,464
Selling and marketing expenses		(473,601)	(294,009)
Administrative expenses		(1,673,514)	(1,495,352)
Research and development expenses		(766,443)	(785,822)
Other expenses	9	—	(53,578)
Financing costs	8	<u>(157,587)</u>	<u>(158,488)</u>
Profit before tax	9	4,834,398	4,173,803
Income tax expense	10	<u>(889,027)</u>	<u>(603,179)</u>
Profit for the year		<u>3,945,371</u>	<u>3,570,624</u>
Other comprehensive (expense) income			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		<u>(21,486)</u>	<u>(20,806)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(429,472)	116,555
Fair value loss on hedging instruments designated in cash flow hedges, net foreign investment hedges and time value within fair value hedges, net of income tax		<u>(377,762)</u>	<u>(288,821)</u>
Other comprehensive expense for the year		<u>(828,720)</u>	<u>(193,072)</u>
Total comprehensive income for the year		<u>3,116,651</u>	<u>3,377,552</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED DECEMBER 31, 2024

		2024	2023
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year attributable to:			
Owners of the Company		3,356,081	3,399,729
Non-controlling interests		589,290	170,895
		<u>3,945,371</u>	<u>3,570,624</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		2,524,660	3,190,997
Non-controlling interests		591,991	186,555
		<u>3,116,651</u>	<u>3,377,552</u>
		<i>RMB</i>	<i>RMB</i>
Earnings per share — Basic	11	<u>0.82</u>	<u>0.82</u>
— Diluted	11	<u>0.78</u>	<u>0.77</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2024

		2024	2023
	NOTES	RMB'000	RMB'000
Non-current Asset			
Property, plant and equipment		26,070,458	27,377,643
Right-of-use assets		2,364,916	2,561,828
Goodwill		1,529,914	1,529,914
Intangible assets		442,369	511,834
Investment of an associate measured at fair value through profit or loss (“FVTPL”)		1,266,560	1,393,531
Equity instruments at FVTOCI		—	21,408
Financial assets at FVTPL		1,133,265	1,519,347
Finance lease receivables		85,665	165,503
Deferred tax assets		444,318	235,783
Other long-term deposits and prepayments		66,779	60,686
		<u>33,404,244</u>	<u>35,377,477</u>
Current Assets			
Inventories		1,521,669	1,765,751
Finance lease receivables		11,027	21,575
Trade and other receivables	13	6,240,747	6,292,682
Contract assets	14	191,927	499,669
Contract costs		1,492,931	1,223,701
Tax recoverable		14,105	5,765
Derivative financial assets		—	127,652
Financial assets at FVTPL		523,593	1,233,598
Pledged bank deposits	15	13,854	18,017
Time deposits	15	1,907,016	340,000
Bank balances and cash	15	8,279,182	9,669,839
		<u>20,196,051</u>	<u>21,198,249</u>
Assets classified as held for sale	16	3,377,140	—
		<u>23,573,191</u>	<u>21,198,249</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2024

	<i>NOTES</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current Liabilities			
Trade and other payables	17	2,778,195	2,755,774
Borrowings	19	2,435,302	576,328
Contract liabilities	18	2,355,772	3,089,762
Income tax payable		647,658	618,883
Lease liabilities		183,704	154,980
Derivative financial liabilities		220,620	440,293
		8,621,251	7,636,020
Net Current Assets		14,951,940	13,562,229
Total Assets less Current Liabilities		48,356,184	48,939,706
Non-current Liabilities			
Deferred tax liabilities		97,306	122,540
Borrowings	19	200,898	1,571,046
Contract liabilities	18	142,770	711,216
Lease liabilities		2,119,945	2,259,005
Deferred income		317,696	258,017
		2,878,615	4,921,824
Net Assets		45,477,569	44,017,882
Capital and Reserves			
Share capital	20	226	235
Reserves		41,818,983	40,331,362
Equity attributable to owners of the Company		41,819,209	40,331,597
Non-controlling interests		3,658,360	3,686,285
Total Equity		45,477,569	44,017,882

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

1. GENERAL INFORMATION

The Company was established in the Cayman Islands as an exempted company with limited liability on February 27, 2014, and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since June 13, 2017. The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as “**the Group**”) is a contract research, development and manufacturing organization (“**CRDMO**”) offering end-to-end solutions for biologics discovery, development and manufacturing.

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

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

The application of the amendments to IFRS Accounting Standards 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.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ³
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ³
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to IFRS Accounting Standards	<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i> ³
Amendments to IAS 21	<i>Lack of Exchangeability</i> ²
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

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

4. REVENUE

Disaggregation of revenue from contracts with customers

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Type of services		
CRDMO services	18,362,739	16,749,791
Others	312,632	284,464
	<hr/>	<hr/>
Total	<u>18,675,371</u>	<u>17,034,255</u>
Timing of revenue recognition		
A point in time		
— CRDMO services	16,924,365	15,626,052
— Others	312,632	269,231
Over time		
— CRDMO services	1,438,374	1,123,739
— Others	—	15,233
	<hr/>	<hr/>
Total	<u>18,675,371</u>	<u>17,034,255</u>

5. OPERATING SEGMENTS

Information reported to the chief executive officer, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The CODM considered the Group has two reportable segments for the purpose of allocation of performance assessment as set out below.

Segment revenue and results

The following is an analysis of the Group’s revenue and results from continuing operations by reportable segments:

For the year ended December 31, 2024

	Biologics <i>RMB’000</i>	XDC <i>RMB’000</i>	Adjustments and eliminations <i>RMB’000</i>	Consolidated <i>RMB’000</i>
SEGMENT REVENUE				
External sales	14,731,421	3,943,950	—	18,675,371
Inter-segment sales	1,776,863	108,370	(1,885,233)	—
	<u>16,508,284</u>	<u>4,052,320</u>	<u>(1,885,233)</u>	<u>18,675,371</u>
Segment results	<u>3,635,385</u>	<u>1,219,791</u>	<u>—</u>	<u>4,855,176</u>
Unallocated expenses				<u>(20,778)</u>
Group’s profit before tax				<u>4,834,398</u>

For the year ended December 31, 2023

	Biologics <i>RMB'000</i>	XDC <i>RMB'000</i>	Adjustments and eliminations <i>RMB'000</i>	Consolidated <i>RMB'000</i>
SEGMENT REVENUE				
External sales	15,128,154	1,906,101	—	17,034,255
Inter-segment sales	<u>903,924</u>	<u>217,738</u>	<u>(1,121,662)</u>	<u>—</u>
	<u>16,032,078</u>	<u>2,123,839</u>	<u>(1,121,662)</u>	<u>17,034,255</u>
Segment results	<u>3,835,483</u>	<u>359,612</u>	<u>—</u>	<u>4,195,095</u>
Unallocated expenses				<u>(21,292)</u>
Group's profit before tax				<u>4,173,803</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment without allocation of central administration costs and directors' emoluments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment 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.

Geographical information

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue		
— North America	10,695,807	8,073,476
— Europe	4,322,782	5,140,787
— PRC	2,820,434	3,121,516
— Rest of the world	836,348	698,476
	<u>18,675,371</u>	<u>17,034,255</u>

As at December 31, 2024, other than financial instruments, investment of an associate measured at FVTPL and deferred tax assets, the Group had non-current assets located in Ireland, Germany, the U.S. and Singapore amounted to RMB7,600,712,000, RMB3,593,255,000, RMB2,392,077,000 and RMB1,717,993,000 respectively (December 31, 2023: RMB11,145,776,000, RMB3,477,556,000, RMB2,139,451,000 and RMB485,456,000 respectively), and the remaining non-current assets are located in the PRC.

Information about major customers

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A (<i>note</i>)	2,064,954	N/A
Customer B (<i>note</i>)	<u>N/A</u>	<u>1,937,363</u>

Note: The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income from banks and other financial assets at amortized cost	350,366	219,178
Research and other grants related to		
— Asset (<i>note i</i>)	25,855	22,198
— Income (<i>note ii</i>)	210,687	175,281
Dividend from an equity instrument at FVTPL	1,170	—
	<u>588,078</u>	<u>416,657</u>

Notes:

- i. The Group has received certain research and other grants as incentive for investing in laboratory equipment. The grants were recognized in profit or loss over the useful lives of the relevant assets.
- ii. Income from research and other grants of the Group during the year were mainly related to the Group's contribution to the local high-tech industry and economy. These grants are unconditional and accounted for as immediate financial support with no future related costs expected to be incurred and not related to any assets of the Group.

7. OTHER GAINS AND LOSSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net foreign exchange (loss) gain	(45,223)	46,733
Loss on derivative financial instruments	(52,390)	(41,068)
Fair value (loss) gain on		
— listed equity securities at FVTPL	(83,859)	26,616
— unlisted equity investments at FVTPL	77,498	112,506
— investment of an associate measured at FVTPL	(133,136)	(196,914)
— wealth management products	47,782	71,626
Others	7,752	16,965
	<u>(181,576)</u>	<u>36,464</u>

8. FINANCING COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest expense on financing component of an advance payment received from a customer recorded as contract liabilities	10,563	10,797
Interest expense on bank borrowings	120,078	140,872
Interest expense on lease liabilities	82,812	80,526
Less: amounts capitalized in the cost of qualifying assets	<u>(55,866)</u>	<u>(73,707)</u>
	<u>157,587</u>	<u>158,488</u>

During the current year, borrowing costs from certain general borrowings were capitalized to expenditure on qualifying assets at rates varying from 6.34% to 6.45% (2023: 1.27% to 6.46%) per annum.

9. PROFIT BEFORE TAX

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Depreciation for property, plant and equipment	1,337,882	1,077,599
Depreciation for right-of-use assets	261,900	246,996
Amortization of intangible assets	<u>59,423</u>	<u>61,067</u>
	<u>1,659,205</u>	<u>1,385,662</u>
Staff cost (including directors' emoluments):		
— Salaries and other benefits	5,073,271	4,486,572
— Retirement benefits scheme contributions	460,568	420,361
— Share-based payment expenses	<u>1,208,992</u>	<u>1,423,521</u>
	<u>6,742,831</u>	<u>6,330,454</u>

	2024	2023
	RMB'000	RMB'000
Depreciation, amortization, and staff cost capitalized in:		
— Contract costs	(655,263)	(633,464)
— Property, plant and equipment	(618,844)	(695,887)
	<u>(1,274,107)</u>	<u>(1,329,351)</u>
Impairment losses under expected credit loss model, net of reversal		
— Trade receivables	139,968	295,513
— Contract assets	11,811	987
— Receivables for purchase of raw materials on behalf of customers	<u>—</u>	<u>23,470</u>
	<u>151,779</u>	<u>319,970</u>
Auditors' remuneration		
— Auditor of the Company	7,169	6,553
Write-down of inventories (included in cost of sales)	96,673	142,267
Reversals of inventories write-down (included in cost of sales)	(48,346)	(69,360)
Write-down of contract costs (included in cost of sales)	79,373	45,190
Reversals of contract costs write-down (included in cost of sales)	(54,945)	(119,067)
Other expenses (<i>note</i>)	<u>—</u>	<u>53,578</u>
(Gain) loss on disposal of property, plant and equipment	(456)	3,484
Cost of inventories recognized as an expense	<u>3,635,571</u>	<u>3,274,800</u>

Note: Other expenses of the Group represented the listing expenses incurred for the spin-off of WuXi XDC for separate listing of its shares on the Main Board of the Stock Exchange in 2023.

10. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
— PRC Enterprise Income Tax (“EIT”)	1,078,907	921,621
— Hong Kong Profits Tax	160,376	134,863
— Other jurisdictions	27,364	1,408
Over provision in prior years	<u>(153,788)</u>	<u>(402,960)</u>
	1,112,859	654,932
Deferred tax:		
— Current year	<u>(223,832)</u>	<u>(51,753)</u>
	<u>889,027</u>	<u>603,179</u>

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

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. However, each group of connected entities can only nominate one entity to enjoy the two-tiered tax rates.

Certain Group’s subsidiaries operating in the PRC, which were accredited as “High and New Technology Enterprise”, “Technologically Advanced Service Enterprise”, “Western Development Enterprise” or “Micro and Small Enterprise”, were eligible for a preferential EIT rate of 15% or other concessions.

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

11. EARNINGS PER SHARE

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Earnings:		
Earnings for the purpose of calculating basic earnings per share	3,356,081	3,399,729
Effect of dilutive potential ordinary shares:		
Adjustment to the share of profit of subsidiaries based on dilution of their earnings per share	<u>(39,251)</u>	<u>(39,505)</u>
Earnings for the purpose of diluted earnings per share	<u>3,316,830</u>	<u>3,360,224</u>
	2024	2023
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	4,082,094,311	4,163,542,567
Effect of dilutive potential ordinary shares:		
Share options	136,913,597	158,707,682
Restricted shares	<u>8,156,659</u>	<u>26,624,229</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>4,227,164,567</u>	<u>4,348,874,478</u>

The weighted average number of ordinary shares shown above have been arrived at after deducting the weighted average effect on 67,478,244 shares (December 31, 2023: 76,792,800 shares) held by a trustee under Restricted Share Award Scheme for the year ended December 31, 2024.

12. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended December 31, 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

13. TRADE AND OTHER RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables from contracts with customers		
— related parties	6,209	4,576
Less: allowance for credit losses	(588)	(329)
— third parties	6,478,606	6,405,693
Less: allowance for credit losses	(968,787)	(756,310)
	<u>5,515,440</u>	<u>5,653,630</u>
Bills receivables from contracts with customers	<u>16,163</u>	<u>9,551</u>
Receivables for purchase of raw materials on behalf of customers	<u>—</u>	<u>37,491</u>
Advances to suppliers		
— related parties	3,895	3,244
— third parties	33,486	67,677
	<u>37,381</u>	<u>70,921</u>
Other receivables	63,278	47,652
Prepayments	46,005	36,214
Value added tax recoverable	562,480	437,223
	<u>671,763</u>	<u>521,089</u>
Total trade and other receivables	<u><u>6,240,747</u></u>	<u><u>6,292,682</u></u>

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Not past due	3,778,576	3,708,023
Overdue:		
— Within 90 days	837,570	838,005
— 91 days to 1 year	459,092	709,700
— Over 1 year	440,202	397,902
	<u>5,515,440</u>	<u>5,653,630</u>

As at December 31, 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB1,736,864,000 (2023: RMB1,945,607,000) which are past due as at the reporting date. Out of the past due balances, RMB899,294,000 (2023: RMB1,107,602,000) has been past due 90 days or more and is not considered as in default as the management of the Group believed that the amounts will be settled by the customers, based on the customers' committed promise and historical experience. The Group does not hold any collateral over these balances.

14. CONTRACT ASSETS

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets		
— related parties	7,250	7,685
Less: allowance for credit losses	(211)	(229)
— third parties	222,894	519,264
Less: allowance for credit losses	(38,006)	(27,051)
	<u>191,927</u>	<u>499,669</u>

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

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

As at December 31, 2024, bank balances and cash of the Group comprised of cash and short-term bank deposits with an original maturity of three months or less. The short-term bank deposits are carried interests at market rates ranging from 0% to 4.50% (2023: 0% to 5.68%) per annum.

As at December 31, 2024, time deposits are carried fixed interest rates ranging from 2.60% to 5.76% (2023: 1.7% to 2.8%) per annum and have an original maturity of over three months.

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

16. DISPOSAL GROUP HELD FOR SALE

Subsequent to reporting period, the Company and WuXi Vaccines Ireland Limited ("**Vaccines Ireland**"), an indirect wholly-owned subsidiary of the Company, entered into a formal agreement with MSD International GmbH ("**MSD International**"), an independent third party on January 6, 2025. Under this agreement, the property and assets associated with the vaccines manufacturing facility used for the manufacturing of commercial vaccine products are expected to be sold within twelve months, have been classified as a disposal group held for sale as at December 31, 2024 and are presented separately in the consolidated statement of financial position (see below).

For segment reporting purposes, the manufacturing facility remains part of the Group's Biologics segment. The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets. As a result, no impairment loss has been recognized.

The major classes of assets of the Vaccines Facility classified as held for sale are as follows:

	2024 RMB'000
Property, plant and equipment	3,343,683
Right-of-use assets	7,125
Inventories	26,332
	<hr/>
Total assets classified as held for sale	<u>3,377,140</u>

17. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables		
— related parties	119,156	105,193
— third parties	627,991	728,073
	<hr/>	<hr/>
	747,147	833,266
	<hr/>	<hr/>
Other payables and accrual		
— related parties	7,998	10,901
— third parties	873,186	596,656
	<hr/>	<hr/>
	881,184	607,557
	<hr/>	<hr/>
Payable for purchase of property, plant and equipment	321,506	518,651
Consideration payables for acquisition of subsidiaries	2,968	2,968
Salary and bonus payables	752,705	707,099
Other taxes payable	72,685	86,233
	<hr/>	<hr/>
Trade and other payables	<u>2,778,195</u>	<u>2,755,774</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within three months	695,662	748,784
Over three months but within one year	49,366	76,174
Over one year but within five years	2,119	8,308
	<u>747,147</u>	<u>833,266</u>

18. CONTRACT LIABILITIES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Contract liabilities		
— related parties	—	1,002
— third parties	2,498,542	3,799,976
	<u>2,498,542</u>	<u>3,800,978</u>
Less: amounts shown under current liabilities	<u>(2,355,772)</u>	<u>(3,089,762)</u>
Amounts shown under non-current liabilities (<i>note</i>)	<u>142,770</u>	<u>711,216</u>

Note: The contract liabilities are classified as non-current as the related services are expected to be provided beyond twelve months, taking into account the financing components and the recognition of revenue during the reporting periods.

19. BORROWINGS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Secured bank loans	48,300	57,500
Unsecured bank loans	2,587,900	2,089,874
	2,636,200	2,147,374
The carrying amounts of the above borrowings are repayable:		
Within one year	2,435,302	576,328
Within a period of more than one year but not exceeding two years	31,517	1,370,148
Within a period of more than two years but not exceeding five years	94,551	94,551
Within a period of more than five years	74,830	106,347
	2,636,200	2,147,374
Less: amounts due within one year shown under current liabilities	(2,435,302)	(576,328)
Amounts shown under non-current liabilities	200,898	1,571,046

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

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Fixed-rate borrowings	506,300	57,500
Variable-rate borrowings	2,129,900	2,089,874
	2,636,200	2,147,374

The Group's variable-rate borrowings carry interest at European Central Bank Rate plus 1.5%, Euro Interbank Offered Rate plus 0.75%, Secured Overnight Financing Rate plus 0.8% and plus 0.79%, 5-years Loan Prime Rate ("LPR") minus 0.9%, and 1-years LPR minus 0.7%.

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

	2024	2023
Effective interest rate:		
Fixed-rate borrowings	1.36% to 3.85%	4.90%
Variable-rate borrowings	2.40% to 6.45%	2.71% to 6.46%

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

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Floating rate:		
— expiring within one year	1,111,026	936,041
Fixed rate		
— expiring within one year	239,420	—
	<u>1,350,446</u>	<u>936,041</u>

As at December 31, 2024, the Group's property, plant and equipment with carrying amounts of RMB16,930,000 (December 31, 2023: RMB10,299,000) were secured as collaterals for the Group's borrowings.

20. SHARE CAPITAL

AUTHORIZED:

	Number of shares	Par value US\$	Authorized share capital US\$
At January 1, 2023, December 31, 2023 and December 31, 2024	<u>6,000,000,000</u>	<u>1/120,000</u>	<u>50,000</u>

ISSUED AND FULLY PAID:

	Number of shares	Amount US\$	Shown in the financial statements as RMB'000
At January 1, 2023	4,225,261,885	35,211	233
Issue of new shares	17,642,323	147	1
Exercise of pre-IPO share options	<u>14,596,408</u>	<u>122</u>	<u>1</u>
At December 31, 2023	4,257,500,616	35,480	235
Exercise of pre-IPO share options	8,718,389	73	1
Shares cancelled	<u>(160,281,500)</u>	<u>(1,336)</u>	<u>(10)</u>
At December 31, 2024	<u>4,105,937,505</u>	<u>34,217</u>	<u>226</u>

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

DEFINITIONS

“ADC”	antibody-drug conjugate
“ADCC”	antibody-dependent cell-mediated cytotoxicity
“AGM”	the annual general meeting of the Company
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“CDMO”	Contract Development and Manufacturing Organization
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“cGMP”	Current Good Manufacturing Practice Regulations
“Chairman”	the Chairman of the Board
“China” or the “PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“CMC”	Chemical Manufacturing and Control
“CMO”	Contract Manufacturing Organization
“Company”	WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司*), an exempted company incorporated in the Cayman Islands with limited liability on February 27, 2014
“CRDMO”	Contract Research, Development and Manufacturing Organization
“CRO”	Contract Research Organization
“Director(s)”	the director(s) of the Company

“DNA”	a molecule that carries most of the genetic instructions used in the development, functioning and reproduction of all known living organisms and many viruses
“ESG”	environmental, social and governance
“EU”	a politico-economic union of 27 member states that are located primarily in Europe
“EU EMA”	European Medicines Agency
“EUR”	Europe currency
“Global Partner Program Share Scheme”	the share award scheme for global partner program adopted by the Company on June 16, 2021 and amended and restated on June 27, 2023
“GMP”	Good Manufacturing Practice
“Group” or “we” or “our” or “us”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKEX”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“IND”	investigational new drug, an experimental drug for which a pharmaceutical company obtains permission to ship across jurisdictions (usually to clinical investigators) before a marketing application for the drug has been approved
“IPO”	the listing of the Shares on the Main Board of the Stock Exchange on June 13, 2017
“Irish HPRA”	Irish Health Products Regulatory Authority
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time

“Main Board”	Main Board of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“mRNA”	messenger ribonucleic acid
“pDNA”	plasmid DNA
“PPQ”	process performance qualification
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on January 5, 2016, and amended on August 10, 2016, the principal terms of which are summarized in “Statutory and General Information — E. Pre-IPO Share Option Scheme” in Appendix IV to the Prospectus
“Prospectus”	the prospectus issued by the Company dated May 31, 2017
“Remuneration Committee”	the remuneration committee of the Board
“Renminbi” or “RMB”	Renminbi Yuan, the lawful currency of the PRC
“Reporting Period”	the one-year period from January 1, 2024 to December 31, 2024
“Restricted Share Award Scheme”	the restricted share award scheme adopted by the Company on January 15, 2018 and amended and restated on June 27, 2023
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US \$1/120,000 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“U.S.”	United States of America
“US\$” or “USD”	United States dollar(s), the lawful currency of the U.S.

“U.S. FDA”	The Food and Drug Administration of the U.S.
“Written Guidelines”	the Written Guidelines for Securities Transactions by Directors adopted by the Company
“WuXi Vaccines”	WuXi Vaccines (Cayman) Inc., a company incorporated under the laws of the Cayman Islands, a wholly-owned subsidiary of the Company
“WuXi XDC”	WuXi XDC Cayman Inc. (藥明合聯生物技術有限公司*), a company incorporated under the laws of the Cayman Islands with limited liability, a non-wholly owned subsidiary of the Company and listed on the Main Board of the Stock Exchange (stock code: 2268)

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

Hong Kong, March 25, 2025

As at the date of this announcement, the Board comprises Dr. Zhisheng Chen as executive Director; Dr. Ge Li, Dr. Weichang Zhou, Mr. Yanling Cao and Ms. Jingwen Miao as non-executive Directors; and Mr. William Robert Keller, Mr. Kenneth Walton Hitchner III, Mr. Jackson Peter Tai and Dr. Jue Chen as independent non-executive Directors.

* *For identification purpose only*