無錫藥明康德新藥開發股份有限公司

WuXi AppTec Co., Ltd.*

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

Stock Code : 2359

2024

ANNUAL REPORT

*For identification purpose only

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Ge Li (李革)
(Chairman and Chief Executive Officer)
Dr. Minzhang Chen (陳民章)
(Co-chief Executive Officer)
Mr. Edward Hu (胡正國)
(Vice Chairman and Global Chief Investment Officer)
Dr. Steve Qing Yang (楊青)
(Co-chief Executive Officer)
Mr. Zhaohui Zhang (張朝暉)

Non-executive Directors

Mr. Xiaomeng Tong (童小幪)
Dr. Yibing Wu (吳亦兵)

Independent Non-executive Directors

Ms. Christine Shaohua Lu-Wong (盧韶華)
Dr. Wei Yu (俞衛)
Dr. Xin Zhang (張新)
Ms. Zhiling Zhan (詹智玲)
Mr. Dai Feng (馮岱)
(ceased on January 22, 2025)
Mr. Xuesong Leng (冷雪松)
(appointed on January 22, 2025)

JOINT COMPANY SECRETARIES

Mr. Yuanzhou Zhang (張遠舟)
Ms. Cheung Yuet Fan (張月芬)

AUTHORISED REPRESENTATIVES

Mr. Edward Hu (胡正國)
Mr. Yuanzhou Zhang (張遠舟)

STRATEGY COMMITTEE

Dr. Ge Li (李革) *(Chairman)*
Mr. Edward Hu (胡正國)
Mr. Xiaomeng Tong (童小幪)
Dr. Yibing Wu (吳亦兵)
Dr. Wei Yu (俞衛)

AUDIT COMMITTEE

Ms. Christine Shaohua Lu-Wong (盧韶華)
(Chairperson)
Dr. Wei Yu (俞衛)
Dr. Xin Zhang (張新)

REMUNERATION AND APPRAISAL COMMITTEE

Ms. Zhiling Zhan (詹智玲) *(Chairperson)*
Dr. Xin Zhang (張新)
Mr. Dai Feng (馮岱)
(ceased on January 22, 2025)
Mr. Xuesong Leng (冷雪松)
(appointed on January 22, 2025)

NOMINATION COMMITTEE

Mr. Dai Feng (馮岱)
(ceased on January 22, 2025)
Mr. Xuesong Leng (冷雪松)
(appointed on January 22, 2025) (Chairman)
Dr. Ge Li (李革)
Ms. Zhiling Zhan (詹智玲)

AUDITOR

Deloitte Touche Tohmatsu
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HKRI Taikoo Hui
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A SHARE REGISTRAR AND TRANSFER OFFICE IN THE PRC

China Securities Depository & Clearing
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H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

A Share: 603259
H Share: 02359

COMPANY’S WEBSITE

www.wuxiapptec.com

Chairman's Statement

The Company remains steadfast in "doing the right thing and doing it right". In 2024, we achieved 5.2% year-over-year revenue growth (excluding COVID-19 commercial project of 2023), with all revenue, profit and free cash flow meeting the targets set in our annual guidance. Meanwhile, the backlog for continuing operations reached a record high of RMB49.31 billion, representing a 47.0% year-over-year growth.

The Company continues to focus on our unique CRDMO business model, delivering efficient and exceptional services to our global customers and benefiting patients worldwide. Our CRDMO business model enables the Company to generate distinct industry insights and respond promptly to new molecule demands from customers, ensuring the Company's long-term business growth and sustainable returns to shareholders. Entering 2025, the Company will resume its growth trajectory, with continuing operations revenue expected to achieve a year-over-year double-digit growth of 10–15%, and the adjusted non-IFRS net profit margin is expected to further improve.

Thanks to the enduring trust and support from our global customers, the Company will continue to enhance our capabilities, capacity and operating efficiency, while retaining and attracting top talent to support our customers' growing efforts to bring groundbreaking therapies to patients. Together, we can realize our vision that "every drug can be made and every disease can be treated".

Dr. Ge Li
Chairman and Chief Executive Officer

Hong Kong, March 17, 2025

Financial Highlights

	For the Year Ended December 31,	
	2024	2023
	RMB million	*RMB million*
Operating results		
Revenue	**39,241.4**	40,340.8
Gross profit	**16,016.1**	16,372.5
Net profit attributable to the owners of the Company	**9,352.6**	10,690.2
Adjusted Non-IFRS net profit attributable to the owners of the Company	**10,582.5**	10,854.6
EBITDA	**14,715.5**	15,634.6
Adjusted EBITDA	**15,992.9**	15,818.8
Profitability		
Gross profit margin	**40.8%**	40.6%
Margin of net profit attributable to the owners of the Company	**23.8%**	26.5%
Margin of adjusted Non-IFRS net profit attributable to the owners of the Company	**27.0%**	26.9%
EBITDA margin	**37.5%**	38.8%
Adjusted EBITDA margin	**40.8%**	39.2%
Earnings per share (RMB)		
— Basic	**3.24**	3.64
— Diluted	**3.22**	3.61
Adjusted Non-IFRS earnings per share (RMB)		
— Basic	**3.67**	3.70
— Diluted	**3.65**	3.68

	As of December 31,	
	2024	2023
	RMB million	*RMB million*
Financial position		
Total assets	**80,325.8**	73,669.3
Equity attributable to the owners of the Company	**58,632.7**	55,122.5
Total liabilities	**21,240.2**	18,151.9
Bank balances and cash	**13,434.3**	10,001.0
Gearing ratio	**26.4%**	24.6%

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

A. Analysis on Principal Operations

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

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

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

— Revenue from the top 20 global pharmaceutical companies reached RMB16.64 billion, growing by 24.1% YoY excluding COVID-19 commercial projects.

— Revenue from US-based customers was RMB25.02 billion, excluding COVID-19 commercial projects, revenue increased 7.7% YoY; revenue from Europe-based customers increased 14.4% YoY to RMB5.23 billion; revenue from China-based customers decreased 3.5% YoY to RMB7.07 billion; and revenue from other regions decreased 11.4% YoY to RMB1.93 billion.

Revenue

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

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

Reportable Segments	Year ended December 31, 2024 Revenue *RMB million*	2023 Revenue *RMB million*	Revenue Change
Continuing Operations			
WuXi Chemistry	**29,052.4**	29,171.5	(0.4)%
WuXi Testing	**5,670.7**	5,957.7	(4.8)%
WuXi Biology	**2,543.9**	2,552.6	(0.3)%
Others (Note 1)	**650.7**	996.2	(34.7)%
Discontinued Operations (Note 2)	**1,323.6**	1,662.8	(20.4)%
Total	**39,241.4**	40,340.8	(2.7)%

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

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

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

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

(1) *WuXi Chemistry*

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

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

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

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

(2) *WuXi Testing*

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

— Revenue of lab testing services reached RMB3.86 billion, down 8.0% YoY due to market impact as pricing gradually reflected in revenue along with backlog conversion. Of which, revenue from drug safety evaluation services was down 13.0% YoY, while maintaining an industry leading position in the Asia-Pacific region. In 2024, the Qidong and Chengdu facilities received the National Medical Products Administration (NMPA) and Organization for Economic Co-operation and Development (OECD) GLP qualifications. The Suzhou facility was reviewed for the first time by the Japan Pharmaceuticals and Medical Devices Agency (PMDA) for on-site audit and successfully passed. New modality business continued to develop, while new vaccine capabilities continued to improve, and market share of nucleic acids, conjugates, and mRNA further expanded. The Company is committed to actively enabling customers global licensing. WuXi AppTec has supported approximately 40% of China biotech companies that have made out-licensing deals over the past three years.

— Revenue of clinical CRO & SMO grew 2.8% YoY to RMB1.81 billion. Of which, SMO revenue grew 15.4% YoY, maintaining the industry leading position in China. In 2024, clinical CRO enabled our customers to obtain 29 IND approvals and submit for 1 NDA filling. SMO supported 73 new drug approvals for customers. With continuous steady growth of business, SMO supported 255 new drug approvals in total over the past decade, maintaining significant advantages in multiple areas (endocrinology, dermatology, lung cancer, cardiovascular disease, ophthalmology, rheumatology, central nervous system, medical aesthetics and rare tumors, etc.).

(3) WuXi Biology

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

— With platform resources further integrated, the Company fully leveraged the advantage of one-stop service platform with in vitro & in vivo synergies, 2024 revenue of the non-oncology business grew 29.9% YoY, led by growth in metabolic and neurological areas. The Company continued to build a comprehensive and integrated screening platform, with related revenue gaining 18.7% YoY. The Company continued to build capabilities related to new modalities, which contributed more than 28% of WuXi Biology's total revenue in 2024.

— The number of customers and projects served by the nucleic acid platform continued to increase. Cumulatively, the Company has provided services to more than 290 customers, and successfully delivered more than 1,400 projects since 2021.

— In 2024, WuXi Biology continued to generate downstream opportunities and contributed over 20% of the Company's new customers.

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

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

Gross Profit

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

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

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

(1) WuXi Chemistry

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

(2) WuXi Testing

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

(3) WuXi Biology

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

Other Gains and Losses

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

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

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

Impairment losses of non-financial assets

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

Impairment losses of goodwill

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

Impairment losses of assets classified as held for sale

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

Share of results of associates

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

Finance costs

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

Cash Flows

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

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

For the year ended December 31, 2024, net cash used in investing activities of the Company amounted to RMB5,098.0 million, representing a decrease of 25.2% as compared with the year ended December 31, 2023, primarily due to the decrease in capital expenditures caused by timing difference in settlements of construction projects.

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

Indebtedness

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

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

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

(2) Charges on Assets

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

(3) Contingent Liabilities

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

(4) Gearing Ratio

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

Treasury Policies

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

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

B. Non-IFRS Measure

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

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

Adjusted EBITDA

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

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

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

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

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

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

C. Assets and Liabilities Analysis

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

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

D. Analysis on Investments

Investment on wealth management product

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

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

Investment in companies

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

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

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

In RMB million

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

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

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

Genesis Medtech Group Limited ("Genesis")

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

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

iKang Healthcare Group ("iKang")

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

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

Jiangsu Hanbon Science and Technology Co., Ltd. ("Hanbon")

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

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

Boomray Pharmaceuticals Co., Ltd. ("Boomray")

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

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

Shanghai BioEngine Sci-Tech Co., Ltd. ("BioEngine")

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

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

Significant Investment Held

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

E. Core Competence Analysis

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

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

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

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

We continuously apply new scientific technologies to enable medical innovation in an effort to assist our customers in transforming new drug ideas into reality. With our leading service capability and scale in the industry and unique integrated CRDMO business model, we can quickly develop distinct industry insights, better predict future technological developments and emerging research trends in the industry, timely capture new development opportunities, and continuously drive long-term business growth. With the continuous breakthroughs in new technologies, new mechanisms and new molecular types, and after years of development and accumulation, we have adopted a number of industry-leading technologies and capabilities. Our API platform continues to improve our R&D capabilities in flow chemistry, enzyme catalysis, crystallization and particle engineering process research. The capabilities of our formulation platforms have expanded from oral preparation to sterile injectable preparations, and we will continue to conduct research on the formulation process of poorly soluble drugs and the development and application of new technologies such as spray drying, hot melt extrusion and lipid nanoparticles. In addition, we have comprehensive R&D and production capabilities for highly active drugs, providing "end-to-end" services from active pharmaceutical ingredients to preparations, covering oral and injectable drugs. The capabilities of our WuXi TIDES platform fully utilize innovative technologies such as thin-film evaporation, tangential flow filtration (TFF)/precipitation and continuous flow purification to provide one-stop services covering drug discovery, CMC research and production for oligonucleotides, peptides and related chemical conjugated drugs. Looking forward, we will continue to enhance the service capabilities of new molecular types, such as peptide, oligonucleotide, PROTAC and conjugate to enable global medical innovation.

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

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

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

We continue to advance our design and construction of facilities, enhance its capabilities and capacities globally, and improve the efficiency of asset utilization to better meet customer needs. In 2024, Taixing API site commenced operations, and capacity at both Changzhou and Taixing sites steadily increased over the course of the year. The total reactor volume of small molecule APIs is expected to reach over 4,000kL by the end of 2025. At the end of 2024, total reactor volume of solid phase peptide synthesizers reached 41,000L and is expected to further increase to over 100,000L by the end of 2025. We continued to invest in our Switzerland (Couvet) site, doubling oral dose capacity over the course of 2024. Meanwhile, we continued to build our U.S. (Middletown) site, which is expected to commence operations by the end of 2026. In May 2024, we announced the groundbreaking of Singapore R&D and manufacturing site, Phase I expects to commence operations in 2027.

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

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

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

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

(5) Experienced management team with vision and ambition

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

F. Other Events

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

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

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

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

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

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

(3) *2023 Profit Distribution Plan*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) *Change in Accounting Policy*

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

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

A. Industry Landscape and Trends

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

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

B. Development Strategies

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

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

C. Operation Plan

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

(1) Platform Building

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

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

(2) Customer Strategy

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

(3) Quality and Compliance

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

(4) Innovation and Development

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

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

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

(5) Team of Talents

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

(6) *Corporate Culture*

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

(7) *Long-term Sustainable Development*

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

D. Potential Risks

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

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

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

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

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

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

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

(4) *Business compliance risk*

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

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

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

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

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

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

(7) *Risk of failure in business expansion*

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

(8) *Exchange Rate risk*

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

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

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

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

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

	For the Year Ended December 31,				
	2020	2021	2022	2023	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Operating results					
Revenue	16,535,431	22,902,385	39,354,778	40,340,807	**39,241,431**
Gross profit	6,255,044	8,265,515	14,506,521	16,372,472	**16,016,122**
Operating profit	3,656,161	6,261,233	10,824,585	13,190,743	**11,464,527**
Net profit for the year	2,986,250	5,135,947	8,902,611	10,797,871	**9,468,955**
Net profit attributable to the owners of the Company	2,960,235	5,097,155	8,813,713	10,690,153	**9,352,608**
Profitability					
Gross profit margin	37.8%	36.1%	36.9%	40.6%	**40.8%**
Operating profit margin	22.1%	27.3%	27.5%	32.7%	**29.2%**
Margin of net profit attributable to the owners of the Company	17.9%	22.3%	22.4%	26.5%	**23.8%**
Earnings per share (RMB)					
— Basic	1.06	1.75	3.01	3.64	**3.24**
— Diluted	1.05	1.73	2.82	3.61	**3.22**

	As at December 31,				
	2020	2021	2022	2023	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Financial position					
Total assets	46,291,166	55,127,388	64,690,327	73,669,349	**80,325,824**
Equity attributable to the owners of the Company	32,493,743	38,491,509	46,589,953	55,122,454	**58,632,715**
Total liabilities	13,572,675	16,369,926	17,763,654	18,151,904	**21,240,211**
Bank balances and cash	10,228,057	8,175,336	7,983,904	10,001,039	**13,434,287**
Gearing ratio	29.3%	29.7%	27.5%	24.6%	**26.4%**

Note:

Both basic and diluted earnings per share have been adjusted to reflect the capitalisation issue under the 2020 Profit Distribution Plan.

Profiles of Directors, Supervisors and Senior Management

Below are the brief profiles of the current Directors, Supervisors and Senior Management of the Group.

DIRECTORS

As of the date of this annual report, the Board comprises 12 Directors, of which 5 are executive Directors, 2 are non-executive Directors and 5 are independent non-executive Directors. The following table sets forth information regarding the Directors.

Name	Age	Position	Date of Appointment as Director/Role
Executive Directors			
Dr. Ge Li (李革)	58	chairman, chief executive officer executive Director	March 1, 2017
Dr. Minzhang Chen (陳民章)	55	executive Director co-chief executive officer	May 6, 2022 August 2, 2021
Mr. Edward Hu (胡正國)	62	executive Director vice chairman, global chief investment officer	March 1, 2017 May 21, 2020
Dr. Steve Qing Yang (楊青)	56	executive Director co-chief executive officer	May 15, 2020 May 21, 2020
Mr. Zhaohui Zhang (張朝暉)	55	executive Director vice president	March 1, 2017
Non-executive Directors			
Mr. Xiaomeng Tong (童小幪)	51	non-executive Director	March 1, 2017
Dr. Yibing Wu (吳亦兵)	57	non-executive Director	March 1, 2017
Independent non-executive Directors			
Ms. Christine Shaohua Lu-Wong (盧韶華)	56	independent non-executive Director	May 31, 2023
Dr. Wei Yu (俞衛)	71	independent non-executive Director	May 31, 2023
Dr. Xin Zhang (張新)	47	independent non-executive Director	May 31, 2023
Ms. Zhiling Zhan (詹智玲)	61	independent non-executive Director	May 31, 2023
Mr. Dai Feng (馮岱)	49	independent non-executive Director	August 22, 2018 (ceased on January 22, 2025)
Mr. Xuesong Leng (冷雪松)	55	independent non-executive Director	January 22, 2025

SUPERVISORS

As of the date of this annual report, the Supervisory Committee consists of 3 Supervisors, including the chairman of the Supervisory Committee and an employee representative Supervisor.

Name	Age	Position	Date of Appointment as Supervisor
Mr. Harry Liang He (賀亮)	58	chairman of the Supervisory Committee	March 1, 2017
Mr. Baiyang Wu (吳柏楊)	60	Supervisor	August 31, 2020
Ms. Minfang Zhu (朱敏芳)	53	employee representative Supervisor	March 1, 2017

EXECUTIVE DIRECTORS

Dr. Ge Li (李革), aged 58, is the chairman and chief executive officer of the Company. From 1993 to 2000, Dr. Li was a founding scientist and director of research at Pharmacopeia Inc. in the United States. Since 2000, he has been serving in the Company (including its predecessor), and has served in roles including the chairman, president and chief executive officer of the Company. He also concurrently serves as the chairman and non-executive director of WuXi Biologics (Cayman) Inc. (stock code: 2269.HK).

Dr. Li obtained a bachelor's degree in chemistry from Peking University in the PRC. He also obtained a Ph.D. degree in organic chemistry from Columbia University in the United States.

Dr. Minzhang Chen (陳民章), aged 55, is an executive Director and co-chief executive officer of the Company. Dr. Chen has over 20 years of experience in new drug research and development and production management. Prior to joining the Company, he served as the chief researcher of the chemistry department of Schering-Plough Research Institute (先靈葆雅研究所) and the head of the technical operation department of Vertex Pharmaceuticals Inc. Since 2008, he has been serving in the Company (including its predecessor), and has served as a director and chief executive officer of SynTheAll Pharmaceutical, a subsidiary controlled by the Company, and as vice president, co-chief executive officer and executive Director of the Company.

Dr. Chen obtained a bachelor's degree in chemistry from Peking University in the PRC. He also obtained a Ph.D. degree in organic chemistry from University of Minnesota in the United States.

Mr. Edward Hu (胡正國), aged 62, is the vice chairman and global chief investment officer of the Company, chief executive officer of WuXi Advanced Therapies. From 1983 to 1985, Mr. Hu worked as an engineer at the scientific instrument factory of Hangzhou University. From 1988 to 1989, he was a manager at China Daheng Group, Inc. (中國大恒公司). From 1989 to 1990, he worked as an engineer at Jurid Bremsbrag GmbH in Germany. From 1996 to 1998, he served as a senior financial analyst of Merck in the United States. From 1998 to 2000, he was a business planning manager at Biogen Inc. (stock code: BIIB.NASDAQ) in the United States. From 2000 to 2007, he held various positions at Tanox, Inc. (stock code: TNOX.NASDAQ) in the United States, including chief financial officer, vice president of operations, senior vice president and chief operating officer. Since 2007, he has been serving in the Company (including its predecessor), and has served in roles including standing vice president and chief operating officer, chief financial officer, co-chief executive officer, vice chairman, global chief investment officer of the Company, and chief executive officer of WuXi Advanced Therapies. Mr. Hu also serves as a non-executive director of CStone Pharmaceuticals (stock code: 2616.HK). In the past three years, Mr. Hu was a director of CANbridge Pharmaceuticals Inc. (stock code: 1228.HK) and Ambrx Biopharma Inc. (stock code: AMAM.NYSE).

Mr. Hu obtained a bachelor's degree in physics from Hangzhou University, currently known as Zhejiang University, in the PRC. He also obtained a master's degree in chemistry and a master's degree in business administration from Carnegie Mellon University in the United States, respectively.

Dr. Steve Qing Yang (楊青), aged 56, is an executive Director and co-chief executive officer of the Company. From 1997 to 1999, Dr. Yang worked as a senior strategic consulting advisor of Strategic Decisions Group, a strategic consulting firm based in the United States. From 1999 to 2001, he served as a senior director of the corporate strategy and development at IntraBiotics, a United States biotech company. From 2001 to 2006, he was the head of the global research and development strategic management department and executive officer of Pfizer Inc. in the United States. From 2007 to 2010, he served as the president of research and development in Asia and vice president of global research and development of Pfizer Inc. (stock code: PFE.NYSE) in the United States. From 2011 to 2014, he was the vice president of Asia and Emerging Markets iMed Research and Development (亞洲及新興市場創新醫藥研發) of AstraZeneca (stock code: AZR.NYSE) in the United Kingdom. Since 2014, he has been serving in the Company (including its predecessor), and has served as vice president and chief operating officer, chief business officer and chief strategy officer, co-chief executive officer and executive Director of the Company.

Dr. Yang obtained a bachelor's degree from Michigan Technological University in the United States and a Ph.D. degree in pharmaceutical chemistry from University of California, San Francisco in the United States.

Mr. Zhaohui Zhang (張朝暉), aged 55, is an executive Director, vice president and China chief operating officer of the Company. From 1991 to 1993, he worked as an engineer at Wuxi Grinder Machinery Research Institute (無錫磨床機械研究所). From 1993 to 1995, he served as assistant to general manager of Jiangsu Yinling Group (江蘇省銀鈴集團). From 1995 to 1998, he was the vice president of Yinling Group (銀鈴集團), a United States company. From 1998 to 2000, he was the chief executive officer of Wuxi Qingye Investment Consultancy Limited (無錫青葉企業投資諮詢有限責任公司). Since 2000, he has been serving in the Company (including its predecessor), and has served in roles including senior vice president of operations and domestic market, China chief operating officer and executive Director of the Company.

Mr. Zhang obtained a bachelor's degree in mechanical and electrical engineering from Jiangnan University (江南大學) in the PRC and a master's degree in business administration from China Europe International Business School in the PRC.

NON-EXECUTIVE DIRECTORS

Mr. Xiaomeng Tong (童小幪), aged 51, is a non-executive Director of the Company. From 1998 to 2000, he served as an investment analyst at Morgan Stanley & Co. International plc. From 2000 to 2008, he served as a managing director and joint head of Greater China District of General Atlantic. From 2008 to 2011, he served as a managing director and head of Greater China District of Providence Equity Partners. Since May 2011, he has been serving as a managing partner of Boyu Capital Advisory Company Limited (博裕投資顧問有限公司). Mr. Tong has concurrently been serving as an independent non-executive director of Alibaba Pictures Group Limited (stock code: 1060.HK).

Mr. Tong obtained a bachelor's degree in economics from Harvard University in the United States.

Dr. Yibing Wu (吳亦兵), aged 57, is a non-executive Director of the Company. From 1996 to 2008, he worked with McKinsey & Company, where he was a global senior director, senior partner, the head of Asia Pacific merger and acquisition practice and general manager of Beijing office. From 2008 to 2009, he served as the standing vice president of Legend Holdings Co., Ltd. From 2009 to 2013, he served as the president of CITIC Private Equity Funds Management Co., Ltd. Since October 2013, he has been serving as the chairman of China of Temasek International Pte. Ltd. Since January 2014, he has been serving as a director and general manager of Temasek Holdings Advisors (Beijing) Co., Ltd. In the past three years, Dr. Wu was a non-executive director of WuXi Biologics (Cayman) Inc. (stock code: 2269.HK).

Dr. Wu obtained a bachelor's degree in molecular biology from University of Science and Technology of China (中國科學技術大學) in the PRC and a Ph.D. degree in biochemistry and molecular biology from Harvard University in the United States.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Christine Shaohua Lu-Wong (盧韶華), aged 56, was a senior chief financial officer, and she also has more than 15 years of experience working as the chief financial officer of listed companies. She is qualified as a certified public accountant in the United States. From 2007 to 2021, she held various senior management positions, including vice president of finance and chief financial officer at various listed companies, including WuXi PharmaTech (Cayman) Inc. (NYSE ticker before delisting: WX), Pactera Technology International Ltd. (NASDAQ ticker before delisting: PACT), Xueda Education Group (NYSE ticker before delisting: XUE), and WuXi Biologics (Cayman) Inc. (2269.HK).

As a senior chief financial officer of listed companies, Ms. Lu-Wong is not only responsible for the overall financial operation and management, capital market and market value management and merger, acquisition and consolidation activities, but is also responsible for establishing and maintaining an appropriate and effective risk management and internal control system to help identify and assess risks in the process of business planning and strategy making, overseeing and implementing relevant risk mitigation plans, so as to assess and determine the nature and extent of acceptable risks while achieving the objectives of listed companies.

Ms. Lu-Wong obtained a bachelor's degree in foreign trade and economics from Guangdong University of Foreign Studies in July 1990 and a master's degree in business administration (accounting) from Golden Gate University in San Francisco in April 1994.

Dr. Wei Yu (俞衛), aged 71, has more than 30 years of professional experience in the field of health management and policy research. Since 2019, he has been the executive dean of Shanghai Chuangqi Health Development Academy (上海創奇健康發展研究院). Dr. Yu has held senior research positions at various research universities as well as medical and health institutions, including Clemson University in the United States, Boston University, Stanford University, China Health Economics Association (中國衛生經濟學會) and Shanghai Shenkang Hospital Development Center (上海申康醫院發展中心). From 2006 to 2018, he worked as a professor, doctoral supervisor, executive vice president and dean at the School of Public Economics and Management of Shanghai University of Finance and Economics. He has been serving as an independent director of Tellgen Corporation (上海透景生命科技股份有限公司) (300642.SZ).

Dr. Yu obtained a bachelor's degree in electrical automation from Shanghai Hua Dong Textile College (上海華東紡織工學院) in January 1982. He also obtained a master's degree and doctor's degree in economics from Clemson University in the United States in August 1988 and August 1992, respectively.

Dr. Xin Zhang (張新), aged 47, has been teaching at the School of Management of Fudan University since 2010. He has served as a lecturer, associate professor and deputy head of the Department of Accounting. His research focuses are corporate finance, sell-side analysis, international accounting and international finance. Dr. Zhang has rich professional knowledge and experience in accounting, and holds the senior title of associate professor in accounting. In the past three years, he served as an independent director of Keeson Technology Corporation Limited (麒盛科技股份有限公司) (603610.SH), Shanghai Film Co., Ltd. (上海電影股份有限公司) (601595.SH), and Shanghai Moon's Electric Co., Ltd. (上海鳴志電器股份有限公司) (603728.SH).

Dr. Zhang obtained a bachelor's degree in industrial foreign trade from Shanghai Jiao Tong University in July 1999, a master's degree in management science and engineering from Shanghai Jiao Tong University in March 2002 and a doctor's degree in finance from Queen's University in Canada in May 2010.

Ms. Zhiling Zhan (詹智玲), aged 61, has been working as a principal lawyer at Shanghai Ryser & Associates Law Firm (上海瑞澤律師事務所) since August 2004. She has rich legal professional experience and practical experience. From 1987 to 1989, she taught in the Economic Law Teaching and Research Center of the Law Department of Renmin University of China (中國人民大學法律系經濟法教研室). From 1994 to 2004, she practiced at various reputable law firms, including Pestalozzi Law Firm in Zurich, Switzerland, and Baker & McKenzie in Hong Kong.

Ms. Zhan obtained a bachelor's degree in law from Wuhan University in July 1984 and a master's degree in law from Renmin University of China in July 1987. She obtained a master's degree in law from The University of Tokyo in Japan in March 1993, and studied Juris Doctor in the same year.

Mr. Dai Feng (馮岱), aged 49, serves as an independent non-executive Director of our Company from August 2018 to January 2025. Mr. Feng is the co-founder and managing director of CareCapital Advisors Limited (松柏投資管理(香港)有限公司) since March 2015 and focus on investing and operating business in the oral hygiene industry. He also serves as directors in the portfolio companies of CareCapital, including a director of the controlling shareholder of Neoss Limited. He has been the co-chairman of the board of International Orthodontics Foundation Limited (國際正畸基金會) since December 2021. From April 2004 to December 2014, he served as associate, principal and managing director at Warburg Pincus Asia LLC. Mr. Feng also serves as the chairman and non-executive director of ANGELALIGN TECHNOLOGY INC. (時代天使科技有限公司), a company listed on the Stock Exchange (stock code: 6699).

Mr. Feng obtained a bachelor's degree in engineering sciences from Harvard University in June 1997.

Mr. Xuesong Leng (冷雪松), aged 55, is an independent non-executive Director of our Company since January 22, 2025. He served as general manager and managing director at Warburg Pincus from September 1999 to August 2007. From September 2007 to December 2014, he served as managing director at General Atlantic LLC. In January 2015, Mr. Leng founded Lupin Capital, a China-focused private equity fund. Mr. Leng has extensive experience in private equity investment and corporate governance. Mr. Leng is also an independent non-executive director of Meituan (Stock Code: 3690.HK). In the last three years, he served as an independent director at China Index Holdings Limited (NASDAQ: CIH).

Mr. Leng received a bachelor's degree in international industrial trade from Shanghai Jiao Tong University in July 1992 and a master's degree in business administration from the Wharton School of the University of Pennsylvania in May 1999.

SUPERVISORS

Mr. Harry Liang He (賀亮), aged 58, has been serving as the chairman of the Supervisory Committee since March 2017. From 1991 to 1995, Mr. He served as a chemical analyst in the GTI Environmental Laboratory in California, United States. From 1996 to 2005, he served as a senior chemical testing engineer, data management manager and as an acting manager of the public works environment laboratory at Shaw Environmental & Infrastructure Inc in the State of California of the United States. From 2005 to 2023, he served in the Company (including its predecessor), and served in roles including an assistant president, an executive director of the president's office, the deputy director of the operation department and the head of operations management of the Waigaoqiao site of the Company, the head of supply chain risk control management team of the Company's China risk control department, an executive director of the chief operating officer's office of the Company.

Mr. He obtained a bachelor's degree in chemistry from Beijing University of Chemical Technology in the PRC.

Mr. Baiyang Wu (吳柏楊), aged 60, has been serving as a Supervisor since August 2020. From 2000 to 2019, Mr. Wu served in the Company (including its predecessor), as a senior manager of commercial development team, a senior manager of government affairs and policy research department of the Company.

Mr. Wu obtained a bachelor's degree in mechanics from Peking University in the PRC.

Ms. Minfang Zhu (朱敏芳), aged 53, has been serving as a Supervisor since March 2017. Since 2001, she has been serving in the Company (including its predecessor), and has served in roles including a finance assistant manager, a finance manager, a finance senior manager, a human resources director of the Company.

Ms. Zhu obtained an associate degree in financial management from Jiangsu Radio and Television University (江蘇廣播電視大學) in the PRC.

SENIOR MANAGEMENT

Dr. Ge Li (李革), see the section headed "Executive Directors" for details.

Dr. Minzhang Chen (陳民章), see the section headed "Executive Directors" for details.

Mr. Edward Hu (胡正國), see the section headed "Executive Directors" for details.

Dr. Steve Qing Yang (楊青), see the section headed "Executive Directors" for details.

Mr. Zhaohui Zhang (張朝暉), see the section headed "Executive Directors" for details.

Ms. Ming Shi (施明), aged 50, is the chief financial officer of the Company with effect from January 1, 2022. She joined the Group in April 2021 and has since then served as the senior vice president in finance of the Company. She has had over 20 years of management experience in the fields of finance, business development and operations. Prior to joining the Group, Ms. Shi was the managing director of business development and chief financial officer of General Electric ("GE") China. During her 15-year career at GE, she held several senior management roles in GE's various divisions including the healthcare and advanced materials divisions. Ms. Shi has also previously worked at other multinational corporations earlier in her career, including at Ernst & Young Hua Ming LLP from 1997 to 2002.

Ms. Shi obtained a bachelor's degree in international finance from the International Business School of Shanghai University (上海大學國際商學院). She is a member of the Chinese Institute of Certified Public Accountants and a graduate of GE's Executive Financial Leadership Program (EFLP).

Dr. Shuhui Chen (陳曙輝), aged 61, was a vice president and head of WuXi DDSU of our Company. From 1990 to 1995, Dr. Shuhui Chen served as a senior scientist at BMS. From 1995 to 1997, he served as a director of the chemistry department at Vion Pharma. From 1998 to 2004, he served as a research advisor at Eli Lilly and Company. From 2004 to 2024, he has been serving in the Company (including its predecessor), and has served in roles including an executive vice president and chief research officer, executive vice president, chief scientific officer, and head of WuXi DDSU of our Company.

Dr. Shuhui Chen obtained a Ph.D. degree in chemistry from Yale University in the United States.

Mr. Yuanzhou Zhang (張遠舟), aged 36, is the board secretary and joint company secretary of our Company. Mr. Zhang served as a Management Trainee and a Relationship Manager of the Global Banking Department in HSBC Bank (China) Company Limited from June 2013 to April 2016. From May 2016 to September 2018, he served as a Vice President of the Investment Banking Department in CSC Financial Co., Ltd. Since October 2018, Mr. Zhang has served various positions in the Company, including Investment Director of the Corporate Development and Investment Department, Senior Director of the Mergers and Acquisitions Department, the board secretary and joint company secretary.

Mr. Zhang obtained a Bachelor's degree in Economics from the Central University of Finance and Economics. He also obtained a Master's degree in Finance from the Olin Business School at Washington University in St. Louis in the United States.

The Board of the Company is pleased to present this corporate governance report in this annual report (the "Corporate Governance Report").

CORPORATE GOVERNANCE CULTURE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

— satisfactory and sustainable returns to Shareholders;

— that the interests of those who deal with the Company are safeguarded;

— that overall business risk is understood and managed appropriately;

— the delivery of high-quality products and services to the satisfaction of customers; and

— that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to achieving good corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

The Board is of the view that throughout the year ended December 31, 2024, the Company has complied with all the code provisions as set out in the CG Code, except for code provisions C.2.1 as explained in the paragraph headed "Chairman and Chief Executive Officer" below.

DIRECTORS' SECURITIES TRANSACTIONS

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

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Code of Conduct throughout the year ended December 31, 2024.

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

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The Board comprised 12 Directors, consisting of 5 executive Directors, 2 non-executive Directors and 5 independent non-executive Directors. During the year ended December 31, 2024 and up to the date of this Annual Report, the Board composition has the following changes:

Executive Directors

Dr. Ge Li *(Chairman and Chief Executive Officer)*
Dr. Minzhang Chen *(Co-chief Executive Officer)*
Mr. Edward Hu *(Vice Chairman and Global Chief Investment Officer)*
Dr. Steve Qing Yang *(Co-chief Executive Officer)*
Mr. Zhaohui Zhang

Non-executive Directors

Mr. Xiaomeng Tong
Dr. Yibing Wu

Independent Non-executive Directors

Ms. Christine Shaohua Lu-Wong
Dr. Wei Yu
Dr. Xin Zhang
Ms. Zhiling Zhan
Mr. Dai Feng[1]
Mr. Xuesong Leng[2]

Notes:

1. Mr. Dai Feng has retired as an independent non-executive Director, and ceased to be the chairman of the Nomination Committee, a member of the Remuneration and Appraisal Committee on January 22, 2025.

2. Mr. Xuesong Leng was elected as an independent non-executive Director with effect from January 22, 2025. He was also elected as the chairman of the Nomination Committee, a member of the Remuneration and Appraisal Committee with effect from January 22, 2025.

Mr. Xuesong Leng, who has been appointed as the independent non-executive Director on January 22, 2025, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules that are applicable to him as director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on January 16, 2025, and he confirmed he understood his obligations as director of a listed issuer.

The biographical information of the Directors are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" of this annual report.

Except for Dr. Ge Li and Mr. Zhaohui Zhang who had entered into an acting-in-concert agreement and a supplemental agreement on March 23, 2016 and March 17, 2017 to acknowledge and confirm their acting-in-concert relation in the Company, the Directors do not have any relationship (including financial, business, family or other material/relevant relationship(s)) between the Board members and in particular, between the chairman and the chief executive.

Chairman and Chief Executive Officer

Code provision C.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

The Chairman and Chief Executive Officer of the Company are held by Dr. Ge Li who is the founder of the Company and has extensive experience in the industry.

The Board is of the view that given that Dr. Ge Li had been responsible for leading the strategic planning and business development of the Group, the arrangement would allow for effective and efficient planning and implementation of business decisions and strategies under the strong and consistent leadership, and should be overall beneficial to the management and development of the Group's business.

Independent Non-executive Directors

During the year ended December 31, 2024, the Board at all times exceeded the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing one-third of the board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Board Independence Evaluation

When the Company appoints a new independent non-executive director, a full investigation on independence against the candidate of independent non-executive director will be conducted. The independent non-executive directors are required to confirm their independence at the end of the Reporting Period, to ensure they met the relevant independence requirements stipulated in the Administrative Measures for Independent Directors of Listed Companies, the Shanghai Stock Exchange Self Regulatory Supervision Guidelines for Listed Companies No. 1 — Standardized Operation and other regulations and the Articles of Association, to be qualified to serve as an independent non-executive director of the Company.

The Company has established a complete set of effective policies to ensure that the Board can obtain independent views and opinions. The particulars are as follows: the Board consists of 5 executive Directors, 2 non-executive Directors and 5 independent non-executive Directors. The number of independent non-executive Directors accounts for more than one-third of the Board's composition in compliance with the requirements of the laws and regulations of the place where the shares of the Company are listed. The Board has established the Audit Committee, the Remuneration and Appraisal Committee, the Strategy Committee and the Nomination Committee, each of which has at least one independent non-executive Director as a committee member, with the chairman of the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee being independent non-executive Directors. Independent non-executive Directors oversee the development strategy of the Company and acquire a thorough understanding of the operation conditions of the Company through the above positions. They also actively participate in the shareholders' general meetings, Board meetings and committee meetings to carefully consider and approve various proposals, and express independent opinions on major issues of the Company. Independent non-executive Directors are not entitled to equity-based compensation linked to their performance-related factors, but are paid fixed allowances for independent non-executive Directors in accordance with the Directors' remuneration plan adopted at the shareholders' general meeting. The Company actively creates conditions for independent non-executive Directors to perform their duties, such as arranging separate meetings between independent non-executive Directors and the chairman of the Company each year to fully understand the ideas of the management and communicate and exchange independent opinions. The Company also arranges two separate meetings each year between the Audit Committee consisting entirely of independent non-executive Directors and the internal audit department of the Company and the external audit firm to fully understand the internal control risks of the Company and express independent opinions. In addition, the Company also allows independent non-executive Directors to engage intermediaries or professionals to provide professional opinions on the discharge of their duties, and the reasonable fees required are borne by the Company. Through the above effective mechanisms, the Company ensures that the Board can obtain independent views and opinions.

Appointment and Re-election of Directors

Code Provision B.2.2 states that every director, including those appointed for a specific term, shall be subject to retirement by rotation at lease once every three years. According to the Articles of Association of the Company, Directors (including non-executive Directors and independent non-executive Directors) shall be elected or replaced at general meetings and their term of office shall be three years. Directors are eligible for re-election upon expiry of their term of office, while the renewed term of office of independent non-executive Directors shall not exceed six years. Subject to the relevant laws, regulations and regulatory rules of the place where the Company is listed, if the Board appoints a new director to fill any casual vacancy on the Board or as an addition to the existing Board, the term of office of such appointed director shall end upon the next annual general meeting of the Company and he/she is eligible for re-election and renewal thereat. All the directors appointed to fill causal vacancies shall accept shareholder election at the first general meeting after acceptance of the appointment.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses, for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended December 31, 2024, all Directors attended training sessions on the respective obligations of the Directors and senior management. In addition, relevant reading materials including legal and regulatory update have been provided to the Directors for their reference and studying.

The record of continuous professional development relating to director's duties and regulatory and business development that have been received by the Directors for the year ended December 31, 2024 is summarized as follows:

Directors	Type of Training[1]
Executive Directors	
Dr. Ge Li	A/B
Dr. Minzhang Chen	A/B
Mr. Edward Hu	A/B
Dr. Steve Qing Yang	A/B
Mr. Zhaohui Zhang	A/B
Non-Executive Directors	
Mr. Xiaomeng Tong	A/B
Dr. Yibing Wu	A/B
Independent Non-Executive Directors	
Ms. Christine Shaohua Lu-Wong	A/B
Dr. Wei Yu	A/B
Dr. Xin Zhang	A/B
Ms. Zhiling Zhan	A/B
Mr. Dai Feng	A/B

Note:

1. Types of Training
   A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops
   B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

Board Diversity Policy

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Board has adopted a board diversity policy since the date of listing of the Company on the Stock Exchange for the purpose of ensuring that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board.

The Company commits to selecting the best person for the role based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity. All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

As at the date of this annual report, an analysis of the Board's current composition based on the measurable objectives is set out below:

Gender

Male:	10 Directors
Female:	2 Directors

Age Group

41–50:	1 Directors
51–60:	8 Directors
61-70:	2 Directors
71-80:	1 Director

Designation

Executive Directors:	5 Directors
Non-executive Directors:	2 Directors
Independent Non-executive Directors:	5 Directors

Educational Background

Chemistry/Biology:	5 Directors
Economics/Accounting:	4 Directors
Law:	1 Director
Business administration:	2 Directors

Education degree

Bachelor:	1 Director
Master:	5 Directors
Doctorate:	6 Directors

Nationality

Chinese:	4 Directors
American:	7 Directors
Canadian:	1 Director

Business Experience

Chemistry/Biology:	4 Directors
Economics/Accounting:	3 Directors
Legal:	1 Director
Business administration:	1 Director
Investment:	3 Directors

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy and the measurable objectives, as appropriate, to ensure the effectiveness of the Policy.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this annual report:

	Female	Male
Board	17%	83%
Senior Management	14%	86%
Other employees	55%	45%
Overall workforce	55%	45%

The Nomination Committee and the Board are of the view that the current gender diversity is satisfactory and achieve the objectives set in the Board Diversity Policy.

Nomination Policy

The Board has delegated its responsibilities and authority for selection of Directors to the Nomination Committee of the Company.

The Company has adopted Nomination Policy which sets out the objectives, selection criteria and nomination procedures for identifying and recommending candidates for appointment or reappointment of Directors.

The nomination process and criteria set out in the Nomination Policy is as follows:

(1) The unit shall actively communicate with relevant departments of the Company to understand the demand for new directors and senior management and shall record the results in writing;

(2) The unit may search for director and senior management candidates from the Company, its subsidiaries and investees as well as the market, including acceptance of written recommendations from shareholders;

(3) The unit shall collect information of the candidates, such as profession, academic qualifications, working experience (and titles) and all part-time jobs, skills, gender and other necessary information and shall record the results in writing. The selection of members of the Board shall take into account the skills, experience and diversity required for the operation of the Company;

(4) In respect of independent non-executive directors, the unit shall:

    (a) consider the reasons for selection and the independence of the candidates;

    (b) if a proposed candidate will be appointed as independent director of three domestic listed companies, consider whether the candidate would be able to devote sufficient time to the Board;

    (c) the perspective, skills and experience that the individual can bring to the Board; and

    (d) how the individual contributes to the diversity of the Board.

(5) The unit shall seek consent from the nominees before they are proposed for nomination as director or senior management;

(6) The Nomination Committee shall convene a meeting upon receiving sufficient information from the unit to examine the qualification of the candidates according to the conditions for the appointment of director and senior management;

(7) The Nomination Committee shall advise the Board on review opinions of the candidates for directors and senior management before the Board formally considers the proposals for their nomination or appointment;

(8) The Nomination Committee shall perform other duties pursuant to the decisions and feedbacks of the Board.

During the year ended December 31, 2024, the Nomination Committee recommended to the Board the nomination for election of 1 new independent non-executive Director, namely Mr. Xuesong Leng. The nomination was subject to a stringent nomination process in accordance with the Nomination Policy and the Board Diversity Policy, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Company's strategy.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure its effectiveness.

BOARD COMMITTEES

The Board has established 4 committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy Committee, for overseeing particular aspects of the Company's affairs.

All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

Audit Committee

The Audit Committee consists of 3 independent non-executive Directors, namely Ms. Christine Shaohua Lu-Wong, Dr. Wei Yu and Dr. Xin Zhang. Ms. Christine Shaohua Lu-Wong is the chairperson of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code and in compliance with the relevant laws and regulations of the PRC.

The Audit Committee is responsible for reviewing the financial information of the Company and its disclosure, supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board for consideration after being approved by more than half of the members of the Audit Committee:

- to disclose the financial information in financial accounting reports and periodic reports, and internal control evaluation reports;
- to appoint or dismiss the accounting firm of the Company that undertakes the audit business of listed companies;
- to appoint or dismiss the chief financial officer of the Company;
- to revise accounting policies and accounting estimates or to correct material accounting errors for reasons other than changes in accounting standards;
- to formulate policies and procedures for the selection and appointment of accounting firms, and the related internal control systems of the Company;
- to deal with other matters stipulated by laws, administrative regulations, the relevant rules of China Securities Regulatory Commission and the stock exchange where the Company's shares are listed and the Articles.

During the Reporting Period, the Audit Committee held 5 meetings to review, the regular reports (including financial reports), profit distribution plan, the deposit and usage of funds raised, management rules for the selection and appointment of accounting firms, re-appointment of domestic and overseas accounting firms, assessment on the performance of the accounting firms, internal control report and performance report of the Audit Committee, etc.

The Audit Committee also met the external auditors 2 times without the presence of the executive Directors.

The attendance records of the Audit Committee are set out under "Attendance Record of Directors and Committee Members".

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of 3 independent non-executive Directors, namely Ms. Zhiling Zhan, Dr. Xin Zhang and Mr. Xuesong Leng. Ms. Zhiling Zhan is the chairperson of the Remuneration and Appraisal Committee.

The terms of reference of the Remuneration and Appraisal Committee are of no less exacting terms than those set out in the CG Code and in compliance with the relevant laws and regulations of the PRC.

The main duties and responsibilities of the Remuneration and Appraisal Committee are:

- to formulate remuneration plans or proposals based on the main function scope, duties and importance of the management positions taken by directors and senior management and the remuneration level of the corresponding positions in other comparable enterprises, and to make recommendations to the Board on the establishment of a formal and transparent formulation procedure of the remuneration policy;
- to determine such remuneration plans or proposals that mainly include, but without limitation to, standards and procedures for performance assessment and the principal assessment system, as well as the principal plan and system of rewards and punishments;
- to review and advise on the share incentive schemes and employee stock ownership plans to be implemented by the Company, and to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;
- to manage the share incentive schemes, including but not limited to reviewing the qualifications, granting conditions and vesting conditions of personnel under the share incentive schemes;
- to review the performance of duties by the executive directors and senior management of the Company, and assess their performance;
- to oversee the implementation of the remuneration system of the Company;
- to review the arrangement made by the directors and senior management for the stock ownership plan of a subsidiary to be spun off;

- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- to determine, with delegated responsibility by the Board, the remuneration packages of individual non-independent directors and senior management; or to make recommendations to the Board on the remuneration packages of individual non-independent directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their offices or appointment;
- to make recommendations to the Board on the remuneration of independent directors;
- to consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions for other positions of the Company;
- to review and approve compensation payable to non-independent directors and senior management for any loss or termination of their offices or appointment to ensure that such arrangements are consistent with the contractual terms. In case of any inconsistency, such compensation shall be otherwise reasonable and appropriate without being excessive;
- to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration; and
- to deal with other matters authorized by the Board.

During the Reporting Period, the Remuneration and Appraisal Committee held 5 meetings to review and advise on the share incentive schemes and the remuneration plan of senior management to be implemented by the Company.

The attendance records of the Remuneration and Appraisal Committee are set out under "Attendance Records of Directors and Committee Members".

The remuneration of the members of the senior management of the Group by band for the Reporting Period is set out below:

Remuneration	Number of persons
HK$1,000,001 to HK$2,000,000	1
HK$2,000,001 to HK$3,000,000	1
HK$7,000,001 to HK$8,000,000	1
HK$11,000,001 to HK$12,000,000	1
HK$15,000,001 to HK$16,000,000	2
HK$25,000,001 to HK$26,000,000	1
HK$56,000,001 to HK$57,000,000	1

Nomination Committee

The Nomination Committee consists of 3 members, namely Mr. Xuesong Leng, independent non-executive Director, Dr. Ge Li, executive Director, and Ms. Zhiling Zhan, independent non-executive Director. Mr. Xuesong Leng is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code and in compliance with the relevant laws and regulations of the PRC.

The main duties of the Nomination Committee include but are not limited to:

- to advise the Board on the size and composition of the Board on the basis of the operation, asset value and shareholding structure of the Company;

- to advise the Board on the criteria and procedure of selection of directors and senior management. The ultimate responsibility for selecting and appointing of directors shall be borne by all directors;

- to identify candidates of directors and senior management and advise the Board on the nomination or removal of directors and the appointment or dismissal of senior management;

- to examine the candidates of directors and senior management and make suggestions. The candidates for independent directors should undergo qualification review and clear review opinions shall be formed;

- to examine other senior management to be appointed by the Board and provide opinion of their appointment;

- to review the structure, size and composition of the Board (including the skill, expertise and experience of its members) at least once a year and provide advice on any proposed changes to the Board for implementation of the strategies of the Company;

- to examine the independence of independent directors;

- to propose plans and advice the Board and conduct regular reviews in regard of the appointment, reappointment and succession of directors;

- to formulate the policy on the identification of candidates for directors. The selection process shall be transparent and fair and shall select candidates outside the social circles of existing directors as far as possible according to the diversity policy of the Board;

- to deal with other matters authorized by the Board;

- to assist the Company to disclose the nomination policy when necessary and regularly disclose the achievements of the policy in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and

- to monitor and review the formal procedures of the nomination policy to ensure that the policy continues to meet the requirements of the Company and reflect current regulatory requirements and good corporate governance practices.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence, time commitment and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the Reporting Period, the Nomination Committee held 1 meeting to identify individuals suitably qualified to become Directors and make recommendation to the Board on selection of individuals nominated for directorships.

The attendance records of the Nomination Committee are set out under "Attendance Record of Directors and Committee Members".

Strategy Committee

The Strategy Committee consists of 5 members including 2 executive Directors namely, Dr. Ge Li and Mr. Edward Hu, 2 non-executive Directors namely, Mr. Xiaomeng Tong and Dr. Yibing Wu and 1 independent non-executive Director namely, Dr. Wei Yu. Dr. Ge Li is the chairman of the Strategy Committee.

The terms of reference of the Strategy Committee are in compliance with the relevant laws and regulations of the PRC.

The main duties of the Strategy Committee include but are not limited to:

- to study and make recommendations on long-term development strategies of the Company;
- to study and make recommendations on major investment and financing plans that are subject to the Board's approval according to the Articles and the Management Rules on External Investment;
- to study and make recommendations on major capital operation (including but not limited to the increase or decrease of registered capital and the issue of bonds or other securities of the Company, any merger, division, dissolution or change of corporate form of the Company or any of its wholly-owned or non-wholly owned subsidiaries, and profit distribution plans and loss recovery plans of the Company), asset operation projects, annual financial budgets and final financial accounts of the Company that are subject to the Board's approval according to the Articles;
- to study and make recommendations on the establishment or changes of fund-raising investment projects regarding issue of securities of the Company or any of its wholly-owned and non-wholly owned subsidiaries;
- to study and make recommendations on other major issues affecting the Company's development;
- to review the implementation of the above items, and study, assess and make recommendations on major adjustments involved therein and report to the Board for consideration;
- to deal with other matters authorized by the Board.

During the Reporting Period, the Strategy Committee held 5 meetings to review external guarantees, foreign exchange hedging business, cash management of internal idle funds, delay of H Share fundraising project, repurchase and cancellation of A Shares of the Company, and issuance of H Share convertible bonds, etc.

The attendance records of the Strategy Committee are set out under "Attendance Records of Directors and Committee Members".

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the Reporting Period, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each director during their tenure of office at the Board and Board committee meetings and the general meetings of the Company held during the year ended December 31, 2024 is set out in the table below:

	Attendance/Number of Meetings						
Name of Director	Board	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategy Committee	Annual General Meeting	Other General Meetings and A Share Class Meeting and H Share Class meeting
Dr. Ge Li	10/10	NA	NA	1/1	5/5	1/1	5/5
Dr. Minzhang Chen	10/10	NA	NA	NA	NA	1/1	5/5
Mr. Edward Hu	10/10	NA	NA	NA	5/5	1/1	5/5
Dr. Steve Qing Yang	10/10	NA	NA	NA	NA	1/1	5/5
Mr. Zhaohui Zhang	10/10	NA	NA	NA	NA	1/1	5/5
Mr. Xiaomeng Tong	10/10	NA	NA	NA	5/5	1/1	5/5
Dr. Yibing Wu	10/10	NA	NA	NA	5/5	1/1	5/5
Ms. Christine Shaohua Lu-Wong	10/10	5/5	NA	NA	NA	1/1	5/5
Dr. Wei Yu	10/10	5/5	NA	NA	5/5	1/1	5/5
Dr. Xin Zhang	10/10	5/5	5/5	NA	NA	1/1	5/5
Ms. Zhiling Zhan	10/10	NA	5/5	1/1	NA	1/1	5/5
Mr. Dai Feng	10/10	NA	5/5	1/1	NA	1/1	5/5

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

Apart from regular Board meetings, the Chairman also held meeting(s) with the independent non-executive Directors without the presence of other Directors during the year.

All independent non-executive Directors and non-executive Directors have attended general meetings to gain and develop a balanced understanding of the view of shareholders.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee monitors and manages the Company's overall risks related to the business operations. It also (i) reviews and approves the Company's risk management policy to ensure that such policies are in line with the corporate objectives; (ii) reviews and approves the corporate risk tolerance; (iii) monitors significant risks related to the business operations and the handling of such risks by the management; (iv) evaluates the corporate risk based on the corporate risk tolerance; and (v) monitors and ensures the appropriate application of the Company's risk management framework consistently within the Group.

The co-chief executive officers are responsible for (i) formulating and updating the Company's risk management policy and objectives; (ii) reviewing and approving major risk management matters of the Company; (iii) formulating risk management measures; (iv) providing guidance on the risk management approach to the relevant departments of the Company; (v) reviewing the relevant departments' reporting on key risks and providing feedback; (vi) monitoring the implementation of risk management measures by relevant departments; (vii) ensuring that the appropriate structure, processes and competences are in place across the Group; and (viii) reporting significant risks to the Audit Committee.

The relevant departments of the Company are responsible for implementing the risk management policy and the day-to-day risk management practices. In order to standardize risk management across the Group and establish transparent and standardized risk management performance, the relevant departments (i) collect data on risks related to their operation and function; (ii) conduct risk assessment, including the identification, prioritization, measurement and categorization of all major risks which may have potential impacts on achieving their objectives; (iii) prepare risk management reports for the review of the chief executive officers; (iv) continuously monitor major risks related to the Company's operations; (v) implement appropriate measures in response to the risk exposure where necessary; and (vi) formulate and implement appropriate mechanisms to facilitate the application of the risk management framework.

The Company have engaged an internal control consultant to perform certain agreed-upon procedures in connection with the internal control of the Company and the major operating subsidiaries and to report factual findings on the Group's entity-level controls and internal controls of various processes, including environment control, risk assessment, internal monitoring, information and communication, anti-bribery, reporting and disclosure, related parties and related party transaction, tax, sales and payment collection management, purchases and payment management, inventory management, fixed assets management, human resources and remuneration management, capital management, contract management, research and development and intangible assets management, information system management, and insurance.

The Company has adopted a series of internal control policies, measures and procedures designed to provide reasonable assurance for achieving objectives, including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. The internal control policies, measures and procedures which the Company implemented or plans to implement are summarized below:

- The Company has set up the Compliance Department and Legal Affairs Office, which are responsible for the overall internal control, corporate governance and legal compliance matters of the Group.

- The Compliance Department and Legal Affairs Office are responsible for issuing and amending internal control policies, measure and procedures to ensure that the Company maintains comprehensive and effective internal control and complies with applicable laws and regulations. The Compliance Department also monitors the implementation of the internal control policies, measures and procedures and conducts regular compliance review and investigation at different stages of drug development process. In addition, the Compliance Department and Legal Affairs Office provide guidelines to the business departments regarding each stage of the drug discovery, development or manufacturing process.

- The Compliance Department organizes monthly/annual inspections on the internal controls of each business department of the Company and issues to the person-in-charge of the relevant business department the internal control self-assessment report with information related to risks discovered and any suggested remedies for his/her action.

- The person-in-charge of each business department is responsible for implementing relevant internal control policies, measures and procedures and conducting regular review regarding the implementation of such policies, measures and procedures.

- The Company has implemented relevant internal control policies, measures and procedures for all business departments regarding each of the drug discovery, development and manufacturing stages, educating the relevant employees about such policies, measures and procedures, and addressing their questions, submitting suggested revisions to such policies, measures and procedures to the Compliance Department and regularly inspect the implementation of policies, measures and procedures.

- The Company has adopted various measures and procedures for all aspects of the business operation, such as project management, quality assurance, intellectual property protection, environmental protection and occupational health and safety. Employees are provided with regular training on such measures and procedures. The implementation of measures and procedures are constantly monitored through the Compliance Department at each stage of the drug development process.

- The Compliance Department has established a whistleblowing mechanism regarding complaints against the Directors, senior management, employees, clients, and other business partners, and independent and fair investigation will be conducted on the reported complaints for appropriate follow up actions. The Compliance Department has also established an online platform for the employees and those who deal with the Company to raise concerns in confidence and anonymity, with the Audit Committee and Compliance Department about possible improprieties in any matters related to the Company. Besides, the Compliance Department has established Whistleblowing Policies which regulates the reporting channels, case officers, investigation procedures and results reports, and explicitly states that retaliation on whistleblowers is prohibited. Based on the complaints received, the Audit Committee and Compliance Department will evaluate the effectiveness and any potential weaknesses in the Company's internal control system to make corresponding improvement on the internal control policies, measures and procedures.

- The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal audit anti-corruption and policy and Compliance department which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

- During the year ended December 31, 2024, the Company held 1 anti-corruption training and briefings to all employees. There were no non-compliance cases in relation to bribery and corruption.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

The Board, through the Audit Committee, has reviewed the effectiveness of the internal audit system and the risk management and the internal control system of the Group, including the adequacy of resources, qualifications and experience of staff in the aforementioned systems and of the Company's accounting and financial reporting function, and the adequacy of their training programs and budget.

For the year ended December 31, 2024, the Board, through a review, considered that the risk management and internal control system of the Group was effective and adequate.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2024.

The Directors have prepared the financial statements in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report.

AUDITORS' REMUNERATION

The remuneration paid or payable to the Company's external auditors of the Group in respect of audit services and non-audit services for the year ended December 31, 2024 amounted to RMB6.8 million and RMB3.9 million respectively.

An analysis of the remuneration paid to the external auditors of the Group, in respect of audit services and non-audit services for the year ended December 31, 2024 is set out below:

Service Category	**Fees Paid/ Payable** *RMB'000*
Audit Services	6,829
Non-audit Services	
— Taxation	3,922
	10,751

JOINT COMPANY SECRETARIES

During the year ended December 31, 2024, Mr. Yuanzhou Zhang and Ms. Cheung Yuet Fan of Tricor Services Limited (an external service provider) were the joint company secretaries of the Company, they have complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training during the year.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices related matters.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

A shareholders' general meeting is required to be held once every year. An extraordinary general meeting is required to be held within 2 months of the occurrence of any of the following:

- the number of Directors is less than the minimum number stipulated by the PRC Company Law or less than two-thirds of the number specified in the Articles of Association;
- the unrecovered losses of the Company amounted to one-third of the Company's total paid-in share capital;
- Shareholders severally or jointly holding more than 10% or more of the Company's Shares request in writing to hold such meeting;
- the Board deems it necessary;
- the Supervisory Committee proposes to hold such a meeting; or
- any other circumstances as provided for in the laws, administrative regulations, departmental rules, regulatory documents, the Listing Rules, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, or the Articles of Association.

A shareholders' general meeting shall be convened by the Board, and presided over by the Chairman of the Board. In the event that the Chairman cannot or does not fulfill his duties, the vice chairman shall preside over the meeting, where the vice chairman cannot or does not fulfil his duties, a Director nominated by half or more of the Directors shall preside over the meeting. Where the Board is unable to perform or fail to perform the duty of convening the extraordinary general meeting, the Supervisory Committee may convene and preside over shareholders' general meeting in a timely manner. If the Supervisory Committee fails to convene and preside over shareholders' general meeting, Shareholders individually or in aggregate holding 10% or more of the Company's Shares for 90 days or more consecutively may unilaterally convene and preside over shareholders' general meeting.

Putting Forward Proposals at General Meetings

A single Shareholder who holds, or several shareholders who jointly hold, 3% or more of the Shares may submit an interim proposal in writing to the Board ten working days or fifteen days (whichever is later and exclusive of the date of meeting and the date when the proposal is submitted) before the general meeting is held. The Board shall notify other Shareholders within 2 days upon receipt of the proposal, and submit the said interim proposal to the general meeting for deliberation. The contents of the interim proposal shall fall with the scope of powers of the general meeting, and the proposal shall have a clear agenda and specific matters on which resolutions are to be made.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	Room 1910, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong (For the attention of the Board of Directors/Company Secretary)
Fax:	+86(21) 50463093
Email:	ir@wuxiapptec.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. For this purpose, the Company has set up a website (www.wuxiapptec.com), where relevant latest information, the up-to-date state of the Company's business operation and development, the Company's financial information and corporate governance practices and other data are available to the public.

The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

During the year ended December 31, 2024, the Company has amended its Articles of Association. An up-to-date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy to ensure that Shareholders' views and concerns are appropriately addressed. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) the quarterly report; (d) a notice of meeting; (e) a listing document; (f) a circular; and (g) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. the Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Company's Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.wuxiapptec.com). Other corporate information about the Company's business developments, goals and strategies, corporate governance and risk management will also be available on the Company's website.

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the chairman of the Board and other Board members, the chairmen of Board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any).

(e) Other Investor Relations Communication Platforms

Roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a required basis.

Dividend Policy

The Company has adopted a policy on payment of dividends pursuant to code provision F.1.1 of the CG Code taking into consideration of various elements including but not limited to the Company's strategic development objectives, operation plan, profitability, cash flow and financing. The policy sets out the factors in consideration, procedures, methods and intervals of the payment of dividends with an objective to provide the shareholders with continuing, stable and reasonable returns on investment while maintaining the Company's business operation and achieving its long-term development goal.

Significant Changes in Constitutional Documents

On June 12, 2024, a special resolution was passed at the 2023 AGM approving certain amendments to the Articles of Association. Please refer to the circular of the Company dated May 10, 2024 and the announcement of the Company dated March 18, 2024 for further details of the amendments.

An up to date version of the Company's Articles of Association is available on the Company's website and the Stock Exchange's website.

The Board is pleased to present this annual report together with the audited consolidated financial statements of the Group for the year ended December 31, 2024.

PRINCIPAL ACTIVITIES

The Company is a joint stock limited company incorporated under the laws of the PRC, the predecessor of which, WuXi AppTec Ltd. (無錫藥明康德新藥開發有限公司) (formerly known as WuXi PharmaTech Co., Ltd. (無錫藥明康德組合化學有限公司)), was established under the laws of the PRC as an enterprise legal person in December 2000. The Company completed its initial public offering and listing of 104,198,556 A Shares (stock code: 603259.SH) on May 8, 2018. The Company completed its public offering and listing of 116,474,200 H Shares (stock code: 2359.HK) on December 13, 2018. The Group is a leading global pharmaceutical R&D services platform transforming the business of discovery, development and manufacturing of innovative pharmaceuticals.

The activities and particulars of the Company's principal subsidiaries are shown under Note 50 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and Note 5 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties faced by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" in this annual report. The review and discussion form part of this Directors' report.

RESULTS AND DIVIDEND

The consolidated results of the Group for the year ended December 31, 2024 are set out on pages 123 to 263 of this annual report.

2024 Profit Distribution Plan

Subsequent to the end of the Reporting Period, the Board of the Company proposes the 2024 Profit Distribution Plan as follows: a cash dividend of RMB9.8169 (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB2,835,113,437.82 (inclusive of tax) based on the total issued share capital of the Company as of the date of March 17, 2025). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly.

2025 Special Dividend Distribution

References are made to the announcements of the Company dated December 24, 2024 (the "Announcement") and March 10, 2025, in connection with the WuXi ATU business. WuXi ATU (Ireland) Holding Limited and WuXi ATU (Hong Kong) Limited (collectively the "WuXi ATU Entities"), each being an wholly-owned subsidiary of the Company, sold all of the shares in the United States and United Kingdom operating entities of the WuXi ATU business (as defined in the Announcement), to Altaris LLC (including the entities controlled by it, "Altaris") (the "Transaction"), and the completion of the Transaction took place on March 7, 2025 (U.S. time). The Transaction is aimed at ensuring that clients and patients with a pressing need for the WuXi ATU cell therapy services can continue to receive time-critical and life-saving treatments without interruption. At the same time, valued scientists, technicians and other staff of the WuXi ATU U.S. and UK business can continue to work towards achieving the mission that "every drug can be made and every disease can be treated". During the same period, the Company completed the sale of its medical device testing business in the United States to NAMSA, a U.S.-based medical technology testing, clinical, and regulatory consulting company headquartered in Ohio, in February 2025. This transaction aims to optimize the Company's strategic business portfolio, enabling it to focus more on its core CRDMO business. By making further investments across multiple regions, the Company seeks to enhance business synergies in research, development, and manufacturing services, strengthen its unique CRDMO business model, and better meet the evolving needs of global customers.

In appreciation of Shareholders' support for our strategic adjustments in challenging times, the Board proposes a special dividend distribution as follows: a cash dividend of RMB3.5000 (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB1,010,797,403.70 (inclusive of tax) based on the total issued share capital of the Company as of March 17, 2025). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly.

FUND RAISING

Save for the issuance of the Convertible Bonds as set out in the section headed "The Convertible Bonds" below, during the Reporting Period, there was no fund raising activity carried out by the Company.

FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on page 37 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property and equipment of the Group during the Reporting Period are set out in Note 17 to the consolidated financial statements on pages 197 to 198 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environment protection and has not noted any material non-compliance with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group has implemented environmental protection measures and has also encouraged staff to be environmentally friendly at work by consuming the electricity and paper according to actual needs, so as to reduce energy consumption and minimize unnecessary waste. Further details of the Group's environmental policies and performance are disclosed in the environmental, social and governance report of the Company for the Reporting Period published on April 3, 2025.

During the Reporting Period, the Company made donations of RMB0.88 million.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Reporting Period are set out in Note 41 to the consolidated financial statements on pages 229 to 230 of this annual report.

RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 128 to 129 of this annual report. Details of the movement in the reserves of the Company during the Reporting Period is set out in Note 51 to the consolidated financial statements on pages 261 to 262 of this annual report.

DISTRIBUTABLE RESERVES

As at December 31, 2024, the Company's distributable reserves, calculated in accordance with PRC rules and regulation, were RMB3,017.17 million.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

As the performance growth of the Company is not as anticipated, the Board has approved the termination of the 2023 H Share Award and Trust Scheme and the direct repurchase of 15,467,500 H Shares from the Scheme Trustee. On January 5, 2024, the Proposal on the Direct Repurchase of H Shares in relation to the 2023 H Share Award and Trust Scheme from the Scheme Trustee and the Cancellation of such H Shares was considered and approved by way of special resolutions of (i) the Shareholders at the first extraordinary general meeting of the Company in 2024; (ii) the A Shareholders at the first A Share class meeting of the Company in 2024; and (iii) the H Shareholders at the first H Share class meeting of the Company in 2024. Accordingly, the Company has entered into a sale and purchase agreement (the "SPA") under the principal terms as disclosed in the circular of the Company dated December 13, 2023, for the Scheme Trustee to sell, and the Company to purchase, 15,467,500 H Shares of the Company acquired by the Scheme Trustee through on-market transaction as the source of the 2023 Award Shares (the "Acquired Award Shares") at the aggregate price of HK$1,287,770,101.46.

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

Repurchase of A Shares of the Company for the first time

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

On February 5, 2024, the Company implemented the Share Repurchase for the first time, and has repurchased 20,275,407 A Shares, representing 0.69% of the then total issued share capital of the Company, at the aggregate price of RMB1,000,000,738.60 (exclusive of transaction fees). The Share Repurchase was completed within a month, and the maximum price and minimum price for the Share Repurchase were RMB51.72 per A Share and RMB46.50 per A Share, respectively. 20,275,407 A Shares repurchased on February 5, 2024 were cancelled on March 20, 2024. Please refer to the relevant announcements of the Company dated February 2, 2024 and February 5, 2024 and the next day disclosure return of the Company dated March 20, 2024 for further details.

Repurchase of A Shares of the Company for the second time

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

On May 22, 2024, the Company completed the Second Share Repurchase, and has repurchased an aggregate of 21,593,780 A Shares through bidding, representing 0.74% of the then total issued share capital, at the aggregate price of RMB1,000,000,116.95 (exclusive of transaction fees). 21,593,780 A Shares repurchased from the Second Share Repurchase were cancelled on May 24, 2024. Please refer to the relevant announcements of the Company dated March 8, 2024 and May 23, 2024 and the next day disclosure return of the Company dated May 24, 2024 for further details.

The monthly breakdown of the Second Share Repurchase is set out as follows:

Month of repurchase	**Number of A Shares repurchased**	**Highest repurchase price per A Share** *(RMB)*	**Lowest repurchase price per A Share** *(RMB)*
March 2024	6,519,226	58.66	45.89
April 2024	9,146,107	47.86	41.23
May 2024	5,928,447	48.14	43.52

Repurchase of A Shares of the Company for the third time

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

On September 26, 2024, the Company completed the Third Share Repurchase, and has cumulatively repurchased an aggregate of 23,934,621 A Shares through bidding, representing 0.82% of the then total issued share capital of the Company, at the aggregate price of RMB1,000,001,063.32 (exclusive of transaction fees). The Third Share Repurchase was completed within a month, and the maximum price and minimum price for the Third Share Repurchase in 2024 were RMB44.43 per A Share and RMB37.37 per A Share, respectively. 23,934,621 A Shares repurchased from the Third Share Repurchase were cancelled on October 29, 2024. Please refer to the relevant announcements of the Company dated September 10, 2024 and September 27, 2024 and the next day disclosure return of the Company dated October 29, 2024 for further details.

As at the date of this annual report, the Group does not hold treasury shares (as defined under the Listing Rules).

Save as disclosed above and the issuance of the Convertible Bonds as set out in the section headed "The Convertible Bonds" below, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

PRE-EMPTIVE RIGHTS

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

USE OF NET PROCEEDS FROM THE A SHARE LISTING

The total net proceeds from the issue of A Shares by the Company in its A Share Listing amounted to approximately RMB2,130.3 million, and the balance of unutilized net proceeds from the A Share Listing was approximately RMB269.2 million, which has been used to permanently replenish working capital as at December 31, 2024.

Save as disclosed above, the net proceeds from the A Share Listing have been fully utilized in accordance with the purpose set out in the A Share Prospectus. Please refer to the 2023 annual report of the Company published on April 26, 2024 for further details.

USE OF NET PROCEEDS FROM NON-PUBLIC ISSUANCE OF A SHARES

The total net proceeds from the Non-public Issuance of A Shares by the Company amounted to approximately RMB6,461.2 million, and the balance of unutilized net proceeds from the Non-public Issuance of A Shares was approximately RMB71.1 million, which has been used to permanently replenish working capital as at December 31, 2024.

Save as disclosed above, the net proceeds from the Non-public Issuance of A Shares have been fully utilized in accordance with the circular of the Company dated March 31, 2020. Please refer to the 2023 annual report of the Company published on April 26, 2024 for further details.

USE OF NET PROCEEDS FROM THE H SHARE LISTING

The total net proceeds from the issue of H Shares by the Company in its H Share Listing (after deducting the underwriting fees and related H Share Listing expenses) amounted to approximately RMB7,032.6 million, and the balance of unutilized net proceeds from the H Share Listing was approximately RMB166.0 million, which has been used to permanently replenish working capital as at December 31, 2024.

Save as disclosed above, the net proceeds from the H Share Listing have been fully utilized in accordance with the purpose set out in the Prospectus. Please refer to the 2023 annual report of the Company published on April 26, 2024 for further details.

USE OF NET PROCEEDS FROM THE PLACING OF NEW H SHARES

The total net proceeds from the placing of new H Shares by the Company which completed on August 5, 2020 (after deducting the underwriting fees and related expenses) amounted to approximately RMB6,558.6 million, and the balance of unutilized net proceeds from the placing of new H Shares was approximately RMB331.7 million as at December 31, 2024.

The table below sets out the planned applications of the net proceeds from the placing of new H Shares and the actual usage up to December 31, 2024:

Use of proceeds from the placing of new H Shares	Percentage of net proceeds from the placing of new H Shares	Allocation of net proceeds from the placing of new H Shares (HKD million)	Allocation of net proceeds from the placing of new H Shares (RMB million)	Balance of the unutilized amount from the placing of new H Shares (as at December 31, 2023) (RMB million)	The utilized amount from the placing of new H Shares during the Reporting Period (RMB million)	Balance of utilized amount from the placing of new H Shares (as at December 31, 2024) (RMB million)	Balance of unutilized amount from the placing of new H Shares (as at December 31, 2024) (RMB million)	Actual and expected timeline for utilizing the remaining balance of net proceeds from the placing of new H Shares(1)
Expansion of the Group's overseas operation and global mergers and acquisitions(2)(3)	55%	4,008.0	3,607.2	1,043.4	711.7	3,275.5	331.7	Expected to be fully utilized by December 31, 2025
Construction of Changshu R&D Integrated Project(3)(4)	15%	1,093.1	983.8	61.0	61.0	983.8	–	Has been fully utilized as at December 31, 2024
Repaying bank loans and other borrowings	10%	728.7	655.9	–	–	655.9	–	Has been fully utilized as at December 31, 2020
Replenish the working capital of the Company	20%	1,457.5	1,311.7	–	–	1,311.7	–	Has been fully utilized as at June 30, 2021
Total(5)	100%	7,287.3	6,558.6	1,104.4	772.7	6,226.8	331.7	

Notes:

(1) The expected timeline for utilizing the remaining proceeds is set based on the best estimation of the Company taking into account, among other factors, prevailing and future market conditions and business developments and needs, and therefore is subject to change.

(2) On June 30, 2023, the use of proceeds for "Mergers and acquisitions including, but not limited to, expansion of the Group's presence in the US, Europe and Asia Pacific" was combined with the use of proceeds for "Expansion of the Group's overseas operation" as they serve similar purpose, being the expansion of the Group.

(3) In light of business development needs, the Company has, at the ninth meeting of the third session of the Board of Directors held on March 18, 2024, approved the proposal to delay the expected timeline for utilizing the remaining net proceeds from the placing of new H Shares allocated to two investment projects, namely the "Expansion of the Group's overseas operation and global mergers and acquisitions" and the "Construction of Changshu R&D Integrated Project" from December 31, 2023 to December 31, 2025. Please refer to the relevant announcement of the Company dated March 18, 2024 for further details.

(4) As at December 31, 2024, allocated proceeds for "Construction of Changshu R&D Integrated Project" have been fully utilized.

(5) Any discrepancies in the sum of amounts listed in the tables with the breakdown of use of net proceeds in this annual report is due to rounding.

THE CONVERTIBLE BONDS

On October 7, 2024 (after trading hours), the Issuer, the Company and the Lead Manager entered into the Subscription Agreement, pursuant to which the Issuer has issued the Bonds in a principal amount of US$500 million. The Company has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The issue of the Bonds was completed on October 21, 2024.

The closing price of H Shares on the date on which the terms of the issue were fixed (i.e. October 7, 2024) is HK$69.00. The issue price of the Bonds is 100% of the principal amount of the Convertible Bonds. The net issue price per Conversion Share based on the estimated net proceeds from the subscription of the Convertible Bonds and the Conversion Shares resulting from the full conversion of the Bonds is estimated to be approximately HK$79.12.

The Convertible Bonds will be offered to no less than six independent placees (who will be independent individual, corporate and/or institutional investors). The Convertible Bonds are convertible at the option of the holders into fully paid ordinary H Shares of the Company of par value RMB1.0 each at the initial conversion price of HK$80.02 per H Share (with a maximum of 48,522,244 conversion shares resulting from the full conversion).

The net proceeds from the subscription of the Bonds, after the deduction of fees, commissions and expenses payable, is approximately US$494.4 million. The Board considers that the issue of the Bonds represents an opportunity to obtain a pool of readily available funds that can better support global expansion and refinancing indebtedness of the Company in the long run.

Based on the bank balances and cash as at December 31, 2024, the Company has the ability to meet its redemption obligations under the Convertible Bonds.

For principal terms of the Bonds, please refer to the relevant announcements of the Company dated October 8, 2024 and October 21, 2024. As the Convertible Bonds bear no interest on the principal amount, it would be equally financially advantageous for the Bondholders to convert or redeem the Convertible Bonds in the future (and therefore the Bondholders would be indifferent as to whether the Convertible Bonds are converted or redeemed) in the event that the price of each H Share traded on the Stock Exchange equals the prevailing conversion price of the Convertible Bonds (i.e. HK$80.02).

During the Reporting Period, there had not been any redemption or conversion of the Convertible Bonds. There is no dilutive impact on the earnings per share assuming the Convertible Bonds were fully converted into H Shares of the Company on December 31, 2024.

For accounting treatment of the Convertible Bonds, please refer to Note 40 of the consolidated financial statements for details.

The following table sets out the shareholding structure of the Company upon full conversion of the Convertible Bonds with reference to the shareholding structure of the Company as at December 31, 2024 and assuming no further issuance of Shares by the Company:

Shareholders	As at December 31, 2024			Upon full conversion of the Bonds at the initial Conversion Price of HK$80.02 per H Share		
	Class of Shares	Number of Shares	Approximate % of the total issued share capital	Class of Shares	Number of Shares	Approximate % of the total issued share capital
The shareholders controlled by the actual controllers of the Company, the shareholders who have signed a concert party agreement with the actual controllers and the shareholder who has signed a voting proxy agreement with the actual controllers (1)	A Shares	593,458,536	20.55	A Shares	593,458,536	20.21
Other holders of A Shares	A Shares	1,907,457,896	66.05	A Shares	1,907,457,896	64.96
Holders of H Shares	H Shares	387,076,150	13.40	H Shares	387,076,150	13.18
Bondholders	—	—	—	H Shares	48,522,244	1.65
Total	—	2,887,992,582	100.00	—	2,936,514,826	100.00

Note:

1. Dr. Ge Li, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu as the actual controllers of the Company, jointly held their interests through a total of 22 entities comprising corporations controlled by them, parties acting in concert with Dr. Ge Li and the proxy grantor.

Use of Net Proceeds from the Issuance of the Convertible Bonds

The net proceeds from the subscription of the Convertible Bonds have been and will be utilized in accordance with the purposes set out in the paragraph headed "Use of Proceeds" of the Company's announcement dated October 8, 2024. The table below sets out the planned applications of the approximate net proceeds and actual usage up to the year ended December 31, 2024:

Use of proceeds	Percentage of net proceeds from the subscription of the Convertible Bonds %	Allocation of net proceeds from the issuance of the Convertible Bonds (USD million)	The utilized amount from the subscription of the Convertible Bonds during the Reporting Period (USD million)	Balance of utilized amount (as at the year ended December 31, 2024) (USD million)	Balance of unutilized amount (as at the year ended December 31, 2024) (USD million)	Actual and expected timeline for utilizing the remaining balance of net proceeds from the subscription of the Convertible Bonds[1]
Global expansion	70	346.1	41.2	41.2	304.9	Expected to be fully utilized by September 30, 2025
Refinancing indebtedness	20	98.9	48.6	48.6	50.3	Expected to be fully utilized by September 30, 2025
General corporate purposes	10	49.4	49.4	49.4	—	Have been fully utilized as at December 31, 2024
Total	100	494.4	139.2	139.2	355.2	

Notes:

(1) The expected timeline for utilizing the remaining proceeds is made based on the best estimation of the Company taking into account, among others, prevailing and future market conditions, regulatory changes and approvals as well as actual business development, and therefore is subject to change.

(2) The discrepancies between the total and sums of amounts in the table above are due to rounding.

DIRECTORS

The Board currently consists of the following 12 Directors:

Executive Directors

Dr. Ge Li (李革) *(Chairman and chief executive officer)*
Dr. Minzhang Chen (陳民章) *(Co-chief executive officer)*
Mr. Edward Hu (胡正國) *(Vice chairman and global chief investment officer)*
Dr. Steve Qing Yang (楊青) *(Co-chief executive officer)*
Mr. Zhaohui Zhang (張朝暉)

Non-executive Directors

Mr. Xiaomeng Tong (童小幪)
Dr. Yibing Wu (吳亦兵)

Independent Non-executive Directors

Ms. Christine Shaohua Lu-Wong (盧韶華)
Dr. Wei Yu (俞衛)
Dr. Xin Zhang (張新)
Ms. Zhiling Zhan (詹智玲)
Mr. Dai Feng (馮岱) *(ceased on January 22, 2025)*
Mr. Xuesong Leng (冷雪松) *(appointed on January 22, 2025)*

SUPERVISORS

The Company currently has the following 3 Supervisors:

Mr. Harry Liang He (賀亮)
Mr. Baiyang Wu (吳柏楊)
Ms. Minfang Zhu (朱敏芳)

BIOGRAPHICAL DETAILS OF THE DIRECTORS, THE SUPERVISORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors, the Supervisors and the senior management of the Group as at the date of this annual report are set out on pages 38 to 45 in the section headed "Profiles of Directors, Supervisors and Senior Management" of this annual report.

CHANGE OF INFORMATION OF DIRECTORS AND SUPERVISORS

Changes in information of the Directors since the publication of the interim report of the Company for the six months ended June 30, 2024, which are required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules, are set out below:

(1) Mr. Edward Hu ceased to be a non-executive director of CANbridge Pharmaceuticals Inc. (stock code: 1228.HK) in September 2024.

(2) Mr. Edward Hu was appointed as a chairman of Basecure Therapeutics Inc. in November 2024.

(3) Dr. Yibing Wu ceased to be a non-executive director of WuXi Biologics (Cayman) Inc. (stock code: 2269.HK) in November 2024, and ceased to be a director of True Light Capital Pte. Ltd. in September 2024.

(4) Dr. Yibing Wu was appointed as a director of Truelight Holdings Pte. Ltd. in September 2024, and was appointed as an executive director/chief executive officer of Temasek Capital (China) Holdings Pte. Ltd. in November 2024.

(5) Dr. Xin Zhang ceased to be an independent director of Shanghai Film Co., Ltd. (上海電影股份有限公司) (601595.SH) in September 2024.

(6) Dr. Xin Zhang was appointed as an independent director of Shanghai Advanced Silicon Technology Co.,Ltd. (上海超硅半導體股份有限公司) in September 2024.

(7) Mr. Dai Feng ceased to be an independent director of Sling Group Holdings Limited (森浩集團股份有限公司) (stock code: 8285.HK) in September 2024, ceased to be the vice chairman of Carestream Dental LLC in August 2024, ceased to be a director of Huikou Dental Hospital Group (惠州市口腔醫院有限公司) in September 2024.

(8) Mr. Dai Feng has retired as an independent non-executive Director and ceased to be the chairman of the Nomination Committee, a member of the Remuneration and Appraisal Committee of the Company on January 22, 2025.

(9) Mr. Xuesong Leng was elected as an independent non-executive Director of the Company with effect from January 22, 2025. He was also elected as the chairman of the Nomination Committee, a member of the Remuneration and Appraisal Committee of the Company with effect from January 22, 2025.

Save as disclosed above, there is no other information which was required to be disclosed by Directors and Supervisors pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company, under which they agreed to act as executive Directors for a term commencing on the date on which their elections are approved by the Shareholders and ending on the expiry of the term of the third session of the Board, which may be terminated by not less than 90 days' notice in writing served by either the executive Director or the Company.

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with the Company until the expiry of the third session of the Board, which may be terminated by not less than three months' notice in writing served by either of the Director or the Company. Under the respective appointment letters, each of the independent non-executive Directors is entitled to an annual allowance while non-executive Directors' remuneration, if any, and independent non-executive Directors' remuneration are subject to the adjustment of the Board and the Remuneration and Appraisal Committee from time to time.

Each of the Supervisors has signed an appointment letter with the Company until the expiry of the third session of Supervisory Committee, which may be terminated by not less than three months' notice in writing served by either of the Supervisor or the Company.

The appointments of the Directors and Supervisors are subject to the re-election upon expiry of their term of office according to the Articles of Association.

Save as disclosed above, none of the Directors or Supervisors has entered into any service contract with the Company or any of its subsidiaries (excluding contracts expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation).

CONTRACT WITH CONTROLLING SHAREHOLDERS

Upon the Listing of the Company on the Hong Kong Stock Exchange, the Founding Individuals ceased to be controlling Shareholders (as defined in the Listing Rules) of the Company. Save for the STA Equity Transfer Agreement, no contract of significance was entered into between the Company or any of its subsidiaries and the Founding Individuals or any of its subsidiaries and no contract of significance for the provision of services to the Company or any of its subsidiaries by a Founding Individual or any of its subsidiaries was entered into during the Reporting Period or subsisted at the end of the year.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

No transaction, arrangement and contract of significance to the business of the Group which the Company or any of its subsidiaries was a party, and in which a Director/Supervisor or any entity connected with such a Director/Supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Reporting Period.

COMPENSATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The emoluments of the Directors, Supervisors and senior management of the Group are decided by the Board with reference to the recommendation given by the Remuneration and Appraisal Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of the Directors' emoluments and emoluments of the five highest paid individuals in the Group are set out in Note 14 to the consolidated financial statements on pages 191 to 193 of this annual report.

For the year ended December 31, 2024, no emoluments were paid by the Group to any Director, Supervisors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors or Supervisors has waived any emoluments for the year ended December 31, 2024.

Except as disclosed above, no other payments have been made or are payable, for the year ended December 31, 2024, by our Group to or on behalf of any of the Directors.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors and Supervisors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a Director of the Company and/or its subsidiaries.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

NON-COMPETITION ARRANGEMENTS

Each of the Founding Individuals provided certain non-competition undertakings in favor of the Company, pursuant to which the said parties have given certain non-competition undertakings to the Company. Details of the non-competition agreements are set out in the section headed "Relationship with our Founding Individuals — Non-Competition Arrangements" in the Prospectus.

The Founding Individuals confirmed that they have complied with the non-competition undertakings for the Reporting Period. The independent non-executive Directors have conducted such review for the Reporting Period and also reviewed the relevant undertakings and are satisfied that the non-competition undertakings have been fully complied with.

MANAGEMENT CONTRACTS

Other than the Directors' and Supervisors' service contracts and appointment letters, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the year or at any time during the Reporting Period.

EQUITY-LINKED AGREEMENTS

During the Reporting Period, other than the share incentive arrangements as set out in the section under "Share Incentive Schemes" set out on pages 83 to 107 and Note 44 to the consolidated financial statements on pages 238 to 245 of this annual report, the Company has not entered into any equity-linked agreement.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the Reporting Period.

LOAN AND GUARANTEE

During the Reporting Period, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, Supervisors and senior management of the Company, the controlling shareholders of the Company (if any) or their respective connected persons.

SHARE INCENTIVE SCHEMES

The 2018 A Share Incentive Plan, the 2019 Share Appreciation Scheme and the STA Share Appreciation Incentive Scheme have ended. As at December 31, 2024, there were no Shares available for issue under the 2018 A Share Incentive Plan and the STA Share Appreciation Incentive Scheme and no outstanding units granted under the 2019 Share Appreciation Scheme.

The 2023 H Share Award and Trust Scheme has been terminated. As at December 31, 2024, there was no 2023 Selected Participants under the 2023 H Share Award and Trust Scheme as the 2023 H Share Award and Trust Scheme has been terminated, no grant of 2023 Awards was made prior to the termination.

1. **Overview**

There are no A Shares that may be issued in respect of the share options granted under all A share incentive schemes of the Company as at December 31, 2024. The H Share Incentive Schemes adopted by the Company do not involve the issuance of new H Shares.

The Group's share incentive schemes effective during the Reporting Period are as follows:

2. **2019 A Share Incentive Plan**

In order to establish and improve the long-term incentive mechanism of the Company, attract and retain talents, fully motivate the core personnel of the Company and effectively integrate the interests of the Shareholders, the Company and core team members so that the parties will make joint efforts for the sustainable development of the Company, on September 20, 2019, the Shareholders' meeting of the Company passed a resolution to approve the adoption of the 2019 A Share Incentive Plan, pursuant to which the Company may issue up 21,055,530 units of Restricted A Shares or Share Options of the Company. The total participants of the 2019 A Share Incentive Plan is 2,467, including the Directors, members of the senior-level management (including senior management), mid-level managers and backbone members of our technicians and basic level managers and other technicians. On November 25, 2019, 13,400,273 Restricted A Shares of the Company were approved for 2,008 eligible employees to subscribe at the price of RMB32.44 per A Share, including 124,443 Restricted A Shares granted as special grant to one eligible employee which are subjected to different conditions and restrictions. 5,039,904 Share Options were approved for 460 eligible employees which can be exercised at the price of RMB64.88 per A Share (2019 Initial Grant). Please refer to the relevant announcement of the Company dated November 25, 2019 for further details. On June 10, 2020, 427,000 Restricted A Shares of the Company were approved for 18 eligible employees to subscribe at the price of RMB40.59 per share. 29,131 Share Options were approved for 1 eligible employee which can be exercised at the price of RMB81.17 per A Share (2019 Reserved Grant). Please refer to the relevant announcement of the Company dated June 10, 2020 for further details.

On May 15, 2020, the Shareholders' meeting approved to capitalize 4 ordinary Shares for every 10 Shares by way of capitalization of reserve and approved the distribution of RMB3.37 for every 10 Shares based on the total issued Shares of the Company. As a result, the number of Restricted A Shares and the exercise price and number of Share Options granted under the 2019 A Share Incentive Plan have been adjusted to reflect the capitalization of reserve and dividend distribution.

On May 13, 2021, the Shareholders' meeting approved to capitalize 2 ordinary Shares for every 10 Shares by way of capitalization of reserve and approved the distribution of RMB3.63 for every 10 Shares based on the total issued Shares of the Company. As a result, the number of Restricted A Shares and the exercise price and number of Share Options granted under the 2019 A Share Incentive Plan have been further adjusted to reflect the capitalization of reserve and dividend distribution.

As at December 31, 2024, there were no Shares available for issue under the 2019 A Share Incentive Plan. As at the date of this annual report, the 2019 A Share Incentive Plan has expired.

The 2019 Initial Grant of the Share Options is valid from the date on which the Share Options is granted under the 2019 Initial Grant to the date on which all the options granted to the participants under the 2019 Initial Grant have been vested or cancelled, but in any event shall not be more than 54 months. The withholding period of each tranche of the Share Options granted under the 2019 Initial Grant shall be 18, 30 and 42 months from the date of the 2019 Initial Grant, respectively. Subject to fulfillment of the conditions as set out in the rules of the 2019 A Share Incentive Plan, the vesting periods and arrangements of each tranche of the Share Options granted under the 2019 Initial Grant are as follows:

	Vesting Period	**Proportion of Vesting**
First Vesting Period	From the first trading day after 18 months from the date of the 2019 Initial Grant to the last trading day within 30 months from the date of the 2019 Initial Grant	40%
Second Vesting Period	From the first trading day after 30 months from the date of the 2019 Initial Grant to the last trading day within 42 months from the date of the 2019 Initial Grant	30%
Third Vesting Period	From the first trading day after 42 months from the date of the 2019 Initial Grant to the last trading day within 54 months from the date of the 2019 Initial Grant	30%

The validity period of the Share Options under the 2019 Reserved Grant shall be from the date of grant of the Share Options under the 2019 Reserved Grant to the date on which the reserved Shares Options granted to the participants are all exercised or otherwise cancelled, which shall not be longer than 54 months. The conditions for the grant of the reserved interests, the unlocking and exercise of the reserved Restricted A Shares and reserved Share Options shall follow that of Share Options granted under the 2019 Initial Grant, in addition to certain performance indicators as set out in the rules of the 2019 A Share Incentive Plan. The vesting periods and arrangements of each tranche of the reserved Share Options granted under the 2019 Reserved Grant are as follows:

	Vesting Period	**Proportion of Vesting**
First Vesting Period	From the first trading day after 18 months from the date of the 2019 Reserved Grant to the last trading day within 30 months from the date of the 2019 Reserved Grant	40%
Second Vesting Period	From the first trading day after 30 months from the date of the 2019 Reserved Grant to the last trading day within 42 months from the date of the 2019 Reserved Grant	30%
Third Vesting Period	From the first trading day after 42 months from the date of the 2019 Reserved Grant to the last trading day within 54 months from the date of the 2019 Reserved Grant	30%

Such options shall only be exercised by the participants of the 2019 A Share Incentive Plan within the vesting period.

The exercise price of the Share Options under the 2019 Initial Grant is RMB64.88 per Share and shall not be lower than the par value of the Shares, and shall not be lower than the highest of the following:

(1) the average trading price of the Company's A Shares on the trading day preceding the date of announcement of the 2019 A Share Incentive Plan (total trading amount/total trading volume on the preceding trading day), i.e. RMB64.88 per Share;

(2) the average trading price of the Company's A Shares for the last 60 trading days preceding the date of announcement of the 2019 A Share Incentive Plan (total trading amount for the last 60 trading days/total trading volume traded on the last 60 trading days), i.e. RMB60.56 per Share.

The exercise price of the Share Options under the 2019 Initial Grant has been adjusted from RMB64.88 to RMB46.34 as a result of the 2019 Profit Distribution and the capitalization of reserve approved by the Shareholders at the annual general meeting of the Company in 2019 with effect from June 4, 2020. The exercise price of the Share Options under the 2019 Initial Grant has been further adjusted from RMB46.34 to RMB38.62 as a result of the 2020 Profit Distribution and 2020 Capitalization of Reserve approved by the Shareholders at the annual general meeting of the Company in 2020 with effect from June 8, 2021.

The exercise price of the Share Options under the 2019 Reserved Grant is RMB81.17 and shall not be lower than the par value of the A Shares, and shall be the higher of the following:

(1) the average trading price of the A Shares of the Company for the last trading day preceding the date of announcement of the board resolution on the 2019 Reserved Grant (total trading amount/total trading volume on the preceding trading day);

(2) the average trading price of the A Shares of the Company for the last 20, 60 or 120 trading days preceding the date of announcement of the board resolution on the 2019 Reserved Grant (total trading amount for the last 20, 60 or 120 trading days/total trading volume traded on the last 20, 60 or 120 trading days).

The weighted average closing price of the A Shares immediately before the dates on which the Share Options were exercised was approximately RMB49.18. The exercise price of the cancelled Share Options is RMB38.62.

Fair value of the Share Options

The Company selected the Black-Scholes Model to calculate the fair value of Share Options under the 2019 A Share Incentive Plan, the specific calculating methods and results of fair value of each Share Option are as follows:

The fair value and corresponding inputs into the model were as follows:

	Share Options Granted under the 2019 A Share Incentive Plan
Grant date A Share price (RMB)	89.90
Subscribe price (RMB)	64.88
Expected volatility	43.44%–45.85%
Expected life (years)	1.5–4.5
Risk-free interest rate	2.81%–2.91%
Dividend yield rate	0.95%

Set out below are details of the movements of the Restricted A Shares subject to lock-up and unexercised Share Options granted under the 2019 A Share Incentive Plan throughout the Reporting Period:

	Subject to lock-up as at January 1, 2024	Granted during the Reporting Period	Unlocked and commenced trading during the Reporting Period	Cancelled during the Reporting Period	Capitalization during the Reporting Period	Subject to lock-up as at December 31, 2024
Restricted A Shares						
Employees	185,005	—	185,005	—	—	—
Total	185,005	—	185,005	—	—	—

	Unexercised as at January 1, 2024	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Capitalization during the Reporting Period	Unexercised as at December 31, 2024
Share Options						
Employees	450,496	—	418,987	31,509	—	—
Total	450,496	—	418,987	31,509	—	—

3. STA Share Units and Options Incentive Scheme

STA has also adopted different employee incentive schemes to provide incentives for its eligible employees including the directors (excluding independent directors), supervisors and members of the senior management, members of the mid-level management and core technicians (operation staff) since 2015. STA Group has established equity-settled share units and options incentive schemes including the (i) STA Share Option Incentive Scheme (2015); (ii) STA Overseas Employees Incentive Scheme and (iii) STA Share Option Incentive Scheme (2016). None of the eligible STA employees are the chief executives or Directors of the Company.

On September 13, 2017, the STA shareholders' meeting approved to capitalize 20 ordinary STA Shares for every 10 STA Shares standing to the credit of the share premium account of STA ("Conversion of Capital Reserve"). In May 2017 and April 2018, the distribution of RMB10.0 and RMB3.5 for every 10 STA Shares was approved at the STA shareholders' meetings, respectively. As a result of the Conversion of Capital Reserve and dividend adjustment, the total number of STA Shares granted under the STA Share Option Incentive Scheme (2015), STA Overseas Employees Incentive Scheme and STA Share Option Incentive Scheme (2016) to eligible employees including the directors (excluding independent directors), supervisors and members of the senior management, members of the mid-level management and core technicians (operation staff) were 16,200,000, 6,708,843 and 1,525,140, respectively. The exercise prices of the STA Shares under the STA Share Option Incentive Scheme (2015), STA Overseas Employees Incentive Scheme and STA Share Option Incentive Scheme (2016) upon the conversion of capital reserve and dividend adjustment were RMB8.00, RMB1.79 and RMB8.00, respectively, which were determined by based on STA's operations, value of assets, contribution of its employees and the intended level of employee incentive to be provided as adjusted by Conversion of Capital Reserve and dividend adjustment.

Options granted under the STA Share Option Incentive Scheme (2015), STA Overseas Employees Incentive Scheme and STA Share Option Incentive Scheme (2016) shall have a contractual term of 10 years and vest over a four-year period, with 20%, 20%, 20% and 40% of total options vesting on the first, second, third and fourth anniversary date two years after the vesting commencement date upon meeting certain annual performance conditions.

Set out below are details of the movements of the outstanding units and options granted under the STA Share Units and Options Incentive Scheme throughout the year:

STA Share Units and Options Incentive Scheme	**Outstanding at January 1, 2024**	**Granted during the Reporting Period**	**Exercised during the Reporting Period**	**Forfeited during the Reporting Period**	**Outstanding at December 31, 2024**
STA Overseas Employees Incentive Scheme — 2nd batch	**33,138**	**—**	**33,138**	**—**	**—**
Total	**33,138**	**—**	**33,138**	**—**	**—**
Exercisable at the end of the year	**—**				**—**
Weighted average exercise price	**RMB2.65**	**N/A**	**RMB2.65**	**N/A**	**N/A**

4. **2020 H Share Award and Trust Scheme**

In order to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group, the Board has considered and approved, on July 21, 2020, a resolution to adopt the 2020 H Share Award and Trust Scheme. The 2020 Scheme Limit shall be the maximum number of H Shares that will be acquired by the 2020 Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK$700 million. The Board or the 2020 Delegatee may grant 2020 Awards to 2020 Selected Participants during the award period conditional upon fulfilment of terms and conditions of the 2020 Awards and performance targets as the Board or the 2020 Delegatee determines from time to time. 2020 Eligible Employees who may participate in the 2020 Scheme include any individual, being a Director, supervisor, senior management, mid-level manager, basic-level manager, backbone member of the technicians, other technician, who is a full-time PRC or non-PRC employee of any members of the Group. The Company proposed to grant 2020 Awards in an aggregate value of HK$41,923,641.00 to 12 2020 Connected Selected Participants, among whom, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang, Dr. Minzhang Chen, Mr. Harry Liang He, Ms. Minfang Zhu and Ms. Wendy J. Hu remain as 2020 Connected Selected Participants during the Reporting Period. The adoption of the 2020 H Share Award and Trust Scheme and the grant of 2020 Awards to the 2020 Connected Selected Participants has been approved by the Shareholders at the extraordinary general meeting of the Company held on August 31, 2020. Details of which are set out in the announcements of the Company dated July 21, 2020 and August 31, 2020, and the circular of the Company dated August 12, 2020.

The source of the 2020 Awards under the 2020 H Share Award and Trust Scheme is H Shares acquired by the 2020 Trustee through on-market transactions from time to time at the prevailing market price in accordance with the relevant terms of the 2020 Scheme Rules, and it does not involve the issuance of new H Shares. The 2020 H Share Award and Trust Scheme does not set a maximum limit on the maximum entitlement of each 2020 Selected Participant. As at the date of this annual report, the remaining life of the 2020 H Share Award and Trust Scheme is approximately five years.

The Directors (including the independent non-executive Directors) are of the view that the grant of 2020 Awards to the 2020 Selected Participants (including the 2020 Connected Selected Participants) is conducted on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2020 Selected Participants Under The 2020 Scheme

As at December 31, 2024, there are a total of 1,892 2020 Selected Participants under the 2020 H Share Award and Trust Scheme, which comprise 8 2020 Connected Selected Participants and 1,884 2020 Independent Selected Participants. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the 2020 Independent Selected Participants are parties not connected with the Company within the meaning of the Listing Rules.

For further details in relation to the grant of 2020 Awards under the 2020 H Share Award and Trust Scheme, please refer to the announcements of the Company dated December 16, 2020, July 2, 2021, November 10, 2021 and January 21, 2022.

Set out below are details of the movements of the 2020 Awards granted under the 2020 H Share Award and Trust Scheme throughout the Reporting Period:

Name	Position	Number of unvested 2020 Awards at the beginning of the Reporting Period	Date of grant of the unvested 2020 Awards	Number of 2020 Awards granted during the Reporting Period	Date of grant for 2020 Awards granted during the Reporting Period	Number of 2020 Awards vested during the Reporting Period	Number of 2020 Awards which lapsed in accordance with the terms of the scheme during the Reporting Period	Number of 2020 Awards which cancelled in accordance with the terms of the scheme during the Reporting Period	Number of unvested 2020 Awards at the end of the Reporting Period
2020 Connected Selected Participants									
Dr. Ge Li	Executive Director, chairman and chief executive officer	31,936	December 2, 2020	0	N/A	31,936	0	0	0
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	15,967	December 2, 2020	0	N/A	15,967	0	0	0
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	15,967	December 2, 2020	0	N/A	15,967	0	0	0
Dr. Minzhang Chen	Executive Director, co-chief executive officer	10,647	December 2, 2020	0	N/A	10,647	0	0	0
Mr. Zhaohui Zhang	Executive Director, vice president	7,098	December 2, 2020	0	N/A	7,098	0	0	0
Dr. Shuhui Chen (retired in April 2024)	Vice president	10,647	December 2, 2020	0	N/A	10,647	0	0	0
Mr. Harry Liang He	Chairman of the Supervisory Committee	2,367	December 2, 2020	0	N/A	2,367	0	0	0
Ms. Minfang Zhu	Employee representative Supervisor	789	December 2, 2020	0	N/A	789	0	0	0
Ms. Wendy J. Hu[1]	Senior director of human resources	1,579	December 2, 2020	0	N/A	1,579	0	0	0
Sub-total		96,997	N/A	0	N/A	96,997	0	0	0
2020 Independent Selected Participants									
Initial grant									
1,826 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		1,161,265	December 2, 2020	0	N/A	1,080,591	0	80,674	0
Further grant		53,900	June 1, 2021	0	N/A	22,361	0	6,458	25,081
15 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians									
17 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		26,037	November 10, 2021	0	N/A	11,555	0	2,908	11,574
26 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		93,463	January 21, 2022	0	N/A	22,194	0	25,924	45,345
Total		1,431,662	N/A	0	N/A	1,233,698	0	115,964	82,000

Notes:

1. Ms. Wendy J. Hu is the spouse of Mr. Edward Hu.

2. The number of 2020 Award Shares underlying the 2020 Awards is fixed based on the number of 2020 Award Shares acquired by the 2020 Trustee through on-market transactions from time to time at prevailing market price and apportioned to the corresponding value of the relevant 2020 Award based on the volume-weighted average price at the 2020 Trustee acquired such 2020 Award Shares pursuant to the 2020 Scheme.

3. The number of 2020 Award Shares underlying the relevant 2020 Awards has been enlarged following the implementation of the 2020 Profit Distribution Plan on June 8, 2021 under which 2 capitalization shares were issued for every existing 10 Shares held by the Shareholders on June 7, 2021 (being the relevant record date) by way of capitalization of reserve.

4. During the Reporting Period, none of the relevant 2020 Awards have been further granted to the 2020 Selected Participants.

5. During the Reporting Period, none of the 2020 Awards have been granted to the five highest paid individuals of the Company and none of the 2020 Awards granted to them lapsed. During the Reporting Period, 81,615 2020 Awards have been vested to the five highest paid individuals of the Company.

6. Vesting schedule

   The vesting periods of the 2020 Awards under the 2020 H Share Award and Trust Scheme are as follows:

   For 2020 Awards granted to 2020 Selected Participants who are 2020 Eligible Employees as at the date on which the 2020 Scheme was approved by the Shareholders at the extraordinary general meeting of the Company in 2020:

	Vesting Periods	**Proportion of Vesting**
First Vesting Period	Within the year immediately following the first anniversary of the grant date	25%
Second Vesting Period	Within the year immediately following the second anniversary of the grant date	25%
Third Vesting Period	Within the year immediately following the third anniversary of the grant date	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the grant date	25%

   For 2020 Awards to be granted to 2020 Selected Participants who (i) shall become 2020 Eligible Employees subsequent to the date on which the 2020 Scheme is approved by the Shareholders at the extraordinary general meeting of the Company in 2020; and (ii) shall have been given the entitlement to be granted 2020 Awards pursuant to the relevant offer letters to be issued by the Company in connection with their employment:

	Vesting Periods	**Proportion of Vesting**
First Vesting Period	Within the year immediately following the first anniversary of the grant date	0%
Second Vesting Period	Within the year immediately following the second anniversary of the grant date	25%
Third Vesting Period	Within the year immediately following the third anniversary of the grant date	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the grant date	50%

7. The weighted average closing price of the Shares immediately before the dates on which the 2020 Awards were vested is HK$41.68.

8. Vesting conditions

Vesting of the 2020 Awards under the 2020 H Share Award and Trust Scheme is subject to conditions of the individual performance indicators of the 2020 Selected Participants, and any other applicable vesting conditions as set out in the award letter.

According to the relevant performance management rules adopted by the Company, the Board or the 2020 Delegatee shall carry out annual comprehensive appraisal on the 2020 Selected Participants and determine the actual vesting amount of the 2020 Awards granted under the 2020 H Share Award and Trust Scheme accordingly. The actual vesting amount of the 2020 Award granted to a 2020 Selected Participant for the respective vesting periods shall be equal to the standard coefficient × the planned vesting amount for the respective vesting periods. The coefficient for individual performance appraisal results of grade B (or its equivalent appraisal result such as "meets expectations") or above is 100% whereas the coefficient for individual performance appraisal results below grade B is 0. If the 2020 Selected Participant fails to fulfil such individual performance indicators, all the 2020 Award Shares underlying the relevant 2020 Awards which may otherwise be vested during the respective vesting periods shall not be vested and shall be held by the 2020 Trustee as returned Shares.

For further details on the vesting conditions of the 2020 Awards, please refer to the section headed "Letter from the Board — II. Proposed Adoption of the H Share Award and Trust Scheme — Vesting of the Awards — Vesting Conditions" in the circular of the Company dated August 12, 2020.

9. The fair value of the 2020 Award Shares was calculated based on the market price of the Company's H shares at the respective grant date. The fair value of the 2020 Award Shares granted on December 2, 2020 was HKD99.50 per share. The fair value of the 2020 Award Shares granted on June 1, 2021 was HKD174.80 per share. The fair value of the 2020 Award Shares granted on November 10, 2021 was HKD157.00 per share. The fair value of the 2020 Award Shares granted on January 21, 2022 was HKD121.00 per share.

5. 2021 H Share Award and Trust Scheme

In order to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company, the Board has considered and approved, on August 2, 2021, a resolution to adopt the 2021 H Share Award and Trust Scheme. The 2021 Scheme Limit shall be the maximum number of H Shares that will be acquired by the 2021 Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK$2 billion. The Board or the 2021 Delegatee may grant the 2021 Awards to the 2021 Selected Participants during the 2021 Award Period conditional upon fulfilment of terms and conditions of the 2021 Awards and performance targets as the Board or the 2021 Delegatee determines from time to time. 2021 Eligible Employees who may participate in the 2021 H Share Award and Trust Scheme include any individual, being a Director, supervisor, senior management, mid-level manager, basic-level manager, backbone member of the technicians, other technician, who is a full-time PRC or non-PRC employee of any members of the Group. The Company has granted the 2021 Awards in an aggregate value of HK$110,452,209 to 13 2021 Connected Selected Participants, among whom, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, Mr. Zhaohui Zhang, Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Harry Liang He and Ms. Minfang Zhu remain as 2021 Connected Selected Participants during the Reporting Period. The adoption of the 2021 H Share Award and Trust Scheme and the grant of 2021 Awards to the 2021 Connected Selected Participants has been approved by the Shareholders at the extraordinary general meeting of the Company held on August 30, 2021. Details of which are set out in the announcements of the Company dated August 2, 2021, August 30, 2021 and December 15, 2021, and the circular of the Company dated August 10, 2021.

The source of the 2021 Awards under the 2021 H Share Award and Trust Scheme is H Shares acquired by the 2021 Trustee through on-market transactions from time to time at the prevailing market price in accordance with the relevant terms of the 2021 Scheme Rules, and it does not involve the issuance of new H Shares. The 2021 H Share Award and Trust Scheme does not set a maximum limit on the maximum entitlement of each 2021 Selected Participant. As at the date of this annual report, the remaining life of the 2021 H Share Award and Trust Scheme is approximately six years.

The Directors (including the independent non-executive Directors) are of the view that the grant of 2021 Awards to the 2021 Selected Participants (including the 2021 Connected Selected Participants) is conducted on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2021 Selected Participants Under the 2021 Scheme

As at December 31, 2024, there are a total of 2,657 2021 Selected Participants under the 2021 H Share Award and Trust Scheme ("2021 Grant"), which comprise 8 2021 Connected Selected participants and 2,649 2021 Independent Selected Participants. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the 2021 Independent Selected Participants are parties not connected with the Company within the meaning of the Listing Rules.

For further details in relation to the grant of 2021 Awards under the 2021 Scheme, please refer to the announcements of the Company dated December 15, 2021, September 19, 2022 and January 13, 2023.

Set out below are details of the movements of the 2021 Awards granted under the 2021 H Share Award and Trust Scheme throughout the Reporting Period:

Name	Position	Number of unvested 2021 Awards at the beginning of the Reporting Period	Date of grant of the unvested 2021 Awards	Number of 2021 Awards granted during the Reporting Period	Date of 2021 Awards granted during the Reporting Period	Number of 2021 Awards vested during the Reporting Period	Number of 2021 Awards which lapsed in accordance with the terms of the scheme during the Reporting Period	Number of 2021 Awards which cancelled in accordance with the terms of the scheme during the Reporting Period	Number of unvested 2021 Awards at the end of the Reporting Period
2021 Connected Selected Participants									
Dr. Ge Li	Executive Director, chairman and chief executive officer	78,865	November 23, 2021	0	N/A	39,432	0	0	39,433
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	35,283	November 23, 2021	0	N/A	17,640	0	0	17,643
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	37,713	November 23, 2021	0	N/A	18,855	0	0	18,858
Dr. Minzhang Chen	Executive Director, co-chief executive officer	49,857	November 23, 2021	0	N/A	24,926	0	0	24,931
Mr. Zhaohui Zhang	Executive Director, vice president	26,288	November 23, 2021	0	N/A	13,144	0	0	13,144
Ms. Hui Xu	President of subsidiaries of the Company which do not amount to insignificant subsidiaries in terms of their aggregate profits	11,457	November 23, 2021	0	N/A	5,726	0	0	5,731
Dr. Shuhui Chen (retired in April 2024)	Vice president	37,307	November 23, 2021	0	N/A	0	0	37,307	0
Ms. Wendy J. Hu[1]	Senior director of human resources	4,101	November 23, 2021	0	N/A	2,049	0	0	2,052
Ms. Minfang Zhu	Employee representative Supervisor	2,052	November 23, 2021	0	N/A	1,024	0	0	1,028
Sub-total		282,923	N/A	0	N/A	122,796	0	37,307	122,820
2021 Independent Selected Participants									
Initial grant									
2,615 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		4,612,600	November 23, 2021	0	N/A	2,161,938	0	268,387	2,182,275
Further grant									
21 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		109,436	September 7, 2022	0	N/A	27,474	0	4,060	77,902
13 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		99,297	January 6, 2023	0	N/A	14,990	0	43,081	41,226
Total		5,104,256	N/A	0	N/A	2,327,198	0	352,835	2,424,223

Notes:

1. Ms. Wendy J. Hu is the spouse of Mr. Edward Hu.

2. The number of 2021 Award Shares underlying the 2021 Award is fixed based on the number of 2021 Award Shares acquired by the 2021 Trustee through on-market transactions from time to time at prevailing market price and apportioned to the corresponding value of the relevant 2021 Award based on the volume-weighted average price at the 2021 Trustee acquired such 2021 Award Shares pursuant to the 2021 H Share Award and Trust Scheme.

3. During the Reporting Period, none of the relevant 2021 Awards have been further granted to the 2021 Selected Participants.

4. During the Reporting Period, none of the 2021 Awards have been granted to the five highest paid individuals of the Company and none of the 2021 Awards granted to them lapsed. During the Reporting Period, 113,997 2021 Awards have been vested to the five highest paid individuals of the Company.

5. Vesting schedule

   The vesting dates of the 2021 Awards under the 2021 H Share Award and Trust Scheme are as follows:

   For 2021 Awards granted to 2021 Selected Participants who are 2021 Eligible Employees as at the date on which the 2021 Scheme was approved by the Shareholders at the 2021 EGM:

	Vesting Periods	**Proportion of Vesting**
First Vesting Period	Within the year immediately following the first anniversary of the grant date	25%
Second Vesting Period	Within the year immediately following the second anniversary of the grant date	25%
Third Vesting Period	Within the year immediately following the third anniversary of the grant date	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the grant date	25%

   For 2021 Awards to be granted to 2021 Selected Participants who (i) shall become 2021 Eligible Employees subsequent to the date on which the 2021 Scheme is approved by the Shareholders at the 2021 EGM; and (ii) shall have been given the entitlement to be granted 2021 Awards pursuant to the relevant offer letters to be issued by the Company in connection with their employment:

	Vesting Periods	**Proportion of Vesting**
First Vesting Period	Within the year immediately following the first anniversary of the commencement date of the employment of the 2021 Selected Participant with the relevant member of the Group	0%
Second Vesting Period	Within the year immediately following the second anniversary of the commencement date of the employment of the 2021 Selected Participant with the relevant member of the Group	25%
Third Vesting Period	Within the year immediately following the third anniversary of the commencement date of the employment of the 2021 Selected Participant with the relevant member of the Group	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the commencement date of the employment of the 2021 Selected Participant with the relevant member of the Group	50%

6. The weighted average closing price of H Shares immediately before the dates on which the 2021 Awards were vested is HK$43.09.

7. Vesting conditions

   Vesting of the 2021 Awards under the 2021 Grant is subject to conditions of the individual performance indicators of the 2021 Selected Participants, and any other applicable vesting conditions as set out in the award letter.

   According to the relevant performance management rules adopted by the Company, the Board or the 2021 Delegatee shall carry out annual comprehensive appraisal on the 2021 Selected Participants and determine the actual vesting amount of the 2021 Awards granted under the 2021 H Share Award and Trust Scheme accordingly. The actual vesting amount of the 2021 Award granted to a 2021 Selected Participant for the respective vesting periods shall be equal to the standard coefficient × the planned vesting amount for the respective vesting periods. The coefficient for individual performance appraisal results of grade B (or its equivalent appraisal result such as "meets expectations") or above is 100% whereas the coefficient for individual performance appraisal results below grade B is 0. If the 2021 Selected Participant fails to fulfil such individual performance indicators, all the 2021 Award Shares underlying the relevant 2021 Awards which may otherwise be vested during the respective vesting periods shall not be vested and shall be held by the 2021 Trustee as returned Shares.

   For further details on the vesting conditions of the 2021 Awards (including the conditions of the individual performance indicators of the 2021 Selected Participants), please refer to the section headed "Letter from the Board — II. Proposed Adoption of the 2021 H Share Award and Trust Scheme — Vesting of the Awards — Vesting Conditions" in the circular of the Company dated August 10, 2021.

8. The fair value of the 2021 Award Shares was calculated based on the market price of the Company's shares at the respective grant date. The fair value of the 2021 Award Shares granted on November 23, 2021 was HKD154.50 per share. The fair value of the 2021 Award Shares granted on September 7, 2022 was HKD81.00 per shares. The fair value of the 2021 Award Shares granted on January 6, 2023 was HKD91.05 per share.

6. 2021 Shareholder Alignment Incentive H Share Scheme

In order to retain, reward and incentivize the SAI Selected Participants comprising employees who have made and are expected to continue to make significant and particular contributions to the Group's business development and growth, with incentives highly correlated to and directly driven by the overall business performance and stock price of the H Shares of the Company, the Board has considered and approved, on August 2, 2021, a resolution to adopt the 2021 Shareholder Alignment Incentive H Share Scheme. Subject to the 2021 Shareholder Alignment Incentive H Share Scheme Rules, the 2021 Shareholder Alignment Incentive H Share Scheme shall have four (4) individual scheme limits for each of the four (4) SAI Award Pools. The amounts of the four (4) scheme limits are linked to the monetary value of the corresponding SAI Award Pool. The aggregate amount of the four (4) individual scheme limits is HK$7.5 billion. The Board or the SAI Delegatee may grant SAI Awards to SAI Selected Participants during the SAI Award Period only in the event that (i) the relevant SAI Award Pool has been released upon the fulfillment of the conditions in connection with the target closing price of the H Shares of the Company at the corresponding milestone; and (ii) the fulfilment of the terms and conditions of the SAI Awards and performance targets as the Board or the SAI Delegatee determines from time to time (if any). SAI Eligible Employees who may qualify to participate in the 2021 Shareholder Alignment Incentive H Share Scheme include any individual, being any individual, being an executive Director, a supervisor who is an employee of the Company, senior management member, and personnel at the grade of director or above that made high performance contributions and are critical company middle to senior management personnel, who is a full-time PRC or non-PRC employee of any members of the Group, and whose performance appraisal results for the most recent two consecutive years are A-or above for any one year and B (excluding B-) or above for the other year. The SAI Connected Selected Participants, among whom, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang, Dr. Minzhang Chen, Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Harry Liang He and Ms. Minfang Zhu remain as SAI Connected Selected Participants during the Reporting Period. As at the date of this annual report, the conditions for the release of the SAI Award Pools have not yet been fulfilled and as a result, no grant of SAI Awards (including the conditional grant of SAI Awards to the SAI Connected Selected Participants) has taken place yet. As at the date of this annual report, the remaining life of the 2021 Shareholder Alignment Incentive H Share Scheme is approximately six years.

Vesting schedule

Unless otherwise specified in the SAI Award Letter approved by the Board or the SAI Delegatee, the SAI Vesting Periods of the SAI Awards to be granted under each of the SAI Award Pools of the 2021 Shareholder Alignment Incentive H Share Scheme are as follows:

SAI Vesting Periods		**Proportion of Vesting**
First SAI Vesting Period	Within the year immediately following the first anniversary of the SAI Grant Date	20%
Second SAI Vesting Period	Within the year immediately following the second anniversary of the SAI Grant Date	20%
Third SAI Vesting Period	Within the year immediately following the third anniversary of the SAI Grant Date	20%
Fourth SAI Vesting Period	Within the year immediately following the fourth anniversary of the SAI Grant Date	20%
Fifth SAI Vesting Period	Within the year immediately following the fifth anniversary of the SAI Grant Date	20%

The SAI Vesting Periods of the SAI Awards to be granted under any subsequent grant of the 2021 Shareholder Alignment Incentive H Share Scheme pursuant to any of the SAI Award Pools or the SAI Awards to be satisfied by the application of any SAI Returned Shares shall be determined by the Board or the SAI Delegatee in its sole and absolute discretion, and shall in any event not extend beyond the then remaining term of the SAI Award Period at the time of grant.

Vesting conditions

Vesting of the SAI Awards to be granted under each of the SAI Award Pools of the 2021 Shareholder Alignment Incentive H Share Scheme is subject to conditions of (i) the performance indicator of the closing prices of the H Shares of the Company during each SAI Vesting Period; and (ii) the individual performance indicators of the SAI Selected Participants, and any other applicable vesting conditions as set out in the SAI Award Letter.

For further details on the vesting conditions of the SAI Awards (including the conditions of the individual performance indicators of the SAI Selected Participants), please refer to the section headed "Letter from the Board — V. Proposed Adoption of the 2021 Shareholder Alignment Incentive H Share Scheme — Vesting of the SAI Awards — Vesting Conditions" in the circular of the Company dated August 10, 2021.

For further details of the 2021 Shareholder Alignment Incentive Scheme (including but not limited to the conditions of release of the SAI Award Pools and the conditional grant of SAI Awards to the SAI Connected Selected Participants, please refer to the sections headed "Letter from the Board — V. Proposed Adoption of the 2021 Shareholder Alignment Incentive H Share Scheme" and "Appendix II — Rules of the 2021 Shareholder Alignment Incentive H Share Scheme" in the circular of the Company dated August 10, 2021.

7. 2022 H Share Award and Trust Scheme

In order to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to be further incentivized by equity interests in the Company, more directly associated with the equity performance of the Company; modernize the Company's remuneration practices and to better align with the interests of the Shareholders, while seeking a balanced approach in the operational and executive management oversight; (i) recognize the contribution of the prudent leadership of the Company including the Directors; (ii) encourage, motivate and retain the leadership of the Company whose collective contribution are beneficial to the continual operation, development and long-term growth of the Company by aligning the interests of the leadership of the Company to that of the Shareholders and the Group as a whole, the Board has considered and approved, on August 15, 2022, a resolution to adopt the 2022 H Share Award and Trust Scheme. The 2022 Scheme Limit shall be the maximum number of H Shares that will be acquired by the 2021 Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK$2 billion. The Board or the 2022 Delegatee may grant the 2022 Awards to the 2022 Selected Participants during the 2022 Award Period conditional upon fulfilment of terms and conditions of the 2022 Awards and performance targets as the Board or the 2022 Delegatee determines from time to time. 2022 Eligible Employees who may participate in the 2022 H Share Award and Trust Scheme include any individual, being a Director, supervisor, senior management, mid-level manager, basic-level manager, backbone member of the technicians, other technician, who is a full-time PRC or non-PRC employee of any members of the Group. The Company has granted the 2022 Awards representing a maximum of 1,418,760 2022 Award Shares to 14 2022 Connected Selected Participants, among whom, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, Mr. Zhaohui Zhang, Ms. Ming Shi, Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Harry Liang He, Ms. Minfang Zhu, Mr. Hongping Wan and Mr. Huitian Lv remain as 2022 Connected Selected Participants during the Reporting Period. The adoption of the 2022 H Share Award and Trust Scheme and the grant of 2022 Awards to the 2022 Connected Selected Participants has been approved by the Shareholders at the extraordinary general meeting of the Company held on October 13, 2022. Details of which are set out in the announcements of the Company dated August 15, 2022, October 13, 2022 and December 30, 2022, the circular of the Company dated August 18, 2022, and the supplemental circular of the Company dated September 21, 2022.

The source of the 2022 Awards under the 2022 H Share Award and Trust Scheme is H Shares acquired by the 2022 Trustee through on-market transactions from time to time at the prevailing market price in accordance with the relevant terms of the 2022 Scheme Rules, and it does not involve the issuance of new H Shares. The 2022 H Share Award and Trust Scheme does not set a maximum limit on the maximum entitlement of each 2022 Selected Participant. As at the date of this annual report, the remaining life of the 2022 H Share Award and Trust Scheme is approximately seven years.

The Directors (including the independent non-executive Directors) are of the view that the grant of 2022 Awards to the 2022 Selected Participants (including the 2022 Connected Selected Participants) is conducted on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2022 Selected Participants under the 2022 Scheme

As at December 31, 2024, there are a total of 3,324 2022 Selected Participants under grant of 2022 Awards under the 2022 H Share Award and Trust Scheme (the "2022 Grant"), which comprise 11 2022 Connected Selected Participants and 3,313 2022 Independent Selected Participants. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the 2022 Independent Selected Participants are parties not connected with the Company within the meaning of the Listing Rules.

Set out below are details of the movements of the 2022 Awards granted under the 2022 H Share Award and Trust Scheme throughout the Reporting Period:

Name	Position	Number of unvested 2022 Awards at the beginning of the Reporting Period	Date of grant of the unvested 2022 Awards	Number of 2022 Awards granted during the Reporting Period	Date of grant of 2022 Awards granted during the Reporting Period	Number of 2022 Awards vested during the Reporting Period	Number of 2022 Award which lapsed in accordance with the terms of the scheme during the Reporting Period	Number of 2022 Award which cancelled in accordance with the terms of the scheme during the Reporting Period	Number of unvested 2022 Awards at the end of the Reporting Period
2022 Connected Selected Participants									
Dr. Ge Li	Executive Director, chairman and chief executive officer	299,763	December 20, 2022	0	N/A	99,920	0	0	199,843
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	142,387	December 20, 2022	0	N/A	47,462	0	0	94,925
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	151,174	December 20, 2022	0	N/A	50,391	0	0	100,783
Dr. Minzhang Chen	Executive Director, co-chief executive officer	230,697	December 20, 2022	0	N/A	76,899	0	0	153,798
Mr. Zhaohui Zhang	Executive Director, vice president	74,941	December 20, 2022	0	N/A	24,980	0	0	49,961
Ms. Ming Shi	Chief financial officer	35,243	December 20, 2022	0	N/A	11,747	0	0	23,496
Ms. Hui Xu	President of subsidiaries of the Company which do not amount to insignificant subsidiaries in terms of their aggregate profits	23,849	December 20, 2022	0	N/A	7,949	0	0	15,900
Dr. Shuhui Chen (retired in April 2024)	Vice president	54,635	December 20, 2022	0	N/A	0	0	54,635	0
Ms. Wendy J. Hu[1]	Senior director of human resources	4,684	December 20, 2022	0	N/A	1,561	0	0	3,123
Ms. Minfang Zhu	Employee representative Supervisor	2,342	December 20, 2022	0	N/A	780	0	0	1,562
Mr. Hongping Wan	Supervisor of principal subsidiaries of the Company	2,484	December 20, 2022	0	N/A	828	0	0	1,656
Mr. Huitian Lv	Director of principal subsidiaries of the Company	4,405	December 20, 2022	0	N/A	1,468	0	0	2,937
Sub-total		1,026,604	N/A	0	N/A	323,985	0	54,635	647,984

Name	Position	Number of unvested 2022 Awards at the beginning of the Reporting Period	Date of grant of the unvested 2022 Awards	Number of 2022 Awards granted during the Reporting Period	Date of grant of 2022 Awards granted during the Reporting Period	Number of 2022 Awards vested during the Reporting Period	Number of 2022 Award which lapsed in accordance with the terms of the scheme during the Reporting Period	Number of 2022 Award which cancelled in accordance with the terms of the scheme during the Reporting Period	Number of unvested 2022 Awards at the end of the Reporting Period
2022 Independent Selected Participants									
Initial grant									
3,260 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		7,913,096	December 20, 2022	0	N/A	2,465,373	0	505,434	4,942,289
Further grant									
21 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		120,396	June 20, 2023	0	N/A	0	0	21,838	98,558
12 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		0	N/A	73,389	January 8, 2024	0	0	16,597	56,792
20 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		0	N/A	218,651	June 18, 2024	0	0	30,331	188,320
Total		9,060,096	N/A	292,040	N/A	2,789,358	0	628,835	5,933,943

Notes:

1. Ms. Wendy J. Hu is the spouse of Mr. Edward Hu.

2. The number of 2022 Award Shares underlying the 2022 Award is fixed based on the number of 2022 Award Shares acquired by the 2022 Trustee through on-market transactions from time to time at prevailing market price and apportioned to the corresponding value of the relevant 2022 Award based on the volume-weighted average price the 2022 Trustee acquired such 2022 Award Shares pursuant to the 2022 H Share Award and Trust Scheme.

3. During the Reporting Period, relevant 2022 Awards with the number of underlying 2022 Award Shares being 292,040 H Shares have been further granted to 38 2022 Independent Selected Participants, accounting for approximately 0.0754% of the total number of issued H Shares and approximately 0.0101% of the total issued share capital of the Company as at December 31, 2024. Details of which are set out in the announcements of the Company dated January 11, 2024 and June 24, 2024. The closing prices of the H Shares immediately before the dates on which 2022 Awards were further granted were HKD72.85 and HKD32.70.

4. During the Reporting Period, none of the 2022 Awards have been granted to the five highest paid individuals of the Company and none of the 2022 Awards granted to them lapsed. During the Reporting Period, 299,652 2022 Awards have been vested to the five highest paid individuals of the Company.

5. Vesting schedule

The vesting dates of the awards under the 2022 Grant are as follows:

For 2022 Awards granted to 2022 Selected Participants who are 2022 Eligible Employees as at the date on which the 2022 Scheme was approved by the Shareholders at the 2022 EGM:

	Vesting Periods	Proportion of Vesting
First Vesting Period	Within the year immediately following the first anniversary of the grant date	25%
Second Vesting Period	Within the year immediately following the second anniversary of the grant date	25%
Third Vesting Period	Within the year immediately following the third anniversary of the grant date	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the grant date	25%

For 2022 Awards to be granted to 2022 Selected Participants who (i) shall become 2022 Eligible Employees subsequent to the date on which the 2022 Scheme is approved by the Shareholders at the 2022 EGM; and (ii) shall have been given the entitlement to be granted 2022 Awards pursuant to the relevant offer letters to be issued by the Company in connection with their employment:

	Vesting Periods	Proportion of Vesting
First Vesting Period	Within the year immediately following the first anniversary of the commencement date of the employment of the 2022 Selected Participant with the relevant member of the Group	0%
Second Vesting Period	Within the year immediately following the second anniversary of the commencement date of the employment of the 2022 Selected Participant with the relevant member of the Group	25%
Third Vesting Period	Within the year immediately following the third anniversary of the commencement date of the employment of the 2022 Selected Participant with the relevant member of the Group	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the commencement date of the employment of the 2022 Selected Participant with the relevant member of the Group	50%

6. The weighted average closing price of H Shares immediately before the dates on which the 2022 Awards were vested is HK$53.76.

7. Vesting conditions

Vesting of the 2022 Awards under the 2022 Scheme is subject to conditions of the individual performance indicators of the 2022 Selected Participants, and any other applicable vesting conditions as set out in the award letter.

According to the relevant performance management rules adopted by the Company, the Board or the 2022 Delegatee shall carry out annual comprehensive appraisal on the 2022 Selected Participants and determine the actual vesting amount of the 2022 Awards granted under the 2022 H Share Award and Trust Scheme accordingly. The actual vesting amount of the 2022 Award granted to a 2022 Selected Participant for the respective vesting periods shall be equal to the standard coefficient × the planned vesting amount for the respective vesting periods. The coefficient for individual performance appraisal results of grade B (or its equivalent appraisal result such as "meets expectations") or above is 100% whereas the coefficient for individual performance appraisal results below grade B is 0. If the 2022 Selected Participant fails to fulfil such individual performance indicators, all the 2022 Award Shares underlying the relevant 2022 Awards which may otherwise be vested during the respective vesting periods shall not be vested and shall be held by the 2022 Trustee as returned Shares.

For further details on the vesting conditions of the 2022 Awards (including the conditions of the individual performance indicators of the 2022 Selected Participants), please refer to the section headed "Letter from the Board — II. Proposed Adoption of the 2022 H Share Award and Trust Scheme — Vesting of the Awards — Vesting Conditions" in the circular of the Company dated August 18, 2022.

8. The fair value of the 2022 Award Shares was calculated based on the market price of the Company's shares at the respective grant date. The fair value of the 2022 Award Shares granted on December 20, 2022 was HKD73.90 per share. The fair value of the 2022 Award Shares granted on June 20, 2023 was HKD67.45 per share. The fair value of the 2022 Award Shares granted on January 8, 2024 was HKD72.15 per share. The fair value of the 2022 Award Shares granted on June 18, 2024 was HKD31.45 per share.

8. 2024 H Share Award and Trust Scheme

In order to attract, motivate and retain highly skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to be further incentivized by equity interests in the Company, more directly associated with the equity performance of the Company; modernize the Company's remuneration practices and to better align with the interest of the Shareholders while seeking a balanced approach in the operational and executive management oversight; (i) recognize the contributions to the Company of the prudent management of the Company including the Directors; (ii) encourage, motivate and retain the leadership of the Company whose collective contribution are beneficial to the continual operation, development and long-term growth of the Company; and (iii) introduce additional incentive for the management of the Company by aligning the interests of the management of the Company to that of the Shareholders and the Group as a whole, the Board has considered and approved, on June 12, 2024, a resolution to adopt the 2024 H Share Award and Trust Scheme. The 2024 Scheme Limit shall be the maximum number of H Shares that will be acquired by the 2024 Trustee through on-market transactions from time to time at the prevailing market price pursuant to Rule 8.1 of the 2024 Scheme Rules with funds in the amount of not more than HK$2 billion. The Board or the 2024 Delegatee may grant the 2024 Awards to the 2024 Selected Participants during the 2024 Award Period conditional upon fulfillment of terms and conditions of the 2024 Awards and performance targets as the Board or the 2024 Delegatee determines from time to time. 2024 Eligible Employees who may participate in the 2024 H Share Award and trust Scheme include any individual, being a director, supervisor, senior management, mid-level manager, basic-level manager, backbone member of the scientists, other technicians, who is a full-time PRC or non-PRC employee of any members of the Group.

The source of the 2024 Awards under the 2024 H Share Award and Trust Scheme is H Shares acquired by the 2024 Trustee through on-market transactions from time to time at the prevailing market price in accordance with the relevant terms of the 2024 Scheme Rules, and it does not involve the issuance of new H Shares. The 2024 H Share Award and Trust Scheme does not set a maximum limit on the maximum entitlement of each 2024 Selected Participant. As of the date of this annual report, the remaining life of the 2024 H Share Award and Trust scheme is approximately nine years.

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

As at December 31, 2024, no grant of 2024 Award has been made under the 2024 H Share Award and Trust Scheme.

Vesting schedule

For 2024 Awards to be granted to 2024 Selected Participants who are 2024 Eligible Employees as at the date on which the 2024 Scheme is approved by the Shareholders at the 2023 AGM:

	Vesting Periods	**Proportion of Vesting**
First Vesting Period	Within the month of December 2025	25%
Second Vesting Period	Within the month of December 2026	25%
Third Vesting Period	Within the month of December 2027	25%
Fourth Vesting Period	Within the month of December 2028	25%

For 2024 Awards to be granted to 2024 Selected Participants who (i) shall become 2024 Eligible Employees subsequent to the date on which the 2024 Scheme is approved by the Shareholders at the 2023 AGM; and (ii) shall have been the entitlement to be granted 2024 Awards pursuant to the relevant offer letters to be issued by the Company in connection with their employment:

	Vesting Periods	**Proportion of Vesting**
First Vesting Period	Within the year immediately following the first anniversary of the commencement date of the employment of the 2024 Selected Participant with the relevant member of the Group	0%
Second Vesting Period	Within the year immediately following the second anniversary of the commencement date of the employment of the 2024 Selected Participant with the relevant member of the Group	25%
Third Vesting Period	Within the year immediately following the third anniversary of the commencement date of the employment of the 2024 Selected Participant with the relevant member of the Group	25%
Fourth Vesting Period	Within the year immediately following the fourth anniversary of the commencement date of the employment of the 2024 Selected Participant with the relevant member of the Group	50%

Vesting conditions

Vesting of the 2024 Awards under the 2024 Scheme is subject to conditions of the individual performance indicators of the 2024 Selected Participants, and any other applicable vesting conditions as set out in the award letter.

According to the relevant performance management rules adopted by the Company, the Board or the 2024 Delegatee shall carry out annual comprehensive appraisal on the 2024 Selected Participants and determine the actual vesting amount of the 2024 Awards granted under the 2024 H Share Award and Trust Scheme accordingly. The actual vesting amount of the 2024 Award granted to a 2024 Selected Participant for the respective vesting periods shall be equal to the standard coefficient × the planned vesting amount for the respective vesting periods. The coefficient for individual performance appraisal results of grade B (or its equivalent appraisal result such as "satisfactory") or above is 100% whereas the coefficient for individual performance appraisal results below grade B- is 0. If the 2024 Selected Participant fails to fulfil such individual performance indicators, all the 2024 Award Shares underlying the relevant 2024 Awards which may otherwise be vested during the respective vesting periods shall not be vested and shall be held by the 2024 Trustee as returned Shares.

For further details on the vesting conditions of the 2024 Awards (including the conditions of the individual performance indicators of the 2024 Selected Participants), please refer to the section headed "Letter from the Board — 18. Proposed Adoption of the 2024 H Share Award and Trust Scheme — Vesting of the Awards — Vesting Conditions" in the circular of the Company dated May 9, 2023.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at December 31, 2024, the interests or short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in Shares or Underlying Shares of our Company

Name of Director and Chief Executive	Nature of Interests	Number and class of shares interested[1]	Approximate percentage of the Company's issued share capital[6]
Dr. Ge Li[2]	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	20.5492%
	Beneficial owner	770,172 H Shares (L)	0.0267%
Mr. Zhaohui Zhang[2]	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	20.5492%
	Beneficial owner	108,327 H Shares (L)	0.0038%
Mr. Edward Hu[3]	Beneficial owner; interests of spouse	283,314 A Shares (L)	0.0098%
	Beneficial owner; interests of spouse	117,743 H Shares (L)	0.0041%
Dr. Steve Qing Yang	Beneficial owner	213,554 A Shares (L)	0.0074%
	Beneficial owner	119,641 H Shares (L)	0.0041%
Dr. Minzhang Chen	Beneficial owner	146,180 A Shares (L)	0.0051%
	Beneficial owner	178,729 H Shares (L)	0.0062%
Ms. Christine Shaohua Lu-Wong[4]	Interest of spouse	16,936 H Shares (L)	0.0006%
Ms. Ming Shi[5]	Beneficial owner	2,000 A Shares (L)	0.0001%
	Beneficial owner; interests of spouse	57,974 H Shares (L)	0.0020%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) Dr. Ge Li, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu as the actual controllers of the Company, jointly held their interests through a total of 22 entities comprising corporations controlled by them, parties acting in concert with Dr. Ge Li and the proxy grantor.

(3) Ms. Wendy J. Hu is the spouse of Mr. Edward Hu and Mr. Edward Hu is deemed to be interested in his spouse's interest.

(4) Mr. Eric King Wai Wong is the spouse of Ms. Christine Shaohua Lu-Wong and Ms. Christine Shaohua Lu-Wong is deemed to be interested in her spouse's interest.

(5) Mr. Weimin Jiang is the spouse of Ms. Ming Shi and Ms. Ming Shi is deemed to be interested in her spouse's interest.

(6) As at December 31, 2024, the number of issued shares of the Company was 2,887,992,582 (comprised of 2,500,916,432 A Shares and 387,076,150 H Shares), which has been used for the calculation of the approximate percentage.

Interest in associated corporation (within the meaning of Part XV of the SFO)

Name of Director	Associated Corporation	Capacity/nature of Interest	Number of Shares	Approximate percentage of shareholding interest
Mr. Zhaohui Zhang	Shanghai SynTheAll Pharmaceutical Co., Ltd. (上海合全藥業股份有限公司)	Beneficial owner	162,417	0.0306%
Dr. Minzhang Chen	Shanghai SynTheAll Pharmaceutical Co., Ltd. (上海合全藥業股份有限公司)	Beneficial owner	22,453	0.0042%

Save as disclosed above and in the section headed "Share Incentive Schemes" and to the best knowledge of the Directors, as at December 31, 2024, none of the Directors, Supervisors or the chief executive of the Company has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES AND SHORT POSITION IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at December 31, 2024, so far as it was known to the Directors or chief executive of the Company, the following persons had interests and/or short positions in the Shares or underlying Shares which are required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or had interests or short positions in 5% or more of the respective type of Shares which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number and class of shares Interested(1)	Approximate percentage of shares in relevant class of shares(9)	Approximate percentage of the Company's issued share capital(9)
Dr. Ge Li(2)	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	23.73%	20.55%
Mr. Zhaohui Zhang(2)(3)	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	23.73%	20.55%
Mr. Xiaozhong Liu(2)(4)	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	23.73%	20.55%
G&C VI Limited(5)	Beneficial owner	143,015,795 A Shares (L)	5.72%	4.95%
G&C I Limited(5)	Interests of controlled corporation	143,015,795 A Shares (L)	5.72%	4.95%
G&C Limited(5)	Interests of controlled corporation	180,869,054 A Shares (L)	7.23%	6.26%
Qatar Investment Authority(6)	Interest in corporation	46,548,000 H Shares (L)	12.03%	1.61%
Al Rayyan Holding LLC(6)	Beneficial owner	38,198,400 H Shares (L)	9.87%	1.32%
Qatar Holding LLC(6)	Interest in corporation	38,198,400 H Shares (L)	9.87%	1.32%

Name of Shareholder	Nature of Interest	Number and class of shares Interested[1]	Approximate percentage of shares in relevant class of shares[9]	Approximate percentage of the Company's issued share capital[9]
JPMorgan Chase & Co	Beneficial owner	18,877,356 H Shares (L)	4.88%	0.65%
		14,213,918 H Shares (S)	3.67%	0.49%
	Investment manager	1,387,205 H Shares (L)	0.36%	0.05%
		162,773 H Shares (S)	0.04%	0.01%
	Person having a security interest in shares	18,339 H Shares (L)	0.00%	0.00%
	Approved lending agent	19,433,455 H Shares (L)	5.02%	0.67%
BlackRock, Inc.	Interests of controlled corporation	20,615,028 H Shares (L)	5.33%	0.71%
		2,220,064 H Shares (S)	0.57%	0.08%
Computershare Hong Kong Trustees Limited[7]	Trustee	41,770,231 H Shares (L)	10.79%	1.45%
Morgan Stanley Capital Management, LLC[8]	Interest in corporation controlled	23,209,216 H Shares (L)	6.00%	0.80%
		17,750,000 H Shares (S)	4.59%	0.61%
Morgan Stanley Domestic Holdings, Inc.[8]	Interest in corporation controlled	23,209,216 H Shares (L)	6.00%	0.80%
		17,750,000 H Shares (S)	4.59%	0.61%
Morgan Stanley & Co. International plc[8]	Underwriter	23,040,000 H Shares (L)	5.95%	0.80%
		17,750,000 H Shares (S)	4.59%	0.61%

Name of Shareholder	Nature of Interest	Number and class of shares Interested[1]	Approximate percentage of shares in relevant class of shares[9]	Approximate percentage of the Company's issued share capital[9]
Morgan Stanley International Holdings Inc.[8]	Interest in corporation controlled	23,040,000 H Shares (L)	5.95%	0.80%
		17,750,000 H Shares (S)	4.59%	0.61%
Morgan Stanley International Incorporated[8]	Interest in corporation controlled	23,040,000 H Shares (L)	5.95%	0.80%
		17,750,000 H Shares (S)	4.59%	0.61%
Morgan Stanley International Limited[8]	Interest in corporation controlled	23,040,000 H Shares (L)	5.95%	0.80%
		17,750,000 H Shares (S)	4.59%	0.61%
Morgan Stanley Investments (UK)[8]	Interest in corporation controlled	23,040,000 H Shares (L)	5.95%	0.80%
		17,750,000 H Shares (S)	4.59%	0.61%
MSDW Investment Holdings (US) LLC[8]	Interest in corporation controlled	23,040,000 H Shares (L)	5.95%	0.80%
		17,750,000 H Shares (S)	4.59%	0.61%
The Capital Group Companies, Inc.	Interest in corporation controlled	22,289,788 H Shares (L)	5.76%	0.77%
FMR LLC	Interest in corporation controlled	40,593,459 H Shares (L)	10.49%	1.41%
Citigroup Inc.	Interest in corporation controlled	4,457,676 H Shares (L)	1.15%	0.15%
		3,952,098 H Shares (S)	1.02%	0.14%
	Approved lending agent	15,091,832 H Shares (L)	3.90%	0.52%

Notes:

(1) (L) — Long position; (S) — Short position.

(2) Dr. Ge Li, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu as the actual controllers of the Company, jointly held their interests through a total of 22 entities comprising corporations controlled by them, parties acting in concert with Dr. Ge Li and the proxy grantor.

(3) Ms. Lei Zhang is the spouse of Mr. Zhaohui Zhang and is deemed to be interested in Mr. Zhaohui Zhang's interests in our Company.

(4) Ms. Guolian Zhang is the spouse of Mr. Xiaozhong Liu and is deemed to be interested in Mr. Xiaozhong Liu's interests in our Company.

(5) Dr. Ge Li indirectly wholly owns G&C VI Limited through his wholly own interests in G&C I Limited and G&C Limited. Under the SFO, Dr. Ge Li is deemed to be interested in our Shares held by G&C VI Limited.

(6) DIC Holding LLC directly held 8,349,600 H Shares of the Company. Qatar Investment Authority is the investment manager of DIC Holding LLC. Al Rayyan Holding LLC directly held 38,198,400 H Shares of the Company. Al Rayyan Holding LLC was wholly controlled by Qatar Holding LLC. Qatar Holding LLC was wholly controlled by Qatar Investment Authority.

(7) Computershare Hong Kong Trustees Limited was the Scheme Trustee for 2020 Scheme, 2021 Scheme, 2022 Scheme and 2024 Scheme.

(8) Morgan Stanley & Co. LLC is wholly controlled by Morgan Stanley Domestic Holdings, Inc., which is controlled by Morgan Stanley International Incorporated and Morgan Stanley International Holdings Inc. each as to 10% of interest. Morgan Stanley & Co. International plc is wholly controlled by Morgan Stanley Investments (UK), which is wholly controlled by Morgan Stanley International Limited, which is wholly controlled by Morgan Stanley International Holdings Inc., which is controlled by MSDW Investment Holdings (US) LLC, and Morgan Stanley International Incorporated as to 18% of interest and by Morgan Stanley Domestic Holdings, Inc. as to 10% of interest. MSDW Investment Holdings (US) LLC is wholly controlled by Morgan Stanley International Incorporated, which is 10% controlled by Morgan Stanley Domestic Holdings, Inc., which is wholly controlled by Morgan Stanley Capital Management, LLC.

(9) As at December 31, 2024, the number of issued shares of the Company was 2,887,992,582 (comprised of 2,500,916,432 A Shares and 387,076,150 H Shares), which has been used for the calculation of the approximate percentage.

Save as disclosed above, to the best knowledge of the Company, as at December 31, 2024, no person (other than the Directors, Supervisors and chief executives) had informed the Company that he/she had interests or short positions in the Shares or underlying Shares of equity derivatives of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or held any interests or short position in 5% or more of the respective types of capital in issue of the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share incentive schemes set out under the section "Share Incentive Schemes" on pages 83 to 107 of this annual report, at no time during the Reporting Period was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities including debentures of, the Company or any other body corporate.

MAJOR SUPPLIERS AND CUSTOMERS

During the Reporting Period, the Group's largest customers accounted for 20.88% of the Group's total revenue. The Group's five largest customers accounted for 33.16% of the Group's total revenue.

During the Reporting Period, the Group's largest suppliers accounted for 1.48% of the Group's total purchase. The Group's five largest suppliers accounted for 6.27% of the Group's total purchase.

None of the Directors or any of their close associates (as defined under the Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the Reporting Period, there was no material and significant dispute between the Group and its employees, customers and suppliers.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

As at the date of this annual report, the Company is not aware of any tax relief or exemption available to the Shareholders of the Company by reason of their holding of the Company's securities.

HUMAN RESOURCES

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

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

The Group also has in place incentive schemes for its employees, the details of which are set out in the section headed "Share Incentive Schemes".

RETIREMENT BENEFITS SCHEME

The employees of the Group's subsidiaries in the PRC are required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to this retirement benefits schemes is to make the specified contributions. The Group has a defined contribution plan in the U.S. where participating employees may contribute to the plan 1% to 99% of their eligible annual compensation as defined in the plan, up to the Internal Revenue Service contribution (the "IRS contribution") limit of USD23,000 for the year ended December 31, 2024. The Group makes a matching contribution of participants' elective deferral contribution of 100% of the first 2% and 50% for the next 4% of eligible participant contributions, with a maximum matching contribution of 4% of eligible participant compensation.

Details of the pension obligations of the Company are set out in Note 47 to the consolidated financial statements in this annual report.

CONNECTED TRANSACTIONS

During the Reporting Period, there was no connected transaction or continuing connected transaction of the Group which has to be disclosed in accordance with the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the Reporting Period are set out in Note 49 to the consolidated financial statements contained herein.

The related party transactions disclosed in Note 49 were not regarded as connected transactions or were exempt from reporting, announcement and shareholders' approval requirements under the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this annual report, the Company has maintained the public float as required under the Listing Rules as modified by the waiver granted by the Stock Exchange upon the Listing.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) in relation to the director's and officer's liability insurance is currently in force and was in force during the Reporting Period.

CORPORATE GOVERNANCE

As at December 31, 2024, the Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in the CG Code as its own code of corporate governance practices.

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

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

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

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 46 to 70 of this annual report.

AUDITOR

The H Shares were listed on the Stock Exchange on December 13, 2018, and there has been no change in auditors since the Listing Date. The consolidated financial statements for the Reporting Period have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants, who are proposed for reappointment at the forthcoming 2024 AGM.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Company is in compliance with the relevant laws and regulations that have a significant impact on the Company.

On behalf of the Board
Dr. Ge Li
Chairman and Chief Executive Officer

Hong Kong, March 17, 2025

TO THE SHAREHOLDERS OF 無錫藥明康德新藥開發股份有限公司 WUXI APPTEC CO., LTD.*
(incorporated in the People’s Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of WuXi AppTec Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 123 to 263, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

* *For identification purpose only*

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill arising on business combinations	
As disclosed in Notes 19 and 21 to the consolidated financial statements, the carrying amount of goodwill is Renminbi ("RMB") 972,352,000 as at December 31, 2024. Management of the Group performed impairment test of goodwill at least on an annual basis. In performing the impairment test, management identified cash-generating units ("CGUs") first and then allocated goodwill to the corresponding CGUs. The management of the Group determined the impairment loss at the amount by which the carrying amount of the CGU to which the goodwill is allocated exceeds its recoverable amount. The recoverable amount of each CGU is the higher of the value in use or fair value less costs of disposal. The assumptions applied in determining the recoverable amount of CGUs would require significant management estimates, including cash flow forecast, discount rate and long-term average growth rate. Therefore, we identify the impairment of goodwill as a key audit matter.	Our procedures in relation to the impairment of goodwill included: • Understanding the key internal controls over impairment test of goodwill, evaluating the design and operating effectiveness of these controls; • Examining the supporting of allocation of goodwill to individual CGUs and evaluating its reasonableness; • Evaluating the reasonableness of the cash flow forecast model and the management's key assumptions including cash flow projections, discount rate and long-term average growth rate in relation to impairment test, on a sampling basis; • Checking the cash flow projections to determine whether it conforms with historical data and supporting evidence, on a sampling basis.

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for Fee-For-Service ("FFS") revenue	
The Group primarily earn revenue by providing research and development ("R&D") services through its WuXi Chemistry, WuXi Testing, WuXi Biology. The revenue is recognised at a point in time or over time. As disclosed in Note 5 to the consolidated financial statements, for the year ended December 31, 2024, revenue of the Group is RMB39,241,431,000, within which RMB9,664,783,000 is derived from FFS model recognized over time. The management of the Group identified the services promised in the R&D service contracts as performance obligations and recognised revenue when control of the services transferred to the customers. Inappropriate application of the judgements in measurement of progress towards completion could result in material misstatement in the revenue recognition. Therefore, we identify occurrence and accuracy assertion of revenue recognised over time under FFS model as a key audit matter.	Our procedures in relation to the revenue recognition for FFS revenue included: • Understanding the key controls related to occurrence and accuracy assertion of revenue recognition under FFS model and evaluating the design and operating effectiveness of these controls; • Inquiring of the management of the Group about the accounting policies of revenue recognition and inspecting the terms of R&D services contracts on sample basis to evaluate whether accounting policy on the identification of performance obligations and the revenue recognition of the Group under FFS model complies with IFRS 15 *Revenue from Contracts with Customers*. • Selecting samples from recorded FFS sales transactions recognised over time and evaluating if the promises have been met in the contract by obtaining evidence of the timing of satisfaction of the promises and if the appropriate accounting treatment has been carried out: (a) Evaluating the entity's documentation supporting its conclusions whether any of the "over time" criteria have been met and whether the selected method to measure progress using either input method or output method faithfully depicts the progress of the contract; (b) Testing the accuracy of the measurement of progress used by the management in their calculations.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Li Jiali.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
March 17, 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2024

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

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Other comprehensive income (expense) for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**264,717**	177,454
Fair value loss on		
— hedging instrument designated in cash flow hedges	**(78,998)**	(90,533)
Other comprehensive income for the year, net of income tax	**185,719**	86,921
Total comprehensive income for the year	**9,654,674**	10,884,792
Profit (loss) for the year attributable to owners of the Company:		
From continuing operations	**11,181,698**	11,234,652
From discontinued operations	**(1,829,090)**	(544,499)
	9,352,608	10,690,153
Profit for the year attributable to non-controlling interests:		
From continuing operations	**116,347**	107,718
	9,468,955	10,797,871
Total comprehensive income for the year attributable to:		
Owners of the Company	**9,541,191**	10,778,457
Non-controlling interests	**113,483**	106,335
	9,654,674	10,884,792

	NOTE	**Year ended 31/12/2024** ***RMB***	Year ended 31/12/2023 *RMB* (Restated)
Earnings per share			
From continuing and discontinued operations			
— Basic	15	**3.24**	3.64
— Diluted	15	**3.22**	3.61
From continuing operations			
— Basic	15	**3.88**	3.83
— Diluted	15	**3.86**	3.80

Consolidated Statement of Financial Position

At December 31, 2024

	NOTES	31/12/2024 RMB'000	31/12/2023 RMB'000
Non-current Assets			
Property, plant and equipment	17	**25,267,837**	25,844,429
Right-of-use assets	18	**1,874,838**	2,348,338
Goodwill	19	**972,352**	1,820,873
Other intangible assets	20	**600,995**	906,676
Interests in associates	22	**2,322,170**	2,180,396
Interests in joint ventures	23	**3,378**	35,234
Deferred tax assets	24	**473,067**	366,691
Financial assets at fair value through profit or loss ("FVTPL")	31	**8,943,404**	8,626,009
Other non-current assets	25	**114,662**	105,755
Biological assets	26	**1,062,969**	1,012,478
		41,635,672	43,246,879
Current Assets			
Inventories	27	**3,532,083**	2,886,094
Contract costs	28	**912,184**	695,583
Biological assets	26	**955,480**	1,154,553
Amounts due from related parties	49	**89,253**	86,702
Trade and other receivables	29	**9,643,717**	9,372,741
Contract assets	29	**988,836**	1,234,394
Income tax recoverable		**87,171**	17,526
Financial assets at FVTPL	31	**1,233,984**	11,003
Derivative financial instruments	33	**—**	414,035
Other current assets	34	**734,078**	785,780
Pledged bank deposits	32	**22,120**	1,610
Term deposits with initial term of over three months	32	**4,865,627**	3,761,410
Bank balances and cash	32	**13,434,287**	10,001,039
		36,498,820	30,422,470
Assets classified as held for sale	12	**2,191,332**	—
		38,690,152	30,422,470
Current Liabilities			
Trade and other payables	35	**7,025,501**	7,333,527
Amounts due to related parties	49	**15,345**	11,547
Derivative financial instruments	33	**202,036**	501,871
Contract liabilities	36	**2,251,025**	1,955,363
Bank borrowings	38	**1,278,629**	3,721,645
Lease liabilities	39	**224,158**	240,452
Income tax payables		**870,796**	991,891
Convertible bonds	40	**3,493,084**	—
		15,360,574	14,756,296
Liabilities associated with assets classified as held for sale	12	**865,541**	—
		16,226,115	14,756,296

	NOTES	31/12/2024 RMB'000	31/12/2023 RMB'000
Net Current Assets		**22,464,037**	15,666,174
Total Assets Less Current Liabilities		**64,099,709**	58,913,053
Non-current Liabilities			
Bank borrowings	38	**2,959,509**	687,017
Deferred tax liabilities	24	**522,414**	530,107
Deferred income	37	**985,612**	1,079,932
Lease liabilities	39	**546,561**	1,098,552
		5,014,096	3,395,608
Net Assets		**59,085,613**	55,517,445
Capital and Reserves			
Share capital	41	**2,887,993**	2,968,845
Reserves		**55,744,722**	52,153,609
Equity attributable to owners of the Company		**58,632,715**	55,122,454
Non-controlling interests		**452,898**	394,991
Total Equity		**59,085,613**	55,517,445

The consolidated financial statements on pages 123 to 263 were approved and authorized for issue by the Board of Directors on March 17, 2025 and are signed on its behalf by:

Ge Li
DIRECTOR

Edward Hu
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended December 31, 2024

	Attributable to owners of the Company												
	Share capital	Share premium	Treasury shares	Capital reserve	Share-based payment reserve	Cash flow hedging reserve	Foreign currency translation reserve	Statutory reserve	Other reserve	Retained earnings	Subtotal	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2023	2,960,527	26,083,748	(2,745,245)	(1,168,804)	1,198,352	16,956	7,048	702,680	398,216	19,136,475	46,589,953	336,720	46,926,673
Profit for the year	–	–	–	–	–	–	–	–	–	10,690,153	10,690,153	107,718	10,797,871
Other comprehensive (expense) income for the year	–	–	–	–	–	(88,863)	177,167	–	–	–	88,304	(1,383)	86,921
Total comprehensive (expense) income for the year	–	–	–	–	–	(88,863)	177,167	–	–	10,690,153	10,778,457	106,335	10,884,792
Transferred to statutory reserve (Note a)	–	–	–	–	–	–	–	320,662	–	(320,662)	–	–	–
Repurchase and cancellation of restricted A shares (Note 41)	(686)	(12,559)	13,245	–	–	–	–	–	–	–	–	–	–
Repurchase of ordinary H shares	–	–	(1,181,786)	–	–	–	–	–	–	–	(1,181,786)	–	(1,181,786)
Recognition of share-based payments (Note b)	–	–	–	–	751,960	–	–	–	–	–	751,960	4,046	756,006
Issue of A shares under 2019 Stock Option (Note 41&44)	1,726	64,945	–	39,952	(39,952)	–	–	–	–	–	66,671	–	66,671
Conversion of convertible bonds	7,278	520,961	–	–	–	–	–	–	–	–	528,239	–	528,239
Restricted A shares vested	–	–	105,598	189,760	(189,760)	–	–	–	–	–	105,598	–	105,598
2020 H Share Award vested (Note 44)	–	(105,214)	105,214	108,349	(108,349)	–	–	–	–	–	–	–	–
2021 H Share Award vested (Note 44)	–	(333,065)	333,065	312,744	(312,744)	–	–	–	–	–	–	–	–
2022 H Share Award vested (Note 44)	–	(213,231)	213,231	198,883	(198,883)	–	–	–	–	–	–	–	–
Impact of change of non-controlling interests	–	–	–	(59,935)	–	–	–	–	–	–	(59,935)	(52,094)	(112,029)
Dividends recognised as distribution	–	–	149	–	–	–	–	–	–	(2,649,084)	(2,648,935)	–	(2,648,935)
Tax deduction of restricted shares and options exceeds the related cumulative remuneration expense	–	–	–	12,232	–	–	–	–	–	–	12,232	(16)	12,216
Shareholder contribution	–	–	–	180,000	–	–	–	–	–	–	180,000	–	180,000
Balance at December 31, 2023	2,968,845	26,005,585	(3,156,529)	(186,819)	1,100,624	(71,907)	184,215	1,023,342	398,216	26,856,882	55,122,454	394,991	55,517,445

	Attributable to owners of the Company												
	Share capital	Share premium	Treasury shares	Capital reserve	Share-based payment reserve	Cash flow hedging reserve	Foreign currency translation reserve	Statutory reserve	Other reserve	Retained earnings	Subtotal	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the year	–	–	–	–	–	–	–	–	–	9,352,608	9,352,608	116,347	9,468,955
Other comprehensive (expense) income for the year	–	–	–	–	–	(78,030)	266,613	–	–	–	188,583	(2,864)	185,719
Total comprehensive (expense) income for the year	–	–	–	–	–	(78,030)	266,613	–	–	9,352,608	9,541,191	113,483	9,654,674
Transferred to statutory reserve (Note a)	–	–	–	–	–	–	–	334,096	–	(334,096)	–	–	–
Repurchase and cancellation of ordinary A shares (Note 41)	(65,803)	(2,934,198)	–	–	–	–	–	–	–	–	(3,000,001)	–	(3,000,001)
Repurchase of ordinary H shares	–	–	(908,908)	–	–	–	–	–	–	–	(908,908)	–	(908,908)
Cancellation of ordinary H shares	(15,468)	(1,166,318)	1,181,786	–	–	–	–	–	–	–	–	–	–
Recognition of share-based payments (Note b)	–	–	–	–	365,208	–	–	–	–	–	365,208	1,707	366,915
Issue of A shares under 2019 Stock Option (Note 41&44)	419	15,762	–	9,934	(9,934)	–	–	–	–	–	16,181	–	16,181
Restricted A shares vested	–	–	4,484	6,270	(6,270)	–	–	–	–	–	4,484	–	4,484
2020 H Share Award vested (Note 44)	–	(107,487)	107,487	115,172	(115,172)	–	–	–	–	–	–	–	–
2021 H Share Award vested (Note 44)	–	(314,209)	314,209	292,846	(292,846)	–	–	–	–	–	–	–	–
2022 H Share Award vested (Note 44)	–	(198,462)	198,462	185,108	(185,108)	–	–	–	–	–	–	–	–
Impact of change of non-controlling interests	–	–	–	(2,982)	–	–	–	–	–	–	(2,982)	(57,638)	(60,620)
Dividends recognised as distribution	–	–	–	–	–	–	–	–	–	(2,882,051)	(2,882,051)	–	(2,882,051)
Shareholder contribution	–	–	–	180,000	–	–	–	–	–	–	180,000	–	180,000
Others	–	–	–	197,139	–	–	–	–	–	–	197,139	355	197,494
Balance at December 31, 2024	2,887,993	21,300,673	(2,259,009)	796,668	856,502	(149,937)	450,828	1,357,438	398,216	32,993,343	58,632,715	452,898	59,085,613

Notes:

a. In accordance with the Articles of Association of the Company, it is required to transfer 10% of the profit after taxation to the statutory reserve until the reserve reaches 50% of the registered capital. Transfer to this reserve must be made before distributing dividends to equity holders. The statutory reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the Company.

b. The amount represents share-based payment reserve as disclosed in Note 44.

Consolidated Statement of Cash Flows

For the year ended December 31, 2024

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
OPERATING ACTIVITIES		
Profit before tax	**11,441,027**	12,929,602
Adjustments for:		
Interest income	**(626,757)**	(444,470)
Income from R&D grants and others related to assets	**(133,373)**	(130,999)
Finance costs	**268,565**	193,581
Dividends received from financial assets at FVTPL	**(19,547)**	(45,462)
Depreciation of property, plant and equipment	**2,597,220**	2,121,161
Depreciation of right-of-use assets	**262,539**	237,708
Amortization of other intangible assets and other non-current assets	**154,074**	152,982
Impairment loss, net of reversal		
— inventories	**65,098**	37,013
— financial assets and other items under ECL model	**334,322**	240,893
Impairment losses of non-financial assets	**115,578**	67,400
Impairment losses of goodwill	**110,428**	49,606
Impairment losses of assets classified as held for sale	**948,411**	—
Share of results of joint ventures	**7,073**	32,484
Share of results of associates	**(252,138)**	35,076
Gain on deemed disposal of associates	**—**	(1,097,611)
Share-based payment expenses	**366,915**	756,006
Net foreign exchange gain	**(453,144)**	(108,447)
Loss on disposal of plant and equipment and biological assets	**73,720**	78,809
Gain on financial assets at FVTPL (realized)	**(132,937)**	(683,522)
(Gain) loss on financial assets at FVTPL (unrealized)	**(45,598)**	482,353
Gain on financial liabilities at FVTPL	**—**	(5,673)
Gain on biological assets (unrealized)	**(156,682)**	(398,698)
Loss (gain) on derivative financial instruments (unrealized)	**15,323**	(40,174)
Loss on derivative financial instruments (realized)	**513,140**	480,844
Gain on disposal of associates	**(620,969)**	(53,269)
Operating cash flows before movements in working capital	**14,832,288**	14,887,193

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Movements in working capital elements:		
(Increase) decrease in inventories	(757,660)	1,029,453
Increase in contract costs	(216,601)	(16,824)
Decrease (increase) in biological assets	60,090	(35,003)
Increase in trade and other receivables	(819,784)	(2,042,960)
Decrease (increase) in contract assets	147,063	(188,664)
Increase in other non current assets	(17,303)	(26,945)
(Increase) decrease in amounts due from related parties	(2,551)	36,253
Increase (decrease) in amounts due to related parties	3,798	(2,951)
Increase in trade and other payables	645,367	913,449
Increase (decrease) in contract liabilities	314,242	(541,274)
Decrease in other long-term liabilities	—	(80)
(Decrease) increase in deferred income	(4,967)	105
Cash generated from operations	14,183,982	14,011,752
Income taxes paid	(2,197,170)	(1,370,530)
NET CASH FROM OPERATING ACTIVITIES	11,986,812	12,641,222
INVESTING ACTIVITIES		
Interests received	708,873	532,565
Proceeds from disposal of financial assets at FVTPL	4,677,295	1,251,231
Proceeds from partial disposal of associates and joint ventures	835,232	82,599
Purchases of financial assets at FVTPL	(5,918,516)	(679,075)
Purchases of certificates of deposits	(732,070)	—
Withdrawal of certificates of deposits	700,000	1,300,000
Purchases of term deposits with initial term of over three months	(6,313,905)	(3,761,410)
Withdrawal of term deposits with initial term of over three months	5,336,631	—
Proceeds from disposal of other intangible assets	2,819	2,559
Proceeds from disposal of property, plant and equipment	13,018	13,560
Capital injection to an associate	(12,220)	—
Purchases of property, plant and equipment	(3,964,825)	(5,403,496)
Withdrawal (payments) of rental deposits	477	(2,199)
Purchases of other intangible assets	(1,540)	(1,397)
Payments for right-of-use assets	(37,128)	(111,666)
(Placement) withdrawal of pledged bank deposits	(7,618)	227
Net cash outflow on acquisition of subsidiaries	—	(22,092)
Dividends received from financial assets at FVTPL	97,417	80,737
Dividends received from associates	—	8,754
Payments on derivative financial instruments	(513,140)	(480,844)
R&D grants and others received related to assets	44,019	372,905
Payments on discontinued operations	(12,816)	—
NET CASH USED IN INVESTING ACTIVITIES	(5,097,997)	(6,817,042)

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
FINANCING ACTIVITIES		
Payments of dividends	**(2,882,051)**	(2,649,084)
New bank borrowings raised	**8,268,427**	6,843,975
Repayments of bank borrowings	**(8,470,161)**	(6,588,910)
Repayments of lease liabilities	**(294,453)**	(314,003)
Net proceeds from exercise of stock option	**16,428**	66,636
Payments on repurchase and cancellation of restricted A shares	**—**	(425)
Interests paid	**(202,826)**	(106,709)
Net proceeds from issuance of convertible bonds (note 40)	**3,521,497**	—
Acquisition of partial interest of subsidiaries from non-controlling shareholders	**(60,620)**	(112,029)
Payments on repurchase of A shares and H shares	**(3,908,909)**	(1,181,786)
Shareholder contribution	**180,000**	180,000
Redemption of convertible bonds	**—**	(76,850)
NET CASH USED IN FINANCING ACTIVITIES	**(3,832,668)**	(3,939,185)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**3,056,147**	1,884,995
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	**10,001,039**	7,983,904
Effects of exchange rate changes	**387,525**	132,140
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	**13,444,711**	10,001,039

1. GENERAL INFORMATION

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

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

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

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

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

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS ("IFRSs") (continued)

Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 Amendments to IAS 1 Classification of Liabilities as Current or Non-current (the "2020 Amendments") and Amendments to IAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation.*

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS ("IFRSs") (continued)

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (Note iii)
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature- Dependent Electricity (Note iii)
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Note i)
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 (Note iii)
Amendments to IAS 21	Lack of Exchangeability (Note ii)
IFRS 18	Presentation and Disclosure in Financial Statements (Note iv)

Notes:

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

ii: Effective for annual periods beginning on or after January 1, 2025.

iii: Effective for annual periods beginning on or after January 1, 2026.

iv: Effective for annual periods beginning on or after January 1, 2027.

Except for IFRS 18, the directors of the Company anticipate that application of all other amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

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

The consolidated financial statements have been prepared in accordance with IFRSs 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 and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and biological assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and biological assets which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

The material accounting policy information are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial information of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the reporting period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

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

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been consolidated from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

Expenditure incurred in relation to a common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

The consolidated statements of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

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

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than a segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

Investments in associates and joint ventures (continued)

The results and assets and liabilities of associates or joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

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

Investments in associates and joint ventures (continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Changes in the Group's interests in associates and joint ventures

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

In certain circumstances, the Group's interest in an associate or joint venture can change without the Group directly purchasing or selling shares. The economic effect on the Group of an increase or decrease in shareholding resulting from such transactions is consistent with that of a direct purchase or sale of shares. If the investment remains an associate or joint venture, the effective increase or decrease in the Group's ownership interest is treated in substance as either a purchase of an additional interest or a partial disposal (deemed partial disposal) resulting in a gain or loss in profit or loss.

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

(continued)

Discontinued Operations/Disposal group held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for financial assets within the scope of IFRS 9 and others which continue to be measured in accordance with the accounting policies as set out in respective sections.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of profit or loss and other comprehensive income. Prior year profit or loss disclosures have been represented to conform with the current year's presentation of discontinued operations.

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

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

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

Revenue from contracts with customers (continued)

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. Depending on which better depicts the transfer of value to the customer, the Group generally measures its progress using either cost-to-cost (input method) or units produced/services transferred to the customer to date (output method). The Group uses the known cost measure of progress when it best depicts the transfer of value to the customer which occurs as the Group incurs costs on its contract, generally related to fixed fee service contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenue is recorded proportionally as costs are incurred. The units produced/services transferred to the customer to date measure of progress is generally related to rate per unit contracts or contracts for the delivery of services, as the extent of progress towards completion is measured based on discrete service or time-based increments, such as samples tested or services transferred.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date (for example, service contracts in which the Group bills a fixed amount for each hour of service provided), the Group recognises revenue in the amount to which the Group has the right to invoice.

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

Revenue from contracts with customers (continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Contract costs

The Group incurs costs to fulfill a contract in its business. The Group first assess whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Costs to fulfill a contract of the Group mainly consists of cost of materials consumed (determined on a weighted average method), cost of labor and other costs of personnel directly engaged in providing the chemical discovery, development and manufacturing service, including supervisory personnel, and attributable overheads.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

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

Revenue from contracts with customers (continued)

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the expected value method or the most likely amount, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

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

Leases (continued)

The Group as a lessee (continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of plant, buildings, and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease with a value not exceeding RMB40,000 when the leased asset is new. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

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

Leases (continued)

The Group as a lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

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

Leases (continued)

The Group as a lessee (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies IFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

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

(continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchanges similar to the prevailing at the dates of the transactions which are calculated and determined by the middle price of the market exchange rate at the beginning of the month. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

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

(continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

Retirement benefit costs

The Group participates in two defined contribution schemes:

a) A state-managed retirement benefit scheme in the PRC, pursuant to which the Group pays a fixed percentage of its qualifying staff’s wages as contributions to the scheme.

b) A defined contribution plan in the United States of America (“USA”), pursuant to which the Group makes a matching contribution of participants’ elective deferral contribution of 100% of the first 2% and 50% for the next 4% of eligible participant contributions. The maximum match is 4% of eligible participant compensation.

Payments to such retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

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

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "Profit (loss) before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does note give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The cost of those items are measured in accordance with the measurement requirements of IAS 2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets other than construction in progress (the "CIP") less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

(continued)

Intangible assets

Intangible assets acquired separately

Intangible assets (the "IA") with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

Intangible assets (continued)

Internally-generated intangible assets — research and development expenditure (continued)

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any) on the same basis as intangible assets that are acquired separately.

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

(continued)

Impairment of property, plant and equipment, right-of-use assets, intangible assets and contract costs other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives and contract costs to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognises an impairment loss for assets capitalised as contract costs under IFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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

Impairment of property, plant and equipment, right-of-use assets, intangible assets and contract costs other than goodwill (see the accounting policy in respect of goodwill above) (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

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

(continued)

Biological assets

The biological assets of the Group are cynomolgus non-human primates, including cynomolgus monkeys for Contract Research Organization ("CRO") experiment, which are classified as current assets, and cynomolgus monkeys for breeding, which is classified as non-current assets of the Group.

Cynomolgus monkeys are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The change in fair value less costs to sell of the cynomolgus monkeys shall be included in profit or loss for the period in which it arises.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the contracted selling price less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributed to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Interest income is recognised in profit or loss and is included in the “other income” line item.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income (“FVTOCI”) are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains and losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the “other gains and losses” line item.

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

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item (Note 8) as part of the net foreign exchange gain;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item as part of the gain/(loss) from changes in fair value of financial assets (Note 8).

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, amounts due from related parties, bank balances and cash, pledged bank deposits, term deposits with initial term of over three months and certificates of deposits) and contract assets, which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables, contract assets and amounts due from related parties of trade nature. The ECL on these financial assets are assessed collectively based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

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

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected decrease in the financial instrument's internal credit rating;
- an actual or expected significant change in the financial instrument's external credit rating;
- significant change in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

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

Financial instruments (continued)

Financial assets (continued)

Significant increase in credit risk (continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event;

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

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

Financial instruments (continued)

Financial assets (continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis to cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Past-due status;
- Nature, size and industry of debtors;
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

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

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is a derivative, except for a derivative that is designated as effective hedging instrument.

Financial liabilities at amortised cost

Other financial liabilities including bank borrowings, debt component of convertible bonds, trade and other payables and amounts due to related parties are subsequently measured at amortised cost, using the effective interest method.

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

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (Note 8) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Treasury shares

Repurchase of the Company's own equity instruments which held by the Company or the Group (treasury shares) is recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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

Financial instruments (continued)

Derivative financial instruments (continued)

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

Convertible bonds

For the convertible bonds issued by the Group that contain both debt and equity components, the debt and equity components are separated upon initial recognition. The portion of the convertible bonds with debt characteristics, net of transaction costs, is recognized under convertible bonds. At the date of issue, the fair value of the debt component is calculated by discounting the principal repayment amount using the market interest rate. The debt component is subsequently measured at amortised cost using the effective interest method until the convertible bonds are either converted or redeemed. The residual proceeds, net of transaction costs, are allocated to the equity component and recognized in capital reserve. The equity component is not remeasured subsequently. Transaction cost that relates to the issue of the convertible bonds are allocated to the debt and equity components in proportion to their relative fair values.

For the convertible bonds issued by the Group that contain both debt and multiple embedded derivatives (including conversion options that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments and redemption options), the debt and multiple embedded derivatives are classified separately into respective items on initial recognition. At the date of issue, both the debt component and the derivative component are recognised at fair value. The debt component is subsequently measured at amortised cost using the effective interest method until the convertible bonds are either converted or redeemed. The derivative component is measured at fair value with changes in fair value recognised in profit or loss. Transaction costs that relate to the issue of the convertible bonds are allocated to the debt and derivative components in proportion to their relative fair values.

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

Financial instruments (continued)

Hedge accounting

The Group designates certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

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

Financial instruments (continued)

Hedge accounting (continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulate under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "other gains and losses" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

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

(continued)

Share-based payment transactions

Equity-settled share-based transactions

Shares/Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When the share options are exercised or when the restricted shares are vested, the amount previously recognised in the share-based payment reserve will be transferred to share premium. When the share options or restricted shares are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will continue to be held in share-based payment reserve.

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognises, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

The incremental fair value granted, if any, is the difference between the fair value of the modified equity instruments and that of the original equity instruments, both estimated as at the date of modification.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgment, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Judgments in determining the timing of satisfaction of performance obligations

The Group has different contractual arrangements with different customers. In determining the timing of satisfaction of perform obligations, the management review the contract term of each individual contract. The recognition of FFS revenue under IFRS 15 requires management to apply critical judgements in determining whether the timing of satisfaction of performance obligations is at a point in time or over time.

Satisfaction of performance obligations:

For certain types of revenue under FFS model, the directors of the Company have determined that performance obligations are satisfied over time. Significant judgment is required in determining whether the terms of the Group's contracts with customers in relation to certain type of revenue under FFS model create an enforceable right to payment for the Group. The Group has considered the relevant local laws that are applicable to those relevant contracts and opinion from external legal counsel (if needed).

Depending on which better depicts the transfer of value to the customer, the directors of the Company make judgement to measure the progress of the projects using either cost-to-cost (input method) or units produced/services transferred to the customer to date (output method).

For certain services under FFS method, the directors of the Company have assessed that the Group has a present right to payment from the customers for the services performed at a point in time upon finalization, delivery and acceptance of the deliverable units. Therefore, the directors of the Company have satisfied that the performance obligation of FFS is satisfied at a point in time and recognised FFS revenue at a point in time.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The assumptions applied in determining the value in use of cash-generating units would require significant management estimates, including cash flow forecast, discount rate and long-term average growth rate. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss/further impairment loss may arise. As at December 31, 2024, the carrying amount of goodwill is RMB972,352,000 (December 31, 2023: RMB1,820,873,000), net of accumulated impairment loss of RMB389,126,000 (December 31, 2023: RMB272,485,000). Details of the recoverable amounts calculation are disclosed in Note 21.

Impairment on property, plant and equipment, right-of-use assets and other intangible assets

The Group regularly reviews whether there are any indications of impairment and recognises an impairment loss if the carrying amount of an asset is lower than its recoverable amount. The Group tests for impairment for property, plant and equipment, right-of-use assets and other intangible assets whenever there is an indication that the asset may be impaired. The recoverable amounts have been determined based on the higher of the fair value less costs of disposal and value in use. The use of estimates are required in these calculations. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. Further disclosures are detailed in notes to the consolidated financial statements.

Fair value measurements of unlisted equity investments and investments in unlisted funds

Certain of the Group's financial assets, unlisted equity investments and investments in unlisted funds amounting to RMB8,705,337,000 as at December 31, 2024 (December 31, 2023: RMB8,142,141,000) are measured at fair values with fair values being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. Further disclosures are detailed in Notes 31 and 43.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Fair value of share-based compensation

The share-based compensation expense is measured based on the fair value of the share rewards as calculated under the Black-Scholes or binomial option pricing model. Management is responsible for determining the fair value of the share options or restricted shares granted to employees. The key assumptions used to determine the fair value of the share unit awards at the grant date and the re-measure dates include share price on measurement date, expected volatility and risk-free interest rate. Changes in these assumptions could significantly affect the fair value of share awards and hence the amount of compensation expenses the Group recognise in our consolidated financial statements.

Fair value of biological assets

The Group's biological assets are measured based on the fair values using market approach. Management is responsible for determining the fair value of biological assets. The fair values are determined based on comparable market transactions of standard monkeys, and making adjustments according to characteristics (including age, with virus or not and mating or not etc.). Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these biological assets. Further disclosures are detailed in Note 26.

Estimated useful life and residual value of plant and equipment

The Group determines the useful life and residual value of plant and equipment. The estimates are based on historical experience of the actual useful lives and residual values of plant and equipment of similar nature and functions. When the estimated useful lives and residual values of plant and equipment are less than previously estimated, the Group will increase the depreciation of plant and equipment, dispose of or scrap technologically obsolete assets.

Estimated useful life and residual value of intangible assets

The Group determines the useful life and residual value of intangible assets. The estimates are based on historical experience of actual useful lives and residual values of intangible assets of similar nature and functions. It may change significantly as a result of technological innovations and competitors' responses to severe industry competition. When the estimated useful lives and residual values of intangible assets are less than previously estimated, the Group will increase the amortisation of intangible assets, dispose of or retire technologically obsolete assets.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Deferred tax assets

As at December 31, 2024, a deferred tax asset of RMB132,687,000 (December 31, 2023: RMB64,149,000) in relation to unused tax losses for certain operating subsidiaries has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of RMB1,969,686,000 (December 31, 2023: RMB2,591,079,000) for non-operating subsidiaries or certain loss making companies due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Provision of ECL for trade receivables and contract assets

The Group categorizes its customers to recognise lifetime ECL for the trade receivables and contract assets based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Note 30.

Inventories and contract costs

The Group assesses periodically if cost of inventories and contract cost may not be recoverable based on an assessment of the net realisable value of inventories and contract cost. Allowances are applied to inventories and contract cost where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories or contract cost. The identification of obsolete inventories requires the use of judgment and estimates on the conditions and usefulness of the inventories and in the case of contract cost, the net realisable value has been determined based on the contracted selling price to be recognised upon the completion of the contract cost less all estimated remaining costs to completion and costs necessary to provide the service. Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories and contract cost in the year in which such estimate changes.

As at December 31, 2024, the carrying amounts of inventories were approximately RMB3,532,083,000 (December 31, 2023: RMB2,886,094,000), net of write down of inventories of approximately RMB81,479,000 (December 31, 2023: RMB143,798,000).

5. REVENUE

The Group's revenue streams are categorised as follows:

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

5. REVENUE (continued)

Disaggregation of revenue

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

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

	Year ended 31/12/2024 ***RMB'000***	Year ended 31/12/2023 *RMB'000* (Restated)
Continuing Operations		
— WuXi Chemistry	**29,052,409**	29,171,488
— WuXi Testing	**5,670,738**	5,957,731
— WuXi Biology	**2,543,926**	2,552,554
— Others	**650,709**	996,227
	37,917,782	38,678,000
Discontinued Operations	**1,323,649**	1,662,807
	39,241,431	40,340,807

5. REVENUE (continued)

Timing of revenue recognition

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000 (Restated)
Continuing Operations		
Over time		
— WuXi Chemistry	**5,274,226**	5,691,053
— WuXi Testing	**5,670,738**	5,957,731
— WuXi Biology	**2,543,926**	2,552,554
— Others	**638,061**	987,157
	14,126,951	15,188,495
At a point in time		
— WuXi Chemistry	**23,778,183**	23,480,435
— Others	**12,648**	9,070
	23,790,831	23,489,505
Discontinued Operations	**1,323,649**	1,662,807
	39,241,431	40,340,807

The revenue of WuXi Testing, WuXi Biology and part of the revenue of WuXi Chemistry and part of the revenue of Others is recognised over time as these services met one of the following criteria: The customers simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The Group generally measures the progress using output method or input method. Under the output method, the progress of performance determined based on the goods or services delivered to customers. Under the input method, the progress of performance determined based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation.

Part of the revenue of WuXi Chemistry and part of the revenue of Others is recognised at a point in time when the customer obtains control of the distinct goods or services.

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

6. SEGMENT INFORMATION

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

Segment revenue and results

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

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

6. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

	Year ended December 31, 2023 (Restated)						
	Continuing Operations					Discontinued	
	WuXi Chemistry	WuXi Testing	WuXi Biology	Others (Note i)	Subtotal	Operations (Note ii)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	29,171,488	5,957,731	2,552,554	996,227	38,678,000	1,662,807	40,340,807
Segment results	12,794,844	2,252,040	1,026,518	182,962	16,256,364	116,108	16,372,472
Unallocated amount:							
Other income					962,383	116	962,499
Other gains and losses					1,356,524	(6,247)	1,350,277
Impairment losses under ECL model, net of reversal					(237,296)	(3,597)	(240,893)
Impairment losses of non-financial assets					(67,400)	—	(67,400)
Impairment losses of goodwill					(49,606)	—	(49,606)
Selling and marketing expenses					(580,071)	(120,959)	(701,030)
Administrative expenses					(2,665,702)	(329,244)	(2,994,946)
R&D expenses					(1,361,005)	(79,625)	(1,440,630)
Share of results of associates					(35,076)	—	(35,076)
Share of results of joint ventures					(32,484)	—	(32,484)
Finance costs					(157,682)	(35,899)	(193,581)
Profit (loss) before tax					13,388,949	(459,347)	12,929,602

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

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

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. The CODM makes decisions according to operating results of each segment. No analysis of segment asset and liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

6. SEGMENT INFORMATION (continued)

Entity-wide disclosure

Geographical information

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

	Year ended 31/12/2024 ***RMB'000***	Year ended 31/12/2023 *RMB'000* (Restated)
Continuing Operations		
— USA	**23,944,393**	24,900,037
— PRC	**7,047,571**	7,315,780
— Europe	**5,098,791**	4,408,697
— Rest of the world	**1,827,027**	2,053,486
	37,917,782	38,678,000
Discontinued Operations	**1,323,649**	1,662,807
Total Revenue	**39,241,431**	40,340,807
— USA	**25,019,942**	26,269,745
— PRC	**7,066,976**	7,325,033
— Europe	**5,226,494**	4,569,065
— Rest of the world	**1,928,019**	2,176,964

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

6. SEGMENT INFORMATION (continued)

Entity-wide disclosure (continued)

Information about major customers

One single customer of WuXi Chemistry and other segments contributed more than 10 percent of the Group's revenue in 2024. One single customer of WuXi Chemistry contributed more than 10 percent of the Group's revenue in 2023.

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

	31/12/2024 RMB'000	31/12/2023 RMB'000
— PRC	**26,502,197**	26,901,974
— Rest of the world	**5,668,916**	7,352,205
	32,171,113	34,254,179

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

7. OTHER INCOME

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000 (Restated)
Continuing Operations		
Interest income	**626,599**	444,354
R&D grants and others related to		
— asset (i)	**133,373**	130,999
— income (ii)	**366,419**	341,568
Dividend income arising from financial assets at FVTPL	**19,547**	45,462
	1,145,938	962,383
Discontinued Operations	**158**	116
	1,146,096	962,499

Notes:

(i) The Group has received certain R&D grants and others to invest in laboratory equipment. The grants and subsidies were recognised in profit or loss over the useful lives of the relevant assets. Details of the grants and subsidies are set out in Note 37.

(ii) The R&D grants and others related to income have been received to compensate for the Group's R&D expenditures. Some of the grants related to income have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants. These grants related to income are recognised in profit or loss when related costs are subsequently incurred and the Group receives acknowledge of compliance. Other grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the reporting period.

8. OTHER GAINS AND LOSSES

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000* (Restated)
Continuing Operations		
Net foreign exchange gain	**454,856**	108,554
Gain on financial assets at FVTPL (realized)	**132,937**	683,522
Gain(loss) on financial assets at FVTPL (unrealized)	**45,598**	(482,353)
Gain on deemed disposal of associates	**—**	1,097,611
Gain on disposal of associates	**620,969**	53,269
Gain on biological assets (unrealized)	**156,682**	398,698
Loss on disposal of plant and equipment and biological assets	**(71,765)**	(72,832)
Gain on financial liabilities at FVTPL	**—**	5,818
Loss on derivative financial instruments (realized)	**(513,140)**	(480,844)
(Loss)gain on derivative financial instruments (unrealized)	**(15,323)**	40,174
Others	**(2,691)**	4,907
	808,123	1,356,524
Discontinued Operations	**(3,683)**	(6,247)
	804,440	1,350,277

9. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000* (Restated)
Continuing Operations		
Impairment losses under ECL model on		
— trade receivables	**328,940**	234,806
— contract assets	**(3,640)**	2,490
	325,300	237,296
Discontinued Operations	**9,022**	3,597
	334,322	240,893

10. FINANCE COSTS

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000* (Restated)
Continuing Operations		
Interest expense on borrowings	**199,241**	134,096
Interest expense on lease liabilities	**26,081**	30,572
Effective interest expense on convertible bonds	**40,834**	3,940
Imputed interest expense on payable for acquisition of a subsidiary	**—**	104
Total borrowing cost	**266,156**	168,712
Less: amounts capitalised in the cost of qualifying assets	**(30,020)**	(11,030)
	236,136	157,682
Discontinued Operations	**32,429**	35,899
	268,565	193,581

11. INCOME TAX EXPENSE

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000 (Restated)
Continuing Operations		
Current tax:		
— PRC	**1,647,512**	1,682,745
— Hong Kong	**399,629**	218,701
— USA	**1,933**	4,895
— Rest of world	**9,680**	8,751
	2,058,754	1,915,092
(Over) under provision in respect of prior years:		
— PRC	**(40,290)**	31,397
— Hong Kong	**3,191**	(23,041)
— USA	**—**	(13,325)
— Rest of world	**2,508**	1
	(34,591)	(4,968)
Deferred tax:		
— Current year	**(41,672)**	136,455
	1,982,491	2,046,579
Discontinued Operations	**(10,419)**	85,152
	1,972,072	2,131,731

On March 21, 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on March 28, 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first Hong Kong Dollar ("HKD") 2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HKD2,000,000 will be taxed at 16.5%. Only one subsidiary of the Group can be nominated to benefit the regime according to the policy, and WuXi AppTec (HongKong) Limited is subject to the two-tiered profits tax rates regime.

The federal corporate tax rate remains at 21% for both years.

11. INCOME TAX EXPENSE (continued)

The group entities incorporated in Cayman Islands are not subject to income or capital gains tax under the law of Cayman Islands. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

The group entities established in British Virgin Islands ("BVI") are not subject to income tax or capital gains tax under the law of BVI.

The group entities incorporated in Korea, Ireland, Germany, Australia, Swiss, Singapore, United Kingdom and other countries are subject to the tax rate at a range from 8.5% to 30% during the reporting period.

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 Company and other PRC subsidiaries is 25% during the reporting period unless subject to tax concession set out below.

Certain subsidiaries operating in the PRC were accredited as "High and New Technology Enterprise" or "Advanced Technology Enterprise" for a period of three years, and therefore are entitled to a preferential EIT rate of 15% for the reporting period. The qualification as a High and New Technology Enterprise will be subjected to review by the relevant tax authority in the PRC for every three years. From January 1, 2018, the enterprises that have the qualifications as High and New Technology Enterprise or Advanced Technology Enterprise (hereinafter collectively referred to as qualifications) will be able to make up for the losses that have not been completed in the previous five years before the qualification year. The longest carry-over period is extended from 5 years to 10 years.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as all the effective jurisdictions in which the Group operates have passed Transitional CbCR Safe Harbour test, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

11. INCOME TAX EXPENSE (continued)

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

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000 (Restated)
Continuing Operations		
Profit before tax	**13,280,536**	13,388,949
Tax at the applicable tax rate of 25%	**3,320,134**	3,347,237
Tax effect of expenses not deductible for tax purpose	**170,130**	98,074
Tax effect of non taxable income and additional deductions	**(419,463)**	(678,414)
Over provision in respect of prior years	**(34,591)**	(4,968)
Effect of unused tax losses and other deductible temporary differences not recognised as deferred tax assets	**165,038**	237,477
Effect of utilization of tax losses and other deductible temporary differences previously not recognised as deferred tax assets	**(8,235)**	(7,853)
Effect on opening deferred tax assets or liabilities resulting from change in applicable tax rate	**19,367**	68,849
Effect of different tax rate applicable to subsidiaries	**(1,240,399)**	(1,039,478)
Others	**10,510**	25,655
Income tax expense	**1,982,491**	2,046,579
Discontinued Operations	**(10,419)**	85,152
	1,972,072	2,131,731

In addition to the amount charged to profit or loss and other comprehensive income, the following amounts relating to tax have been recognised directly in equity:

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Current tax:		
Excess tax deductions related to share-based payments on exercised options and restricted shares	**4,359**	12,216

12. DISCONTINUED OPERATIONS/DISPOSAL GROUP HELD FOR SALE

The Group entered into sale agreements at the end of 2024 to transfer the operating entities of WuXi ATU business in the United States and the United Kingdom, as well as the Medical Device Testing business in the United States, through cash transfer. The assets and liabilities attributable to the business have been classified as held for sale. The business belongs to the major overseas business or geographical area of operations that can be separately distinguished from the original WuXi ATU and WuXi Testing businesses of the Group, and therefore is accounted for as discontinued operations. The fair value of the disposal group held for sale is USD242 million. As at the date of this report, the transactions have been completed.

The disposal group held for sale are presented separately in the consolidated statement of financial position (see below).

The loss for the year from the operating entities of WuXi ATU business in the United States and the United Kingdom, as well as the Medical Device Testing business in the United States are set out in the consolidated statement of profit or loss. The comparative figures in the consolidated statement of profit or loss have been restated to represent the discontinued operations.

Loss for the year from discontinued operations includes the following:

	Year ended 31/12/2024 ***RMB'000***	Year ended 31/12/2023 *RMB'000*
Loss on disposal of property, plant and equipment	**(1,955)**	(5,977)

Cash flows from discontinued operations:

	Year ended 31/12/2024 ***RMB'000***	Year ended 31/12/2023 *RMB'000*
Net cash outflow from operating activities	**(473,941)**	(682,246)
Net cash (outflow) inflow from investing activities	**(93,700)**	303,031
Net cash inflow from financing activities	**557,012**	365,932

Note: Above cash flows include transactions with inter-companies within the Group.

12. DISCONTINUED OPERATIONS/DISPOSAL GROUP HELD FOR SALE (continued)

The major classes of assets and liabilities of the part of overseas WuXi ATU and Medical Device operations as at December 31, 2024, which have been presented separately in the consolidated statement of financial position, are as follows:

	31/12/2024 RMB'000
Bank balances and cash	10,424
Trade and other receivables	220,682
Contract assets	101,682
Property, plant and equipment	1,246,477
Other intangible assets	230,021
Goodwill	756,716
Rights-of-use assets	523,557
Others	49,403
Impairment losses of assets classified as held for sale	(948,411)
Exchange rate realignment	781
Total assets classified as held for sale	2,191,332
Trade and other payables	187,371
Lease liabilities	617,645
Others	60,525
Total liabilities associated with assets classified as held for sale	865,541

13. PROFIT FOR THE YEAR

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

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000 (Restated)
Depreciation for property, plant and equipment	**2,438,477**	1,968,744
Depreciation of right-of-use assets	**218,375**	187,716
Amortization of other intangible assets and other non-current assets	**125,451**	124,270
Staff cost (including directors' emoluments):		
— Salaries and other benefits	**8,927,645**	8,942,816
— Retirement benefit scheme contributions	**1,106,085**	1,069,563
— Equity-settled share-based payments	**366,068**	747,544
— Cash-settled share-based payments	**—**	(5,818)
	13,182,101	13,034,835
Capitalised in inventories and contract costs	**(1,652,536)**	(1,262,869)
Capitalised in construction in progress	**(41,928)**	(11,030)
	11,487,637	11,760,936
Impairment losses recognised on inventory included in cost of sales	**23,235**	17,500
Expense relating to short-term leases	**8,492**	1,656
Expense relating to leases of low-value assets that are not shown above as short-term leases	**5,191**	6,596
	11,524,555	11,786,688
Auditor's remuneration	**6,829**	7,679

14. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid or payable to the directors and the Chief Executive of the Company for the service provided to the Group during the reporting period are as follows:

	Fees RMB'000	Salaries RMB'000	Performance related bonuses RMB'000	Retirement benefit scheme contribution RMB'000	Share-based compensation RMB'000	Total RMB'000
For the year ended December 31, 2024						
Chief Executive and executive directors						
Dr. Ge Li	—	30,377	11,423	74	10,300	52,174
Dr. Steve Qing Yang	—	6,723	2,655	—	5,119	14,497
Dr. Minzhang Chen	—	7,562	9,162	—	7,277	24,001
Executive directors						
Mr. Zhaohui Zhang	—	5,346	2,461	267	2,790	10,864
Mr. Edward Hu	—	7,316	1,826	74	4,832	14,048
Non-executive directors						
Mr. Xiaomeng Tong	—	—	—	—	—	—
Dr. Yibing Wu	—	—	—	—	—	—
Independent non-executive directors						
Mr. Dai Feng	400	—	—	—	—	400
Ms. Christine Shaohua Lu-Wong	400	—	—	—	—	400
Dr. Wei Yu	400	—	—	—	—	400
Dr. Xin Zhang	400	—	—	—	—	400
Ms. Zhiling Zhan	400	—	—	—	—	400
Total	2,000	57,324	27,527	415	30,318	117,584

14. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

	Fees RMB'000	Salaries RMB'000	Performance related bonuses RMB'000	Retirement benefit scheme contribution RMB'000	Share-based compensation RMB'000	Total RMB'000
For the year ended December 31, 2023						
Chief Executive and executive directors						
Dr. Ge Li	—	30,273	11,627	69	19,962	61,931
Dr. Steve Qing Yang	—	5,425	2,168	—	9,925	17,518
Dr. Minzhang Chen	—	7,678	3,254	—	13,996	24,928
Executive directors						
Mr. Zhaohui Zhang	—	4,502	2,287	258	5,384	12,431
Dr. Ning Zhao	—	976	—	—	—	976
Mr. Edward Hu	—	5,932	2,366	76	9,375	17,749
Non-executive directors						
Mr. Xiaomeng Tong	—	—	—	—	—	—
Dr. Yibing Wu	—	—	—	—	—	—
Independent non-executive directors						
Dr. Jiangnan Cai (Note i)	167	—	—	—	—	167
Dr. Hetong Lou (Note i)	167	—	—	—	—	167
Mr. Xiaotong Zhang (Note i)	167	—	—	—	—	167
Ms. Yan Liu (Note i)	167	—	—	—	—	167
Mr. Dai Feng	400	—	—	—	—	400
Ms. Christine Shaohua Lu-Wong (Note ii)	233	—	—	—	—	233
Dr. Wei Yu (Note ii)	233	—	—	—	—	233
Dr. Xin Zhang (Note ii)	233	—	—	—	—	233
Ms. Zhiling Zhan (Note ii)	233	—	—	—	—	233
Total	2,000	54,786	21,702	403	58,642	137,533

Note i: From May 31, 2023, Dr. Jiangnan Cai, Dr. Hetong Lou, Mr. Xiaotong Zhang and Ms. Yan Liu no longer served as Independent non-executive directors due to the expiration of the term of office of the first Board of Directors.

Note ii: Ms. Christine Shaohua Lu-Wong, Dr. Wei Yu, Dr. Xin Zhang and Ms. Zhiling Zhan have been appointed as Independent non-executive directors since May 31, 2023.

14. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

No emolument of non-executive director was recognised during the year 2024 (2023: Nil).

The independent non-executive directors' emoluments shown above were for their services as the directors of the Company.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

Five highest paid individuals' emoluments

The five individuals with the highest emoluments in the Group for the year ended December 31, 2024 include five directors (2023: five directors) disclosed above, details of whose remuneration are set out as above. No remaining emoluments of the highest paid individual for the year ended December 31, 2024 (2023: Nil) were as follows:

The emoluments of the five highest paid individuals were within the following bands:

	Number of individuals	
	Year ended 31/12/2024	Year ended 31/12/2023
HKD11,500,001 to HKD12,000,000	**1**	—
HKD13,500,001 to HKD14,000,000	**—**	1
HKD15,000,001 to HKD15,500,000	**1**	—
HKD15,500,001 to HKD16,000,000	**1**	—
HKD19,000,001 to HKD19,500,000	**—**	1
HKD19,500,001 to HKD20,000,000	**—**	1
HKD25,500,001 to HKD26,000,000	**1**	—
HKD27,500,001 to HKD28,000,000	**—**	1
HKD56,000,001 to HKD56,500,000	**1**	—
HKD68,500,001 to HKD69,000,000	**—**	1
Total	**5**	5

During the year of 2024, Nil of H shares under 2022 WuXi AppTec H Share Award and Trust Scheme were awarded to chief executive and executive directors and executive directors in respect of their services to the Group (2023: Nil), further details of which are included in the disclosures in Note 44 to the consolidated financial statements. The fair value of these H shares, which has been recognised in the consolidated statement of profit or loss over the lock-up period, was determined as at the date of grant and the amount included in the consolidated financial statements for the current year is included in the above executive directors' remuneration disclosures.

15. EARNINGS PER SHARE

Continuing Operations

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

	Year ended 31/12/2024 ***RMB'000***	Year ended 31/12/2023 *RMB'000*
Earnings:		
Profit attributable to owners of the Company	**9,352,608**	10,690,153
Less: Loss for the year from discontinued operations	**(1,829,090)**	(544,499)
Cash dividends attribute to the shareholders of restricted shares expected to be unlocked in the future	**—**	149
Earnings for the purpose of calculating basic earnings per share from continuing operations	**11,181,698**	11,234,503
Effect of dilutive potential ordinary shares:		
Add: Cash dividends attribute to the shareholders of restricted shares expected to be unlocked in the future	**—**	149
Effect of incentive schemes issued by a subsidiary	**—**	(360)
Effect of incentive schemes issued by an associate	**(22,644)**	—
Effect of the conversion of the convertible bonds	**—**	(36,337)
Earnings for the purpose of calculating diluted earnings per share from continuing operations	**11,159,054**	11,197,955

	Year ended 31/12/2024	Year ended 31/12/2023
Number of Shares ('000):		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**2,885,201**	2,934,188
Effect of dilutive potential ordinary shares:		
Effect of incentive schemes issued by the Company	**8,686**	13,926
Effect of the conversion of the convertible bonds	**—**	1,773
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**2,893,887**	2,949,887

15. EARNINGS PER SHARE (continued)

Continuing and Discontinued Operations

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

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Earnings for the purpose of basic earnings per share	**9,352,608**	10,690,004
Effect of dilutive potential ordinary shares:		
Add: Cash dividends attribute to the shareholders of restricted shares expected to be unlocked in the future	**—**	149
Effect of incentive schemes issued by a subsidiary	**—**	(360)
Effect of incentive schemes issued by an associate	**(22,644)**	—
Effect of the conversion of the convertible bonds	**—**	(36,337)
Earnings for the purpose of calculating diluted earnings per share	**9,329,964**	10,653,456

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

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

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

16. DIVIDENDS

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

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
2023 Final — RMB0.98974 (inclusive of tax) per ordinary share (2022: RMB0.89266)	**2,882,051**	2,649,084

Subsequent to the end of the reporting period, the Board of the Company proposes the 2024 Profit Distribution Plan as follows: a cash dividend of RMB9.8169 (2023: RMB9.8974) (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB2,835,113,437.82 (2023: RMB2,882,050,829.90) (inclusive of tax) based on the total issued share capital of the Company as at March 17, 2025). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly. The 2024 Profit Distribution Plan is subject to, amongst others, approval by the Shareholders at the forthcoming AGM.

17. PROPERTY, PLANT AND EQUIPMENT

	Building RMB'000	Machinery RMB'000	Furniture, fixtures and equipment RMB'000	Transportation equipment RMB'000	Others RMB'000	Leasehold improvement RMB'000	CIP RMB'000	Total RMB'000
COST								
At January 1, 2023	5,794,631	3,967,143	10,033,399	29,049	4,576	2,746,115	7,473,305	30,048,218
Additions	–	24,003	81,464	–	–	7,639	4,578,495	4,691,601
Transfers from CIP	1,902,835	1,142,095	1,778,782	2,502	–	111,015	(4,937,229)	–
CIP transfer to IA	–	–	–	–	–	–	(128,525)	(128,525)
Disposals	(4,931)	(68,021)	(94,855)	(1,151)	(4,592)	(10,854)	(18,732)	(203,136)
Exchange rate realignment	1,182	10,339	29,011	–	16	23,901	15,078	79,527
At December 31, 2023	7,693,717	5,075,559	11,827,801	30,400	–	2,877,816	6,982,392	34,487,685
Additions	**–**	**34,668**	**31,607**	**–**	**–**	**6,882**	**3,477,464**	**3,550,621**
Transfers from CIP	**1,400,389**	**1,845,432**	**953,475**	**5,319**	**–**	**169,703**	**(4,374,318)**	**–**
CIP transfer to IA	**–**	**–**	**–**	**–**	**–**	**–**	**(68,934)**	**(68,934)**
Disposals	**(24,648)**	**(22,351)**	**(154,793)**	**(5,646)**	**–**	**(199,794)**	**(8,585)**	**(415,817)**
Reclassified as held for sale	**–**	**(682,484)**	**(43,234)**	**–**	**–**	**(1,441,567)**	**(92,346)**	**(2,259,631)**
Exchange rate realignment	**6,329**	**33,272**	**3,916**	**–**	**–**	**26,064**	**50,121**	**119,702**
At December 31, 2024	**9,075,787**	**6,284,096**	**12,618,772**	**30,073**	**–**	**1,439,104**	**5,965,794**	**35,413,626**
DEPRECIATION AND IMPAIRMENT								
At January 1, 2023	1,316,431	1,197,039	3,128,067	15,669	257	945,872	–	6,603,335
Provided for the year	383,743	332,892	1,181,720	3,241	–	219,565	–	2,121,161
Impairment loss	–	–	–	–	–	42,879	–	42,879
Eliminated on disposals	(3,466)	(50,852)	(77,865)	(1,044)	(267)	(7,667)	–	(141,161)
Exchange rate realignment	191	9,658	2,136	–	10	5,047	–	17,042
At December 31, 2023	1,696,899	1,488,737	4,234,058	17,866	–	1,205,696	–	8,643,256
Provided for the year	**448,806**	**601,351**	**1,318,751**	**3,403**	**–**	**224,909**	**–**	**2,597,220**
Impairment loss	**–**	**301**	**63,931**	**–**	**–**	**28,481**	**–**	**92,713**
Eliminated on disposals	**(22,607)**	**(17,381)**	**(106,851)**	**(4,964)**	**–**	**(49,098)**	**–**	**(200,901)**
Reclassified as held for sale	**–**	**(491,207)**	**(30,315)**	**–**	**–**	**(491,632)**	**–**	**(1,013,154)**
Exchange rate realignment	**529**	**21,007**	**2,224**	**–**	**–**	**2,895**	**–**	**26,655**
At December 31, 2024	**2,123,627**	**1,602,808**	**5,481,798**	**16,305**	**–**	**921,251**	**–**	**10,145,789**
CARRYING VALUE								
At December 31, 2023	5,996,818	3,586,822	7,593,743	12,534	–	1,672,120	6,982,392	25,844,429
At December 31, 2024	**6,952,160**	**4,681,288**	**7,136,974**	**13,768**	**–**	**517,853**	**5,965,794**	**25,267,837**

17. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment except for construction in progress are depreciated on a straight-line basis after taking into account of the residual value as follows:

Building	4.5%–20% per annum
Machinery	9%–33% per annum
Furniture, fixtures and equipment	9%–20% per annum
Transportation equipment	9%–20% per annum
Others	18.00%–33.33% per annum
Leasehold improvement	over the shorter of the lease term or the expected useful life

Impairment assessment

The recoverable amounts of the machinery and furniture, fixtures and equipment, have been determined based on their fair value less costs of disposal. The Group estimates the fair value less costs of disposal of the assets based on past experience and factors such as market conditions.

18. RIGHT-OF-USE ASSETS

	Leasehold lands *RMB'000*	Land and buildings *RMB'000*	Others *RMB'000*	Total *RMB'000*
As at December 31, 2024				
Carrying amount	**973,808**	**892,070**	**8,960**	**1,874,838**
As at December 31, 2023				
Carrying amount	**957,125**	**1,391,213**	**—**	**2,348,338**
For the year ended December 31, 2024				
Depreciation charge	**(21,379)**	**(252,345)**	**(723)**	**(274,447)**
Capitalised in construction in progress	**4,172**	**7,736**	**—**	**11,908**
	(17,207)	**(244,609)**	**(723)**	**(262,539)**
For the year ended December 31, 2023				
Depreciation charge	**(13,595)**	**(224,113)**	**—**	**(237,708)**

18. RIGHT-OF-USE ASSETS (continued)

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Expense relating to short-term leases	**8,492**	1,656
Expense relating to leases of low-value assets, excluding short-term leases of low value assets	**5,191**	6,596
Total cash outflow for leases	**344,787**	436,120
Reclassified as held for sale	**523,557**	—
Additions to right-of-use assets	**447,846**	735,645

Note:

Impairment assessment

The recoverable amounts of the leasehold lands and land and buildings have been determined based on their value in use. The relevant assets were impaired to their recoverable amount of RMB7,800,000 (2023: Nil), which is their carrying values at year end and the impairment of RMB16,370,000 (2023: Nil) has been recognised in profit or loss during the year.

The Group regularly entered into short-term leases for buildings and equipment. As at December 31, 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

The amounts of the Group's lease liabilities and interest expense on lease liabilities are disclosed in Note 39 and Note 10, respectively. For the year ended December 31, 2024, the lease agreements do not impose any covenants other than the security interests in the leased assets except for leasehold lands that are held by the lessor. Leased buildings and others may not be used as security for borrowing purposes.

19. GOODWILL

	31/12/2024 *RMB'000*	31/12/2023 *RMB'000*
COST		
At the beginning of year	**2,093,358**	2,042,863
Exchange rate realignment	**24,836**	50,495
Reclassified as held for sale	**(756,716)**	—
At the end of year	**1,361,478**	2,093,358
IMPAIRMENT		
At the beginning of year	**272,485**	220,761
Additions	**110,428**	49,606
Exchange rate realignment	**6,213**	2,118
At the end of year	**389,126**	272,485
CARRYING VALUES		
At the end of year	**972,352**	1,820,873

Particulars regarding impairment assessment on goodwill are disclosed in Note 21.

20. OTHER INTANGIBLE ASSETS

	Trademark RMB'000	Software and others RMB'000	Customer relationship RMB'000	Patent and proprietary technology RMB'000	Total RMB'000
COST					
At January 1, 2023	160,601	497,531	412,846	419,001	1,489,979
Additions	—	1,397	—	—	1,397
Transfer from CIP	—	128,525	—	—	128,525
Disposals	—	(8,502)	—	—	(8,502)
Exchange rate realignment	11,396	1,327	4,494	12,884	30,101
At December 31, 2023	171,997	620,278	417,340	431,885	1,641,500
Additions	**—**	**1,540**	**—**	**—**	**1,540**
Transfer from CIP	**—**	**68,934**	**—**	**—**	**68,934**
Disposals	**—**	**(13,805)**	**—**	**—**	**(13,805)**
Reclassified as held for sale	**(157,224)**	**(9,630)**	**—**	**(178,371)**	**(345,225)**
Exchange rate realignment	**2,896**	**3,570**	**7,596**	**3,211**	**17,273**
At December 31, 2024	**17,669**	**670,887**	**424,936**	**256,725**	**1,370,217**
AMORTIZATION					
At January 1, 2023	36,978	209,239	137,253	100,123	483,593
Charge for the year	16,596	70,281	22,478	34,911	144,266
Eliminated on disposals	—	(5,943)	—	—	(5,943)
Exchange rate realignment	2,589	1,026	1,357	2,022	6,994
At December 31, 2023	56,163	274,603	161,088	137,056	628,910
Charge for the year	**16,039**	**79,636**	**17,713**	**33,938**	**147,326**
Eliminated on disposals	**—**	**(13,302)**	**—**	**—**	**(13,302)**
Reclassified as held for sale	**(60,269)**	**(9,351)**	**—**	**(45,584)**	**(115,204)**
Exchange rate realignment	**941**	**1,219**	**2,694**	**864**	**5,718**
At December 31, 2024	**12,874**	**332,805**	**181,495**	**126,274**	**653,448**
IMPAIRMENT					
At January 1, 2023	—	—	80,055	—	80,055
Impairment for the year	2,006	—	22,515	—	24,521
Exchange rate realignment	—	—	1,338	—	1,338
At December 31, 2023	2,006	—	103,908	—	105,914
Impairment for the year	**—**	**—**	**6,494**	**—**	**6,494**
Exchange rate realignment	**47**	**—**	**3,319**	**—**	**3,366**
At December 31, 2024	**2,053**	**—**	**113,721**	**—**	**115,774**
CARRYING VALUES					
At December 31, 2023	113,828	345,675	152,344	294,829	906,676
At December 31, 2024	**2,742**	**338,082**	**129,720**	**130,451**	**600,995**

20. OTHER INTANGIBLE ASSETS (continued)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Items	Periods
Trademark	10–30 years
Software and others	5–10 years
Customer relationship	10–15 years
Patent and proprietary technology	5–18 years

For the year ended December 31, 2024, an impairment loss of RMB6,494,000 (2023: RMB24,521,000) is recognised for trademark and customer relationship. Details are set out in note 21.

21. IMPAIRMENT ASSESSMENT ON GOODWILL

The cash flows generated from each subsidiary acquired are independent from those of the other subsidiaries of the Group. Therefore, each of these acquired subsidiaries is a separate cash-generating unit. Management of the Group considered that the synergies arising from each acquisition mainly benefited the corresponding acquired subsidiary. Therefore, for the purposes of impairment assessment, goodwill set out in Note 19 has been allocated to corresponding subsidiaries acquired (nine individual CGUs), comprising the following:

Unit A — DMPK/ADME Services (XenoBiotic Laboratories, Inc)

Unit B — SMO Services (Shanghai MedKey Med-Tech Development Co., Ltd)

Unit C — Advanced Therapies Services and Medical Device Testing Services (WuXi AppTec, Inc)

Unit D — Structure-based Drug Discovery Services (Crelux GmbH)

Unit E — Test Analysis-Drug Evaluation and Test (HD Biosciences (China) Co., Ltd.)

Unit G — Statistical Analysis of Clinical Research Data Services (Pharmapace, Inc)

Unit H — Laboratory-used Biological Assets Cultivation Business (Suzhou Kanglu Biotechnology Co., Ltd.)

Unit J — Drug Quality Analysis and Production Release Solution Services (Nanjing Milestone Pharma Co., Ltd.)

Unit K — Advanced Therapies Product Development and Manufacturing Services (Oxford Genetics Limited)

21. IMPAIRMENT ASSESSMENT ON GOODWILL (continued)

The carrying amounts of goodwill allocated to these units are as follows:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Unit A	**37,167**	37,167
Unit B	**932**	932
Unit C	**—**	170,013
Unit D	**33,718**	32,688
Unit E	**688,722**	688,722
Unit G	**—**	107,495
Unit H	**106,300**	106,300
Unit J	**105,513**	105,513
Unit K	**—**	572,043
	972,352	1,820,873

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarized below:

	Carrying amounts RMB'million	Recoverable amounts RMB'million	Projection period	Key Assumption for projection period (Pre-tax discount rate)	Basis for determining key assumption for projection period	Key Assumption for long-term period (Growth rate)	Basis for determining key assumption for long-term period
Unit A	252.74	744.02	5 years	20%	Reflection of the enterprise's situation and related specific risks	3%	Consideration of the long-term average growth rate of the product, market, industry, country or region in which the enterprise operates.
Unit B	11.96	1,144.59	5 years	16%		3%	
Unit D	114.01	250.16	5 years	16%		3%	
Unit E	961.24	1,243.39	5 years	14%		3%	
Unit G	157.40	40.48	5 years	17%		2%	
Unit H	1,064.97	1,127.34	5 years	13%		3%	
Unit J	232.76	298.36	5 years	16%		2%	
Total	2,795.08	4,848.34	/	/	/	/	/

The carrying amount of these units consists of goodwill, property, plant and equipment and intangible assets etc. The recoverable amounts of these units have been determined based on a value in use calculation.

21. IMPAIRMENT ASSESSMENT ON GOODWILL (continued)

During the year ended December 31, 2024, the carrying amount of Unit G was RMB157.40 million and the recoverable amount was RMB40.48 million. The impairment loss of goodwill amounting to RMB110,428,000 and the impairment loss of customer relationship amounting to RMB6,494,000 allocated to Unit G are recognised.

As at December 31, 2024, Unit C and Unit K has been reclassified as held for sale assets.

The management of the Group assessed that any reasonably possible change in any of these assumptions would not cause the carrying amounts of Unit A, B, D, E, H and J to exceed their respective recoverable amounts as at December 31, 2024. No impairment loss in relation to goodwill in Unit A, B, D, E, H and J is recognised for the year ended December 31, 2024.

22. INTERESTS IN ASSOCIATES

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
At the beginning of the year	**2,180,396**	1,135,669
Addition	**12,220**	—
Disposal (Note)	**(191,941)**	(29,080)
Share of current year results	**252,138**	(35,076)
Gain on deemed disposal of associates	**—**	1,097,611
Pick up on incentive schemes issued by associates	**31,487**	—
Dividends	**—**	(8,754)
Exchange rate realignment	**37,870**	20,026
At the end of the year	**2,322,170**	2,180,396
Fair value of listed investments (Note)	**10,549,774**	11,626,240

Note:

During the year ended December 31, 2024, the Group disposed of part of its shareholding in an associate, WuXi XDC Cayman Inc., the disposal of the investment cost, share of results and gain on deemed disposal was RMB188,972,000.

The fair value of listed investments is determined based on the quoted market bid price multiplied by the quantity of shares held by the Group.

22. INTERESTS IN ASSOCIATES (continued)

Details of the Group's major associates at the end of the reporting period are as follow:

Name of entities	Countries of incorporation/ registration	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
		December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023	
WuXi XDC Cayman Inc.	Cayman	**30.33%**	33.40%	**30.33%**	33.40%	CRDMO company focused on Antibody-Drug Conjugates
WuXi Healthcare Ventures II, L.P. ("Fund II") (Note i)	Cayman	**17.31%**	17.31%	**17.31%**	17.31%	Investment platform

Note i:

The Group occupies two of five general partners seats who manage the funds' day to day investment and disposition activities on behalf of the fund.

No additional disclosure of financial information of associates as there is no individually material associate.

Aggregate information of associates that are not individually material

	31/12/2024 *RMB'000*	31/12/2023 *RMB'000*
The Group's share of results	**252,138**	(35,076)
The Group's share of other comprehensive income	**37,870**	20,026
The Group's share of total comprehensive income (expense)	**290,008**	(15,050)
Aggregate carrying amount of the Group's interests in these associates	**2,322,170**	2,180,396

23. INTERESTS IN JOINT VENTURES

	31/12/2024 RMB'000	31/12/2023 RMB'000
At the beginning of the year	**35,234**	67,262
Disposal	**(25,291)**	—
Share of current year results	**(7,073)**	(32,484)
Exchange rate realignment	**508**	456
At the end of the year	**3,378**	35,234

Details of the Group's major joint ventures at the end of the reporting period are as follows:

Name of entities	Countries of incorporation / registration	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	
WuXi MedImmune Biopharmaceutical Co. Limited	Hong Kong	**0.00%**	50.00%	**0.00%**	50.00%	Investment holding company
SEA HC Co-GP Limited	Cayman	**50.00%**	50.00%	**50.00%**	50.00%	Fund management company

No additional disclosure of financial information of joint ventures as there is no individually material joint venture.

Aggregate information of joint ventures that are not individually material

	31/12/2024 RMB'000	31/12/2023 RMB'000
The Group's share of loss	**(7,073)**	(32,484)
The Group's share of other comprehensive income	**508**	456
The Group's share of total comprehensive expense	**(6,565)**	(32,028)
Aggregate carrying amount of the Group's interests in these joint ventures	**3,378**	35,234

24. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is a summary of the deferred tax balances for financial reporting purposes:

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Deferred tax assets	**473,067**	366,691
Deferred tax liabilities	**(522,414)**	(530,107)
	(49,347)	(163,416)

24. DEFERRED TAXATION (continued)

	Deferred tax assets									Deferred tax liabilities							
	Tax losses	Impairment allowance	Share-based payment	Accrual expenses	Deferred income	Depreciation difference	Derivative financial instruments	Lease liabilities	Others	Intangible assets arising from acquisition of subsidiaries	Depreciation difference	Capital investments FV change	Biological assets FV change	Derivative financial instruments	Right-of-use assets	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1,2023 (Restated)	188,056	45,919	129,500	55,782	118,343	93,348	17,317	220,686	99,605	(123,499)	(253,361)	(129,348)	(197,680)	(20,345)	(191,916)	(758)	51,649
(Charge) credit to profit or loss	(102,512)	35,450	(6,437)	45,649	31,919	(9,402)	–	49,802	(81,005)	21,804	(21,977)	(84,749)	(20,209)	–	(48,318)	275	(189,710)
Credit (charge) to OCI	–	–	–	–	–	–	65,593	–	–	–	–	–	–	(48,486)	–	–	17,107
Exchange rate realignment	2,448	332	(152)	811	–	14	(101)	2,542	722	(1,685)	(2,858)	(1,702)	–	515	(2,028)	(10)	(1,152)
Effect of tax rate change	(23,843)	(274)	(2,159)	–	(3,824)	(11,210)	–	–	–	–	–	–	–	–	–	–	(41,310)
At December 31, 2023	64,149	81,427	120,752	102,242	146,438	72,750	82,809	273,030	19,322	(103,380)	(278,196)	(215,799)	(217,889)	(68,316)	(242,262)	(493)	(163,416)
Credit (charge) to profit or loss	**68,449**	**(9,936)**	**(30,041)**	**41,327**	**504**	**(7,987)**	**2,343**	**17,155**	**(12,191)**	**10,345**	**11,782**	**(28,739)**	**15,777**	**–**	**(17,107)**	**(2,357)**	**59,324**
(Charge) credit to OCI	**–**	**–**	**–**	**–**	**–**	**–**	**(54,390)**	**–**	**–**	**–**	**–**	**–**	**–**	**70,180**	**–**	**–**	**15,790**
Transfer to held for sale	**–**	**(8,286)**	**(22,188)**	**(19,599)**	**–**	**–**	**–**	**(125,786)**	**(3,009)**	**43,651**	**83,198**	**–**	**–**	**–**	**105,973**	**346**	**54,300**
Exchange rate realignment	**89**	**1,040**	**975**	**942**	**–**	**15**	**2,388**	**1,633**	**469**	**(1,250)**	**(4,046)**	**(3,267)**	**–**	**(1,864)**	**(830)**	**(19)**	**(3,725)**
Effect of tax rate change	**–**	**–**	**–**	**–**	**–**	**(11,620)**	**–**	**1,568**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,568)**	**–**	**(11,620)**
At December 31, 2024	**132,687**	**64,245**	**69,498**	**124,912**	**146,942**	**53,158**	**33,150**	**167,600**	**4,591**	**(50,634)**	**(187,262)**	**(247,805)**	**(202,112)**	**–**	**(155,794)**	**(2,523)**	**(49,347)**

24. DEFERRED TAXATION (continued)

Balances of deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised due to the unpredictability of future profits stream are as follows:

	31/12/2024 RMB'000	31/12/2023 RMB'000
Deductible temporary differences	**232,737**	223,948
Unused tax losses	**1,969,686**	2,591,079
	2,202,423	2,815,027

The unused tax losses will be carried forward and expire in years as follows:

	31/12/2024 RMB'000	31/12/2023 RMB'000
2024	**—**	21,963
2025	**76,402**	23,082
2026	**89,018**	49,726
2027	**255,250**	231,557
2028	**222,540**	210,827
2029 and later	**1,326,476**	2,053,924
	1,969,686	2,591,079

At the end of each of the reporting period, no deferred tax liability has been recognised in respect of the temporary differences associated with undistributed earnings of overseas subsidiaries because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

25. OTHER NON-CURRENT ASSETS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Deposits	**48,088**	54,379
Prepaid expenses (non-current) and others	**66,574**	51,376
	114,662	105,755

26. BIOLOGICAL ASSETS

The biological assets of the Group are cynomolgus non-human primates, including cynomolgus monkeys for CRO experiment, which are classified as current assets and cynomolgus monkeys for breeding, which are classified as non-current assets of the Group.

Carrying value of the Group's biological assets

	Cynomolgus monkeys for breeding *RMB'000*	Cynomolgus monkeys for experiment *RMB'000*	Total *RMB'000*
Carrying value at January 1, 2023	937,985	1,037,275	1,975,260
Add: Purchases	—	63,492	63,492
Breeding costs	—	65,779	65,779
Decrease due to mortality	(20,445)	(13,135)	(33,580)
Decrease due to experiments	—	(302,618)	(302,618)
Gain arising from changes in fair value less costs to sell of biological assets	303,288	95,410	398,698
Transfer among group of monkeys	(208,350)	208,350	—
Carrying value at December 31, 2023	1,012,478	1,154,553	2,167,031

	Cynomolgus monkeys for breeding ***RMB'000***	**Cynomolgus monkeys for experiment** ***RMB'000***	**Total** ***RMB'000***
Carrying value at January 1, 2024	**1,012,478**	**1,154,553**	**2,167,031**
Add: Purchases	**—**	**19,860**	**19,860**
Breeding costs	**—**	**67,661**	**67,661**
Decrease due to mortality	**(18,694)**	**(12,728)**	**(31,422)**
Decrease due to experiments	**—**	**(361,330)**	**(361,330)**
Decrease due to sales	**—**	**(33)**	**(33)**
Gain (loss) arising from changes in fair value less costs to sell of biological assets	**282,937**	**(126,255)**	**156,682**
Transfer among group of monkeys	**(213,752)**	**213,752**	**—**
Carrying value at December 31, 2024	**1,062,969**	**955,480**	**2,018,449**

26. BIOLOGICAL ASSETS (continued)

Carrying value of the Group's biological assets (continued)

Analysed for reporting purposes as:

	31/12/2024 RMB'000
Current	**955,480**
Non-current	**1,062,969**
Total	**2,018,449**

Fair value measurement

The Group's biological assets were valued by Shanghai Orient Appraisal Co., Ltd. ("Shanghai Orient"), a firm of independent qualified professional valuers unrelated to the Group. The fair value less costs to sell of biological assets are determined as follows:

Fair value hierarchy	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
Level 3	Market approach — sales comparison method	Recent trading price and adjustment factors based on the characteristics of the biological assets (including age information, species, health status and etc).	The higher adjustment factors, the higher the fair value.

Changes in fair value less costs to sell of biological assets include changes in the fair value of the monkeys at the end of each reporting period.

27. INVENTORIES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Raw material and consumables	**1,046,719**	1,062,896
Work in progress	**989,886**	823,675
Finished goods	**1,495,478**	999,523
	3,532,083	2,886,094

No inventory (December 31, 2023: Nil) is expected to be recovered after more than 12 months.

28. CONTRACT COSTS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Costs to fulfill contracts	**912,184**	695,583

The contract fulfillment cost is amortised at the time of fulfillment of the related performance obligation or in accordance with the progress of fulfilling the related performance obligation, and is recorded in profit or loss for the year.

29. TRADE AND OTHER RECEIVABLES/CONTRACT ASSETS

29.1 TRADE AND OTHER RECEIVABLES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Trade receivables		
— third parties	**8,325,152**	8,197,486
Less: Allowance for credit losses	**(461,416)**	(373,169)
	7,863,736	7,824,317
Note receivable	**92,673**	20,197
Total trade and note receivables	**7,956,409**	7,844,514
Other receivables	**80,436**	122,431
Prepayments	**225,725**	243,663
Interest receivables	**15,440**	10,175
Prepaid expenses	**32,545**	29,521
Value added tax recoverable	**1,306,456**	1,096,507
Deposits	**26,706**	25,930
	1,687,308	1,528,227
Total trade and other receivables	**9,643,717**	9,372,741

As at January 1, 2023, trade receivables from contracts with customers amounted to RMB5,860,753,000.

29. TRADE AND OTHER RECEIVABLES/CONTRACT ASSETS (continued)

29.1 TRADE AND OTHER RECEIVABLES (continued)

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

	31/12/2024 RMB'000	31/12/2023 RMB'000
Within 180 days	**6,983,531**	6,742,842
181 days to 1 year	**296,917**	489,381
1 year to 2 years	**452,237**	477,383
More than 2 years	**223,724**	134,908
	7,956,409	7,844,514

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date on which the credit was initially granted up to the reporting date. Details of impairment assessment of trade and other receivables are set out in Note 30.

29.2 CONTRACT ASSETS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Contract assets	**995,684**	1,244,817
Less: Allowance for credit losses	**(6,848)**	(10,423)
	988,836	1,234,394

As at January 1, 2023, contract assets amounted to RMB1,048,155,000.

The contract assets represent primarily amounts that the Group is entitled to receive from customers before the customer pays following the satisfaction of its performance obligations. During the period in which the services are performed, the Group first recognises the work performed as a contract asset representing the consideration that the Group is entitled to receive for the services transferred to date, and the Group reclassifies the recognised contract asset to account receivable when it obtains the unconditional right to collect from the customer.

30. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of each reporting period, the Group's maximum exposure to credit risk which cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of the financial position.

Credit terms are granted to customers who are in good credit reputation. In order to minimize the credit risk, the Group reviews the recoverable amount of each individual trade debt periodically and the management also has monitoring procedures to ensure the follow-up action is taken to recover overdue debts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

In order to minimize credit risk, the Group has also tasked its finance team to develop and maintain the Group's credit risk grading to categorize exposures according to their degree of risk of default. Management uses publicly available financial information and the Group's own historical repayment records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

At December 31, 2024, the Group had concentration of credit risk from the five largest customers as 26.89% (December 31, 2023: 20.12%) of the total gross trade receivables (including those contract assets and amounts due from related parties of trade nature).

The aggregate gross amount of the Group's trade receivables, contract assets and amounts due from related parties of trade nature as at December 31, 2024 is RMB9,408,801,000 (December 31, 2023: RMB9,519,367,000).

For trade receivables, contract assets and amounts due from related parties of trade nature under IFRS 9, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by categorizes its customers into three types: strategic type customers, normal risk type customers, and high risk type customers, based on the reputation, external credit rating, financial quality of debtors and historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

30. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK (continued)

The following table details the risk profile of trade receivables, contract assets and amounts due from related parties of trade nature:

High risk type customers

	At December 31, 2024	At December 31, 2023
Weighted average ECL rate	**100.00%**	100.00%
Total gross amount (RMB'000)	**67,374**	47,418
Lifetime ECL (RMB'000)	**(67,374)**	(47,418)
	—	—

Strategic type customers

	At December 31, 2024	At December 31, 2023
Weighted average ECL rate	**1.05%**	1.21%
Total gross amount (RMB'000)	**5,973,467**	5,552,829
Lifetime ECL (RMB'000)	**(63,015)**	(66,973)
	5,910,452	5,485,856

Normal risk type customers

	At December 31, 2024	At December 31, 2023
Weighted average ECL rate	**10.03%**	6.87%
Total gross amount (RMB'000)	**3,367,960**	3,919,120
Lifetime ECL (RMB'000)	**(337,875)**	(269,201)
	3,030,085	3,649,919

30. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK (continued)

Carrying amount of trade receivables and amounts due from related parties of trade nature by ECL stages

At December 31, 2024

	Lifetime ECL (not credit impaired)	**Lifetime ECL (credit impaired)**	**Total**
Weighted average ECL rate	**1.59%**	**33.74%**	**5.48%**
Total gross amount (RMB'000)	**7,392,967**	**1,020,150**	**8,413,117**
Lifetime ECL (RMB'000)	**(117,226)**	**(344,190)**	**(461,416)**
	7,275,741	**675,960**	**7,951,701**

At December 31, 2023

	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Weighted average ECL rate	1.36%	30.82%	4.51%
Total gross amount (RMB'000)	7,389,504	885,046	8,274,550
Lifetime ECL (RMB'000)	(100,415)	(272,754)	(373,169)
	7,289,089	612,292	7,901,381

30. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK (continued)

Carrying amount of contract assets by ECL stages

At December 31, 2024

	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Weighted average ECL rate	**0.61%**	**100.00%**	**0.69%**
Total gross amount (RMB'000)	**994,881**	**803**	**995,684**
Lifetime ECL (RMB'000)	**(6,045)**	**(803)**	**(6,848)**
	988,836	**—**	**988,836**

At December 31, 2023

	Lifetime ECL (not credit impaired)	Lifetime ECL (credit impaired)	Total
Weighted average ECL rate	0.84%	0.00%	0.84%
Total gross amount (RMB'000)	1,244,817	—	1,244,817
Lifetime ECL (RMB'000)	(10,423)	—	(10,423)
	1,234,394	—	1,234,394

30. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK (continued)

Carrying amount of contract assets by ECL stages (continued)

Movement in lifetime ECL that has been recognised for trade receivables and contract assets in accordance with the simplified approach set out in IFRS 9 at December 31, 2024 and 2023.

	Trade receivables (non-credit impaired) *RMB'000*	Trade receivables (credit impaired) *RMB'000*	Contract assets (non-credit impaired) *RMB'000*	Contract assets (credit-impaired) *RMB'000*	Total *RMB'000*
At January 1, 2023	(82,839)	(77,414)	(7,999)	—	(168,252)
— Impairment losses recognized	(27,882)	(210,521)	(2,490)	—	(240,893)
— Transfers	7,941	(7,941)	—	—	—
— Write-offs	—	23,122	—	—	23,122
— Exchange adjustment	2,365	—	66	—	2,431
At December 31, 2023	(100,415)	(272,754)	(10,423)	—	(383,592)
— Impairment losses (recognized) reversed	**(24,911)**	**(312,667)**	**3,256**	**—**	**(334,322)**
— Transfers	**7,800**	**(7,800)**	**860**	**(860)**	**—**
— Write-offs	**—**	**238,094**	**—**	**—**	**238,094**
— Transfer to held for sale assets	**1,968**	**10,937**	**330**	**57**	**13,292**
— Exchange adjustment	**(1,668)**	**—**	**(68)**	**—**	**(1,736)**
At December 31, 2024	**(117,226)**	**(344,190)**	**(6,045)**	**(803)**	**(468,264)**

30. OVERVIEW OF THE GROUP'S EXPOSURE TO CREDIT RISK (continued)

Movement in ECL

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Customer category	Trade receivables/ contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past due amounts	Strategic	Lifetime ECL	12-months ECL
Watch list	Debtors frequently repays after due date but usually settle after due date	Normal risk	Lifetime ECL	12-months ECL
Doubtful	There has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Normal risk	Lifetime ECL	Lifetime ECL
Loss	There is evidence indicating the asset is credit-impaired	High risk	Lifetime ECL	Lifetime ECL
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	High risk	Amount is written off	Amount is written off

For the purposes of impairment assessment, other receivables and amounts due from related parties of non-trade nature are considered to have low credit risk as the counterparties to these financial assets are mainly related parties and other parties with good reputation. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-months ECL. In determining the ECL for other receivables and amounts due from related parties of non-trade nature, the directors of the Company have taken into account the historical default experience and the future prospects of the industries and/or considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of the other receivables occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. The directors of the Company considered that the 12-months ECL allowance is insignificant at the end of each reporting period.

The Group also expects that there is no significant credit risk associated with pledged bank deposits and cash deposits at banks since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. The management of the Group does not expect that there will be any significant losses from non-performance by these counterparties. The credit risk on notes receivable is also assessed as limited because the counterparties are reputable banks with high credit ratings assigned by national credit agencies.

31. FINANCIAL ASSETS AT FVTPL

	31/12/2024 *RMB'000*	31/12/2023 *RMB'000*
Current asset		
Financial products	**1,233,984**	11,003
	1,233,984	11,003
Non-current assets		
Listed equity securities	**238,067**	483,868
Unlisted equity investments (Note i)	**6,867,581**	6,600,451
Unlisted fund investments (Note ii)	**1,837,756**	1,541,690
	8,943,404	8,626,009

Notes:

(i) As at December 31, 2024, the Group has irrevocably elected to measure investments amounted to RMB173,030,000 in associates held through venture capital organization of the Group at FVTPL in accordance with IFRS 9.

(ii) The fair values of the unlisted investment funds are based on the net asset values of the investment funds reported to the limited partners by the general partners at the end of the reporting period.

32. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS/TERM DEPOSITS WITH INITIAL TERM OF OVER THREE MONTHS

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

Term deposits held by the Group as at December 31, 2024 bear interests ranging from 1.50% to 4.73% per annum with a duration of 3–12 months (December 31, 2023: 5.25% to 6.03%).

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

33. DERIVATIVE FINANCIAL INSTRUMENTS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Current assets		
Derivatives under hedge accounting		
Cash flow hedges — Foreign currency forward contracts	—	414,035
Current liabilities		
Derivatives under hedge accounting		
Cash flow hedges — Foreign currency forward contracts	**186,697**	501,871
Other derivatives (not under hedge accounting)		
Foreign currency forward contracts	**15,339**	—
	202,036	501,871

Derivatives under hedge accounting

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

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

33. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Derivatives under hedge accounting (continued)

	Year ended December 31, 2024		
	Fair value change of derivative financial instruments recognised in other comprehensive income *RMB'000*	Reclassification from other comprehensive income into profit or loss *RMB'000*	Profit or loss item
Cash flow hedges			
Anticipated future sales	**(628,372)**	**533,764**	**Revenue**
	(628,372)	**533,764**	

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

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

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

34. OTHER CURRENT ASSETS

	31/12/2024 *RMB'000*	31/12/2023 *RMB'000*
Certificates of deposits	**734,078**	785,780

35. TRADE AND OTHER PAYABLES

	31/12/2024 *RMB'000*	31/12/2023 *RMB'000*
Trade payables	**1,736,625**	1,633,775
Note payable	**14,381**	—
Total trade and note payables	**1,751,006**	1,633,775
Salary and bonus payables	**2,147,243**	2,125,636
Payables for acquisition of plant and equipment	**1,820,146**	2,127,166
Accrued expenses	**715,605**	752,458
Other taxes payable	**339,840**	381,850
Interest payable	**26,620**	22,293
Others	**225,041**	282,112
Considerations received from employees for subscribing restricted A shares of the Company under the WuXi AppTec A Share Incentive Scheme	**—**	8,237
	7,025,501	7,333,527

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

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

36. CONTRACT LIABILITIES

	31/12/2024 RMB'000	31/12/2023 RMB'000
Amounts received in advance for delivery of services	**2,251,025**	1,955,363

As at January 1, 2023, contract liabilities amounted to RMB2,496,637,000.

Revenue of RMB1,440,396,000 was recognised during the year ended December 31, 2024 (December 31, 2023: RMB2,033,518,000) that was included in the contract liabilities at the beginning of the relevant year. The carrying value of contractual liabilities at year-end is expected to be fully recognised as revenue within three years.

37. DEFERRED INCOME

	31/12/2024 RMB'000	31/12/2023 RMB'000
R&D grants and others related to property, plant and equipment (Note i)	**983,968**	1,073,321
Other subsidies (Note ii)	**1,644**	6,611
	985,612	1,079,932

Notes:

i. The Group received R&D grants for capital expenditure incurred for the acquisition of plant and machines. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

ii. Other subsidies are generally provided in relation to the R&D activities of the Group. The grants were recognised in profit or loss as other income upon the Group complied with the conditions attached to the grants and the acknowledged acceptance of compliance.

38. BANK BORROWINGS

	31/12/2024 RMB'000	31/12/2023 RMB'000
Analyzed as:		
Unsecured and unguaranteed	**4,238,138**	4,408,662
	4,238,138	4,408,662

	31/12/2024 RMB'000	31/12/2023 RMB'000
Analyzed as:		
Fixed interest rate	**1,244,817**	4,408,662
Variable interest rate	**2,993,321**	—
	4,238,138	4,408,662

	31/12/2024 RMB'000	31/12/2023 RMB'000
Analyzed as:		
Current	**1,278,629**	3,721,645
Non-current	**2,959,509**	687,017
	4,238,138	4,408,662

38. BANK BORROWINGS (continued)

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
The carrying amounts of the above borrowings are repayable:		
Within one year	**1,278,629**	3,721,645
Within a period of more than one year but not exceeding two years	**70,877**	30,085
Within a period of more than two years but not exceeding five years	**2,684,036**	381,117
Exceeding five years	**204,596**	275,815
	4,238,138	4,408,662
Less: Amounts due within one year shown under current liabilities	**(1,278,629)**	(3,721,645)
Amounts shown under non-current liabilities	**2,959,509**	687,017

The ranges of effective interest rates on the Group's fixed and variable-rate bank borrowings are as follows:

	31/12/2024	31/12/2023
Effective interest rate:		
Fixed rate bank borrowings	**1.00%–3.70%**	0.00%–3.90%
Variable rate bank borrowings	**2.70%–6.45%**	N/A

39. LEASE LIABILITIES

	31/12/2024 *RMB'000*	31/12/2023 *RMB'000*
Lease liabilities payable:		
Within one year	**224,158**	240,452
Within a period of more than one year but not exceeding two years	**186,911**	196,473
Within a period of more than two years but not exceeding five years	**175,075**	423,412
Within a period of more than five years	**184,575**	478,667
	770,719	1,339,004
Less: Amount due for settlement with 12 months shown under current liabilities	**(224,158)**	(240,452)
Amount due for settlement after 12 months shown under non-current liabilities	**546,561**	1,098,552

The weighted average incremental borrowing rates applied to lease liabilities range from 3.45% to 4.20% (2023: from 3.65% to 4.30%).

During the Reporting Period, lease liabilities amounting to RMB617,645,000 (2023: Nil) were reclassified to liabilities associated with assets classified as held for sale, details are disclosed in Note 12.

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	Euro *RMB equivalent'000*	**Singapore Dollar** *RMB equivalent'000*
As at December 31, 2024	**117,252**	**6,812**
As at December 31, 2023	3,838	164

40. CONVERTIBLE BONDS

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

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

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

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

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

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

41. SHARE CAPITAL/TREASURY SHARES

Share Capital

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

41. SHARE CAPITAL/TREASURY SHARES (continued)

Treasury Shares

	RMB'000
At January 1, 2023	2,745,245
Repurchase and cancellation of restricted A shares	(13,245)
WuXi AppTec A Share Incentive Scheme-Restricted Shares vested	(105,598)
2020 WuXi AppTec H Share Award and Trust Scheme vested	(105,214)
2021 WuXi AppTec H Share Award and Trust Scheme vested	(333,065)
2022 WuXi AppTec H Share Award and Trust Scheme vested	(213,231)
Repurchase of ordinary H shares	1,181,786
Effects of payments of dividend	(149)
At December 31, 2023 and January 1, 2024	**3,156,529**
WuXi AppTec A Share Incentive Scheme-Restricted Shares vested	**(4,484)**
2020 WuXi AppTec H Share Award and Trust Scheme vested	**(107,487)**
2021 WuXi AppTec H Share Award and Trust Scheme vested	**(314,209)**
2022 WuXi AppTec H Share Award and Trust Scheme vested	**(198,462)**
Cancellation of ordinary H shares	**(1,181,786)**
Repurchase of ordinary H shares	**908,908**
At December 31, 2024	**2,259,009**

42. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the reporting period.

The capital structure of the Group consists of debts, which includes borrowings and non-trade nature amounts due to related parties, convertible bonds, lease liabilities, net of bank balances and cash and equity attributable to owners of the Company, comprising share capital, reserves and non-controlling interests.

The management of the Group regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through the payment of dividends and new shares issues as well as the issue of new debts and redemption of existing debts.

43. FINANCIAL INSTRUMENTS

Categories of financial instruments

	31/12/2024 *RMB'000*	31/12/2023 *RMB'000*
Financial assets		
Financial assets measured at fair value	**10,177,388**	9,051,047
Financial assets measured at amortised cost	**27,214,913**	22,517,160
	37,392,301	31,568,207
Financial liabilities		
Financial liabilities measured at fair value	**202,036**	501,871
Financial liabilities measured at amortised cost	**11,569,380**	8,493,792
	11,771,416	8,995,663

Financial risk management objectives and policies

The Group's major financial assets and liabilities include financial assets and liabilities at FVTPL, trade and other receivables, amounts due from related parties, pledged bank deposits, bank balances and cash, term deposits with initial term of over three months, certificates of deposits, trade and other payables, amounts due to related parties, derivative financial instruments, convertible bonds and bank borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to currency risk, interest rate risk and other price risk. There has been no change in the Group's and the Company's exposure to these risks or the manner in which it managed and measured the risks during the reporting period.

Currency risk

It is the policy of the Group to enter into foreign exchange forward contracts to manage the risk associated with anticipated sales and purchase transactions denominated in USD within the next year (as detailed in Note 33).

43. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Currency risk (continued)

The carrying amounts of the Group's main foreign currency denominated monetary assets (trade and other receivables, bank balances and cash, term deposits with initial term of over three months, pledged bank deposits and amounts due from related parties) and liabilities (trade and other payables and amounts due to related parties) at the end of each reporting period are summarized as follows:

	31/12/2024 *RMB'000*	31/12/2023 *RMB'000*
Assets		
USD	**4,393,287**	4,323,622
Liabilities		
USD	**36,962**	32,571

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in USD against RMB, the foreign currency with which the Group may have a material exposure. 5% represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis uses outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rate. A positive number below indicates an increase in profit where USD strengthens 5% against RMB. For a 5% weakening of USD against RMB, there would be an equal and opposite impact on profit.

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Impact on profit or loss		
USD	**163,880**	161,849

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

43. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. The directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant, therefore no sensitivity analysis on such risk has been prepared.

For the other variable interest rate bank borrowings without hedging interest rate risk, the balance are RMB2,993,321,000 at the year ended December 31, 2024 (December 31, 2023: Nil). If the interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's profit would decrease/increase by RMB12,210,000 for the year ended December 31, 2024 (2023: Nil).

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Other price risk

The Group is also exposed to equity price risk arising from non-current financial assets at FVTPL.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the reporting date for non-current financial assets at FVTPL.

If the prices of the respective equity instruments had been changed based on the 5% higher/lower, the profit before tax for the year ended December 31, 2024 would increase/decrease by RMB447,170,000 (2023: RMB431,300,000), as a result of the changes in fair value of non-current financial assets at FVTPL.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and unused banking facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments is prepared based on the contractual settlement dates as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

43. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

Liquidity and interest risk tables

	Weighted average interest rate	On demand or less than one year	One to five years	Over five years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024						
Trade and other payables	**N/A**	**3,822,813**	**—**	**—**	**3,822,813**	**3,822,813**
Amounts due to related parties	**N/A**	**15,345**	**—**	**—**	**15,345**	**15,345**
Bank borrowings						
— Fixed interest rate	**2.32**	**1,249,598**	**—**	**—**	**1,249,598**	**1,244,817**
— Variable	**4.60**	**34,585**	**3,057,458**	**240,500**	**3,332,543**	**2,993,321**
Lease liabilities	**3.45–4.20**	**254,910**	**392,775**	**209,296**	**856,981**	**770,719**
Convertible bonds	**4.86**	**3,660,350**	**—**	**—**	**3,660,350**	**3,493,084**
Total		**9,037,601**	**3,450,233**	**449,796**	**12,937,630**	**12,340,099**
Derivatives — net settlement						
Foreign currency forward contracts	**N/A**	**202,036**	**—**	**—**	**202,036**	**202,036**
Total		**202,036**	**—**	**—**	**202,036**	**202,036**
As at December 31, 2023						
Trade and other payables	N/A	4,073,583	—	—	4,073,583	4,073,583
Amounts due to related parties	N/A	11,547	—	—	11,547	11,547
Bank borrowings						
— Fixed interest rate	2.59	3,751,237	466,252	335,975	4,553,464	4,408,662
Lease liabilities	3.65–4.30	297,876	751,575	584,242	1,633,693	1,339,004
Total		8,134,243	1,217,827	920,217	10,272,287	9,832,796
Derivatives — net settlement						
Foreign currency forward contracts	N/A	501,871	—	—	501,871	501,871
Total		501,871	—	—	501,871	501,871

43. FINANCIAL INSTRUMENTS (continued)

Fair value measurement

This note provides information about how the Group determines fair value of the following financial assets that are measured at fair value on a recurring basis.

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Financial assets	Fair value as at 31/12/2024 RMB'000	Fair value as at 31/12/2023 RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Financial products	**1,233,984**	11,003	Level 2	Discounted cash flow — Future cash flows are estimated based on expected return	N/A	N/A
Investments in listed companies at fair value	**238,067**	483,868	Level 1	Active market quoted transaction price	N/A	N/A
Investments in unlisted funds at fair value	**1,837,756**	1,541,690	Level 3	Net asset value of underlying investments value	Net asset value	The higher net asset value, the higher the fair value
Unlisted equity investments at fair value	**6,867,581**	6,600,451	Level 3	Back-solve from recent transaction price Market multiple method	IPO/Redemption/ Liquidation probability/ risk-free rate/ expected volatility/ recent transaction price/ liquidity discount	The higher the expected volatility, or the lower risk-free rate, or the higher recent transaction price, or the lower liquidity discount, the higher the fair value
Foreign currency forward contracts	**—**	414,035	Level 2	Discounted cash flow — Future cash flows are estimated based on observable forward exchange rates and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties	N/A	N/A

43. FINANCIAL INSTRUMENTS (continued)

Fair value measurement (continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (continued)

Financial liabilities	Fair value as at 31/12/2024 *RMB'000*	Fair value as at 31/12/2023 *RMB'000*	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Foreign currency forward contracts	**202,036**	501,871	Level 2	Discounted cash flow — Future cash flows are estimated based on observable forward exchange rates and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties	N/A	N/A

There were no transfers between level 1 and level 2 during the year.

(ii) Reconciliation of level 3 fair value measurements

Details of reconciliation of financial assets at FVTPL measured at Level 3 fair value measurement are set out as below:

	Unlisted fund investments at fair value *RMB'000*
At January 1, 2023	1,135,455
Addition	449,017
Changes in fair value	(8,063)
Disposal	(5,759)
Dividend	(43,756)
Exchange rate realignment	14,796
At December 31, 2023	**1,541,690**
Addition	**181,087**
Changes in fair value	**170,045**
Disposal	**(10,650)**
Dividend	**(76,269)**
Exchange rate realignment	**31,853**
At December 31, 2024	**1,837,756**

43. FINANCIAL INSTRUMENTS (continued)

Fair value measurement (continued)

(ii) Reconciliation of level 3 fair value measurements (continued)

	Unlisted equity investments at fair value *RMB'000*
At January 1, 2023	6,839,202
Transfer to Level 1 (Note i)	(58,566)
Changes in fair value	(216,379)
Addition	111,058
Disposal	(159,679)
Effect of exchange rate change	84,815
At December 31, 2023	**6,600,451**
Changes in fair value	**(18,967)**
Addition	**191,029**
Disposal	**(49,783)**
Effect of exchange rate change	**144,851**
At December 31, 2024	**6,867,581**

Note i: Structure Therapeutics, Inc. was listed on NASDAQ Stock Exchange at February 3, 2023. Since then, its open market transaction prices can be obtained from the active market, thus the Group classified the fair value hierarchy of the investment from level 3 to level 1.

Fair value gains or losses on financial assets and liabilities at FVTPL are included in "other gains and losses" of the total gains or losses for the year ended December 31, 2024, RMB164,837,000 (2023: RMB71,077,000 loss) was unrealized fair value gain related to financial assets and liabilities at FVTPL on Level 3 fair value measurement held at December 31, 2024.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group's current financial assets and current financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

44. SHARE-BASED COMPENSATION

STA Share Units and Options Incentive Scheme

Set out below are details of the movements of the outstanding units and options granted under the STA Share Units and Options Incentive Scheme throughout the reporting period:

	Outstanding at January 1, 2024	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at December 31, 2024
STA Share Units and Options Incentive Scheme	33,138	—	(33,138)	—	—
Total	33,138	—	(33,138)	—	—

The Group recognised share-based compensation expense of RMB199,000 during the year ended December 31, 2024 (2023: RMB886,000), in relation to STA Share Option Incentive Scheme.

2019 WuXi AppTec A Share Incentive Scheme — Restricted Shares

Set out below are details of the movements of the outstanding units granted under the 2019 WuXi AppTec A Share Incentive Scheme-Restricted Shares throughout the reporting period:

	Outstanding at January 1, 2024	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at December 31, 2024
2019 WuXi AppTec A Share Incentive Scheme — Restricted Shares	83,629	—	(83,629)	—	—
Total	83,629	—	(83,629)	—	—

For the year ended December 31, 2024, the Group has recorded share-based expenses of RMB112,000 (2023: RMB746,000) in relation to 2019 WuXi AppTec A Share Incentive Scheme — Restricted Shares.

44. SHARE-BASED COMPENSATION (continued)

2020 WuXi AppTec H Share Award and Trust Scheme

In August 2020, the first extraordinary general meeting of 2020 approved the resolution in relation to the proposed adoption of the 2020 WuXi AppTec H Share Award and Trust Scheme ("2020 H Share Award Scheme") and authorized Board of Directors of the Company to handle related matters. Under 2020 H Share Award Scheme, the Company has signed a trust deed with Computershare Hong Kong Trustees Limited (the "Trustee") and provided Trustee with funds in the amount of not more than HKD700 million to purchase H shares of the Company through on-market transactions from time to time at the prevailing market price.

In December 2020, Board of Directors of the Company passed a resolution to grant 5,498,666 H Shares of the Company to 2,444 eligible employees. These granted awarded H Shares have four vesting periods, with 25%, 25%, 25% and 25% of the awards within the year immediately following the first, second, third and fourth anniversary date of the grant date upon meeting certain annual performance conditions. As at the end of the reporting period, all this batch has been vested.

In June 2021, Board of Directors of the Company passed a resolution to grant 134,654 H Shares of the Company to 31 eligible employees. These granted awarded H Shares have four vesting periods, with 0%, 25%, 25% and 50% of the awards within the year immediately following the first, second, third and fourth anniversary date of the employed date upon meeting certain annual performance conditions.

In November 2021, Board of Directors of the Company passed a resolution to grant 93,677 H Shares of the Company to 26 eligible employees. These granted awarded H Shares have four vesting dates, with 25%, 25%, 25% and 25% of the awards on August 1, 2022, July 31, 2023, July 31, 2024 and July 31, 2025 upon meeting certain annual performance conditions.

In January 2022, Board of Directors of the Company passed a resolution to grant 160,894 H Shares of the Company to 46 eligible employees. These granted awarded H Shares have four vesting dates, with 0%, 25%, 25% and 50% of the awards on the first trading day in the Shares of the Company immediately following the first, second, third and fourth anniversary date of the employed date upon meeting certain annual performance conditions.

44. SHARE-BASED COMPENSATION (continued)

2020 WuXi AppTec H Share Award and Trust Scheme (continued)

Details of specific categories of awarded H shares are as follows:

Categories	Date of grant	Number of Awarded H shares
Dr. Ge Li	02/12/2020	106,449
Mr. Edward Hu	02/12/2020	53,224
Dr. Steve Qing Yang	02/12/2020	53,224
Mr. Zhaohui Zhang	02/12/2020	23,655
Dr. Minzhang Chen	02/12/2020	35,483
Dr. Shuhui Chen	02/12/2020	35,483
Mr. Harry Liang He	02/12/2020	7,885
Ms. Minfang Zhu	02/12/2020	2,628
Ms. Wendy J. Hu	02/12/2020	5,256
Employees	02/12/2020	5,175,379
Employees	01/06/2021	134,654
Employees	10/11/2021	93,677
Employees	21/01/2022	160,894

Note: The number of 2020 H Share Awarded Scheme — Batch one has been enlarged following the implementation of the 2020 Profit Distribution Plan on June 8, 2021 under which 2 capitalization shares were issued for every existing 10 Shares held by the Shareholders on June 7, 2021 (being the relevant record date) by way of capitalization of reserve.

Set out below are details of the movements of the outstanding units granted under the 2020 H Share Award Scheme throughout the reporting period:

	Outstanding at January 1, 2024	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at December 31, 2024
2020 H Share Award Scheme	1,435,587	—	(1,254,692)	(98,895)	82,000
Total	1,435,587	—	(1,254,692)	(98,895)	82,000

44. SHARE-BASED COMPENSATION (continued)

2020 WuXi AppTec H Share Award and Trust Scheme (continued)

The fair value of the awarded shares was calculated based on the market price of the Company's H shares at the respective grant date.

Categories	Grant date price *HKD*	Grant date price (Adjusted) *HKD*
2020 H Share Award Scheme — Batch one	119.40	99.50
2020 H Share Award Scheme — Batch two	174.80	174.80
2020 H Share Award Scheme — Batch three	157.00	157.00
2020 H Share Award Scheme — Batch four	121.00	121.00

The outstanding units at 31 December 2024 had a remaining contractual life of 0~1 years (2023: 0.99~2 years).

For the year ended December 31, 2024, the Group has recorded share-based expenses of RMB24,658,000 (2023: RMB61,995,000) in relation to 2020 H Share Award Scheme.

2021 WuXi AppTec H Share Award and Trust Scheme

In August 2021, the first extraordinary general meeting of 2021 approved the resolution in relation to the proposed adoption of the 2021 WuXi AppTec H Share Award and Trust Scheme ("2021 H Share Award Scheme") and authorized Board of Directors of the Company to handle related matters. Under 2021 H Share Award Scheme, the Company has signed a trust deed with Trustee and provided Trustee with funds in the amount of not more than HKD2 billion to purchase H shares of the Company through on-market transactions from time to time at the prevailing market price.

In November 2021, Board of Directors of the Company passed a resolution to grant 11,664,074 H Shares of the Company to 3,261 eligible employees. These granted awarded H Shares have four vesting periods, with 25%, 25%, 25% and 25% of the awards within the year immediately following the first, second, third and fourth anniversary date of the grant date upon meeting certain annual performance conditions.

In September 2022, Board of Directors of the Company passed a resolution to grant 152,780 H Shares of the Company to 30 eligible employees. These granted awarded H Shares have four vesting dates, with 0%, 25%, 25% and 50% of the awards on the first trading day in the Shares of the Company immediately following the first, second, third and fourth anniversary date of the employed date upon meeting certain annual performance conditions.

In January 2023, Board of Directors of the Company passed a resolution to grant 103,699 H Shares of the Company to 21 eligible employees. These granted awarded H Shares have four vesting dates, with 0%, 25%, 25% and 50% of the awards on the first trading day in the Shares of the Company immediately following the first, second, third and fourth anniversary date of the employed date upon meeting certain annual performance conditions.

44. SHARE-BASED COMPENSATION (continued)

2021 WuXi AppTec H Share Award and Trust Scheme (continued)

Details of specific categories of awarded H shares are as follows:

Categories	Date of grant	Number of Awarded H shares
Dr. Ge Li	23/11/2021	157,729
Mr. Edward Hu	23/11/2021	70,563
Dr. Steve Qing Yang	23/11/2021	75,423
Mr. Zhaohui Zhang	23/11/2021	52,576
Dr. Minzhang Chen	23/11/2021	99,709
Ms. Minfang Zhu	23/11/2021	4,100
Ms. Wendy J. Hu	23/11/2021	8,199
Ms. Hui Xu	23/11/2021	22,909
Employees	23/11/2021	11,172,866
Employees	07/09/2022	152,780
Employees	06/01/2023	103,699

Set out below are details of the movements of the outstanding units granted under the 2021 H Share Award Scheme throughout the reporting period:

	Outstanding at January 1, 2024	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at December 31, 2024
2021 H Share Award Scheme	5,112,585	—	(2,327,198)	(361,164)	2,424,223
Total	5,112,585	—	(2,327,198)	(361,164)	2,424,223

44. SHARE-BASED COMPENSATION (continued)

2021 WuXi AppTec H Share Award and Trust Scheme (continued)

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date.

Categories	Grant date price *HKD*
2021 H Share Award Scheme — Batch one	154.50
2021 H Share Award Scheme — Batch two	81.00
2021 H Share Award Scheme — Batch three	91.05

The outstanding units at 31 December 2024 had a remaining contractual life of 0.91~2.08 years (2023: 1.91~3.08 years).

For the year ended December 31, 2024, the Group has recorded share-based expenses of RMB155,191,000 (2023: RMB306,534,000) in relation to 2021 H Share Award Scheme.

2022 WuXi AppTec H Share Award and Trust Scheme

In October 2022, the first extraordinary general meeting of 2022 approved the resolution in relation to the proposed adoption of the 2022 WuXi AppTec H Share Award and Trust Scheme ("2022 H Share Award Scheme") and authorized Board of Directors of the Company to handle related matters. Under 2022 H Share Award Scheme, the Company has signed a trust deed with Trustee and provided Trustee with funds in the amount of not more than HKD2 billion to purchase H shares of the Company through on-market transactions from time to time at the prevailing market price, and in any event the maximum number of H Shares to be so acquired by the Trustee shall be determined by the Board and/or the Delegatee (pursuant to the authorization to be granted by the Shareholders) which shall not exceed 10% (including 10%) above the total number of H Shares acquired by the trustee of the 2021 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder.

In December 2022, Board of Directors of the Company passed a resolution to grant 12,622,067 H Shares of the Company to 3,696 eligible employees. These granted awarded H Shares have four vesting periods, with 25%, 25%, 25% and 25% of the awards within the year immediately following the first, second, third and fourth anniversary date of the grant date upon meeting certain annual performance conditions.

In June 2023, Board of Directors of the Company passed a resolution to grant 122,878 H Shares of the Company to 26 eligible employees. These granted awarded H Shares have four vesting dates, with 0%, 25%, 25% and 50% of the awards on the first trading day in the Shares of the Company immediately following the first, second, third and fourth anniversary date of the employed date upon meeting certain annual performance conditions.

44. SHARE-BASED COMPENSATION (continued)

2022 WuXi AppTec H Share Award and Trust Scheme (continued)

In January 2024, Board of Directors of the Company passed a resolution to grant 73,389 H Shares of the Company to 14 eligible employees. These granted awarded H Shares have four vesting dates, with 0%, 25%, 25% and 50% of the awards on the first trading day in the Shares of the Company immediately following the first, second, third and fourth anniversary date of the employed date upon meeting certain annual performance conditions.

In June 2024, Board of Directors of the Company passed a resolution to grant 218,651 H Shares of the Company to 24 eligible employees. These granted awarded H Shares have four vesting dates, with 0%, 25%, 25% and 50% of the awards on the first trading day in the Shares of the Company immediately following the first, second, third and fourth anniversary date of the employed date upon meeting certain annual performance conditions.

Details of specific categories of awarded H shares are as follows:

Categories	**Date of grant**	**Number of Awarded H shares**
Dr. Ge Li	20/12/2022	399,683
Mr. Edward Hu	20/12/2022	189,849
Dr. Steve Qing Yang	20/12/2022	201,565
Dr. Minzhang Chen	20/12/2022	307,596
Mr. Zhaohui Zhang	20/12/2022	99,921
Ms. Ming Shi	20/12/2022	46,990
Ms. Hui Xu	20/12/2022	31,798
Ms. Wendy J. Hu	20/12/2022	6,245
Ms. Minfang Zhu	20/12/2022	3,122
Mr. Hongping Wan	20/12/2022	3,312
Mr. Huitian Lv	20/12/2022	5,873
Employees	20/12/2022	11,326,113
Employees	20/06/2023	122,878
Employees	8/1/2024	73,389
Employees	18/6/2024	218,651

44. SHARE-BASED COMPENSATION (continued)

2022 WuXi AppTec H Share Award and Trust Scheme (continued)

Set out below are details of the movements of the outstanding units granted under the 2022 H Share Award Scheme throughout the reporting period:

	Outstanding at January 1, 2024	Granted during the year	Vested during the year	Forfeited during the year	Outstanding at December 31, 2024
2022 H Share Award Scheme	9,074,928	292,040	(2,789,358)	(643,667)	5,933,943
Total	9,074,928	292,040	(2,789,358)	(643,667)	5,933,943

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date.

Categories	Grant date price *HKD*
2022 H Share Award Scheme — Batch one	73.90
2022 H Share Award Scheme — Batch two	67.45
2022 H Share Award Scheme — Batch three	72.15
2022 H Share Award Scheme — Batch four	31.45

The outstanding units at 31 December 2024 had a remaining contractual life of 1.92~3.47 years (2023: 2.92~3.42 years).

For the year ended December 31, 2024, the Group has recorded share-based expenses of RMB186,591,000 (2023: RMB378,910,000) in relation to 2022 H Share Award Scheme.

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Dividends payable	Convertible bonds	Lease liabilities	Considerations received for subscribing restricted A shares	Bank borrowings	Interest payable	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	—	649,924	1,189,154	128,621	4,153,206	3,409	6,124,314
Financing cash flows	(2,649,084)	(76,850)	(314,003)	(425)	255,065	(106,709)	(2,892,006)
Non-cash changes							
— Accrued interest expense	—	3,940	53,604	—	—	147,067	204,611
— Dividends declared	2,649,084	—	—	(149)	—	—	2,648,935
— Restricted A shares vested	—	—	—	(105,598)	—	—	(105,598)
— Right-of-use assets addition	—	—	413,015	—	—	—	413,015
— Right-of-use assets disposal	—	—	(22,026)	—	—	—	(22,026)
— Conversion of convertible bonds into shares	—	(528,239)	—	—	—	—	(528,239)
— Fair value gain	—	(40,174)	—	—	—	—	(40,174)
— Foreign exchange effects	—	(8,601)	19,260	—	(21,083)	—	(10,424)
— Other	—	—	—	(14,212)	21,474	(21,474)	(14,212)
At December 31, 2023	—	—	1,339,004	8,237	4,408,662	22,293	5,778,196
Financing cash flows	**(2,882,051)**	**3,521,497**	**(294,453)**	**—**	**(201,734)**	**(202,826)**	**(59,567)**
Non-cash changes							
— Accrued interest expense	**—**	**40,834**	**52,531**	**—**	**—**	**216,532**	**309,897**
— Dividends declared	**2,882,051**	**—**	**—**	**—**	**—**	**—**	**2,882,051**
— Restricted A shares vested	**—**	**—**	**—**	**(4,484)**	**—**	**—**	**(4,484)**
— Right-of-use assets addition	**—**	**—**	**410,718**	**—**	**—**	**—**	**410,718**
— Right-of-use assets disposal	**—**	**—**	**(164,401)**	**—**	**—**	**—**	**(164,401)**
— Reclassified as held for sale	**—**	**—**	**(617,645)**	**—**	**—**	**—**	**(617,645)**
— Foreign exchange effects	**—**	**92,403**	**44,965**	**—**	**21,831**	**—**	**159,199**
— Other	**—**	**—**	**—**	**(3,753)**	**9,379**	**(9,379)**	**(3,753)**
At December 31, 2024	**—**	**3,654,734**	**770,719**	**—**	**4,238,138**	**26,620**	**8,690,211**

46. CAPITAL COMMITMENTS

The Group had capital commitments under non-cancellable contracts as follows:

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Commitments for the acquisition of property, plant and equipment	**6,411,676**	4,694,857

47. RETIREMENT BENEFIT PLANS

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefits schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes is to make the specified contributions.

The total cost charged to profit or loss in respect of the above-mentioned schemes amounted to approximately RMB1,217,998,000 for the year ended December 31, 2024 (2023: RMB1,180,401,000).

The Group has a defined contribution plan in the USA where participating employees may contribute to the plan 1% to 99% of their eligible annual compensation as defined in the Plan, up to the Internal Revenue Service contribution (the "IRS contribution") limit of USD23,000 for the year ended December 31, 2024.

The Group makes a matching contribution of participants' elective deferral contribution of 100% of the first 2% and 50% for the next 4% of eligible participant contributions, with a maximum matching contribution of 4% of eligible participant compensation.

The total cost charged to expense in respect to the above-mentioned defined contribution plan amounted to approximately USD6,558,000 equivalent to RMB47,268,000 (2023: USD6,593,000 equivalent to RMB46,709,000) for the year ended December 31, 2024.

48. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at December 31, 2024 (December 31, 2023: Nil).

49. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the years presented. In the opinion of the directors, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(1) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the reporting period.

Companies	Relationship
Shanghai Waigaoqiao WuXi AppTec Incubator Management Co., Ltd.	Joint venture
WuXi MedImmune Biopharmaceutical Co. Limited	Joint venture
SEA HC GP Pte. Ltd.	A subsidiary of joint venture
Jing Medicine Technology (Shanghai) Ltd.	Associate
PICA Health Technologies Limited	Associate
Suzhou WuXi Huiju Private Fund Management Co., Ltd.	Associate
WuXi XDC (Changzhou) Co., Ltd.	A subsidiary of associate
WuXi XDC (Shanghai) Co., Ltd.	A subsidiary of associate
WuXi XDC Co., Ltd.	A subsidiary of associate
Shanghai Housheng Investment Center LP	Fellow subsidiary
Chengdu Kangde Renze Real Estate Co., Ltd.	Fellow subsidiary
WuXi Biologics Biosafety Testing (Suzhou) Co., Ltd.	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company
WuXi Biologics (Shanghai FX) Co., Ltd. (formerly known as WuXi Biopharmaceuticals (Shanghai) Co., Ltd.)	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company
WuXi Biologics Co., Ltd.	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company
WuXi Biologics (Shanghai) Co., Ltd.	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company
WuXi Biologics (Suzhou) Co., Ltd.	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company

49. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(1) Names and relationships with related parties (continued)

Companies	Relationship
WuXi Biologics (Hebei) Co., Ltd.	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company
WuXi Biologics (Hangzhou FTZ) Co., Ltd.	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company
Acellytron Therapeutics (Suzhou) Ltd.	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company
D3 Bio, Inc.	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company
Bestchrom (Shanghai) Biosciences Co. Ltd.	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company
Suzhou Vaccines Co., Ltd.	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company
WuXi Biologics (Hong Kong) Limited	Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company

(2) Related party transactions:

(a) Provision of R&D service

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
An associate	**9,752**	9,549
Subsidiaries of associates	**135,740**	162,928
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	**50,341**	19,994
	195,833	192,471

49. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(2) Related party transactions: (continued)

(b) R&D service received

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Subsidiaries of associates	**7,131**	10,008
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	**1,597**	1,753
	8,728	11,761

(c) Provision of administrative service

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Subsidiaries of associates	**4,644**	1,303
A subsidiary of joint venture	**7,804**	8,095
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	**3,221**	6,666
	15,669	16,064

(d) Provision of premises leasing services

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
A subsidiary of associate	**2,298**	4,210
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	**1,811**	1,229
	4,109	5,439

49. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(2) Related party transactions: (continued)

(e) Purchase of property and equipment

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
A fellow subsidiary	**51**	215
A subsidiary of associate	**1,907**	—
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	**10**	—
	1,968	215

(f) Purchase of raw materials

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	**777**	344
	777	344

(g) Sales of raw materials

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
A subsidiary of associate	**2,251**	3,134
	2,251	3,134

49. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(2) Related party transactions: (continued)

(h) Interest expenses on lease liabilities

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
A joint venture	—	234
	—	234

(i) Depreciation charge on right-of-use assets

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
A joint venture	—	2,279
	—	2,279

(j) Capital contribution

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
An associate	12,220	—
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	72,565	—
	84,785	—

(k) Disposal of the equity investment

	Year ended 31/12/2024 RMB'000	Year ended 31/12/2023 RMB'000
Joint ventures	25,291	—
An associate	2,969	—
	28,260	—

49. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(2) Related party transactions: (continued)

(l) Donations from related parties

	Year ended 31/12/2024 ***RMB'000***	Year ended 31/12/2023 *RMB'000*
A fellow subsidiary	**180,000**	180,000
	180,000	180,000

(3) Related party balances

AMOUNTS DUE FROM RELATED PARTIES

	31/12/2024 ***RMB'000***	31/12/2023 *RMB'000*
Trade receivables		
An associate	**1,187**	911
Subsidiaries of associates	**68,825**	67,488
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	**17,953**	8,665
	87,965	77,064
Non-trade related		
Other receivables		
A subsidiary of associate	**—**	5,970
A subsidiary of joint venture	**1,288**	996
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	**—**	2,672
Other receivables	**1,288**	9,638
Total amounts due from related parties	**89,253**	86,702

49. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(3) Related party balances (continued)

AMOUNTS DUE FROM RELATED PARTIES (continued)

The Group allows a credit period within 90 days to its customers. The Group's majority trade related amounts due from related parties could be recovered within the credit period.

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

As at December 31, 2024, included in the contract assets of the Group is RMB8,980,000 (December 31, 2023: RMB2,242,000) due from an associate, a subsidiary of associate and entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company.

AMOUNTS DUE TO RELATED PARTIES

	31/12/2024 ***RMB'000***	31/12/2023 *RMB'000*
Trade payables		
Subsidiaries of associates	**11,029**	10,717
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	**2,406**	830
	13,435	11,547
Other payables		
A subsidiary of associate	**1,910**	—
	15,345	11,547

49. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(3) Related party balances (continued)

AMOUNTS DUE TO RELATED PARTIES (continued)

As at December 31, 2024, included in the contract liabilities of the Group is RMB4,642,000 (December 31, 2023: RMB4,020,000) received from an associate and entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company in advance of delivery of services.

As at December 31, 2024, included in the prepayment of the Group is Nil (December 31, 2023: RMB1,002,000) to entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company.

(4) Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management of the Group during the reporting period were as follows:

	Year ended 31/12/2024 ***RMB'000***	Year ended 31/12/2023 *RMB'000*
Director Fee	**2,000**	2,000
Salaries and other benefits	**65,908**	67,609
Performance-based bonus	**29,722**	26,296
Share-based compensation	**32,128**	67,220
	129,758	163,125

The remuneration of key management is determined with reference to the performance of the individuals and market trends.

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

50.1 General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Full Name of subsidiaries	Place and date of Incorporation/ establishment	Type of legal entity under PRC law	Authorized share capital/ Registered capital	Attributable equity interest held by the Company as at December 31, 2024		December 31, 2023		Principal activities
				Direct	Indirect	Direct	Indirect	
WXAT Shanghai (上海藥明康德新藥開發有限公司)	PRC/ April 2, 2002	Limited liability company	RMB12,457,200,000	**100.00%**	**—**	100.00%	—	Discovery, research and development of small molecule drugs
Shanghai SynTheAll Pharmaceutical Co., Ltd. (上海合全藥業股份有限公司) ("STA")	PRC/ January 23, 2003	Limited liability company	RMB531,338,441	**—**	**98.90%**	—	98.71%	Process development, improvement and production services for small molecule drugs
Shanghai STA Pharmaceutical R&D Co., Ltd. (上海合全藥物研發有限公司) ("STARD")	PRC/ April 15, 2011	Limited liability company	RMB330,000,000	**—**	**98.90%**	—	98.71%	Process development, services for small molecule drugs
Changzhou SynTheAll Pharmaceutical Co., Ltd. (常州合全藥業有限公司) ("STACZ")	PRC/ September 29, 2013	Limited liability company	RMB4,049,900,000	**—**	**98.90%**	—	98.71%	Process development, improvement and production services for small molecule drugs
WuXi AppTec (Wuhan) Co., Ltd. (武漢藥明康德新藥開發有限公司) ("WXAT Wuhan")	PRC/ November 12, 2010	Limited liability company	RMB196,238,960	**60.00%**	**40.00%**	60.00%	40.00%	Discovery, research and development of small molecule drugs
WuXi AppTec (Nantong) Co., Ltd. (南通藥明康德醫藥科技有限公司) ("WXAT Nantong")	PRC/ April 26, 2018	Limited liability company	RMB1,532,550,000	**—**	**100.00%**	—	100.00%	Pharmaceutical research and development
WuXi AppTec (Suzhou) Co., Ltd. (蘇州藥明康德新藥開發有限公司) ("WXAT Suzhou")	PRC/ October 8, 2006	Limited liability company	RMB1,050,000,000	**80.06%**	**19.94%**	80.06%	19.94%	Pharmacology, toxicology and safety evaluation research services
WuXi AppTec (Tianjin) Co., Ltd. (天津藥明康德新藥開發有限公司) ("WXAT Tianjin")	PRC/ June 5, 2006	Limited liability company	RMB800,000,000	**100.00%**	**—**	100.00%	—	Discovery, research and development of small molecule drugs
WuXi AppTec (Chengdu) Co., Ltd. (成都藥明康德新藥開發有限公司)	PRC/ September 20, 2017	Limited liability company	RMB550,000,000	**100.00%**	**—**	100.00%	—	New drug clinical development services and on-site management services

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

50.2 Details of non-wholly subsidiaries that have material non-controlling interests

	Principal place of business and place of incorporation	Proportion of ownership interests as at		Profit allocated to non-controlling interests for the year ended		Accumulated non-controlling interests as at	
		31/12/2024	31/12/2023	**31/12/2024**	31/12/2023	**31/12/2024**	31/12/2023
				RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
STA Group	PRC	**98.90%**	98.71%	**111,117**	102,819	**402,732**	351,298
Individually immaterial subsidiaries with non-controlling interests						**50,166**	43,693
Total						**452,898**	394,991

Summarized financial information in respect of STA Group is set out below. The summarized information below represents amounts before intragroup eliminations.

STA Group

	31/12/2024	31/12/2023
	RMB'000	*RMB'000*
Current assets	**35,629,951**	25,329,621
Non-current assets	**10,989,641**	11,448,448
Current liabilities	**9,554,889**	9,242,871
Non-current liabilities	**347,613**	393,717
Equity attributable to owners of the Company	**36,314,358**	26,790,183
Non-controlling interests	**402,732**	351,298

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

50.2 Details of non-wholly subsidiaries that have material non-controlling interests (continued)

STA Group (continued)

	Year ended 31/12/2024 *RMB'000*	Year ended 31/12/2023 *RMB'000*
Revenue	**23,081,500**	21,884,337
Expenses	**13,339,012**	14,548,238
Profit attributable to owners of the Company	**9,631,371**	7,233,280
Profit attributable to the non-controlling interests of STA Group	**111,117**	102,819
Profit for the year	**9,742,488**	7,336,099
Total comprehensive income attributable to owners of the Company	**9,399,803**	7,183,599
Total comprehensive income attributable to the non-controlling interests	**108,253**	101,437
Total comprehensive income for the year	**9,508,056**	7,285,036
Net cash inflow from operating activities	**10,637,567**	8,896,985

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

50.3 Change in ownership interest in subsidiaries

For the year ended December 31, 2024

During the year, WXAT Shanghai purchased non-controlling ordinary Shares of STA, which increased the Company's indirect equity interest in STA.

After the transactions as above, the Group increased its equity interest in STA from 98.71% at the beginning of the year to 98.90% at the end of the year.

For the year ended December 31, 2023

During the year, WXAT Shanghai purchased non-controlling ordinary Shares of STA, which increased the Company's indirect equity interest in STA.

After the transactions as above, the Group increased its equity interest in STA from 98.56% at the beginning of the year to 98.71% at the end of the year.

During the year, Shanghai MedKey Med-Tech Development Co., Ltd purchased non-controlling ordinary Shares of Wuxi MedKey Med-Tech Development Co., Ltd ("Wuxi MedKey"), which increased the Company's indirect equity interest in Wuxi MedKey.

After the transaction as above, the Group increased its equity interest in Wuxi MedKey from 80% at the beginning of the year to 100% at the end of the year.

51. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	31/12/2024 *RMB'000*	31/12/2023 *RMB'000*
Non-current Assets		
Interests in subsidiaries	**28,815,773**	27,646,950
Right-of-use assets	**79,233**	81,563
	28,895,006	27,728,513
Current Assets		
Amounts due from subsidiaries	**4,957,188**	9,400,492
Trade and other receivables	**8,153**	5,710
Income tax recoverable	**17,019**	—
Other current assets	**—**	785,780
Pledged bank deposits	**7**	10
Bank balances and cash	**3,689,050**	2,939,726
	8,671,417	13,131,718
Current Liabilities		
Trade and other payables	**85,869**	124,891
Amounts due to subsidiaries	**7,411,334**	7,878,044
Bank borrowings	**100,000**	—
Other current liabilities	**37,840**	—
Income tax payables	**—**	43,134
	7,635,043	8,046,069
Net Current Assets	**1,036,374**	5,085,649
Total Assets Less Current Liabilities	**29,931,380**	32,814,162
Net Assets	**29,931,380**	32,814,162
Capital and Reserves		
Share capital	**2,887,993**	2,968,845
Reserves	**27,043,387**	29,845,317
Total Equity	**29,931,380**	32,814,162

51. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves

	Share premium RMB'000	Treasury shares RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Share-based reserve payment RMB'000	Retained earnings RMB'000	Total RMB'000
At January 1, 2023	27,503,757	(2,745,246)	702,680	(59,241)	789,067	2,655,490	28,846,507
Profit and total comprehensive income for the year	—	—	—	—	—	3,206,616	3,206,616
Repurchase and cancellation of restricted A shares	(12,559)	13,245	—	—	—	—	686
Repurchase of ordinary H shares	—	(1,181,786)	—	—	—	—	(1,181,786)
Restricted A shares vested	189,760	105,598	—	—	(189,760)	—	105,598
Conversion of convertible bonds	520,961	—	—	—	—	—	520,961
Issue of A shares under 2019 Stock Option	104,897	—	—	—	(39,952)	—	64,945
Transferred to statutory reserve	—	—	320,662	—	—	(320,662)	—
2020 H Share Award vested	3,135	105,215	—	—	(108,350)	—	—
2021 H Share Award vested	(20,321)	333,065	—	—	(312,744)	—	—
2022 H Share Award vested	(14,348)	213,231	—	—	(198,883)	—	—
Recognition of share-based payments	—	—	—	—	750,725	—	750,725
Dividends recognised as distribution	—	149	—	—	—	(2,649,084)	(2,648,935)
Shareholder contribution	180,000	—	—	—	—	—	180,000
At December 31, 2023	28,455,282	(3,156,529)	1,023,342	(59,241)	690,103	2,892,360	29,845,317

51. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves (continued)

	Share premium RMB'000	Treasury shares RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Share-based reserve payment RMB'000	Retained earnings RMB'000	Total RMB'000
Profit and total comprehensive income for the year	—	—	—	—	—	3,340,961	3,340,961
Repurchase and cancellation of ordinary A shares	(2,934,198)	—	—	—	—	—	(2,934,198)
Cancellation of ordinary H shares	(1,166,318)	1,181,786	—	—	—	—	15,468
Repurchase of ordinary H shares	—	(908,908)	—	—	—	—	(908,908)
Restricted A shares vested	6,270	4,484	—	—	(6,270)	—	4,484
Issue of A shares under 2019 Stock Option	25,696	—	—	—	(9,934)	—	15,762
Transferred to statutory reserve	—	—	334,096	—	—	(334,096)	—
2020 H Share Award vested	7,685	107,487	—	—	(115,172)	—	—
2021 H Share Award vested	(21,363)	314,209	—	—	(292,846)	—	—
2022 H Share Award vested	(13,354)	198,462	—	—	(185,108)	—	—
Recognition of share-based payments	—	—	—	—	366,552	—	366,552
Dividends recognised as distribution	—	—	—	—	—	(2,882,051)	(2,882,051)
Shareholder contribution	180,000	—	—	—	—	—	180,000
At December 31, 2024	24,539,700	(2,259,009)	1,357,438	(59,241)	447,325	3,017,174	27,043,387

52. SUBSEQUENT EVENTS

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

Proposal of 2024 Profit Distribution Plan

Subsequent to the end of the reporting period, the Board of the Company proposes the 2024 Profit Distribution Plan (as detailed in Note 16).

Proposal of 2025 Special Dividend Distribution

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

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

In appreciation of shareholders' support for our strategic adjustments in challenging times, the Board proposes a special dividend distribution as follows: a cash dividend of RMB3.5000 (inclusive of tax) for every 10 shares (representing an aggregate amount of RMB1,010,797,403.70 (inclusive of tax) based on the total issued share capital of the Company as of March 17, 2025). In the event of change in the total issued share capital of the Company before the record date for profit distribution, dividends will be distributed according to the original dividend amount per share and the total distribution amount will be adjusted accordingly. The abovementioned special dividend is subject to, amongst others, approval by the Shareholders at the forthcoming AGM.

Definitions

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

"2018 A Share Incentive Plan"	the Restricted A Shares and Stock Option Incentive Plan of 2018 adopted by the Company on August 22, 2018
"2018 Profit Distribution Plan"	the profit distribution plan of the Company for the year ended December 31, 2018
"2019 A Share Incentive Plan"	the Restricted A Shares and Stock Option Incentive Plan of 2019 adopted by the Company on September 20, 2019
"2019 Adjusted Initial Grant"	the adjusted initial grant of Restricted A Shares and Share Options pursuant to the 2019 A Share Incentive Plan
"2019 Initial Grant"	the initial grant of Restricted A Shares and Share Options upon adoption of the 2019 A Share Incentive Plan
"2019 Profit Distribution Plan"	the profit distribution plan of the Company for the year ended December 31, 2019
"2019 Reserved Grant"	the grant of reserved interests subsequent to the initial grant under the 2019 A Share Incentive Plan
"2019 Special Grant"	the special grant of the 2019 A Share Incentive Plan
"2020 Award"	an award granted by the Board to a 2020 Selected Participant, which may vest in the form of 2020 Award Shares or the actual selling price of the 2020 Award Shares in cash, as the Board may determine in accordance with the terms of the 2020 Scheme Rules
"2020 Award Shares"	the H Shares granted to a 2020 Selected Participant in a 2020 Award
"2020 Connected Selected Participants"	2020 Selected Participants who are connected persons of the Group
"2020 Delegatee"	the management committee or person(s) or board committee(s) to which the Board will delegate its authority in connection with matters pertaining to the 2020 Scheme
"2020 Eligible Employee(s)"	eligible employees of the 2020 Scheme pursuant to the respective Scheme Rules
"2020 H Share Award and Trust Scheme" or "2020 Scheme"	the H Share award and trust scheme adopted by the Company in accordance with the 2020 Scheme Rules on August 31, 2020

"2020 Independent Selected Participant(s)"	2020 Selected Participants who are not connected persons of the Group
"2020 Profit Distribution"	the proposed distribution of cash dividend of RMB3.63 for every 10 Shares (inclusive of tax) under the 2020 Profit Distribution Plan
"2020 Profit Distribution Plan"	the profit distribution plan of the Company for the year ended December 31, 2020
"2020 Scheme Limit"	the maximum size of the 2020 H Share Award and Trust Scheme
"2020 Scheme Rules"	the rules of the 2020 Scheme (as amended from time to time)
"2020 Selected Participant"	any 2020 Eligible Employee who is approved for participation in the 2020 Scheme and has been granted any 2020 Award in accordance with the 2020 Scheme Rules
"2020 Trustee"	the trustee appointed by the Company for the purpose of the trust to service the 2020 Scheme, and initially, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong and having its registered office at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"2021 Actual Selling Price"	the actual price at which the 2021 Award Shares are sold (net of brokerage, stamp duty, any taxes, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of a 2021 Award pursuant to the 2021 Scheme or in the case of a vesting when there is an event of change in control or privatization of the Company pursuant to the 2021 Scheme Rules, the consideration receivable under the related scheme or Offer
"2021 Award"	an award granted by the Board to a 2021 Selected Participant, which may vest in the form of 2021 Award Shares or the 2021 Actual Selling Price of the 2021 Award Shares in cash, as the Board may determine in accordance with the terms of the 2021 Scheme Rules
"2021 Award Period"	the period commencing on the date on which the Shareholders approved the 2021 H Share Award and Trust Scheme, and ending on the Business Day immediately prior to the 10th anniversary of the date on which the Shareholders approved the 2021 H Share Award and Trust Scheme
"2021 Award Shares"	the H Shares granted to a 2021 Selected Participant in a 2021 Award

"2021 Connected Selected Participants"	2021 Selected Participants who are connected persons of the Group
"2021 Delegatee(s)"	the management committee or person(s) or board committee(s) to which the Board will delegate its authority in connection with matters pertaining to the 2021 Scheme
"2021 Eligible Employee(s)"	eligible employees of the 2021 Scheme pursuant to the 2021 Scheme Rules
"2021 H Share Award and Trust Scheme" or "2021 Scheme"	the H Share award and trust scheme adopted by the Company in accordance with the 2021 Scheme Rules on August 30, 2021
"2021 Independent Selected Participants"	2021 Selected Participants who are not connected persons of the Group
"2021 Profit Distribution"	the proposed distribution of cash dividend of RMB5.1740 for every 10 Shares (inclusive of tax) under the 2021 Profit Distribution Plan
"2021 Profit Distribution Plan"	the profit distribution plan of the Company for the year ended December 31, 2021
"2021 Scheme Limit"	the maximum size of the 2021 Scheme, being the maximum number of H Shares that will be acquired by the 2021 Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK$2 billion
"2021 Scheme Rules"	the rules governing the operation of the 2021 Scheme as well as the implementation procedures (as amended from time to time)
"2021 Selected Participant(s)"	any 2021 Eligible Employee who is approved for participation in the 2021 Scheme and has been granted any 2021 Award in accordance with the 2021 Scheme Rules
"2021 Shareholder Alignment Incentive H Share Scheme"	the 2021 shareholder alignment incentive H Share scheme adopted by the Company in accordance with the 2021 Shareholder Alignment Incentive H Share Scheme Rules on August 30, 2021
"2021 Shareholder Alignment Incentive H Share Scheme Rules"	the rules governing the operation of the 2021 Shareholder Alignment Incentive H Share Scheme as well as the implementation procedures (as amended from time to time)
"2021 Trustee"	the trustee appointed by the Company for the purpose of the trust to service the 2021 Scheme, and initially, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong and having its registered office at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

"2022 Actual Selling Price"	the actual price at which the 2022 Award Shares are sold (net of brokerage, stamp duty, any taxes, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of a 2022 Award pursuant to the 2022 Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to the 2022 Scheme Rules, the consideration receivable under the related scheme or Offer
"2022 Award"	an award granted by the Board to a 2022 Selected Participant, which may vest in the form of 2022 Award Shares or the 2022 Actual Selling Price of the 2022 Award Shares in cash, as the Board may determine in accordance with the terms of the 2022 Scheme Rules
"2022 Award Period"	the period commencing on the date on which the Shareholders approved the 2022 H Share Award and Trust Scheme, and ending on the Business Day immediately prior to the 10th anniversary of the date on which the Shareholders approved the 2022 H Share Award and Trust Scheme
"2022 Award Shares"	the H Shares granted to a 2022 Selected Participant in a 2022 Award
"2022 Connected Selected Participants"	2022 Selected Participants under the 2022 Scheme who are connected persons of the Group
"2022 Delegatee(s)"	the management committee or person(s) or board committee(s) to which the Board will delegate its authority in connection with matters pertaining to the 2022 Scheme
"2022 Eligible Employee(s)"	eligible employees of the 2022 Scheme pursuant to the 2022 Scheme Rules
"2022 H Share Award and Trust Scheme" or "2022 Scheme"	the H Share award and trust scheme adopted by the Company in accordance with the 2022 Scheme Rules on August 18, 2022
"2022 Independent Selected Participants"	2022 Selected Participants who are not connected persons of the Group
"2022 Profit Distribution"	the proposed distribution of cash dividend of RMB8.9266 for every 10 Shares (inclusive of tax) under the 2022 Profit Distribution Plan
"2022 Profit Distribution Plan"	the profit distribution plan of the Company for the year ended December 31, 2022

"2022 Scheme Limit"	the maximum size of the 2022 Scheme, being the maximum number of H Shares that will be acquired by the 2022 Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK$2 billion, and in any event the maximum number of H Shares to be so acquired by the 2022 Trustee shall be determined by the Board and/or the 2022 Delegatee (pursuant to the authorization granted by the Shareholders) which shall not exceed 10% (including 10%) above the total number of H Shares acquired by the trustee of the 2021 Scheme in accordance with the instructions of the Company for the purpose of satisfying the awards granted thereunder
"2022 Scheme Rules"	the rules governing the operation of the 2022 Scheme as well as the implementation procedures (as amended from time to time)
"2022 Selected Participant(s)"	any 2022 Eligible Employee who is approved for participation in the 2022 Scheme and has been granted any 2022 Award in accordance with the 2022 Scheme Rules
"2022 Trustee"	the trustee appointed by the Company for the purpose of the trust to service the 2022 Scheme, and initially, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong and having its registered office at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"2023 Award"	an award granted by the Board to a 2023 Selected Participant, which may vest in the form of 2023 Award Shares or the actual selling price of the 2023 Award Shares in cash, as the Board may determine in accordance with the terms of the 2023 Scheme Rules
"2023 Award Shares"	the H Shares granted to a 2023 Selected Participant in a 2023 Award
"2023 Eligible Employee(s)"	eligible employee(s) of the 2023 Scheme pursuant to the 2023 Scheme Rules
"2023 H Share Award and Trust Scheme" or "2023 Scheme"	the 2023 H Share award and trust scheme adopted by the Company in accordance with the 2023 Scheme Rules on May 31, 2023 and which was subsequently terminated on October 30, 2023
"2023 Scheme Rules"	the rules of the 2023 Scheme (as amended from time to time)
"2023 Selected Participant(s)"	any 2023 Eligible Employee who is approved for participation in the 2023 Scheme and has been granted any 2023 Award in accordance with the 2023 Scheme Rules

"2023 Profit Distribution"	the proposed distribution of cash dividend of RMB9.8974 for every 10 Shares (inclusive of tax) under the 2023 Profit Distribution Plan
"2023 Profit Distribution Plan"	the profit distribution plan of the Company for the year ended December 31, 2023
"2023 Trustee"	the trustee appointed by the Company for the purpose of the trust to service the terminated 2023 Scheme, and initially Maples Trustee Services (Cayman) Limited, a company incorporated in the Cayman Islands and having its registered office at Boundary Hall, Cricket Square, George Town, Grand Cayman, Cayman Islands
"2024 Delegatee"	the executive committee of the Company, to whom the Board will delegate its authority in connection with matters pertaining to the 2024 Scheme
"2024 Award"	an award granted by the Board to a 2024 Selected Participant, which may vest in the form of 2024 Award Shares or the actual selling price of the 2024 Award Shares in cash, as the Board may determine in accordance with the terms of the 2024 Scheme Rules
"2024 Award Shares"	the H Shares granted to a 2024 Selected Participant in a 2024 Award
"2024 H Share Award and Trust Scheme" or "2024 Scheme"	the H Share award and trust scheme adopted by the Company in accordance with the 2024 Scheme Rules
"2024 Scheme Limit"	the maximum size of the 2024 Scheme, being the maximum number of H Shares that will be acquired by the 2024 Trustee through on-market transactions from time to time at the prevailing market price with funds in the amount of not more than HK$2 billion, provided that the maximum number of H Shares to be so acquired by the 2024 Trustee shall be determined by the Board and/or the Delegatee and which shall in any event not render the Company unable to maintain the public float as required under the Listing Rules as modified by the waiver granted by the Stock Exchange upon the Listing
"2024 Scheme Rules"	the rules of the 2024 Scheme (as amended from time to time)
"2024 Selected Participant(s)"	any Eligible Employee who is approved for participation in the 2024 Scheme, and has been granted any 2024 Award in accordance with the 2024 Scheme Rules

"2024 Trustee"	the trustee appointed by the Company for the purpose of the trust to service the 2024 Scheme, and initially, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong and having its registered office at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"Acquired Award Shares"	the 15,467,500 H Shares of the Company acquired by the Scheme Trustee through on-market transaction as the source of the award shares
"A Share(s)"	domestic shares of our Company, with a nominal value of RMB1.00 each, which are listed for trading on the Shanghai Stock Exchange and traded in RMB
"A Share Listing"	issuance of 104,198,556 A Shares by the Company to the public on April 13, 2018, which were listed on Shanghai Stock Exchange on May 8, 2018
"A Share Prospectus"	the prospect issued by the Company under the A Share Listing
"Actual Selling Price"	the actual price at which the Award Shares are sold (net of brokerage, Stock Exchange trading fee, Securities and Futures Commission transaction levy and any other applicable costs) on vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to the Scheme Rules, the consideration receivable under the related scheme or offer
"ADME"	adsorption, distribution, metabolism, and excretion
"AGM"	annual general meeting of the Company
"API"	active pharmaceutical ingredient
"Articles" or "Articles of Association"	the articles of association of the Company as amended from time to time
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	our board of Directors
"Bonds" or "Convertible Bonds"	US$500,000,000 zero coupon guaranteed convertible bonds due 2025 convertible at the option of the holder thereof into fully paid ordinary H Shares of the Company of par value of RMB1.00 each at the initial Conversion Price of HK$80.02 per H Share, which were approved on October 22, 2024 for listing and trading on the Stock Exchange
"Bondholder(s)"	holder(s) of the Convertible Bonds

"Business Day"	any day on which the Stock Exchange is open for the business of dealing in securities
"CAGR"	compound annual growth rate
"CDE"	Centre for Drug Evaluation
"CDMO"	Contract Development and Manufacturing Organization, a CMO that in addition to comprehensive drug manufacturing services, also provide process development and other drug development services in connection with its manufacturing services
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this annual report and for geographical reference only, refers to mainland China
"CMC"	Chemistry, Manufacturing and Controls
"CMO"	Contract Manufacturing Organization, a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive drug manufacturing services
"Company", "our Company", "WuXi AppTec", "We", "our", or "us"	WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the predecessor of which, WuXi AppTec Ltd. (無錫藥明康德新藥開發有限公司) (formerly known as WuXi PharmaTech Co., Ltd. (無錫藥明康德組合化學有限公司)) was established under the laws of the PRC as an enterprise legal person in December 2000, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 603259) and the H shares of which are listed on the Hong Kong Stock Exchange (stock code: 02359) and if the context requires, includes its predecessor
"Conversion Price"	the price per Conversion Share (subject to adjustments) at which the Bonds may be converted into the H Shares
"Conversion Share(s)"	the H Share(s) to be issued upon conversion of the Bonds pursuant to the Trust Deed
"COVID-19"	the novel coronavirus pneumonia
"CRDMO"	Contract Research Development and Manufacturing Organization
"CRO"	Contract Research Organization

"Deed of Guarantee"	the deed of guarantee in relation to the guarantee of the Bonds entered into between the Company and the Trustee
"Director(s)"	the director(s) of the Company or any one of them
"EBITDA"	earnings before interest, taxes, depreciation, and amortization
"FDA"	Food and Drug Administration in the U.S.
"Founding Individuals"	Dr. Ge Li, Mr. Xiaozhong Liu and Mr. Zhaohui Zhang
"FVTPL"	fair value through profit or loss
"GLP"	good laboratory practice
"Group" or "our Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
"H Share Registrar"	Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
"HK$" or "HKD"	Hong Kong dollars and cents, both are the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"IFRSs"	IFRS Accounting Standards
"IND"	investigational new drug
"Issuer"	WuXi AppTec (HongKong) Limited 藥明康德(香港)有限公司, a company incorporated in Hong Kong on March 26, 2012 and a wholly-owned subsidiary of the Company
"Lead Manager"	Citigroup Global Markets Limited
"Listing" or "IPO"	the listing of the H Shares on the Main Board of the Stock Exchange on December 13, 2018
"Listing Date"	December 13, 2018, on which the H Shares were listed and from which dealings therein were permitted to take place on the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix C3 to the Listing Rules
"NASDAQ"	National Association of Securities Dealers Automated Quotations
"NDA"	new drug application
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局)
"Nomination Committee"	the nomination committee of the Board
"Non-public Issuance of A Shares"	the non-public issuance of 62,690,290 A Shares by the Company to specific subscribers
"NYSE"	The New York Stock Exchange
"Prospectus"	the prospectus issued by the Company dated December 3, 2018
"PROTAC"	proteolysis targeting chimera
"R&D"	research and development
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reporting Period"	the year ended December 31, 2024
"Restricted A Shares"	the restricted A Shares granted by the Company under the 2019 A Share Incentive Plan
"RMB"	Renminbi, the lawful currency of the PRC
"SAI Award"	an award granted by the Board to a SAI Selected Participant under any of the SAI Award Pools which may vest in the form of SAI Award Shares or the actual selling price of the SAI Award Shares in cash, as the Board may determine in accordance with the terms of the 2021 Shareholder Alignment Incentive H Share Scheme Rules
"SAI Award Letter"	a letter issued by the Company to each SAI Selected Participant in such form as the Board or the SAI Delegatee may from time to time determine

"SAI Award Period"	the period commencing on the date on which the Shareholders approved the 2021 Shareholder Alignment Incentive H Share Scheme, and ending on the Business Day immediately prior to the 10th anniversary of the date on which the Shareholders approved the 2021 Shareholder Alignment Incentive H Share Award Scheme
"SAI Award Pools"	the four (4) award pools under the 2021 Shareholder Alignment Incentive H Share Scheme with monetary values of HK$1 billion, HK$1.5 billion, HK$2 billion and HK$3 billion, respectively, which may be released upon the fulfilment of relevant release conditions for the grant of SAI Awards to the SAI Selected Participants under these award pools
"SAI Award Shares"	the H Shares granted to a SAI Selected Participant in a SAI Award granted under any of the SAI Award Pools
"SAI Connected Selected Participants"	SAI Selected Participants who are connected persons of the Group
"SAI Delegatee"	the SAI Management Committee or person(s) or board committee(s) to which the Board will delegate its authority in connection with matters pertaining to the 2021 Shareholder Alignment Incentive H Share Scheme
"SAI Eligible Employees"	eligible employees of the 2021 Shareholder Alignment Incentive H Share Scheme pursuant to the rules of the 2021 Shareholder Alignment Incentive H Share Scheme
"SAI Management Committee"	the management committee of the 2021 Shareholder Alignment Incentive H Share Scheme
"SAI Returned Shares"	such SAI Award Shares that are not vested and/or are forfeited in accordance with the terms of the 2021 Shareholder Alignment Incentive H Share Scheme Rules, or such H Shares being deemed to be SAI Returned Shares under the 2021 Shareholder Alignment Incentive H Share Scheme Rules
"SAI Selected Participant(s)"	any eligible employee who is approved for participation in the 2021 Shareholder Alignment Incentive H Share Scheme and has been granted any SAI Award under any of the SAI Award Pools in accordance with the 2021 Shareholder Alignment Incentive H Share Scheme Rules
"SAI Vesting Period(s)"	the vesting period(s) of the SAI Awards granted under the 2021 Shareholder Alignment Incentive H Share Scheme

“Scheme Trustee”	the trustee appointed by the Company for the purpose of the trust to service the 2023 Scheme, Maples Trustee Services (Cayman) Limited, a company incorporated under the laws of Cayman Islands with registered address in Boundary Hall, Cricket Square, George Town, Grand Cayman, Cayman Islands, the entities the shares in which are held by the Trustee in its capacity as trustee of the trust to service the 2023 Scheme
“Second Share Repurchase”	repurchase of 21,593,780 A Shares from the Shanghai Stock Exchange through bidding
“SFO”	Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
“Shanghai Stock Exchange”	The Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of Shares
“Share Options”	share options granted under the initial grant of the 2019 A Share Incentive Plan
“Share Repurchase”	repurchase of 20,275,407 A Shares from the Shanghai Stock Exchange through bidding
“SMO”	Site Management Organization
“SPA”	the sale and purchase agreement entered into between the Company and the Scheme Trustee for the Scheme Trustee to sell, and the Company to repurchase, the Acquired Award Shares in the amount of 15,467,500 H Shares at the same purchase price the Scheme Trustee paid for the acquisition of the Acquired Award Shares. The principal terms are set out in the circular of the first extraordinary general meeting of the Company in 2024
“STA”	Shanghai SynTheAll Pharmaceutical Co., Ltd* (上海合全藥業股份有限公司)
“STA Equity Transfer Agreement”	an equity transfer agreement entered into among WXAT Shanghai, Dr. Ge Li, Mr. Edward Hu, Mr. Xiaozhong Liu, Mr. Zhaohui Zhang, Dr. Minzhang Chen, Mr. Harry Liang He and Ms. Xiangli Liu on July 2, 2019

"STA Pharmaceutical"	STA Pharmaceutical Hong Kong Investment Limited (合全藥業香港投資有限公司), a limited liability company incorporated under the laws of Hong Kong
"STA Shares"	shares of STA
"Stock Exchange" or "Hong Kong Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of the Board
"Subscription Agreement"	the subscription agreement dated October 7, 2024 entered into between the Issuer, the Company and the Lead Manager in connection with the issue and subscription of the Bonds
"Supervisor(s)"	member(s) of our Supervisory Committee
"Supervisory Committee"	the supervisory committee of our Company
"Third Share Repurchase"	repurchase of 23,934,621 A Shares from the Shanghai Stock Exchange through bidding
"Trust Deed"	the trust deed constituting the Bonds entered into between the Issuer, the Company and the Trustee
"UK"	the United Kingdom
"U.S."	the United States of America, its territories, its possession and all areas subject to its jurisdiction
"USD" or "US$"	United States dollars, the lawful currency of the United States
"Wuxi Biologics"	WuXi Biologics (Cayman) Inc. (藥明生物技術有限公司) (stock code: 2269)
"WuXi Biology"	biology business of the Company
"WuXi Chemistry"	chemistry business of the Company
"WuXi Testing"	testing business of the Company
"WXAT Shanghai"	WuXi AppTec (Shanghai) Co., Ltd. (上海藥明康德新藥開發有限公司)
"YoY"	year-over-year
"%"	percentage

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