



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

A laboratory scene with a blue color scheme. In the foreground, a hand in a white glove holds a petri dish containing a blue liquid. A pipette is being used to transfer liquid from a larger glass dish into the petri dish. In the background, there is a large Erlenmeyer flask with blue liquid, a molecular model, and other laboratory glassware. The text 'INTERIM REPORT 2024' is overlaid in the bottom right corner.

INTERIM REPORT  
**2024**

*\*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 (童小蒙)  
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)

## JOINT COMPANY SECRETARIES

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

## AUTHORISED REPRESENTATIVES

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

## STRATEGY COMMITTEE

Dr. Ge Li (李革) *(Chairperson)*  
Mr. Edward Hu (胡正國)  
Mr. Xiaomeng Tong (童小蒙)  
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)

## NOMINATION COMMITTEE

Mr. Dai Feng (馮岱) *(Chairperson)*  
Dr. Ge Li (李革)  
Ms. Zhiling Zhan (詹智玲)

## AUDITOR

Deloitte Touche Tohmatsu  
*Registered Public Interest Entity Auditors*  
35/F, One Pacific Place  
88 Queensway  
Hong Kong

## REGISTERED OFFICE IN THE PRC

Mashan No. 5 Bridge  
Binhu District  
Wuxi  
Jiangsu Province  
PRC

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

288 Fute Zhong Road  
Waigaoqiao Free Trade Zone  
Shanghai  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon  
Hong Kong

## PRINCIPAL BANKERS

HSBC Bank (China) Company Limited  
(Shanghai Branch)  
LG1-38, Shanghai IFC  
8 Century Avenue  
Pudong District  
Shanghai  
PRC

Shanghai Pudong Development Bank  
(Baoshan Branch)  
No. 1283 Mudanjiang Road  
Baoshan District  
Shanghai  
PRC

Agricultural Bank of China Limited  
(Caojing Branch)  
No. 118 Zhifu Road  
Caojing Town  
Jinshan District  
Shanghai  
PRC

China Merchants Bank  
(Waigaoqiao Branch)  
No. 333 Fute West 1st Road  
Pudong District  
Shanghai  
PRC

JPMorgan Chase Bank (China) Company Limited  
47th Floor Shanghai Tower  
No. 501 Middle Yincheng Road  
Pudong District  
Shanghai  
PRC

Citibank (Shanghai Branch)  
Citigroup Tower  
No. 33 Hua Yuan Shi Qiao Road  
Lu Jia Zui Finance and Trade Zone  
Shanghai  
PRC

BNP Paribas (China) Limited  
(Shanghai Branch)  
17/F, 479 Lujiazui Ring Road  
Pudong District  
Shanghai  
PRC

Standard Chartered Bank (China) Limited  
(Shanghai Branch)  
Standard Chartered Tower  
201 Century Avenue  
Pudong, Shanghai  
PRC

Bank of Communications Co., Ltd.  
(Wuxi Branch)  
No. 8 2nd Financial Street  
Binhu District, Wuxi  
PRC

## Corporate Information

### **HONG KONG LEGAL ADVISER**

Wilson Sonsini Goodrich & Rosati  
Suite 1509, 15/F, Jardine House  
1 Connaught Place  
Central  
Hong Kong

### **PRC LEGAL ADVISER**

Fangda Partners  
24/F, HKRI Centre Two  
HKRI Taikoo Hui  
288 Shi Men Yi Road  
Shanghai  
PRC

### **A SHARE REGISTRAR AND TRANSFER OFFICE IN THE PRC**

China Securities Depository & Clearing  
Corporation Limited (CSDCC)  
Shanghai Branch  
188 South Yanggao Road  
Pudong District, Shanghai  
PRC

### **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.cn](http://www.wuxiapptec.com.cn)

# Financial Highlights

	Six months ended June 30,		Change
	2024 <i>RMB million</i> (except for percentages)	2023 <i>RMB million</i> (except for percentages)	
<b>Operating results</b>			
Revenue	17,240.9	18,871.3	(8.6)%
Gross profit	6,700.9	7,555.7	(11.3)%
<i>Gross profit margin</i>	38.9%	40.0%	
Net profit attributable to the owners of the Company	4,239.8	5,313.1	(20.2)%
<i>Margin of net profit attributable to the owners of the Company</i>	24.6%	28.2%	
Adjusted Non-IFRS net profit attributable to the owners of the Company	4,372.2	5,094.7	(14.2)%
<i>Margin of adjusted Non-IFRS net profit attributable to the owners of the Company</i>	25.4%	27.0%	
	<i>RMB</i>	<i>RMB</i>	
<b>Earnings per share</b>			
— Basic	1.46	1.81	(19.3)%
— Diluted	1.45	1.79	(19.0)%
<b>Adjusted Non-IFRS earnings per share</b>			
— Basic	1.50	1.73	(13.3)%
— Diluted	1.50	1.73	(13.3)%
	<b>June 30, 2024</b> <i>RMB million</i> (except for percentages)	December 31, 2023 <i>RMB million</i> (except for percentages)	Change
<b>Financial position</b>			
Total assets	74,397.3	73,669.3	1.0%
Equity attributable to the owners of the Company	54,713.9	55,122.5	(0.7)%
Total liabilities	19,302.6	18,151.9	6.3%
Bank balances and cash	9,699.5	10,001.0	(3.0)%
Gearing ratio	25.9%	24.6%	

# Management Discussion and Analysis

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

### A. Analysis on Principal Operations

For the Reporting Period, the Company realized revenue of RMB17,240.9 million, representing a YoY decrease of 8.6%. During the Reporting Period, we realized net profit attributable to the owners of the Company of RMB4,239.8 million, representing a YoY decrease of 20.2%.

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, advanced therapies CTDMO, helping customers improve the productivity of advancing healthcare products through cost-effective and efficient solutions.

In the first half of 2024, we added over 500 new customers in addition to maintaining the existing base of over 6,000 active customers. Demand from customers across regions continued to grow. As of June 30, 2024, backlog achieved RMB43.10 billion, growing 33.2% YoY excluding COVID-19 commercial projects. During the Reporting Period:

- Revenue from the top 20 global pharmaceutical companies reached RMB6.59 billion, growing by 11.9% YoY excluding COVID-19 commercial projects.
- Revenue from US-based customers was RMB10.71 billion, excluding COVID-19 commercial projects, revenue decreased 1.2% YoY; revenue from Europe-based customers grew 5.3% to RMB2.22 billion; revenue from China-based customers grew 2.8% to RMB3.40 billion; and revenue from other regions decreased 17.4% to RMB0.91 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 operating segments is as follows:

Operating Segments	Six months ended June 30,		Revenue Change
	2024 Revenue RMB million	2023 Revenue RMB million	
WuXi Chemistry	12,209.9	13,467.2	(9.3)%
WuXi Testing	3,018.4	3,091.0	(2.4)%
WuXi Biology	1,168.9	1,232.6	(5.2)%
WuXi ATU	575.0	713.6	(19.4)%
WuXi DDSU	257.2	342.0	(24.8)%
Others	11.7	24.8	(53.1)%
<b>Total</b>	<b>17,240.9</b>	<b>18,871.3</b>	<b>(8.6)%</b>

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

### (1) WuXi Chemistry

Despite external challenges, revenue from WuXi Chemistry reached RMB12.21 billion, growing 2.1% YoY excluding COVID-19 commercial projects. During the Reporting Period:

- Small molecule drug discovery services (“R”) continues to generate downstream opportunities. In the past 12 months, we successfully synthesized and delivered more than 450,000 new compounds to customers, and resulted in 7% 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. The number of molecules converted from R to D&M continued to grow.
- Small molecule development and manufacturing (“D”&“M”) services remains strong. Revenue of small molecule D&M services reached RMB7.39 billion. Excluding COVID-19 commercial projects, revenue was down 2.7% YoY on top of the strong base of over 50% YoY growth in the first half of 2023, and full-year revenue is expected to maintain positive growth. Small molecule CDMO pipeline continued to expand. In the first half of 2024, 644 new molecules were added to the small molecule D&M pipeline. As of June 30, 2024, our small molecule D&M pipeline reached 3,319 molecules, including 67 commercial projects, 74 in phase III, 353 in phase II and 2,825 in phase I and pre-clinical stages, among which 14 commercial and phase III projects were added during the Reporting Period. In May 2024, we announced the groundbreaking of the new R&D and manufacturing site in Singapore.



## Management Discussion and Analysis

- TIDES business (mainly oligo and peptides) sustains rapid growth. Revenue of TIDES grew strongly by 57.2% YoY to RMB2.08 billion. As of June 30, 2024, TIDES backlog grew by 147% YoY. The number of TIDES D&M customers increased 25% YoY to 151, and the number of TIDES molecules increased 39% YoY to 288. In January 2024, the total reactor volume of solid phase peptide synthesizers increased to 32,000L.

### (2) WuXi Testing

Revenue from WuXi Testing reached RMB3.02 billion. During the Reporting Period:

- Revenue of lab testing services was down 5.4% YoY to RMB2.12 billion. Among which, revenue from drug safety evaluation services was down 6.3% YoY due to market impact, while we maintained an industry leading position in the Asia-Pacific region. During the Reporting Period, the Qidong and Chengdu facilities both received the 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.
- Revenue of clinical CRO & SMO grew 5.8% YoY to RMB0.89 billion. Among which, SMO revenue grew 20.4% YoY, maintaining industry leading position in China. During the Reporting Period, clinical CRO enabled our customers to obtain 14 IND approvals and SMO supported 31 new drug approvals for customers. SMO business continues steady growth, maintaining significant advantages in multiple therapeutic areas (cardiovascular disease, ophthalmology, rheumatology, central nervous system, endocrinology, medical aesthetics, and rare tumors etc.).

### (3) WuXi Biology

Revenue from WuXi Biology reached RMB1.17 billion. During the Reporting Period:

- The Company focused on improving capabilities related to new modalities. Revenue from new modalities grew 8.1% YoY, contributing 29.0% of WuXi Biology revenue. Number of customers and projects served by the nucleic acid platform continued to increase. Cumulatively the Company provided services to over 260 customers, and successfully delivered over 1,200 projects since 2021. The Company proactively built capabilities to collaboratively develop membrane proteins and peptides, leading to remarkable increase in business volume of related protein production, screening and subsequent validation services.
- The Company further integrated resources of the in vivo pharmacology platform, and continued to improve platform capabilities and efficiency. The Company also fully leveraged the advantage of the one-stop service platform with in vitro and in vivo synergy to further gain market share in metabolic, cardiovascular and neurological areas, and the number of customers served grew over 30% YoY.

- During the Reporting Period, WuXi Biology continued to generate downstream opportunities and contributed over 20% of the Company's new customers.

(4) *WuXi ATU*

Revenue from WuXi ATU reached RMB0.57 billion. During the Reporting Period:

- Revenue was below expectation, primarily due to: (1) commercial projects are still in early stage of ramping up; (2) certain projects were delayed, or cancelled due to customers' pipeline prioritization or funding issue; and (3) insufficient new business wins due to the proposed U.S. legislation.
- The Company continues to improve our CTDMO integrated enabling platform. As of June 30, 2024, we provided development, testing and manufacturing services for 64 projects, including 2 commercial projects, 5 Phase III projects (2 projects in BLA preparation stage), 8 Phase II projects and 49 pre-clinical and Phase I projects, among which, the world's first innovative TIL-based therapy was approved by FDA during the Reporting Period. We are preparing for BLA filing to manufacture LVV used in a commercial CAR-T product. We completed process performance qualification (PPQ), started post-PPQ manufacturing, and expect to file pre-approval submission (PAS) to FDA in the second half of 2024. Moreover, we expect to complete PPQ in the second half of 2024 and file PAS to FDA in the first half of 2025 for a blockbuster commercial CAR-T product.

Despite uncertainty of the external environment, revenue is expected to reach RMB38.3–40.5 billion in 2024, and maintain positive growth of 2.7–8.6% excluding COVID-19 commercial projects.

The abovementioned operating performance forecast for the full year of 2024 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 2024 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.

## Management Discussion and Analysis

### Gross Profit

	Six months ended June 30,				
	2024		2023		Gross Profit Change
	Gross Profit RMB million	Gross Profit Margin	Gross Profit RMB million	Gross Profit Margin	
WuXi Chemistry	5,243.8	42.9%	5,906.6	43.9%	(11.2)%
WuXi Testing	1,052.9	34.9%	1,118.6	36.2%	(5.9)%
WuXi Biology	420.5	36.0%	483.0	39.2%	(12.9)%
WuXi ATU	(172.5)	(30.0)%	(57.9)	(8.1)%	N/A
WuXi DDSU	150.1	58.4%	95.9	28.0%	56.5%
<b>Gross profit of core business</b>	<b>6,694.8</b>	<b>38.9%</b>	7,546.3	40.0%	(11.3)%
Gross profit of other business	6.0	51.9%	9.4	37.8%	(35.7)%
<b>Comprehensive gross profit</b>	<b>6,700.9</b>	<b>38.9%</b>	7,555.7	40.0%	(11.3)%

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

During the Reporting Period, the Company realized RMB6,700.9 million in gross profit, representing a YoY decrease of 11.3%. Gross profit margin of the core business was 38.9%, reflecting ongoing improvements in operational efficiency. However, this represents a decrease of 1.2 percentage points from the same period of 2023, due primarily to changes in the portfolio mix and market impact.

### Other Gains and Losses

Other gains and losses decreased from gains of RMB1,061.2 million for the six months ended June 30, 2023 to gains of RMB208.4 million for the six months ended June 30, 2024. The decrease was primarily due to: (1) turn-around from gain to loss in derivative financial instruments of RMB551.9 million mainly resulted from fair value change and settlement of forward foreign exchange contract; (2) decrease in fair value gain of biological assets of RMB191.0 million; and (3) decrease in gain on financial assets at FVTPL of RMB124.9 million.

### Share of Results of Associates

Share of results of associates turned from losses of RMB76.5 million for the six months ended June 30, 2023 to gains of RMB115.8 million for the six months ended June 30, 2024. The turnaround from losses to gains was primarily due to (1) increase in equity pick-up gain of RMB126.6 million from WuXi XDC Cayman Inc.; and (2) decrease in equity pick-up losses of RMB64.1 million from WuXi Healthcare Ventures II, L.P..

### Profit for the Period

Profit for the Reporting Period decreased from RMB5,356.9 million for the six months ended June 30, 2023 to RMB4,280.8 million for the six months ended June 30, 2024, representing a YoY decrease of 20.1%. Profit margin decreased from 28.4% to 24.8% primarily due to revenue decline during the Reporting Period.

### Cash Flows

	Six months ended June 30,		Change
	2024 RMB million	2023 RMB million	
Net cash from operating activities	<b>4,738.8</b>	5,340.7	(11.3)%
Net cash used in investing activities	<b>(1,745.9)</b>	(1,307.8)	33.5%
Net cash used in financing activities	<b>(3,463.1)</b>	(2,612.8)	32.5%
Free cash flow	<b>3,228.3</b>	2,925.7	10.3%

For the six months ended June 30, 2024, net cash generated from operating activities of the Company amounted to RMB4,738.8 million, representing a decrease of 11.3% as compared with the six months ended June 30, 2023. The decrease was primarily due to increasing payment for production preparations for order deliveries in the second half of the year. Excluding COVID-19 commercial projects, net cash generated from operating activities for the first half of 2024 increased by RMB1.5 billion compared to the same period of 2023, representing a growth rate of 48.3%, primarily due to substantial cash receipts from the COVID-19 commercial projects in the first half of 2023.

For the six months ended June 30, 2024, net cash used in investing activities of the Company amounted to RMB1,745.9 million, representing an increase of 33.5% as compared with the six months ended June 30, 2023. The increase was primarily due to the increased investment in short-term deposits, partially offset by the decrease in capital expenditures.

For the six months ended June 30, 2024, net cash used in financing activities of the Company amounted to RMB3,463.1 million, representing an increase of 32.5% as compared with the six months ended June 30, 2023. The increase was primarily due to the increase payments on repurchase of A Shares, partially net off by net addition of bank borrowings during the Reporting Period.

### **Indebtedness**

As at June 30, 2024, total liabilities of the Company amounted to RMB19,302.6 million (December 31, 2023: RMB18,151.9 million), the composition of which was 35.1% being trade and other payables, 30.1% being bank borrowings, 13.1% being contract liabilities and 21.7% being other items.

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

As at June 30, 2024, the Company had aggregated bank borrowings of RMB5,811.6 million. Among the total bank borrowings, RMB2,919.3 million will be due within one year and RMB2,892.3 million will be due after one year. Floating interest rate bank borrowings amounted to RMB2,189.5 million and fixed interest rate bank borrowings amounted to RMB3,622.1 million. USD bank borrowings amounted to RMB2,189.5 million (equivalent to approximately USD300.0 million) and RMB bank borrowings amounted to RMB3,622.1 million.

#### *(2) Charges on Assets*

As at June 30, 2024, the Company pledged bank deposits with an amount of RMB1.6 million, which decreased by 0.4% from RMB1.6 million as at December 31, 2023. The balance mainly represented deposits in restricted bank balance related to collateral for letters of guarantee for the purchase of raw materials and plant and equipment by the Group.

#### *(3) Contingent Liabilities*

As at June 30, 2024, the Company had no significant contingent liabilities.

#### *(4) Gearing Ratio*

As at June 30, 2024, the gearing ratio, calculated as total liabilities over total assets, was 25.9%, as compared with 24.6% as at December 31, 2023. The higher ratio was primarily due to increasing bank borrowings for daily operations and capital expenditure.

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

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

## Management Discussion and Analysis

### Adjusted EBITDA

	<b>Six months ended June 30,</b>	
	<b>2024</b> <i>RMB million</i> <b>(except for</b> <b>percentages)</b>	<b>2023</b> <i>RMB million</i> <b>(except for</b> <b>percentages)</b>
<b>Profit before tax</b>	<b>5,049.6</b>	6,395.2
<b>Add:</b>		
Interest expense	<b>128.9</b>	100.7
Depreciation and amortization	<b>1,392.1</b>	1,211.2
<b>EBITDA</b>	<b>6,570.6</b>	7,707.1
<i>EBITDA margin</i>	<b>38.1%</b>	40.8%
<b>Add:</b>		
Share-based compensation expenses	<b>196.2</b>	391.1
Issuance expenses of Convertible Bonds	<b>—</b>	0.4
Fair value gain from derivative component of Convertible Bonds	<b>—</b>	(40.2)
Foreign exchange related losses (gains)	<b>81.1</b>	(398.5)
Non-financial assets impairment	<b>—</b>	42.9
Realized and unrealized gains from venture capital investments	<b>(117.1)</b>	(237.0)
Realized and unrealized share of losses (gains) from joint ventures	<b>4.2</b>	(7.7)
<b>Adjusted EBITDA</b>	<b>6,734.9</b>	7,458.1
<i>Adjusted EBITDA margin</i>	<b>39.1%</b>	39.5%

*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

	<b>Six months ended June 30,</b>	
	<b>2024</b> <i>RMB million</i>	2023 <i>RMB million</i>
<b>Net profit attributable to the owners of the Company</b>	<b>4,239.8</b>	5,313.1
<b>Add:</b>		
Share-based compensation expenses	<b>165.0</b>	324.4
Issuance expenses of Convertible Bonds	—	0.3
Fair value gain from derivative component of Convertible Bonds	—	(40.2)
Foreign exchange related losses (gains)	<b>29.0</b>	(336.5)
Amortization of acquired intangible assets from merge and acquisition	<b>27.0</b>	28.5
Non-financial assets impairment	—	42.9
<b>Non-IFRS net profit attributable to the owners of the Company</b>	<b>4,460.7</b>	5,332.5
<b>Add:</b>		
Realized and unrealized gains from venture capital investments	<b>(92.7)</b>	(230.2)
Realized and unrealized share of losses (gains) from joint ventures	<b>4.2</b>	(7.7)
<b>Adjusted non-IFRS net profit attributable to the owners of the Company</b> <i>(Note 1)</i>	<b>4,372.2</b>	5,094.7
<b>Adjusted non-IFRS gross profit</b> <i>(Note 2)</i>	<b>6,865.2</b>	7,854.6
<b>Adjusted non-IFRS gross profit margin</b>	<b>39.8%</b>	41.6%

*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.



## Management Discussion and Analysis

### C. Assets and Liabilities Analysis

Items	Amount as at June 30, 2024 (RMB million)	Percentage of the amount to the total assets as at June 30, 2024 (%)	Amount as at December 31, 2023 (RMB million)	Percentage of the amount to the total assets as at December 31, 2023 (%)	Ratio of change for the amount as at June 30, 2024 as compared with the amount as at December 31, 2023 (%)	Reasons
<b>Assets</b>						
Deferred tax assets	489.5	0.7	366.7	0.5	33.5	Primarily due to increasing deductible temporary difference from fair value losses of derivative financial instruments.
Amounts due from related parties	57.7	0.1	86.7	0.1	(33.5)	Primarily due to collection of receivables from related parties.
Income tax recoverable	4.9	0.0	17.5	0.0	(72.1)	Primarily due to decrease of prepayment of income tax.
Financial assets at FVTPL (current)	—	—	11.0	0.0	(100.0)	Primarily due to the redemption of financial products.
Derivative financial instruments	—	—	414.0	0.6	(100.0)	Primarily due to the settlement and fair value change of forward foreign exchange contracts.
Other current assets	—	—	785.8	1.1	(100.0)	Primarily due to the redemption of large certificates of deposits.
Term deposits with initial term of over three months	4,971.0	6.7	3,761.4	5.1	32.2	Primarily due to investment in short-term deposits during the Reporting Period.
<b>Liabilities</b>						
Derivative financial instruments	659.7	0.9	501.9	0.7	31.5	Primarily due to the fair value change of forward foreign exchange contracts.
Income tax payables	520.3	0.7	991.9	1.3	(47.5)	Primarily due to the decrease of assessable income of subsidiaries during the Reporting Period.
Bank borrowings (non-current)	2,892.3	3.9	687.0	0.9	321.0	Primarily due to the increased borrowings for daily operations and capital expenditure.

## 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 of the PRC. 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 June 30, 2024, the balance of current financial assets at FVTPL was nil.

### **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, (3) strategic long-term investments, and (4) venture capital funds, all of which would allow us to further access a wider variety of participants in the healthcare ecosystem while maintaining our position at the forefront of science.

During the Reporting Period, investments in joint ventures and associates amounted to a total of 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, investments in other equities aside from joint ventures and associates amounted to a total of RMB270.1 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*

	<b>Listed companies</b>	<b>Fund investments</b>	<b>Non-listed companies</b>	<b>Total</b>
Opening Balance	483.9	1,541.7	6,600.5	8,626.0
Addition	—	103.2	166.9	270.1
Fair value change during the Reporting Period	(30.2)	91.7	(20.2)	41.3
Disposal of shares	(125.5)	(10.7)	(10.5)	(146.6)
Dividends	—	(20.8)	—	(20.8)
Foreign exchange effects	12.0	27.0	130.3	169.3
<b>Ending Balance</b>	<b>340.2</b>	<b>1,732.2</b>	<b>6,866.9</b>	<b>8,939.3</b>

*Note:* The discrepancies between the 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 June 30, 2024.

### ***Genesis Medtech Group Limited (“Genesis”)***

Genesis provides high-quality research, production and sales services on medical device. As at June 30, 2024, the fair value of the equity interests held by our Group in Genesis amounted to RMB1,642.5 million (representing 2.2% 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 June 30, 2024, Genesis has over 1,517 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 June 30, 2024, the fair value of equity interests held by our Group in iKang amounted to RMB486.9 million (representing 0.7% of our total assets).

iKang was formerly listed on NASDAQ Stock Exchange and subsequently privatized in January 2019. As at June 30, 2024, iKang operated 154 medical examination centers and 10 independent dental clinics in 59 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, a national key high-tech enterprise focusing on the chromatography-related products, contributes to providing professional chromatographic technology products and services to pharmaceutical and life science industries. As at June 30, 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.

**Cyagen (Suzhou) Biotechnology Co., Ltd. (“Cyagen”)**

Founded in 2011, Cyagen is a model animal CRO platform for scientific research and drug development. As at June 30, 2024, the fair value of the equity interests held by our Group in Cyagen amounted to RMB185.6 million (representing 0.2% of our total assets).

Cyagen is committed to providing a wide range of drug development services, including animal model libraries, model customization, breeding, aseptic mouse technology services, and phenotype function verification, to fully meet the needs of customers in basic research and new drug development for animal models. At the same time, Cyagen continues to enrich its product line, including platforms for target prediction and verification, virus vector development, evaluation model construction, and effectiveness evaluation.

**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 June 30, 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 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.

**Significant Investment Held**

As at June 30, 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 interim 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) Continuously track leading scientific technologies and enable innovation through leading advantages**

We are committed to leveraging the latest scientific and technological discoveries to enable medical innovation in an effort to assist our customers in transforming new drug ideas into reality. With our leading service capability and scale in the industry, we are positioned to integrate technological development and emerging R&D trends of the industry in the future and seize new development opportunities. 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, conjugate, and advanced therapies, to enable global medical innovation.

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

**(3) Strengthening our platform through enhancing our capacities and scale construction by leveraging our deep knowledge of the industry and deep discovery of 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 scale construction, as well as strategic mergers and acquisitions 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. In January 2024, the total reactor volume of solid phase peptide synthesizers increased to 32,000L. In May 2024, the construction of the R&D and manufacturing site in Singapore officially started. Our unique integrated CRDMO business model continues to meet customer demand. The Company keeps investing in D&M capacity, and expects D&M Capex to increase more than 50% YoY in 2025.

In the future, with the continuous innovation of science and technology, customers' demand for high-quality capabilities and production capacity 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 provide its customers with the best services.

#### **(4) Strong, loyal and expanding customer base and continuing growth of the ecosystem in the healthcare field**

We have a strong, diverse and loyal customer base, covering all of the top 20 pharmaceutical companies worldwide. As the number and types of the Company's enabling platform continue to strengthen, the number of new and existing customers grows steadily. Our 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 over 4,000 registered attendees. During the Reporting Period, the Company also launched the "WuXi On Air" online activities, completing 25 live broadcasts involving 12 series, covering introductions to all five major operating 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 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 a leader 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). The third vesting period of the Share Options granted under the 2019 Adjusted Initial Grant expired on May 25, 2024, the 31,509 Share Options which have not been exercised within the vesting period have been cancelled by the Company. Please refer to the relevant announcements of the Company dated July 1, 2024 and July 20, 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**

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.

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

## **2. 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 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 time or sufficient 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.

### B. Development Strategies

Our vision is to become a platform with the highest, broadest and deepest capabilities and technologies in the global healthcare industry, so that “every drug can be made and every disease can be treated”. We provide the global pharmaceutical industry with comprehensive and integrated new drug R&D and production services. Through empowering pharmaceutical, life science and medical device companies worldwide, we are committed to promoting new drug development and delivering groundbreaking treatment solutions to patients. With the research focused and customer-oriented principle, we help customers improve R&D efficiency by offering cost-effective and efficient R&D services, bringing more quality new drugs to patients faster.

Today, the healthcare industry is entering an unprecedented golden era, where knowledge meets data, and technology meets healthcare. The future new drug R&D model will witness a new definition and profound reforms. A patient-centered healthcare innovation ecosystem is emerging. Driven by data and technology, more and more scientists, engineers, entrepreneurs, doctors and patients will participate in all aspects of R&D and innovation. In the future, we will always: (1) expand our service capacity and capabilities globally; (2) explore the field of cutting-edge technologies through internal innovation and external merge and acquisition, and empower customers with world-leading science and technology; (3) enhance customer stickiness, increase customer conversion rate and continuously acquire new customers; (4) introduce quality talent to support our rapid growth; and (5) strengthen ecosystem development and improve our platform.

### C. Operation Plan

In 2024, we will continue to focus on capacity and scale building, based on the cutting-edge technology, and continuously improve 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 construction of various facilities in Taixing, U.S. and Singapore, 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 have developed management systems concerning quality control, safety in production, intellectual property protection, international trade compliance, sales management, financial and accounting management, business continuity plan, etc. In 2024, we will continue to refine and implement our standard operating procedure to prevent occurrence of accidents and facilitate sound growth of all segments.

**(4) Innovation and Development**

We will continue to use the latest technology to enable global pharmaceutical innovation. We have the global-leading new drug R&D platform and extensive experience of cutting-edge projects and closely followed the forefront of 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, conjugate, bi-specific antibody, advanced therapies, to capture new business opportunities and empower global pharmaceutical innovation.

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

We will unswervingly promote digital transformation and we are committed to fully utilizing data to guide efficiency improvement. On the basis of the digitalization pilot program of STA, we will continue to expand the digitalization of other business units, and further upgrade and optimize existing data-based business value realization model.

**(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) Environment, Social and Governance (ESG)**

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. In recent years, we have built an ESG data management system and continuously optimized processes to regularly track and follow up on the progress of important projects and goals in the ESG field. As an innovation enabler, a trusted partner of customers and a contributor to the global pharmaceutical and life sciences industry, we are committed to environmental sustainability to meet the expectations of international customers and other stakeholders in the field of sustainable development. Our initiatives and performance in the field of sustainable development have been highly recognized by global ESG rating agencies for many years in a row. While deepening our business and forging ahead, we will actively fulfill our commitments to all sectors and create 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, advanced therapies and medical devices, 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 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 applicable laws and regulations of relevant nations and/or 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 global operation may be impacted and subject to potential adverse impact in case any of the following circumstances occurs, including 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, on March 6, 2024, the U.S. Senate Committee on Homeland Security and Government Affairs voted to report to the Senate a draft bill S.3558; on May 15, 2024, the U.S. House Committee on Oversight and Accountability voted to report to the House a draft bill H.R.8333, which is an amended version of the predecessor bill H.R.7085 for the proposed Biosecure Act. Bill H.R.8333 incorporates certain amendments including, among others, the removal of certain alleged findings against WuXi AppTec and the addition of a “grandfather” clause that exempts existing contracts entered into before the effectiveness of the proposed restrictions.

The Company has further learned that, an amendment to include Biosecure Act based on Bill H.R.8333 in the National Defense Authorization Act for Fiscal Year 2025 (“**2025 NDAA**”) was not approved by the House Rules Committee for consideration by the House on the 2025 NDAA. A similar amendment to include Biosecure Act in 2025 NDAA Senate version was filed on July 10, 2024, which is currently under review by the Senate Armed Services Committee.

The legislative route of Biosecure Act involves uncertainty and multiple steps remain in the legislative process before such proposed legislation is enacted into law. The contents thereof, including the reference to the Company, are also subject to further review and changes. The Company has been actively working together with its advisors to set the record straight and advocate for appropriate changes to the proposed legislation.

The Company strongly disagrees with any preemptive and unfair designation of us as a named “biotechnology company of concern” without due process. The Company fully complies with the laws and regulations in the countries and regions in which we operate, and is working diligently to engage with U.S. policymakers and demonstrate that:

- The Company does not have a human genomics business and does not collect human genomic data in any of our businesses.
- The Company never transferred any data or intellectual property of U.S. customers to third parties without customers’ authorization.
- The Company is not affiliated with any political party, government, or armed forces thereof.
- The Company has not posed, does not pose and will not pose a national security risk to any country.
- The Company has not been subject to any sanction by the U.S. government agencies.

By adhering to our core value of “doing the right thing and doing it right”, the Company has served as a trusted and valued partner in the global healthcare community. For more than twenty years the Company has helped thousands of global customers with discovery, development, and manufacturing efforts to deliver innovative medicines that save and improve patients’ lives. We remain committed to serving our customers and helping patients around the world.

**(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 revenue of our main business 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.

## **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 June 30, 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 June 30, 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 June 30, 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 RMB639.4 million as at June 30, 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 June 30, 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	Balance of	The utilized	Balance	Balance of	Actual and expected timeline for utilizing the remaining balance of net proceeds from the placing of new H Shares <sup>(1)</sup>
				of utilized amount from the placing of new H Shares (as at December 31, 2023) (RMB million)	unutilized amount from the placing of new H Shares (as at December 31, 2023) (RMB million)	amount from the placing of new H Shares during the Reporting Period (RMB million)	of utilized amount from the placing of new H Shares (as at June 30, 2024) (RMB million)	unutilized amount from the placing of new H Shares (as at June 30, 2024) (RMB million)	
Expansion of the Group's overseas operation and global mergers and acquisitions <sup>(2)(3)</sup>	55%	4,008.0	3,607.2	2,563.8	1,043.4	408.1	2,971.9	635.3	Expected to be fully utilized by December 31, 2025
Construction of Changshu R&D Integrated Project <sup>(3)</sup>	15%	1,093.1	983.8	922.8	61.0	56.9	979.7	4.0	Expected to be fully utilized by December 31, 2025
Repaying bank loans and other borrowings	10%	728.7	655.9	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	—	—	1,311.7	—	Has been fully utilized as at June 30, 2021
<b>Total<sup>(4)</sup></b>	<b>100%</b>	<b>7,287.3</b>	<b>6,558.6</b>	<b>5,454.2</b>	<b>1,104.4</b>	<b>465.0</b>	<b>5,919.2</b>	<b>639.4</b>	

## Management Discussion and Analysis

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

## USE OF NET PROCEEDS FROM THE ISSUANCE OF THE CONVERTIBLE BONDS

The net proceeds raised from the issue of the Convertible Bonds, after the deduction of fees, commissions and expenses payable, being approximately US\$294 million (or approximately RMB2,079.5 million based on an exchange rate on the date of issuance of the Bonds, being September 17, 2019), have been fully utilized by the Company.

## FUND RAISING

During the Reporting Period, there was no fund raising activity carried out by the Company.

## PRE-EMPTIVE RIGHTS

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

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

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

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

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

### Repurchase of A Shares of the Company for the first time

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

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

### Repurchase of A Shares of the Company for the second time

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

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

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

### INTERIM DIVIDEND

The Board does not recommend the distribution of any interim dividend for the Reporting Period.

### 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)

## 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 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the Directors, the Supervisors and the senior management of the Group as at the date of this interim report are set out in the 2023 annual report of the Company published on April 26, 2024.

## CHANGE OF INFORMATION OF DIRECTORS AND SUPERVISORS

Changes in information of the Directors since the publication of the annual report of the Company for the year ended December 31, 2023 which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

- (1) Dr. Minzhang Chen and Dr. Steve Qing Yang ceased to be directors of WuXi XDC Hong Kong Limited and WuXi XDC Co., Ltd. in April 2024.
- (2) Dr. Steve Qing Yang and Mr. Zhaohui Zhang were directors of Shanghai Waigaoqiao WuXi AppTec Incubator Management Co., Ltd.\* (上海外高橋藥明康德眾創空間管理有限公司) and Shanghai Waigaoqiao WuXi AppTec Incubator Management Co., Ltd.\* (上海外高橋藥明康德眾創空間管理有限公司) which were dissolved in June 2024.
- (3) Mr. Xiaomeng Tong ceased to be a director of WuXi Biologics Holdings Limited in March 2024.
- (4) Dr. Yibing Wu ceased to be a director of Shanghai Yunli Technology Limited in February 2024, and ceased to be a member of the global executive committee, joint head of technology & consumer department and joint head of enterprise development group (China) of Temasek International Pte. Ltd. in April 2024.
- (5) Mr. Dai Feng was a director of Zhuhai Songbo Investment Consulting Co., Ltd.\* (珠海松博投資諮詢有限公司) and Zhuhai Songbo Investment Consulting Co., Ltd.\* (珠海松博投資諮詢有限公司) which was dissolved in June 2024.

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

### SHARE INCENTIVE SCHEMES

The 2018 A Share Incentive Plan and the 2019 Share Appreciation Scheme have ended. As at June 30, 2024, there were no Shares available for issue under the 2018 A Share Incentive Plan and no outstanding units granted under the 2019 Share Appreciation Scheme.

The 2023 H Share Award and Trust Scheme has been terminated. As at June 30, 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 June 30, 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 to 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 June 30, 2024, there were no Shares available for issue under the 2019 A Share Incentive Plan. As at the date of this interim report, the remaining life of the 2019 A Share Incentive Plan is approximately half a year.

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:

	<b>Vesting Period</b>	<b>Proportion of Vesting</b>
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%



## Statutory Disclosures

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:

	<b>Vesting Period</b>	<b>Proportion of Vesting</b>
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 2019 Capitalization of Reserve approved by the Shareholders at the 2019 AGM 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 2020 AGM 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 RMB107.14. 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:

	<b>Share Options Granted under the 2019 A Share Incentive Plan</b>
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%

## Statutory Disclosures

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 June 30, 2024
<b>Restricted A Shares</b>						
Employees	185,005	—	185,005	—	—	—
<b>Total</b>	<b>185,005</b>	<b>—</b>	<b>185,005</b>	<b>—</b>	<b>—</b>	<b>—</b>
	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 June 30, 2024
<b>Share Options</b>						
Employees	450,496	—	418,987	—	—	31,509
<b>Total</b>	<b>450,496</b>	<b>—</b>	<b>418,987</b>	<b>—</b>	<b>—</b>	<b>31,509</b>

Note:

- (1) The third vesting period of the Share Options granted under the 2019 Adjusted Initial Grant expired on May 25, 2024, the 31,509 Share Options which have not been exercised within the 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. 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.

## Statutory Disclosures

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 Reporting Period:

STA Share Units and Options Incentive Scheme	Outstanding at January 1, 2024	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at June 30, 2024
STA Overseas Employees Incentive Scheme — 2nd batch	33,138	—	—	—	33,138
Total	33,138	—	—	—	33,138
Weighted average exercise price	RMB2.65	N/A	N/A	N/A	RMB2.65

#### 4. STA Share Appreciation Incentive Scheme

On May 16, 2016 and July 12, 2017, STA Share Appreciation Incentive Scheme (2016) and STA Share Appreciation Incentive Scheme (2017) were approved at the STA shareholders' meeting. As a result of the Conversion of Capital Reserve, the total number of STA units granted under the STA Share Appreciation Incentive Scheme (2016) and the STA Share Appreciation Incentive Scheme (2017) to directors (excluding independent directors), supervisors and members of the senior management and core technicians (operation staff) were 1,350,000 and 123,000 respectively. Stock appreciation rights have been awarded in units, with each unit representing the value of one STA Share. Upon the exercise of stock appreciation rights, exercising recipients will receive payments in RMB from STA, subject to any withholding tax, equal to the number of stock appreciation rights exercised times the difference between the subscription price and market price of the STA Shares on the exercise day. The exercise prices of the STA Share Appreciation Incentive Scheme (2016) and the STA Share Appreciation Incentive Scheme (2017) upon the Conversion of Capital Reserve and dividend adjustment were RMB8.00 and RMB8.00, respectively, which were determined by based on STA's operations, value of assets, contribution of its employee and the intended level of employee incentive to be provided.

Units granted under the STA Share Appreciation Incentive Scheme shall have a contractual term of 10 years and generally 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.

There was no outstanding unit granted under the STA Share Appreciation Incentive Scheme as of June 30, 2024.

## 5. 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 scientists, other technicians, 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 including, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang, Dr. Ning Zhao (passed away in 2023), Mr. Ellis Bih-Hsin Chu (resigned from the Company), Dr. Minzhang Chen, Dr. Shuhui Chen (retired from the Company), Mr. Harry Liang He, Ms. Minfang Zhu, Ms. Wendy J. Hu and Ms. Cuiping Hu (resigned from the Company). 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.

## Statutory Disclosures

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 interim report, the remaining life of the 2020 H Share Award and Trust Scheme is approximately five and a half 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 June 30, 2024, there are a total of 1,943 2020 Selected Participants under the 2020 H Share Award and Trust Scheme, which comprise 8 2020 Connected Selected Participants and 1,935 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
<b>2020 Connected Selected Participants</b>									
Dr. Ge Li	Executive Director, chairman and chief executive officer	31,936	December 2, 2020	0	N/A	0	0	0	31,936
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	15,967	December 2, 2020	0	N/A	0	0	0	15,967
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	15,967	December 2, 2020	0	N/A	0	0	0	15,967
Dr. Minzhang Chen	Executive Director, co-chief executive officer	10,647	December 2, 2020	0	N/A	0	0	0	10,647
Mr. Zhaohui Zhang	Executive Director, vice president	7,098	December 2, 2020	0	N/A	0	0	0	7,098
Dr. Shuhui Chen (retired in April 2024)	Vice president	10,647	December 2, 2020	0	N/A	0	0	0	10,647
Mr. Harry Liang He	Chairman of the Supervisory Committee	2,367	December 2, 2020	0	N/A	0	0	0	2,367
Ms. Minfang Zhu	Employee representative Supervisor	789	December 2, 2020	0	N/A	0	0	0	789
Ms. Wendy J. Hu <sup>(1)</sup>	Senior director of human resources	1,579	December 2, 2020	0	N/A	0	0	0	1,579
<b>Sub-total</b>		96,997	N/A	0	N/A	0	0	0	96,997
<b>2020 Independent Selected Participants</b>									
<b>Initial grant</b>									
1,869 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		1,161,265	December 2, 2020	0	N/A	0	0	41,365	1,119,900
<b>Further grant</b>									
18 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		53,900	June 1, 2021	0	N/A	15,120	0	1,925	36,855
18 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		26,037	November 10, 2021	0	N/A	0	0	1,091	24,946
30 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		93,463	January 21, 2022	0	N/A	4,481	0	15,405	73,577
<b>Total</b>		1,431,662	N/A	0	N/A	19,601	0	59,786	1,352,275



## Statutory Disclosures

### 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 2020 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, none of the 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 2020 EGM:

	<b>Vesting Periods</b>	<b>Proportion of Vesting</b>
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 2020 EGM; 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:

	<b>Vesting Periods</b>	<b>Proportion of Vesting</b>
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 HKD43.13.

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  $\times$  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.

## 6. 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 scientists, other technicians, 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 including, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, Dr. Shuhui Chen (retired from the Company), Mr. Zhaohui Zhang, Dr. Ning Zhao (passed away in 2023), Mr. Ellis Bih-Hsin Chu (resigned from the Company), Mr. Guodong Tong (resigned from the Company), Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Harry Liang He and Ms. Minfang Zhu. 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.

## Statutory Disclosures

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 interim report, the remaining life of the 2021 H Share Award and Trust Scheme is approximately six and a half years.

The Directors (including the independent non-executive Directors) are of the view that the grant of 2021 Awards to the 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 June 30, 2024, there are a total of 2,722 2021 Selected participants under the 2021 H Share Award and Trust Scheme (“**2021 Grant**”), which comprise 8 2021 Connected Selected participants and 2,714 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
<b>2021 Connected Selected Participants</b>									
Dr. Ge Li	Executive Director, chairman and chief executive officer	78,865	November 23, 2021	0	N/A	0	0	0	78,865
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	35,283	November 23, 2021	0	N/A	0	0	0	35,283
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	37,713	November 23, 2021	0	N/A	0	0	0	37,713
Dr. Minzhang Chen	Executive Director, co-chief executive officer	49,857	November 23, 2021	0	N/A	0	0	0	49,857
Mr. Zhaohui Zhang	Executive Director, vice president	26,288	November 23, 2021	0	N/A	0	0	0	26,288
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	0	0	0	11,457
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 <sup>(1)</sup>	Senior director of human resources	4,101	November 23, 2021	0	N/A	0	0	0	4,101
Ms. Minfang Zhu	Employee representative Supervisor	2,052	November 23, 2021	0	N/A	0	0	0	2,052
<b>Sub-total</b>		282,923	N/A	0	N/A	0	0	37,307	245,616
<b>2021 Independent Selected Participants</b>									
<b>Initial grant</b>									
2,676 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		4,612,600	November 23, 2021	0	N/A	0	0	134,167	4,478,433
<b>Further grant</b>									
22 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		109,436	September 7, 2022	0	N/A	24,969	0	2,932	81,535
16 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		99,297	January 6, 2023	0	N/A	1,572	0	37,420	60,305
<b>Total</b>		5,104,256	N/A	0	N/A	26,541	0	211,826	4,865,889

## Statutory Disclosures

### 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, none of the 2021 Awards have been vested to the five highest paid individuals of the Company.
5. Vesting schedule

The vesting periods 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:

	<b>Vesting Periods</b>	<b>Proportion of Vesting</b>
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:

	<b>Vesting Periods</b>	<b>Proportion of Vesting</b>
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 HKD43.63.

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  $\times$  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 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 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.

### 7. 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 include Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang, Dr. Shuhui Chen (retired from the Company), Dr. Minzhang Chen, Dr. Ning Zhao (passed away in 2023), Mr. Guodong Tong (resigned from the Company), Mr. Ellis Bih-Hsin Chu (resigned from the Company), Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Harry Liang He and Ms. Minfang Zhu. As at the date of this interim 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 interim report, the remaining life of the 2021 Shareholder Alignment Incentive H Share Scheme is approximately six and a half 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:

<b>SAI Vesting Periods</b>		<b>Proportion of Vesting</b>
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.



### 8. 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 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. 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 scientists, other technicians, 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 including, Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Dr. Minzhang Chen, Dr. Shuhui Chen (retired from the Company), Mr. Zhaohui Zhang, Dr. Ning Zhao (passed away in 2023), Ms. Ming Shi, Ms. Hui Xu, Ms. Wendy J. Hu, Mr. Harry Liang He, Ms. Minfang Zhu, Mr. Hongping Wan and Mr. Huitian Lv. 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 interim report, the remaining life of the 2022 H Share Award and Trust Scheme is approximately seven and a half 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 June 30, 2024, there are a total of 3,421 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 3,410 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 2022 Awards granted during the Reporting Period	Number of 2022 Awards vested during the Reporting Period	Number of 2022 Awards which lapsed in accordance with the terms of the scheme during the Reporting Period	Number of 2022 Awards 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
<b>2022 Connected Selected Participants</b>									
Dr. Ge Li	Executive Director, chairman and chief executive officer	299,763	December 20, 2022	0	N/A	0	0	0	299,763
Mr. Edward Hu	Executive Director, vice chairman and global chief investment officer	142,387	December 20, 2022	0	N/A	0	0	0	142,387
Dr. Steve Qing Yang	Executive Director, co-chief executive officer	151,174	December 20, 2022	0	N/A	0	0	0	151,174
Dr. Minzhang Chen	Executive Director, co-chief executive officer	230,697	December 20, 2022	0	N/A	0	0	0	230,697
Mr. Zhaohui Zhang	Executive Director, vice president	74,941	December 20, 2022	0	N/A	0	0	0	74,941
Ms. Ming Shi	Chief financial officer	35,243	December 20, 2022	0	N/A	0	0	0	35,243
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	0	0	0	23,849
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 <sup>(1)</sup>	Senior director of human resources	4,684	December 20, 2022	0	N/A	0	0	0	4,684
Ms. Minfang Zhu	Employee representative Supervisor	2,342	December 20, 2022	0	N/A	0	0	0	2,342
Mr. Hongping Wan	Supervisor of principal subsidiaries of the Company	2,484	December 20, 2022	0	N/A	0	0	0	2,484
Mr. Huitian Lv	Director of principal subsidiaries of the Company	4,405	December 20, 2022	0	N/A	0	0	0	4,405
<b>Sub-total</b>		1,026,604	N/A	0	N/A	0	0	54,635	971,969

## Statutory Disclosures

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 2022 Awards granted during the Reporting Period	Number of 2022 Awards vested during the Reporting Period	Number of 2022 Awards which lapsed in accordance with the terms of the scheme during the Reporting Period	Number of 2022 Awards 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
<b>2022 Independent Selected Participants</b>									
<b>Initial grant</b>									
3,351 senior management, mid-level managers, basic-level managers, backbone members of technicians and other technicians		7,913,096	December 20, 2022	0	N/A	0	0	254,752	7,658,344
<b>Further grant</b>									
23 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	9,678	110,718
13 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	9,936	63,453
23 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	9,054	209,597
<b>Total</b>		<b>9,060,096</b>	<b>N/A</b>	<b>292,040</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>338,055</b>	<b>9,014,081</b>

### Notes:

- Ms. Wendy J. Hu is the spouse of Mr. Edward Hu.
- 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.
- 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 0.0100% of the total issued share capital of the Company as at June 30, 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 HKD74.05 and HKD30.45.
- 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, none of the 2022 Awards have been vested to the five highest paid individuals of the Company.

## 5. Vesting schedule

The vesting periods 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. 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  $\times$  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.

7. 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.

### 9. 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 interim report, the remaining life of the 2024 H Share Award and Trust scheme is approximately nine and a half 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 June 30, 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:

<b>Vesting Periods</b>		<b>Proportion of Vesting</b>
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:

<b>Vesting Periods</b>		<b>Proportion of Vesting</b>
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  $\times$  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 June 30, 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 Interest	Number and class of shares interested <sup>(1)</sup>	Approximate percentage of the Company's issued share capital <sup>(7)</sup>
Dr. Ge Li <sup>(2)(3)</sup>	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	20.3803%
	Beneficial owner; interests of spouse	770,172 H Shares (L)	0.0264%
Mr. Zhaohui Zhang <sup>(2)</sup>	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	20.3803%
	Beneficial owner	108,327 H Shares (L)	0.0037%
Dr. Minzhang Chen	Beneficial owner	146,180 A Shares (L)	0.0050%
	Beneficial owner	291,201 H Shares (L)	0.0100%
Mr. Edward Hu <sup>(4)</sup>	Beneficial owner; interests of spouse	283,314 A Shares (L)	0.0097%
	Beneficial owner; interests of spouse	285,070 H Shares (L)	0.0098%
Dr. Steve Qing Yang	Beneficial owner	213,554 A Shares (L)	0.0073%
	Beneficial owner	261,253 H Shares (L)	0.0090%
Ms. Christine Shaohua Lu-Wong <sup>(5)</sup>	Interests of spouse	16,936 H Shares (L)	0.0006%
Ms. Ming Shi <sup>(6)</sup>	Beneficial owner	2,000 A Shares (L)	0.0001%
	Beneficial owner; interests of spouse	61,049 H Shares (L)	0.0021%

#### 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) The late Dr. Ning Zhao is the spouse of Dr. Ge Li and Dr. Ge Li is deemed to be interested in his spouse's interest.



## Statutory Disclosures

- (4) 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.
- (5) 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.
- (6) Mr. Weimin Jiang is the spouse of Ms. Ming Shi and Ms. Ming Shi is deemed to be interested in her spouse's interest.
- (7) As at June 30, 2024, the number of issued shares of the Company was 2,911,927,203 (comprised of 2,524,851,053 A Shares and 387,076,150 H Shares), which has been used for the calculation of the approximate percentage.

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

<b>Name of Director</b>	<b>Associated Corporation</b>	<b>Capacity/nature of Interest</b>	<b>Number of Shares</b>	<b>Approximate percentage of shareholding interest</b>
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 June 30, 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 June 30, 2024, so far as it was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) 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 <sup>(1)</sup>	Approximate percentage of shares in relevant class of shares <sup>(9)</sup>	Approximate percentage of the Company's issued share capital <sup>(9)</sup>
Dr. Ge Li <sup>(2)</sup>	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	23.50%	20.38%
Mr. Zhaohui Zhang <sup>(2)(3)</sup>	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	23.50%	20.38%
Mr. Xiaozhong Liu <sup>(2)(4)</sup>	Interests held jointly with another person; interests of controlled corporation	593,458,536 A Shares (L)	23.50%	20.38%
G&C VI Limited <sup>(5)</sup>	Beneficial owner	143,015,795 A Shares (L)	5.66%	4.91%
G&C I Limited <sup>(5)</sup>	Interests of controlled corporation	143,015,795 A Shares (L)	5.66%	4.91%
G&C Limited <sup>(5)</sup>	Interests of controlled corporation	180,869,054 A Shares (L)	7.16%	6.21%
Qatar Investment Authority <sup>(6)</sup>	Interest in corporation	46,548,000 H Shares (L)	12.03%	1.60%
Al Rayyan Holding LLC <sup>(6)</sup>	Beneficial owner	38,198,400 H Shares (L)	9.87%	1.31%
Qatar Holding LLC <sup>(6)</sup>	Interest in corporation	38,198,400 H Shares (L)	9.87%	1.31%

## Statutory Disclosures

Name of Shareholder	Nature of Interest	Number and class of shares Interested <sup>(1)</sup>	Approximate percentage of shares in relevant class of shares <sup>(9)</sup>	Approximate percentage of the Company's issued share capital <sup>(9)</sup>
JPMorgan Chase & Co	Interests of controlled corporation	9,657,432 H Shares (L)	2.49%	0.33%
		7,410,901 H Shares (S)	1.91%	0.25%
	Investment manager	1,519,532 H Shares (L)	0.39%	0.05%
	Person having a security interest in shares	216,721 H Shares (L)	0.06%	0.01%
	Approved lending agents	19,099,759 H Shares (P)	4.93%	0.66%
BlackRock, Inc.	Interests of controlled corporation	20,197,158 H Shares (L)	5.22%	0.69%
		430,064 H Shares (S)	0.11%	0.01%
Computershare Hong Kong Trustees Limited <sup>(7)</sup>	Trustee	23,660,380 H Shares (L)	6.11%	0.81%
Morgan Stanley Capital Management, LLC <sup>(8)</sup>	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. <sup>(8)</sup>	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 <sup>(8)</sup>	Underwriter	23,040,000 H Shares (L)	5.95%	0.79%
		17,750,000 H Shares (S)	4.59%	0.61%
Morgan Stanley International Holdings Inc. <sup>(8)</sup>	Interest in corporation controlled	23,040,000 H Shares (L)	5.95%	0.79%
		17,750,000 H Shares (S)	4.59%	0.61%

Name of Shareholder	Nature of Interest	Number and class of shares Interested <sup>(1)</sup>	Approximate percentage of shares in relevant class of shares <sup>(9)</sup>	Approximate percentage of the Company's issued share capital <sup>(9)</sup>
Morgan Stanley International Incorporated <sup>(6)</sup>	Interest in corporation controlled	23,040,000 H Shares (L)	5.95%	0.79%
		17,750,000 H Shares (S)	4.59%	0.61%
Morgan Stanley International Limited <sup>(8)</sup>	Interest in corporation controlled	23,040,000 H Shares (L)	5.95%	0.79%
		17,750,000 H Shares (S)	4.59%	0.61%
Morgan Stanley Investments (UK) <sup>(8)</sup>	Interest in corporation controlled	23,040,000 H Shares (L)	5.95%	0.79%
		17,750,000 H Shares (S)	4.59%	0.61%
MSDW Investment Holdings (US) LLC <sup>(8)</sup>	Interest in corporation controlled	23,040,000 H Shares (L)	5.95%	0.79%
		17,750,000 H Shares (S)	4.59%	0.61%
The Capital Group Companies, Inc.	Interest in corporation controlled	30,893,631 H Shares (L)	7.98%	1.06%

*Notes:*

- (1) (L) -Long position; (S) -Short position; (P) -Lending pool
- (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. AI Rayyan Holding LLC directly held 38,198,400 H Shares of the Company. AI Rayyan Holding LLC was wholly controlled by Qatar Holding LLC. Qatar Holding LLC was wholly controlled by Qatar Investment Authority.

## Statutory Disclosures

- (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 June 30, 2024, the number of issued shares of the Company was 2,911,927,203 (comprised of 2,524,851,053 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 June 30, 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 38 to 62 of this interim 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.

## HUMAN RESOURCES

As at June 30, 2024, the Group had 38,134 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”.

## 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 interim report, the Company has maintained the public float as required under Listing Rules and as modified by the waiver granted by the Stock Exchange upon its listing on the Hong Kong Stock Exchange on December 13, 2018.

## CORPORATE GOVERNANCE

As at June 30, 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.

## DIRECTORS' SECURITIES TRANSACTIONS

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

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

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

## COMPLIANCE WITH LAWS AND REGULATIONS

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

## EVENTS AFTER THE REPORTING PERIOD

Subsequent to the six months ended June 30, 2024 and up to the date of this interim report, no important events affecting the Company has taken place that is required to be disclosed.

## REVIEW OF INTERIM RESULTS AND INTERIM REPORT

### Audit Committee

As at June 30, 2024, the Audit Committee of the Company comprises three independent non-executive Directors, namely Ms. Christine Shaohua Lu-Wong, Dr. Wei Yu and Dr. Xin Zhang. The chairperson of the Audit Committee is Ms. Christine Shaohua Lu-Wong. The Audit Committee has reviewed with management and external auditor the unaudited condensed consolidated financial information of the Group for the Reporting Period, including accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

### Scope of work of Messrs. Deloitte Touche Tohmatsu

The independent auditors of the Company, namely Deloitte Touche Tohmatsu, have carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

Hong Kong, July 29, 2024

\* For identification purposes only

# Report on Review of Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

**TO THE BOARD OF DIRECTORS 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)

## Introduction

We have reviewed the condensed consolidated financial statements of 無錫藥明康德新藥開發股份有限公司 WuXi AppTec Co., Ltd.\* (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 72 to 125 which comprise the condensed consolidated statement of financial position at June 30, 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "*Interim Financial Reporting*" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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.

## Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
July 29, 2024

\* For identification purpose only



# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2024

	NOTES	Six months ended June 30,	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	3	17,240,918	18,871,285
Cost of sales		(10,540,028)	(11,315,600)
Gross profit		6,700,890	7,555,685
Other income	5	511,017	439,801
Other gains and losses	6	208,384	1,061,153
Impairment losses under expected credit losses ("ECL") model, net of reversal	22	(82,127)	(101,700)
Impairment losses of non-financial assets		—	(42,880)
Selling and marketing expenses		(357,522)	(353,474)
Administrative expenses		(1,277,485)	(1,326,482)
Research and development ("R&D") expenses		(636,309)	(667,045)
Operating profit		5,066,848	6,565,058
Share of results of associates		115,818	(76,474)
Share of results of joint ventures		(4,169)	7,695
Finance costs	7	(128,943)	(101,066)
Profit before tax		5,049,554	6,395,213
Income tax expense	8	(768,708)	(1,038,317)
<b>Profit for the period</b>	9	<b>4,280,846</b>	<b>5,356,896</b>
<b>Other comprehensive income (expense) for the period</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translation of financial statements of foreign operations		267,522	376,967
Fair value loss on hedging instrument designated in cash flow hedges		(252,788)	(890,635)
<b>Other comprehensive income (expense) for the period, net of income tax</b>		<b>14,734</b>	<b>(513,668)</b>
<b>Total comprehensive income for the period</b>		<b>4,295,580</b>	<b>4,843,228</b>

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2024

		<b>Six months ended June 30,</b>	
		<b>2024</b>	2023
<i>NOTE</i>		<b><i>RMB'000</i></b>	<i>RMB'000</i>
		<b>(Unaudited)</b>	(Unaudited)
<hr/>			
Profit for the period attributable to:			
		<b>4,239,822</b>	5,313,120
		<b>41,024</b>	43,776
		<b>4,280,846</b>	5,356,896
<hr/>			
Total comprehensive income for the period attributable to:			
		<b>4,256,926</b>	4,806,967
		<b>38,654</b>	36,261
		<b>4,295,580</b>	4,843,228
		<b><i>RMB</i></b>	<i>RMB</i>
<hr/>			
Earnings per share			
— Basic	10	<b>1.46</b>	1.81
— Diluted	10	<b>1.45</b>	1.79

# Condensed Consolidated Statement of Financial Position

At June 30, 2024

	NOTES	At June 30, 2024 RMB'000 (Unaudited)	At December 31, 2023 RMB'000 (Audited)
<b>Non-current Assets</b>			
Property, plant and equipment	12	26,033,921	25,844,429
Right-of-use assets	12	2,358,122	2,348,338
Goodwill	13	1,841,158	1,820,873
Other intangible assets		876,645	906,676
Interests in associates	14	2,356,443	2,180,396
Interests in joint ventures	15	25,481	35,234
Deferred tax assets	16	489,518	366,691
Financial assets at fair value through profit or loss ("FVTPL")	17	8,939,253	8,626,009
Other non-current assets	18	117,735	105,755
Biological assets	19	1,097,914	1,012,478
		<b>44,136,190</b>	<b>43,246,879</b>
<b>Current Assets</b>			
Inventories	20	3,291,610	2,886,094
Contract costs		878,331	695,583
Biological assets	19	1,061,993	1,154,553
Amounts due from related parties	32	57,695	86,702
Trade and other receivables	21	9,093,696	9,372,741
Contract assets	21	1,200,831	1,234,394
Income tax recoverable		4,888	17,526
Financial assets at FVTPL	17	—	11,003
Derivative financial instruments	25	—	414,035
Other current assets	23	—	785,780
Pledged bank deposits		1,603	1,610
Term deposits with initial term of over three months		4,970,976	3,761,410
Bank balances and cash		9,699,515	10,001,039
		<b>30,261,138</b>	<b>30,422,470</b>
<b>Current Liabilities</b>			
Trade and other payables	24	6,777,385	7,333,527
Amounts due to related parties	32	14,315	11,547
Derivative financial instruments	25	659,741	501,871
Contract liabilities		2,522,712	1,955,363
Bank borrowings	26	2,919,266	3,721,645
Lease liabilities		234,705	240,452
Income tax payables		520,251	991,891
		<b>13,648,375</b>	<b>14,756,296</b>

## Condensed Consolidated Statement of Financial Position

At June 30, 2024

	NOTES	At June 30, 2024 RMB'000 (Unaudited)	At December 31, 2023 RMB'000 (Audited)
<b>Net Current Assets</b>		<b>16,612,763</b>	15,666,174
<b>Total Assets Less Current Liabilities</b>		<b>60,748,953</b>	58,913,053
<b>Non-current Liabilities</b>			
Bank borrowings	26	<b>2,892,344</b>	687,017
Deferred tax liabilities	16	<b>596,899</b>	530,107
Deferred income		<b>1,045,104</b>	1,079,932
Lease liabilities		<b>1,119,845</b>	1,098,552
		<b>5,654,192</b>	3,395,608
<b>Net Assets</b>		<b>55,094,761</b>	55,517,445
<b>Capital and Reserves</b>			
Share capital	27	<b>2,911,927</b>	2,968,845
Reserves		<b>51,802,010</b>	52,153,609
Equity attributable to owners of the Company		<b>54,713,937</b>	55,122,454
Non-controlling interests		<b>380,824</b>	394,991
<b>Total Equity</b>		<b>55,094,761</b>	55,517,445

The condensed consolidated financial statements on pages 72 to 125 were approved and authorized for issue by the board of directors on July 29, 2024 and are signed on its behalf by:

**Ge Li**  
DIRECTOR

**Edward Hu**  
DIRECTOR

# Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024

	Attributable to owners of the Company											Total RMB'000	
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Share- based payment reserve RMB'000	Cash flow hedging reserve RMB'000	Foreign currency translation reserve RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Retained earnings RMB'000	Subtotal RMB'000		Non- controlling interests RMB'000
Balance at January 1, 2024 (Audited)	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
Profit for the period	—	—	—	—	—	—	—	—	—	4,239,822	4,239,822	41,024	4,280,846
Other comprehensive (expense) income for the period	—	—	—	—	—	(250,503)	267,607	—	—	—	17,104	(2,370)	14,734
Total comprehensive (expense) income for the period	—	—	—	—	—	(250,503)	267,607	—	—	4,239,822	4,256,926	38,654	4,295,580
Recognition of share-based payments	—	—	—	—	195,177	—	—	—	—	—	195,177	979	196,156
Repurchase and cancellation of ordinary A shares	(41,869)	(1,958,132)	—	—	—	—	—	—	—	—	(2,000,001)	—	(2,000,001)
Issue of A shares under 2019 Stock Option	419	15,762	—	9,934	(9,934)	—	—	—	—	—	16,181	—	16,181
2020 H Share Award vested	—	(2,004)	2,004	3,309	(3,309)	—	—	—	—	—	—	—	—
2021 H Share Award vested	—	(3,519)	3,519	1,874	(1,874)	—	—	—	—	—	—	—	—
Restricted A shares vested	—	—	4,484	6,270	(6,270)	—	—	—	—	—	4,484	—	4,484
Cancellation of ordinary H shares	(15,468)	(1,166,318)	1,181,786	—	—	—	—	—	—	(2,882,051)	(2,882,051)	—	(2,882,051)
Dividends recognised as distribution	—	—	—	—	—	—	—	—	—	—	—	—	—
Impact of change of non-controlling interests	—	—	—	(3,581)	—	—	—	—	—	—	(3,581)	(53,811)	(57,392)
Tax deduction of restricted shares and options exceeds the related cumulative remuneration expense	—	—	—	4,348	—	—	—	—	—	—	4,348	11	4,359
Balance at June 30, 2024 (Unaudited)	2,911,927	22,891,374	(1,964,736)	(164,665)	1,274,414	(322,410)	451,822	1,023,342	398,216	28,214,653	54,713,937	380,824	55,094,761

# Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024

	Attributable to owners of the Company										Total RMB'000		
	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Share- based payment RMB'000	Cash flow hedging reserve RMB'000	Foreign currency translation reserve RMB'000	Statutory reserve RMB'000	Other reserve RMB'000	Retained earnings RMB'000		Subtotal RMB'000	Non- controlling interests RMB'000
Balance at January 1, 2023 (Audited)	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 period	—	—	—	—	—	—	—	—	—	5,313,120	5,313,120	43,776	5,356,896
Other comprehensive (expense) income for the period	—	—	—	—	—	(882,356)	376,203	—	—	—	(506,153)	(7,515)	(513,668)
Total comprehensive (expense) income for the period	—	—	—	—	—	(882,356)	376,203	—	—	5,313,120	4,806,967	36,261	4,843,228
Recognition of share-based payments Issue of A shares under 2019 Stock Option	—	—	—	—	394,572	—	—	—	—	—	394,572	2,187	396,759
Conversion of convertible bonds	979	36,831	—	22,234	(22,234)	—	—	—	—	—	37,810	—	37,810
Dividends recognised as distribution	7,278	520,961	—	—	—	—	—	—	—	—	528,239	—	528,239
Repurchase and cancellation of restricted A shares	—	—	149	—	—	—	—	—	—	(2,649,084)	(2,648,935)	—	(2,648,935)
Impact of change of non-controlling interests	(662)	(12,158)	12,820	—	—	—	—	—	—	—	—	—	—
Restricted A shares vested	—	—	—	(1,135)	—	—	—	—	—	—	(1,135)	(1,671)	(2,806)
Tax deduction of restricted shares and options exceeds the related cumulative remuneration expense	—	—	105,598	189,760	(189,760)	—	—	—	—	—	105,598	—	105,598
Balance at June 30, 2023 (Unaudited)	2,968,122	26,629,382	(2,626,678)	(945,729)	1,380,930	(865,400)	383,251	702,680	398,216	21,800,511	49,825,285	373,497	50,198,782

# Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2024

	<b>Six months ended June 30,</b>	
	<b>2024</b> <b>RMB'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>
NET CASH FROM OPERATING ACTIVITIES	<b>4,738,834</b>	5,340,726
NET CASH USED IN INVESTING ACTIVITIES		
Interests received	<b>292,063</b>	222,088
Proceeds from disposal of financial assets at FVTPL	<b>2,143,349</b>	556,086
Purchases of financial assets at FVTPL	<b>(2,073,976)</b>	(276,843)
Withdrawal of certificates of deposits	<b>700,000</b>	500,000
Purchases of term deposits with initial term of over three months	<b>(1,459,720)</b>	—
Withdrawal of term deposit with initial term of over three months	<b>362,825</b>	—
Proceeds from disposal of other intangible assets	<b>240</b>	166
Proceeds from disposal of property, plant and equipment	<b>9,206</b>	9,719
Capital injection to an associate	<b>(12,220)</b>	—
Purchases of property, plant and equipment	<b>(1,509,372)</b>	(2,296,036)
Withdrawal (Payments) of rental deposits	<b>1,364</b>	(3,166)
Purchases of other intangible assets	<b>(1,139)</b>	(14)
Payments for right-of-use assets	<b>—</b>	(118,933)
Withdrawal of pledged bank deposits	<b>7</b>	196
Net cash outflow on acquisition of subsidiaries	<b>—</b>	(22,092)
Dividends received from financial assets at FVTPL	<b>22,551</b>	23,285
Payments on derivative financial instruments	<b>(250,173)</b>	—
R&D grants and others received related to assets	<b>29,077</b>	97,726
	<b>(1,745,918)</b>	(1,307,818)

## Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2023

	<b>Six months ended June 30,</b>	
	<b>2024</b> <b>RMB'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		
Payments of dividends	<b>(2,526,288)</b>	(2,649,084)
New bank borrowings raised	<b>5,559,410</b>	4,796,582
Repayment of bank borrowings	<b>(4,197,451)</b>	(4,524,257)
Repayments of lease liabilities	<b>(143,039)</b>	(137,060)
Net proceeds from exercise of stock option	<b>16,428</b>	34,999
Payments on repurchase of A shares	<b>(2,000,001)</b>	—
Interests paid	<b>(114,719)</b>	(54,301)
Acquisition of partial interest of subsidiaries from non-controlling shareholders	<b>(57,392)</b>	(2,806)
Redemption for convertible bonds	<b>—</b>	(76,850)
	<b>(3,463,052)</b>	(2,612,777)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	<b>(470,136)</b>	1,420,131
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>10,001,039</b>	7,983,904
Effects of exchange rate changes	<b>168,612</b>	181,005
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>9,699,515</b>	9,585,040



# Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

## 1. GENERAL INFORMATION

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

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

The principal activity of the Company and its subsidiaries (collectively referred to as “Group”) is to provide a portfolio of research and manufacturing services throughout the discovery, development and manufacturing spectrum for small molecule drugs, advanced therapies, 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 condensed consolidated financial statements.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

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

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value and biological assets which are measured at fair value less costs to sell.

Other than additional/change in accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2023.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

(Continued)

### Application of amendments to IFRSs

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

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

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

### 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")

#### 2.1.1 Accounting policies

The Group assesses the right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, and 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.

For non-current liabilities with covenants, only covenants with which the Group is required to comply with on or before the end of the reporting period affect the Group's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the Group discloses information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the Group classifies liabilities arising from loan arrangements as non-current when the Group's right to defer settlement of those liabilities is subject to the Group complying with covenants within twelve months after the reporting period.

#### 2.1.2 Transition and summary of impact

The application of the 2020 Amendments and 2022 Amendments in the current period had no material impact on the condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 3. REVENUE

The Group's revenue streams are categorized as follows:

Chemistry business ("WuXi Chemistry")	Integrating the chemistry business-related resources and capabilities, including WuXi STA ("合全藥業") and the Research Chemistry Services ("RCS") business units to offer new drug Contract Research Development and Manufacturing Organization ("CRDMO") services to customers.
Testing business ("WuXi Testing")	Integrating the pre-clinical and clinical resources and capabilities, such as Lab Testing Division, WuXi Clinical ("康德弘翼") (Clinical Development Services business) and MedKey ("藥明津石") (Site Management Organization business) to serve global customers for pharmaceutical, medical device, and in vitro diagnostic sectors.
Biology business ("WuXi Biology")	Integrating the technologies in DNA-encoded library ("DEL"), biology, oncology and immunology to provide global customers with integrated drug discovery and research services.
Advanced Therapies CTDMO business ("WuXi ATU")	Capitalizing on global resources and capabilities to provide customers with integrated advanced therapies CTDMO services including process development, manufacturing and testing.
Domestic New Drug Discovery Service Unit ("WuXi DDSU")	Based on customers' needs, providing customers with integrated new drug R&D services with a focus on patent creation, empowering the product development of first-class small molecule new drugs for customers.
Others	Others mainly including the income streams from administrative services, sales of raw materials and sales of scrap materials.

#### 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.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 3. REVENUE (Continued)

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

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Revenue		
— WuXi Chemistry	<b>12,209,867</b>	13,467,203
— WuXi Testing	<b>3,018,356</b>	3,091,000
— WuXi Biology	<b>1,168,910</b>	1,232,635
— WuXi ATU	<b>574,953</b>	713,627
— WuXi DDSU	<b>257,178</b>	341,987
— Others	<b>11,654</b>	24,833
	<b>17,240,918</b>	18,871,285

#### Timing of revenue recognition

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Over time		
— WuXi Chemistry	<b>2,725,019</b>	2,881,969
— WuXi Testing	<b>3,018,356</b>	3,091,000
— WuXi Biology	<b>1,168,910</b>	1,232,635
— WuXi ATU	<b>572,613</b>	710,967
— WuXi DDSU	<b>257,178</b>	341,987
— Others	<b>8,114</b>	18,529
	<b>7,750,190</b>	8,277,087
At a point in time		
— WuXi Chemistry	<b>9,484,848</b>	10,585,234
— WuXi ATU	<b>2,340</b>	2,660
— Others	<b>3,540</b>	6,304
	<b>9,490,728</b>	10,594,198

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 4. SEGMENT INFORMATION

#### Segment revenue and results

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

	Six months ended June 30, 2024 (Unaudited)						Total RMB'000
	WuXi Chemistry RMB'000	WuXi Testing RMB'000	WuXi Biology RMB'000	WuXi ATU RMB'000	WuXi DDSU RMB'000	Others RMB'000	
Segment revenue	12,209,867	3,018,356	1,168,910	574,953	257,178	11,654	17,240,918
Segment results	5,243,846	1,052,906	420,499	(172,513)	150,109	6,043	6,700,890
<b>Unallocated amount:</b>							
Other income							511,017
Other gains and losses							208,384
Impairment losses under ECL model, net of reversal							(82,127)
Selling and marketing expenses							(357,522)
Administrative expenses							(1,277,485)
R&D expenses							(636,309)
Share of results of associates							115,818
Share of results of joint ventures							(4,169)
Finance costs							(128,943)
Profit before tax							5,049,554

**4. SEGMENT INFORMATION** (Continued)**Segment revenue and results** (Continued)

	Six months ended June 30, 2023 (Unaudited)						Total RMB'000
	WuXi Chemistry RMB'000	WuXi Testing RMB'000	WuXi Biology RMB'000	WuXi ATU RMB'000	WuXi DDSU RMB'000	Others RMB'000	
	Segment revenue	13,467,203	3,091,000	1,232,635	713,627	341,987	
Segment results	<u>5,906,602</u>	<u>1,118,601</u>	<u>483,040</u>	<u>(57,864)</u>	<u>95,907</u>	<u>9,399</u>	<u>7,555,685</u>
<b>Unallocated amount:</b>							
Other income							439,801
Other gains and losses							1,061,153
Impairment losses under ECL model, net of reversal							(101,700)
Impairment losses of non- financial assets							(42,880)
Selling and marketing expenses							(353,474)
Administrative expenses							(1,326,482)
R&D expenses							(667,045)
Share of results of associates							(76,474)
Share of results of joint ventures							7,695
Finance costs							<u>(101,066)</u>
Profit before tax							<u>6,395,213</u>

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

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 4. 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:

	<b>Six months ended June 30,</b>	
	<b>2024</b> <i>RMB'000</i> <b>(Unaudited)</b>	2023 <i>RMB'000</i> (Unaudited)
Revenue		
— USA	<b>10,711,857</b>	12,355,501
— PRC	<b>3,398,319</b>	3,304,858
— Europe	<b>2,216,607</b>	2,104,139
— Rest of the world	<b>914,135</b>	1,106,787
	<b>17,240,918</b>	18,871,285

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

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

	<b>At</b> <b>June 30,</b> <b>2024</b> <i>RMB'000</i> <b>(Unaudited)</b>	At December 31, 2023 <i>RMB'000</i> (Audited)
— PRC	<b>26,621,986</b>	26,901,974
— Rest of the world	<b>8,085,433</b>	7,352,205
	<b>34,707,419</b>	34,254,179

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

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 5. OTHER INCOME

	Six months ended June 30,	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Interest income	<b>316,478</b>	197,359
R&D grants and others related to		
— asset (i)	<b>63,905</b>	63,886
— income (ii)	<b>129,650</b>	162,122
Dividend income arising from financial assets at FVTPL	<b>984</b>	16,434
	<b>511,017</b>	439,801

Notes:

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

### 6. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Net foreign exchange gain	<b>430,588</b>	398,500
Gain on financial assets at FVTPL (realized)	<b>159,920</b>	372,567
Gain (loss) on financial assets at FVTPL (unrealized)	<b>41,276</b>	(46,474)
Gain on biological assets	<b>120,651</b>	311,620
Loss on disposal of plant and equipment and biological assets	<b>(24,316)</b>	(6,360)
Gain on financial liabilities at FVTPL	<b>—</b>	5,673
Loss on derivative financial instruments (realized)	<b>(250,173)</b>	—
(Loss) gain on derivative financial instruments (unrealized)	<b>(261,515)</b>	40,174
Others	<b>(8,047)</b>	(14,547)
	<b>208,384</b>	1,061,153



## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 7. FINANCE COSTS

	<b>Six months ended June 30,</b>	
	<b>2024</b> <b>RMB'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>
Interest expense on borrowings	<b>119,300</b>	73,807
Interest expense on lease liabilities	<b>21,890</b>	27,620
Effective interest expense on convertible bonds	<b>—</b>	3,940
Total borrowing cost	<b>141,190</b>	105,367
Less: amounts capitalized in the cost of qualifying assets	<b>(12,247)</b>	(4,301)
	<b>128,943</b>	101,066

### 8. INCOME TAX EXPENSE

	<b>Six months ended June 30,</b>	
	<b>2024</b> <b>RMB'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>
Current tax:		
— PRC	<b>763,042</b>	643,911
— Hong Kong	<b>38,781</b>	332,256
— USA	<b>1,657</b>	(3,804)
— Rest of world	<b>7,419</b>	4,396
	<b>810,899</b>	976,759
(Over) Under provision in respect of prior years:		
— PRC	<b>(33,663)</b>	15,397
— Rest of world	<b>508</b>	(3,554)
	<b>(33,155)</b>	11,843
Deferred tax:		
— Current period	<b>(9,036)</b>	49,715
	<b>768,708</b>	1,038,317

The Group is operating in certain jurisdictions where the Pillar Two Rules is effective. However, as the certain jurisdictions in which the Group operates are all operating at a loss or with a small business volume, after taking into account the adjustments under the Global Anti-base Erosion Rules based on management's best estimate, the management of the Group considered the amount of the top-up tax under the Pillar Two Rules is immaterial.

**9. PROFIT FOR THE PERIOD**

Profit for the period has been arrived at after charging (crediting):

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Depreciation of property, plant and equipment	<b>1,177,904</b>	1,021,690
Depreciation of right-of-use assets	<b>137,603</b>	119,109
Amortization of other intangible assets and other non-current assets	<b>76,619</b>	70,424
Staff cost (including directors' emoluments):		
— Salaries and other benefits	<b>4,373,247</b>	4,883,655
— Retirement benefit scheme contributions	<b>643,491</b>	610,860
— Equity-settled share-based payments	<b>196,156</b>	396,759
— Cash-settled share-based payments	<b>—</b>	(5,673)
	<b>6,605,020</b>	7,096,824
Capitalized in inventories and contract costs	<b>(1,541,504)</b>	(1,734,712)
Capitalized in construction in progress	<b>(12,247)</b>	(4,301)
	<b>5,051,269</b>	5,357,811
Impairment losses (reversed) recognized on inventory included in cost of sales	<b>(10,433)</b>	12,617
Expense relating to short-term leases	<b>2,305</b>	1,938
Expense relating to leases of low-value assets that are not shown above as short-term leases	<b>3,126</b>	3,098
Auditor's remuneration	<b>4,776</b>	5,280

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 10. EARNINGS PER SHARE

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

	<b>Six months ended June 30,</b>	
	<b>2024</b> <b>RMB'000</b> <b>(Unaudited)</b>	2023 <i>RMB'000</i> (Unaudited)
Earnings:		
Profit attributable to owners of the Company	<b>4,239,822</b>	5,313,120
Less: Cash dividends attribute to the shareholders of restricted shares expected to be unlocked in the future	<b>—</b>	(149)
Earnings for the purpose of calculating basic earnings per share	<b>4,239,822</b>	5,312,971
Effect of dilutive potential ordinary shares:		
Add: Cash dividends attribute to the shareholders of restricted shares expected to be unlocked in the future	<b>—</b>	149
Effect of incentive schemes issued by a subsidiary	<b>(167)</b>	(508)
Effect of incentive schemes issued by an associate	<b>(11,178)</b>	—
Effect of the conversion of the convertible bonds	<b>—</b>	(36,337)
Earnings for the purpose of calculating diluted earnings per share	<b>4,228,477</b>	5,276,275
	<b>Six months ended June 30,</b>	
	<b>2024</b> <b>(Unaudited)</b>	2023 (Unaudited)
Number of Shares (000):		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<b>2,907,738</b>	2,936,844
Effect of dilutive potential ordinary shares:		
Effect of incentive schemes issued by the Company	<b>5,618</b>	8,893
Effect of the conversion of the convertible bonds	<b>—</b>	3,576
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<b>2,913,356</b>	2,949,313

The earnings for the purpose of calculating diluted earnings per share for the six months ended June 30, 2024 has been adjusted on the effect of incentive schemes issued by a subsidiary and an associate (six months ended June 30, 2023: adjusted on the effect of incentive schemes issued by a subsidiary and the effect of the conversion of the convertible bonds.)

## 10. EARNINGS PER SHARE (Continued)

The computation of diluted earnings per share for the six months ended June 30, 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 (six months ended June 30, 2023: after taking into account the effect of incentive schemes and the conversion of the outstanding convertible bonds issued by the Company).

## 11. DIVIDENDS

On June 12, 2024, 2023 profit distribution plan (“2023 Profit Distribution Plan”) of the Company was approved at the 2023 AGM. Pursuant to the 2023 Profit Distribution Plan, a final dividend of RMB9.8974 per 10 shares (inclusive of tax) (2022 Profit Distribution Plan: RMB8.9266 per 10 shares (inclusive of tax)) based on the record date for determining the shareholders’ entitlement to 2023 Profit Distribution Plan was declared to both holders of A Shares and H Shares. The aggregated dividends amounted to RMB2,882,050,829.90 (six months ended June 30, 2023: RMB2,649,083,545.14), which was paid by the Company as at the date of this interim report.

The directors of the Company have determined that no dividend will be proposed or declared in respect of the reporting period (six months ended June 30, 2023: Nil).

## 12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the reporting period, the Group acquired property, plant and equipment of approximately RMB1,337,192,000 (period ended June 30, 2023: RMB2,125,895,000) for the expansion of production facilities and research capacity. During the reporting period, the Group disposed certain plant and equipment with an aggregate carrying amount of RMB15,298,000 (period ended June 30, 2023: RMB16,553,000), resulting in a loss on disposal of RMB6,090,000 (period ended June 30, 2023: RMB6,360,000).

During the reporting period, the Group entered into several new lease agreements for the use of buildings and equipment. On lease commencement, the Group recognised right-of-use assets amounting to RMB151,271,000 (period ended June 30, 2023: RMB367,443,000) and lease liabilities amounted to RMB151,271,000 (period ended June 30, 2023: RMB152,651,000).

During the reporting period, the Group did not acquire new right-of-use assets for leasehold lands in the PRC (period ended June 30, 2023: RMB118,933,000).

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 13. GOODWILL

	At June 30, 2024 RMB'000 (Unaudited)	At December 31, 2023 RMB'000 (Audited)
COST		
At the beginning of period/year	2,093,358	2,042,863
Effect of foreign currency exchange difference	25,469	50,495
At the end of period/year	2,118,827	2,093,358
IMPAIRMENT		
At the beginning of period/year	272,485	220,761
Additions	—	49,606
Effect of foreign currency exchange difference	5,184	2,118
At the end of period/year	277,669	272,485
CARRYING VALUES		
At the end of period/year	1,841,158	1,820,873

### 14. INTERESTS IN ASSOCIATES

	At June 30, 2024 RMB'000 (Unaudited)	At December 31, 2023 RMB'000 (Audited)
At the beginning of the period/year	2,180,396	1,135,669
Addition	12,220	—
Disposal	—	(29,080)
Dividend	—	(8,754)
Share of post-acquisition profits (losses)	115,818	(35,076)
Gain on deemed disposal of an associate (Note)	—	1,097,611
Exchange effect	48,009	20,026
At the end of the period/year	2,356,443	2,180,396
Fair value of listed investments	6,502,810	11,626,240

**14. INTERESTS IN ASSOCIATES** (Continued)

Note: During the year ended December 31, 2023, the Group's associate, WuXi XDC Cayman Inc. ("XDC Cayman") was listed on the Main Board of The Stock Exchange of Hong Kong Limited and the public offering of shares was completed. The proportion held by the Group has been diluted. The Group still adopts the equity method of accounting for XDC Cayman. The related effect of listing and deemed disposal is recognised in profit or loss.

The fair value of the listed investments is determined based on the quoted market bid price multiplied by the quantity of shares held by the Group.

**15. INTERESTS IN JOINT VENTURES**

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	<b>At December 31, 2023 RMB'000 (Audited)</b>
At the beginning of the period/year	<b>35,234</b>	67,262
Disposal	<b>(6,285)</b>	—
Share of post-acquisition losses	<b>(4,169)</b>	(32,484)
Exchange effect	<b>701</b>	456
At the end of the period/year	<b>25,481</b>	35,234

**16. DEFERRED TAXATION**

For the purpose of presentation in the condensed 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:

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	<b>At December 31, 2023 RMB'000 (Audited)</b>
Deferred tax assets	<b>489,518</b>	366,691
Deferred tax liabilities	<b>(596,899)</b>	(530,107)
	<b>(107,381)</b>	(163,416)

# Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

## 16. DEFERRED TAXATION (Continued)

	Deferred Tax Assets										Deferred Tax Liabilities										Total RMB'000		
	Tax losses					Intangible assets					Capital					Biological						Right-of-use assets RMB'000	Others RMB'000
	allowance	Share-based payment	Accrual expenses	Deferred income	Depreciation difference	Derivative financial instruments	Lease liability	Others	acquisition of subsidiaries	Depreciation difference	investments	FI change	FI change	FI change	FI change	FI change							
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	RMB'000	RMB'000					
At January 1, 2023 (Audited)	188,056	45,919	129,500	55,782	118,343	93,348	17,317	220,686	99,605	(123,499)	(253,361)	(123,348)	(197,680)	(20,345)	(191,916)	(758)	51,649						
(Charge) credit to profit or loss	(24,676)	18,653	22,924	12,713	(1,203)	(14,786)	—	45,584	(65,023)	7,210	(32,293)	48,742	(23,720)	—	(43,178)	(363)	(48,616)						
Credit to OCI	—	—	—	—	—	—	136,197	—	—	—	—	—	—	20,345	—	—	158,542						
Exchange differences	4,161	771	256	1,352	—	24	523	5,320	1,220	(4,265)	(5,605)	52	—	—	(4,311)	(22)	(544)						
At June 30, 2023 (Unaudited)	167,341	65,343	152,680	69,847	117,140	78,566	154,037	271,590	35,802	(120,574)	(291,259)	(80,554)	(221,400)	—	(239,405)	(1,143)	158,031						
(Charge) credit to profit or loss	(77,636)	16,797	(29,361)	32,936	33,122	5,384	—	4,218	(15,982)	14,594	10,316	(133,491)	3,511	—	(5,140)	638	(140,094)						
Charge to OCI	—	—	—	—	—	—	(70,604)	—	—	—	—	—	—	(68,831)	—	—	(139,455)						
Exchange differences	(1,713)	(439)	(408)	(541)	—	(10)	(624)	(2,778)	(498)	2,600	2,747	(1,754)	—	515	2,283	12	(608)						
Effect of tax rate change	(23,843)	(274)	(2,159)	—	(3,824)	(11,210)	—	—	—	—	—	—	—	—	—	—	(41,310)						
At December 31, 2023 (Audited)	64,149	81,427	120,752	102,242	146,438	72,750	82,809	273,030	19,322	(103,380)	(278,196)	(215,789)	(217,889)	(68,316)	(242,262)	(493)	(163,416)						
Credit (charge) to profit or loss	26,890	(17,130)	23,501	296	(4,695)	(2,627)	43,224	(4,149)	(15,894)	4,255	(16,606)	(19,377)	41	—	438	(262)	17,905						
(Charge) credit to OCI	—	—	—	—	—	—	(19,757)	—	—	—	—	—	—	70,018	—	—	50,261						
Exchange differences	58	753	338	829	—	13	2,424	4,213	413	(1,390)	(3,662)	(2,896)	—	(1,702)	(3,493)	(9)	(4,111)						
Effect of tax rate change	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(8,020)						
At June 30, 2024 (Unaudited)	91,097	65,050	144,591	103,367	141,743	62,116	108,700	273,094	3,841	(100,515)	(298,464)	(238,072)	(217,848)	—	(245,317)	(764)	(107,381)						

**16. 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:

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	At December 31, 2023 RMB'000 (Audited)
Deductible temporary differences	<b>162,023</b>	223,948
Unused tax losses	<b>3,340,570</b>	2,591,079
	<b>3,502,593</b>	2,815,027

The Group had unrecognised tax losses of RMB3,340,570,000 as at June 30, 2024 (December 31, 2023: RMB2,591,079,000) due to the unpredictability of future revenue streams. These tax losses will be carried forward and expire in years as follows:

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	At December 31, 2023 RMB'000 (Audited)
2024	<b>19,468</b>	21,963
2025	<b>22,235</b>	23,082
2026	<b>46,680</b>	49,726
2027	<b>231,408</b>	231,557
2028	<b>143,358</b>	210,827
2029 and later	<b>2,877,421</b>	2,053,924
	<b>3,340,570</b>	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 oversea 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.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 17. FINANCIAL ASSETS AT FVTPL

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	At December 31, 2023 RMB'000 (Audited)
<b>Current asset</b>		
Financial products	—	11,003
	—	11,003
<b>Non-current assets</b>		
Listed equity securities	<b>340,152</b>	483,868
Unlisted equity investments	<b>6,866,923</b>	6,600,451
Unlisted fund investments	<b>1,732,178</b>	1,541,690
	<b>8,939,253</b>	8,626,009

### 18. OTHER NON-CURRENT ASSETS

Balances at June 30, 2024 are mainly consist of prepaid expenses (non-current), deposits and others.

### 19. BIOLOGICAL ASSETS

#### Nature of the Group's agricultural activities

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.

**19. BIOLOGICAL ASSETS** (Continued)**Carrying value of the Group's biological assets**

	<b>Cynomolgus monkeys for breeding</b> <i>RMB'000</i>	<b>Cynomolgus monkeys for experiment</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
Carrying value at January 1, 2024 (Audited)	1,012,478	1,154,553	2,167,031
Add: Breeding costs	—	32,905	32,905
Decrease due to mortality	(11,118)	(7,108)	(18,226)
Decrease due to experiments	—	(142,454)	(142,454)
Gain (loss) arising from changes in fair value less costs to sell of biological assets	157,161	(36,510)	120,651
Transfer among group of monkeys	(60,607)	60,607	—
Carrying value at June 30, 2024 (Unaudited)	1,097,914	1,061,993	2,159,907

Analysed for reporting purposes as:

	<b>At June 30, 2024</b> <i>RMB'000</i> <b>(Unaudited)</b>	At December 31, 2023 <i>RMB'000</i> (Audited)
Current	<b>1,061,993</b>	1,154,553
Non-current	<b>1,097,914</b>	1,012,478
Total	<b>2,159,907</b>	2,167,031

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 19. BIOLOGICAL ASSETS (Continued)

#### 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.

### 20. INVENTORIES

	At June 30, 2024 RMB'000 (Unaudited)	At December 31, 2023 RMB'000 (Audited)
Raw material and consumables	1,150,761	1,062,896
Work in progress	1,252,657	823,675
Finished goods	888,192	999,523
	<b>3,291,610</b>	<b>2,886,094</b>

The inventories are net of a write-down of approximately RMB134,687,000 as at June 30, 2024 (December 31, 2023: RMB143,798,000).

**21. TRADE AND OTHER RECEIVABLES/CONTRACT ASSETS****21.1 Trade and other receivables**

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	At December 31, 2023 RMB'000 (Audited)
Trade receivables		
— third parties	<b>7,835,065</b>	8,197,486
Less: Allowance for credit losses	<b>(277,702)</b>	(373,169)
	<b>7,557,363</b>	7,824,317
Note receivables	<b>24,973</b>	20,197
Total trade and note receivables	<b>7,582,336</b>	7,844,514
Other receivables	<b>122,730</b>	122,431
Prepayments	<b>238,990</b>	243,663
Interest receivables	<b>121,580</b>	10,175
Prepaid expenses	<b>55,464</b>	29,521
Value added tax recoverables	<b>947,220</b>	1,096,507
Deposits	<b>25,376</b>	25,930
	<b>1,511,360</b>	1,528,227
Total trade and other receivables	<b>9,093,696</b>	9,372,741

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 receivables presented based on the invoice date, at the end of each reporting period:

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	At December 31, 2023 RMB'000 (Audited)
Within 180 days	<b>6,304,243</b>	6,742,842
181 days to 1 year	<b>472,066</b>	489,381
1 year to 2 years	<b>551,013</b>	477,383
More than 2 years	<b>255,014</b>	134,908
	<b>7,582,336</b>	7,844,514

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 21. TRADE AND OTHER RECEIVABLES/CONTRACT ASSETS (Continued)

#### 21.2 Contract assets

	At June 30, 2024 RMB'000 (Unaudited)	At December 31, 2023 RMB'000 (Audited)
Contract assets	1,210,354	1,244,817
Less: Allowance for credit losses	(9,523)	(10,423)
	<b>1,200,831</b>	1,234,394

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 recognizes 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 recognized contract asset to trade receivable when it obtains the unconditional right to collect from the customer.

### 22. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Impairment losses recognised in respect of		
Contract assets	(980)	428
Trade receivables	83,107	101,272
	<b>82,127</b>	101,700

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended June 30, 2024 are the same as those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2023.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 23. OTHER CURRENT ASSETS

As at June 30, 2024, other current assets of the Group is nil (December 31, 2023: RMB785,780,000 due to the certificates of deposits purchased by the Group).

### 24. TRADE AND OTHER PAYABLES

	<b>At June 30, 2024 RMB'000 (unaudited)</b>	At December 31, 2023 RMB'000 (audited)
Trade payables	<b>1,966,503</b>	1,633,775
Salary and bonus payables	<b>1,285,670</b>	2,125,636
Payables for acquisition of plant and equipment	<b>1,984,576</b>	2,127,166
Accrued expenses	<b>669,351</b>	752,458
Dividend payable	<b>355,763</b>	—
Other taxes payable	<b>200,050</b>	381,850
Interest payable	<b>30,133</b>	22,293
Others	<b>285,339</b>	282,112
Considerations received from employees for subscribing restricted A shares of the Company under the WuXi AppTec A Share Incentive Scheme	<b>—</b>	8,237
	<b>6,777,385</b>	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 presented based on invoice dates at the end of each reporting period:

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	At December 31, 2023 RMB'000 (Audited)
Within one year	<b>1,904,198</b>	1,569,471
1 year to 2 years	<b>35,332</b>	33,014
2 years to 3 years	<b>10,903</b>	18,465
More than 3 years	<b>16,070</b>	12,825
	<b>1,966,503</b>	1,633,775

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 25. DERIVATIVE FINANCIAL INSTRUMENTS

	At June 30, 2024 RMB'000 (Unaudited)	At December 31, 2023 RMB'000 (Audited)
<b>Current assets</b>		
<b>Derivatives under hedge accounting</b>		
Cash flow hedges — Foreign currency forward contracts	—	414,035
<b>Current liabilities</b>		
<b>Derivatives under hedge accounting</b>		
Cash flow hedges — Foreign currency forward contracts	395,970	501,871
<b>Other derivatives (not under hedge accounting)</b>		
Foreign currency forward contracts	263,771	—
	<b>659,741</b>	<b>501,871</b>

#### 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 up to 12 months, in particular, the exchange rate between USD and RMB, which are designated into cash flow hedges.

	Average strike rate as at June 30, 2024	Notional value as at June 30, 2024 USD'000	Fair value liabilities as at June 30, 2024 RMB'000
<b>Forward Contracts</b>			
<b>Sell USD</b>			
Less than 3 months	7.1356	1,156,405	159,722
3 to 6 months	7.0240	1,100,070	213,915
7 to 12 months	7.0471	154,100	22,333

**25. DERIVATIVE FINANCIAL INSTRUMENTS** (Continued)**Derivatives under hedge accounting** (Continued)

	<u>Six months ended June 30, 2024</u>		Profit or loss item
	Fair value change of derivative financial instruments recognised in other comprehensive income <i>RMB'000</i>	Reclassification from other comprehensive income into profit or loss <i>RMB'000</i>	
<b>Cash flow hedges</b>			
Anticipated future sales	(607,264)	304,524	Revenue
	<u>(607,264)</u>	<u>304,524</u>	

It is anticipated that the sales will take place within next 12 months 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 reporting period and the previous period is not significant.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 26. BANK BORROWINGS

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	At December 31, 2023 RMB'000 (Audited)
Analyzed as:		
Unsecured and unguaranteed	<b>5,811,610</b>	4,408,662
Analyzed as:		
Fixed interest rate	<b>3,622,090</b>	4,408,662
Variable interest rate	<b>2,189,520</b>	—
	<b>5,811,610</b>	4,408,662
Analyzed as:		
Current	<b>2,919,266</b>	3,721,645
Non-current	<b>2,892,344</b>	687,017
	<b>5,811,610</b>	4,408,662

**26. BANK BORROWINGS** (Continued)

The ranges of effective interest rates on the Group's fixed and variable-rate borrowings are as follows:

	<b>At June 30, 2024 (Unaudited)</b>	At December 31, 2023 (Audited)
Effective interest rate:		
Fixed rate bank borrowings	<b>0.00%–3.70%</b>	0.00%–3.90%
Variable rate bank borrowings	<b>6.29%–6.39%</b>	N/A

**27. SHARE CAPITAL**

	<i>RMB'000</i>
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	979
Repurchase and cancellation of restricted A shares	(662)
At June 30, 2023 (Unaudited)	<u>2,968,122</u>
Issue of A shares under 2019 WuXi AppTec A Share Incentive Scheme	747
Repurchase and cancellation of restricted A shares	(24)
At December 31, 2023 (Audited)	<u>2,968,845</u>
Ordinary shares of RMB1.00 each	
At 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	(41,869)
At June 30, 2024 (Unaudited)	<u>2,911,927</u>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Fair value measurement

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	06/30/2024 RMB'000	12/31/2023 RMB'000				
Financial products	—	11,003	Level 2	Discounted cash flow — Future cash flows are estimated based on expected return	N/A	N/A
Investment in listed companies at fair value	340,152	483,868	Level 1	Quoted transaction prices in active markets	N/A	N/A
Investment in unlisted funds at fair value	1,732,178	1,541,690	Level 3	Net asset value of underlying investments value	Net assets	The higher net asset value, the higher the fair value

**28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS** (Continued)

## Fair value measurement (Continued)

**(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis** (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	06/30/2024 RMB'000	12/31/2023 RMB'000				
Unlisted equity investments at fair value	6,866,923	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 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

  

Financial liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	06/30/2024 RMB'000	12/31/2023 RMB'000				
Foreign currency forward contracts	659,741	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 reporting period.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

#### Fair value measurement (Continued)

#### (ii) Reconciliation of Level 3 fair value measurements

Details of reconciliation of financial assets at fair value and financial liabilities at fair value measured at Level 3 fair value measurements are set out as below:

	Unlisted fund Investments at fair value <i>RMB'000</i>	Unlisted equity investments at fair value <i>RMB'000</i>	Convertible bonds embedded derivative component <i>RMB'000</i>
At January 1, 2023 (Audited)	1,135,455	6,839,202	(147,934)
Acquisitions	109,194	82,649	—
Transferred from unlisted equity investments at fair value to listed companies ( <i>Note i</i> )	—	(58,566)	—
Changes in fair value	(12,398)	(177,954)	40,174
Disposals	—	(63,871)	—
Redemptions	—	—	2,689
Dividends	(6,851)	—	—
Conversion of convertible bonds into shares	—	—	103,117
Effect of exchange rate change	31,653	169,867	1,954
At June 30, 2023 (Unaudited)	<u>1,257,053</u>	<u>6,791,327</u>	<u>—</u>
At January 1, 2024 (Audited)	1,541,690	6,600,451	—
Acquisitions	103,202	166,893	—
Changes in fair value	91,699	(20,219)	—
Disposals	(10,650)	(10,508)	—
Dividends	(20,768)	—	—
Effect of exchange rate change	27,005	130,306	—
At June 30, 2024 (Unaudited)	<u>1,732,178</u>	<u>6,866,923</u>	<u>—</u>

*Note i:* Structure Therapeutics, Inc. was listed on NASDAQ Stock Exchange on February 3, 2023. Since then, its open market transaction prices can be obtained from the active market.

Fair value gains or losses for the reporting period included an unrealized gain of RMB68,074,000 relating to financial assets and financial liabilities at FVTPL on Level 3 fair value at the end of the reporting period (six months ended June 30, 2023: an unrealized loss of RMB73,605,000). Such fair value gains or losses are included in 'other gains and losses'.

#### (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 financial assets and financial liabilities recorded at amortized cost in the condensed 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.

## 29. 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 (Audited)	Granted during the period	Vested during the period	Forfeited during the period	Outstanding at June 30, 2024 (Unaudited)
STA Share Units and Options Incentive Scheme	33,138	—	—	—	33,138
Total	33,138	—	—	—	33,138

The Group recognised RMB127,000 of share-based payment expenses for the six months ended June 30, 2024 (six months ended June 30, 2023: RMB476,000) 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 Plan — Restricted Shares throughout the reporting period:

	Outstanding at January 1, 2024 (Audited)	Granted during the period	Vested during the period	Forfeited during the period	Outstanding at June 30, 2024 (Unaudited)
2019 WuXi AppTec A Share Incentive Scheme — Restricted Shares	83,629	—	83,629	—	—
Total	83,629	—	83,629	—	—

For the six months ended June 30, 2024, the Group has recorded share-based payment expenses of RMB112,000 (six months ended June 30, 2023: RMB410,000) in relation to 2019 WuXi AppTec A Share Incentive Scheme — Restricted Shares.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 29. 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 HK\$700 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.

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.

**29. 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

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 (Audited)	Granted during the period	Vested during the period	Forfeited during the period	Outstanding at June 30, 2024 (Unaudited)
2020 H Share Award Scheme	1,435,587	—	19,601	45,084	1,370,902
Total	1,435,587	—	19,601	45,084	1,370,902



## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 29. 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.

<b>Categories</b>	<b>Grant date price</b>	<b>Grant date price (Adjusted)</b>
2020 H Share Award Scheme — Batch one	HKD119.40	HKD99.50
2020 H Share Award Scheme — Batch two	HKD174.80	HKD174.80
2020 H Share Award Scheme — Batch three	HKD157.00	HKD157.00
2020 H Share Award Scheme — Batch four	HKD121.00	HKD121.00

For the six months ended June 30, 2024, the Group has recorded share-based payment expenses of RMB14,717,000 (six months ended June 30, 2023: RMB31,372,000) 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 HK\$2 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.

**29. 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:

<b>Categories</b>	<b>Date of grant</b>	<b>Number of Awarded H shares</b>
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:

	<b>Outstanding at January 1, 2024 (Audited)</b>	<b>Granted during the period</b>	<b>Vested during the period</b>	<b>Forfeited during the period</b>	<b>Outstanding at June 30, 2024 (Unaudited)</b>
2021 H Share Award Scheme	5,112,585	—	26,541	220,155	4,865,889
Total	5,112,585	—	26,541	220,155	4,865,889

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 29. 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
2021 H Share Award Scheme — Batch one	HKD154.50
2021 H Share Award Scheme — Batch two	HKD81.00
2021 H Share Award Scheme — Batch three	HKD91.05

For the six months ended June 30, 2024, the Group has recorded share-based expenses of RMB83,718,000 (six months ended June 30, 2023: RMB161,694,000) 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 HK\$2 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.

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.

**29. SHARE-BASED COMPENSATION** (Continued)**2022 WuXi AppTec H Share Award and Trust Scheme** (Continued)

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:

<b>Categories</b>	<b>Date of grant</b>	<b>Number of Awarded H shares</b>
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	08/01/2024	73,389
Employees	18/06/2024	218,651

Set out below are details of the movements of the outstanding units granted under the 2022 H Share Award Scheme throughout the reporting period:

	<b>Outstanding at January 1, 2024 (Audited)</b>	<b>Granted during the period</b>	<b>Vested during the period</b>	<b>Forfeited during the period</b>	<b>Outstanding at June 30, 2024 (Unaudited)</b>
2022 H Share Award Scheme	9,074,928	292,040	—	352,887	9,014,081
Total	9,074,928	292,040	—	352,887	9,014,081

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 29. SHARE-BASED COMPENSATION (Continued)

#### 2022 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.

<b>Categories</b>	<b>Grant date price</b>
2022 H Share Award Scheme — Batch one	HKD73.90
2022 H Share Award Scheme — Batch two	HKD67.45
2022 H Share Award Scheme — Batch three	HKD72.15
2022 H Share Award Scheme — Batch four	HKD31.45

For the six months ended June 30, 2024, the Group has recorded share-based expenses of RMB97,364,000 (six months ended June 30, 2023: RMB196,323,000) in relation to 2022 H Share Award Scheme.

### 30. CAPITAL COMMITMENTS

The Group had capital commitments under non-cancellable contracts as follows:

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	<b>At December 31, 2023 RMB'000 (Audited)</b>
Commitments for the acquisition of property, plant and equipment	<b>4,486,300</b>	4,694,857

### 31. CONTINGENT LIABILITIES

The Group has no significant contingent liabilities as at June 30, 2024 (December 31, 2023: Nil).

## 32. 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 periods presented. In the opinion of the directors of the Company, 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. <i>(Note a)</i>	Joint venture
SEA HC GP Pte. Ltd.	A subsidiary of joint venture
Jing Medicine Technology (Shanghai) Ltd.	Associate
WuXi Healthcare Ventures, II L.P.	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
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 (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 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

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 32. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

#### (1) Names and relationships with related parties (Continued)

<b>Companies</b>	<b>Relationship</b>
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 (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
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
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
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
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

*Note:*

- a. Shanghai Waigaoqiao WuXi AppTec Incubator Management Co., Ltd. was no longer the Group's joint venture as it was closed in the reporting period.

**32. RELATED PARTY TRANSACTIONS AND BALANCES** (Continued)**(2) Related party transactions:****(a) Provision of R&D service**

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
An associate	<b>1,289</b>	3,257
Subsidiaries of associate	<b>66,726</b>	63,663
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	<b>21,674</b>	8,004
	<b>89,689</b>	74,924

**(b) Provision of administrative service**

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
A subsidiary of joint venture	<b>4,316</b>	—
Subsidiaries of associate	<b>4,013</b>	600
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	<b>—</b>	865
	<b>8,329</b>	1,465

**(c) Sales of raw materials**

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
A subsidiary of associate	<b>4,223</b>	1,882



## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 32. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

#### (2) Related party transactions: (Continued)

##### (d) Provision of premises leasing services

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
A subsidiary of associate	1,149	2,148
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	897	615
	<b>2,046</b>	<b>2,763</b>

##### (e) R&D service received

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
A subsidiary of associate	3,940	7,984
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	146	676
	<b>4,086</b>	<b>8,660</b>

##### (f) Interest expenses on lease liabilities

	Six months ended June 30,	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
A joint venture	—	234

**32. RELATED PARTY TRANSACTIONS AND BALANCES** (Continued)**(2) Related party transactions:** (Continued)**(g) Depreciation charge on right-of-use assets**

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
A joint venture	—	2,279

**(h) Purchase of property and equipment**

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
A fellow subsidiary	<b>14</b>	—
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	<b>10</b>	—
	<b>24</b>	—

**(i) Purchase of raw materials**

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	<b>404</b>	234

**(j) Additions of right-of-use assets and additions of lease liabilities**

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
A joint venture	—	4,189

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 32. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

#### (2) Related party transactions: (Continued)

##### (k) Equity transactions

During the reporting period, WuXi PharmaTech Healthcare Fund I L.P. (“WuXi Fund I”), a subsidiary of the Company, and WuXi Healthcare Ventures II, L.P., a related party of the Company, jointly participated in the financing of PICA Health Technologies Limited, which constitutes a co-investment of the Company. Specifically, WuXi Fund I invested US\$1.7 million (equivalent to approximately RMB12.22 million).

#### (3) Related party balances:

##### AMOUNTS DUE FROM RELATED PARTIES

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	At December 31, 2023 RMB'000 (Audited)
Trade receivables	<b>56,411</b>	77,064
Non-trade related Other receivables	<b>1,284</b>	9,638
Total amount due from related parties	<b>57,695</b>	86,702

The Group allows a credit period within 90 days to its customers. The following is an aging analysis of trade related amounts due from related parties (net of allowance for impairment losses) presented based on the invoice dates, at the end of each reporting period:

	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	At December 31, 2023 RMB'000 (Audited)
Within 90 days	<b>56,411</b>	77,064

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.

**32. RELATED PARTY TRANSACTIONS AND BALANCES** (Continued)**(3) Related party balances:** (Continued)**AMOUNTS DUE FROM RELATED PARTIES** (Continued)

Details of amounts due from related parties are set out in below:

<b>Trade related</b>	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	<b>At December 31, 2023 RMB'000 (Audited)</b>
Trade receivables		
An associate	<b>753</b>	911
Subsidiaries of associate	<b>49,213</b>	67,488
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	<b>6,445</b>	8,665
	<b>56,411</b>	77,064
<b>Non-trade related</b>	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	<b>At December 31, 2023 RMB'000 (Audited)</b>
Other receivables		
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	—	2,672
A subsidiary of associate	—	5,970
A subsidiary of joint venture	<b>1,284</b>	996
	<b>1,284</b>	9,638

Other receivables from related parties are all unsecured, repayable on demand and interest free.

RMB8,187,000 is included in the contract assets of the Group (December 31, 2023: RMB2,215,000) due from entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company, RMB2,068,000 (December 31, 2023: nil) due from a subsidiary of associate and RMB13,000 (December 31, 2023: RMB27,000) due from an associate as at June 30, 2024.

The prepayment of the Group with entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company is nil at June 30, 2024 (December 31, 2023: RMB1,002,000).

## Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2024

### 32. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

#### (3) Related party balances: (Continued)

##### AMOUNTS DUE TO RELATED PARTIES

<b>Non-trade related</b>	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	<b>At December 31, 2023 RMB'000 (Audited)</b>
Other payable Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	<b>3</b>	—
	<b>3</b>	—
<b>Trade related</b>	<b>At June 30, 2024 RMB'000 (Unaudited)</b>	<b>At December 31, 2023 RMB'000 (Audited)</b>
Trade payables		
Subsidiaries of associate	<b>13,477</b>	10,717
Entity or subsidiaries of the entity significantly influenced by the Company or a member of the key management personnel of the Company	<b>835</b>	830
	<b>14,312</b>	11,547

RMB509,000 (December 31, 2023: RMB547,000) received from an associate, RMB22,000 (December 31, 2023: nil) received from a subsidiary of associate and RMB2,260,000 (December 31, 2023: RMB3,473,000) received from 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 June 30, 2024.

**32. RELATED PARTY TRANSACTIONS AND BALANCES** (Continued)**(4) Compensation of key management personnel**

The remuneration of the directors of the Company and other members of key management of the Group for the six months ended June 30, 2024 and 2023 are as follows:

	<b>Six months ended June 30,</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Salaries and other benefits	<b>42,890</b>	26,787
Performance-based bonus	<b>19,950</b>	13,469
Share-based compensation	<b>16,804</b>	35,440
	<b>79,644</b>	75,696

The remuneration of key management is determined with reference to the performance of the individuals and market trends.

## Definitions

In this interim 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
“2019 AGM”	the annual general meeting of the Company held on May 15, 2020
“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 Capitalization of Reserve”	the issuance of 4 2019 Capitalization Shares for every 10 Shares by way of capitalization of reserve under the 2019 Profit Distribution Plan
“2019 Capitalization Shares”	the new Shares to be allotted and issued under the 2019 Capitalization of Reserve
“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”	the proposed distribution of cash dividend of RMB3.37 for every 10 Shares (inclusive of tax) under the 2019 Profit Distribution Plan
“2019 Profit Distribution Plan”	the profit distribution plan of the Company for the year ended December 31, 2019 including the Capitalization of Reserve and Profit Distribution as defined in the circular of the Company dated March 31, 2020 therein
“2019 Reserved Grant”	the grant of reserved interests subsequent to the initial grant under the 2019 A Share Incentive Plan
“2019 Share Appreciation Scheme”	the share appreciation incentive scheme adopted by the Company on September 20, 2019
“2019 Special Grant”	the special grant of the 2019 A Share Incentive Plan
“2020 AGM”	the annual general meeting of the Company held on May 13, 2021
“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 Capitalization of Reserve”	the issuance of 2 2020 Capitalization Shares for every 10 Shares by way of capitalization of reserve under the 2020 Profit Distribution Plan
“2020 Capitalization Shares”	the new Shares to be allotted and issued under the 2020 Capitalization of Reserve
“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, which includes the 2020 Capitalization of Reserve and the 2020 Profit Distribution as defined in the circular of the Company dated April 9, 2021
“2020 Scheme Limit”	the maximum size of the 2020 H Share Award and Trust Scheme
“2020 Scheme Rules”	the rules governing the operation of the 2020 Scheme (as amended from time to time)
“2020 Selected Participant(s)”	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



## Definitions

“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 privatisation 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 Scheme, and ending on the Business Day immediately prior to the 10th anniversary of the date on which the Shareholders approved the 2021 Scheme
“2021 Award Shares”	the H Shares granted to a 2021 Selected Participant in a 2021 Award
“2021 Connected Selected Participants”	2021 Selected Participants under the 2021 Scheme 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 EGM”	the 2021 extraordinary general meeting of the Company which was held on August 30, 2021
“2021 Eligible Employee(s)”	eligible employees of the 2021 Scheme pursuant to the 2021 Scheme Rules
“2021 Grant”	the grant of 2021 Award Shares pursuant to the 2021 H Share Award and Trust Scheme
“2021 H Share Award and Trust Scheme” or “2021 Scheme”	the 2021 H Share award and trust scheme adopted by the Company in accordance with the 2021 Scheme Rules
“2021 Independent Selected Participants”	2021 Selected Participants who are not connected persons of the Group
“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 privatization 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 Scheme, and ending on the Business Day immediately prior to the 10th anniversary of the date on which the Shareholders approved the 2022 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 Executive 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 EGM”	the 2022 extraordinary general meeting of the Company which was held on October 13, 2022
“2022 Eligible Employee(s)”	eligible employees of the 2022 Scheme pursuant to the 2022 Scheme Rules

## Definitions

“2022 H Share Award and Trust Scheme” or “2022 Scheme”	the 2022 H Share award and trust scheme adopted by the Company in accordance with the 2022 Scheme Rules
“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 which includes the 2022 Profit Distribution
“2022 Scheme Limit”	the maximum size of the 2022 Scheme, being the maximum number of H Shares that will be acquired by the 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 Trustee shall be determined by the Board and/or the 2022 Delegatee 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 2021 Awards
“2022 Scheme Rules”	the rules of the 2022 Scheme (as amended from time to time)
“2022 Selected Participant(s)”	any 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 Actual Selling Price”	the actual price at which the 2023 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 2023 Award pursuant to the 2023 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 2023 Scheme Rules, the consideration receivable under the related scheme or offer
“2023 AGM”	the annual general meeting of the Company held on June 12, 2024
“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 2023 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 H Share Award and Trust Scheme” or “2023 Scheme”	the 2023 H Share award and trust scheme adopted by the Company in accordance with the 2023 Scheme Rules on May 31, 2023 and which was subsequently terminated on October 30, 2023
“2023 Profit Distribution”	the proposed distribution of cash dividend of RMB9.8974 for every 10 Shares (inclusive of tax) under the 2023 Profit Distribution Plan
“2023 Profit Distribution Plan”	the profit distribution plan of the Company for the year ended December 31, 2023 which includes the 2023 Profit Distribution
“2023 Scheme Rules”	the rules of the 2023 Scheme (as amended from time to time)
“2023 Selected Participant(s)”	any eligible employee of the 2023 Scheme pursuant to the 2023 Scheme Rules who is approved for participation in the 2023 Scheme and has been granted any 2023 Award in accordance with the 2023 Scheme Rules
“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 2024 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 Period”	the period commencing on the date on which the Shareholders approved the 2024 Scheme, and ending on the Business Day immediately prior to the 10th anniversary of the date on which the Shareholders approved the 2024 Scheme
“2024 Award Shares”	the H shares granted to a 2024 Selected Participant in a 2024 Award
“2024 Delegatee(s)”	the Executive Committee or person(s) or board committee(s) to which the Board will delegate its authority in connection with matters pertaining to the 2024 Scheme
“2024 EGM”	the first extraordinary general meeting of the Company in 2024, held on January 5, 2024
“2024 Eligible Employee(s)”	eligible employees of the 2024 Scheme pursuant to the 2024 Scheme Rules
“2024 First A Share Class Meeting”	the first A Share class meeting of the Company in 2024, held on January 5, 2024
“2024 First H Share Class Meeting”	the first H Share class meeting of the Company in 2024, held on January 5, 2024

## Definitions

“2024 H Share Award and Trust Scheme” or “2024 Scheme”	the 2024 H Share award and trust scheme adopted by the Company in accordance with the 2024 Scheme Rules
“2024 Scheme Limit”	the maximum size of the 2024 Scheme, being the maximum number of H Shares that will be acquired by the trustee 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, provided that the maximum number of H Shares to be so acquired by the 2024 Scheme Trustee shall be determined by the Board and/or the 2024 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
“A Share(s)”	domestic shares of our Company, with a nominal value of RMB1.00 each, which are listed for trading on the Shanghai Stock Exchange and traded in RMB
“A Shareholders”	holder(s) of A Shares
“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 prospectus 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, SFC 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 privatization of the Company pursuant to the Scheme Rules, the consideration receivable under the related scheme or offer
“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
“Award”	an award granted by the Board to a Selected Participant, which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares in cash, as the Board may determine in accordance with the terms of the Scheme Rules
“Award Shares”	the H Shares granted to a Selected Participant in an Award
“BIC”	best-in-class
“BLA”	biologics license application
“Board of Directors” or “Board”	our board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“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 interim report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“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”, “Group”, “our Group”, “We”, “our”, “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 and subsidiaries
“Connected Selected Participant(s)”	Selected Participants who are connected persons of the Group

## Definitions

“Convertible Bonds”	USD300 million zero coupon convertible bonds due 2024 of the Company which were previously listed on the Stock Exchange (former name: WXATB 2409; former stock code: 6015) up to the closure of business on April 17, 2023
“COVID-19”	the novel coronavirus pneumonia
“CRDMO”	Contract Research, Development and Manufacturing Organization
“CRO”	Contract Research Organization
“CTDMO”	Contract Testing, Development and Manufacturing Organization
“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
“Director(s)”	the director(s) of the Company or any one of them
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“Executive Committee”	the executive committee of the Company, to whom the Board has delegated its authority to administer the 2022 Scheme and the 2023 Scheme
“FDA”	Food and Drug Administration in the U.S.
“FIC”	first-in-class
“FVTPL”	fair value through profit or loss
“GLP”	good laboratory practice
“H Share Registrar”	Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“H Share(s)”	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
“H Shareholders”	holder(s) of H Shares
“H Share Listing”	the listing of the H Shares on the Main Board of the Stock Exchange on December 13, 2018
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“KOLs”	key opinion leaders

“IFRS”	International Financial Reporting Standards
“IND”	investigational new drug
“Listing” or “IPO”	initial public offering
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“LVV”	Lenti-viral Vector
“Management Committee”	the management committee of the 2021 Scheme to whom the Board has delegated its authority to administer the 2021 Scheme
“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
“NMPA”	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
“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 six months ended June 30, 2024
“Reserved Interests”	reserved interests of 2,105,553 units, representing 10% of the total interests to be granted under the 2019 A Share Incentive Plan, which may be granted as Restricted A Shares or Share Options for further distribution
“Restricted A Shares”	the restricted A Shares granted by the Company under the 2018 A Share Incentive Plan and/or the 2019 A Share Incentive Plan
“RMB”	Renminbi, the lawful currency of the PRC



## Definitions

“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 2021 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 Limit”	the maximum size of the respective H Share Award and Trust 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
“Share Repurchase”	repurchase of 20,275,407 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
“Share Options”	share options granted under the initial grant of the 2019 A Share Incentive Plan
“Shareholder(s)”	holder(s) of Shares
“SMO”	Site Management Organization
“STA”	Shanghai SynTheAll Pharmaceutical Co., Ltd* (上海合全藥業股份有限公司)
“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

## Definitions

“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“TIL”	Tumor Infiltrating Lymphocyte
“Trustee”	the trustee appointed by the Company for the purpose of the trusts under each of the 2020 Scheme, the 2021 Scheme and 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
“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 ATU”	CTDMO business of the Company
“WuXi Biology”	biology business of the Company
“WuXi Chemistry”	chemistry business of the Company
“WuXi DDSU”	domestic new drug discovery service unit of the Company
“Wuxi STA”	Wuxi STA Pharmaceutical Co., Ltd. (無錫合全藥業有限公司)
“WuXi Testing”	testing business of the Company
“YoY”	year-over-year
“%”	percentage

\* For identification purposes only