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

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

ANNOUNCEMENT ON PRELIMINARY FINANCIAL DATA
FOR THE YEAR ENDED DECEMBER 31, 2020

This announcement is made by WuXi AppTec Co., Ltd.* (無錫藥明康德新藥開發股份有限公司) (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is pleased to announce the key financial results for the year ended December 31, 2020 (the “**Reporting Period**”) with comparison against those for the year ended December 31, 2019 (the “**Corresponding Period**”). The financial results set out in this announcement are preliminary and prepared under the China Accounting Standards for Business Enterprises (or International Financial Reporting Standards (“**IFRS**”) if stated specifically), which have not been audited or reviewed by an accounting firm. The specific financial data and operating results of the Group for the Reporting Period to be disclosed in the annual results announcement of the Group for the Reporting Period (the “**2020 Annual Results Announcement**”) should prevail.

Investors should pay attention to the investment risks involved.

I. MAJOR CONSOLIDATED FINANCIAL DATA AND INDICATORS FOR THE REPORTING PERIOD

Unit: RMB In Thousand

Item	The year ended December 31, 2020	The year ended December 31, 2019	Increase (%)
Total operating revenue	16,535,431	12,872,206	28.46
Operating profit	3,389,485	2,340,924	44.79
Total profit	3,369,376	2,336,969	44.18
Net profit attributable to the owners of the Company	2,960,235	1,854,551	59.62
Net profit attributable to the owners of the Company after deducting non-recurring profit and loss	2,385,102	1,914,283	24.60
Adjusted non-IFRS net profit attributable to the owners of the Company	3,565,331	2,407,426	48.10
Basic earnings per share (<i>RMB</i>)	1.27	0.81	56.79
Weighted average return on net assets (%)	12.91	10.57	Increase by 2.34 percentage points

	As at the end of the Reporting Period	As at the beginning of the Reporting Period	Increase (%)
Total assets	46,291,166	29,239,134	58.32
Equity attributable to the owners of the Company	32,493,743	17,312,255	87.69
Share capital	2,441,685	1,651,127	47.88
Net assets per share attributable to the owners of the Company (<i>RMB</i>)	13.96	7.59	83.92

Notes:

1. The figures of the Reporting Period were extrapolated from the unaudited consolidated results of the Group.
2. When calculating the basic earnings per share and net assets per share attributable to the owners of the Company, the share capital as at December 31, 2019 has been adjusted to reflect the 2019 profit distribution plan and capitalization of reserve which has been implemented in 2020, where 4 capitalization shares of the Company were issued for every existing 10 shares of the Company.

II. EXPLANATORY STATEMENT ON OPERATING RESULTS AND FINANCIAL CONDITIONS

A. The primary reasons for the changes of the Company’s operating profit, total profit, net profit attributable to the owners of the Company, adjusted non-IFRS net profit attributable to the owners of the Company and basic earnings per share:

During the Reporting Period, the Company gradually recovered from the COVID-19 epidemic and has achieved strong growth since the second quarter of 2020. When compared to 2019, the Company expects to record a year-over-year (“YoY”) increase in total operating revenue of approximately 28.46%, a YoY increase in the operating profit of approximately 44.79%, a YoY increase in total profit of approximately 44.18%, a YoY increase in the net profit attributable to the owners of the Company of approximately 59.62%, a YoY increase in adjusted non-IFRS net profit attributable to the owners of the Company of approximately 48.10%, and a YoY increase in basic earnings per share of approximately 56.79%. The primary reasons are as follows:

1. Impact of the principal business

While the revenue of the US-based laboratory services of the Company experienced relatively stronger negative impact due to the effects of COVID-19 in the U.S., the China-based laboratory services and CDMO (Contract Development Manufacturing Organization) services segments of the Company were fully operational since the second quarter of 2020. With the increased demand from overseas customers in the second half of 2020, and continuous increase in the production capacity utilization and operational efficiency of the Company, the Company achieved strong growth in its operating revenue in the second half of 2020, representing an over 30% increase from that in the second half of 2019.

- (1) The China-based laboratory services are expected to realize revenue in the amount of approximately RMB8,545.8241 million, representing a YoY increase of approximately 32.02%. The small molecule drug discovery and drug analytical testing services achieved speedy growth, where the revenue from our fee-for-services model is expected to achieve a YoY growth of approximately 35%, and the revenue from drug safety assessment services is expected to achieve a YoY growth of approximately 74%.
- (2) CDMO services are expected to realize revenue in the amount of approximately RMB5,282.0536 million, representing a YoY growth of approximately 40.78%. In 2020, the Company firmly promoted the “follow the molecule” development strategy, and the number of new molecules from the small molecule CDMO services increased over 570, including 35 projects undergoing phase II/III clinical trials which we obtained externally from clients and other suppliers. As at December 31, 2020, the new drug molecules of the Company’s small molecule CDMO services are over 1,300, among which 45 are at phase III clinical trial and 28 have obtained approval for commercialization.
- (3) The US-based laboratory services are expected to realize revenue in the amount of approximately RMB1,516.5967 million, representing a YoY decrease of approximately 2.96%, which is primarily attributable to the negative impact due to the effects of COVID-19 in the U.S. and the delay of certain projects of our customers. As at December 31, 2020, the US-based laboratory of the Company has provided Contract Testing, Development, Manufacturing Organization (CTDMO) services to 36 clinical stage cell and gene therapy projects, including 24 projects at phase I clinical trial and 12 projects at phase II/III clinical trial.

- (4) Although the Clinical and other Contract Research Organization (CRO) services segment has been affected by the negative impact due to the effects of COVID-19, it is expected to realize revenue in the amount of approximately RMB1,168.8522 million, representing a YoY increase of approximately 9.98% with an increase in growth every quarter. The orders on hand for the Company's Clinical and other CRO services segment have maintained speedy growth, where the orders on hand of Clinical Development Services (CDS) have achieved a YoY growth of approximately 48% and the orders on hand of Site Management Organization (SMO) have achieved a YoY growth of approximately 41%.

2. *Impact of non-recurring profit and loss*

In 2020, the impact of the non-recurring profit or loss increased as compared with last year, mainly attributable to the relatively greater growth in gains from fair value change of certain non-current financial assets and realized investment gains of the Company due to increase in market values of listed portfolios held by the Company. This was estimated to result in approximately RMB1,793.7549 million in profit for the year of 2020, while the impact of 2019 was a net loss of RMB125.9420 million. In addition, fair value of the derivative instrument portion of the H-share convertible bonds of the Company was affected by the significant increase in stock price of the H-shares of the Company. The non-cash fair value loss on book was estimated to be approximately RMB1,349.3866 million for the year of 2020, while the impact of 2019 was a net loss of RMB98.1448 million.

B. The primary reasons for the changes of the Company's total assets, equity attributable to the owners of the Company, share capital and net assets per share attributable to the owners of the Company:

In 2020, the total assets of the Company are expected to record a YoY increase of approximately 58.32%, the Equity attributable to the owners of the Company is expected to record a YoY increase of approximately 87.69%, share capital is expected to record a YoY increase of 47.88%, net assets per share attributable to the owners of the Company are expected to record a YoY increase of approximately 83.92%. Due primarily to the 2019 capitalization of reserve and profit distribution plans the Company implemented in 2020; in addition, the Company completed the placing of H shares and the non-public issuance of A shares, which led to significant increase in assets and equity attributable to the owners of the Company.

III. RISK WARNINGS

The key financial results of the Group for the Reporting Period as presented in this announcement are preliminary and not audited by an accounting firm, and these may be different from the final financial results to be disclosed in the 2020 Annual Results Announcement and the 2020 Annual Report of the Group after the audit. However, it is expected that any difference between the preliminary results and the final results will be no more than 10%. Investors are thereby advised to exercise prudence when considering any investment decision.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company and read carefully the 2020 Annual Results Announcement, which is expected to be published in March 2021.

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

Hong Kong, March 5, 2021

As at the date of this announcement, the Board comprises Dr. Ge Li, Mr. Edward Hu, Dr. Steve Qing Yang, Mr. Zhaohui Zhang and Dr. Ning Zhao as executive Directors, Mr. Xiaomeng Tong and Dr. Yibing Wu as non-executive Directors and Dr. Jiangnan Cai, Ms. Yan Liu, Mr. Dai Feng, Dr. Hetong Lou and Mr. Xiaotong Zhang as independent non-executive Directors.

* *For identification purpose only*