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 OF THE UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2023

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		
	2023	2022	Change
	RMB million **(except for percentages)**	*RMB million* (except for percentages)	
Revenue	**18,871.3**	17,756.3	6.3%
Gross Profit	**7,555.7**	6,426.8	17.6%
Gross Profit Margin	***40.0%***	*36.2%*	
Net Profit Attributable to the Owners of the Company	**5,313.1**	4,635.7	14.6%
Margin of Net Profit Attributable to the Owners of the Company	***28.2%***	*26.1%*	
Adjusted Non-IFRS Net Profit Attributable to the Owners of the Company	**5,094.7**	4,300.7	18.5%
Margin of Adjusted Non-IFRS Net Profit Attributable to the Owners of the Company	***27.0%***	*24.2%*	
	RMB	*RMB*	
Earnings per Share			
— Basic	**1.81**	1.59	13.8%
— Diluted	**1.79**	1.48	20.9%
Adjusted Non-IFRS Earnings per Share			
— Basic	**1.73**	1.47	17.7%
— Diluted	**1.73**	1.46	18.5%

The Board resolved not to declare any interim dividend for the six months ended June 30, 2023.

The Board of Directors is pleased to announce the unaudited interim results of the Company and its subsidiaries for the Reporting Period.

In this announcement, "we", "us", "our" and "WuXi AppTec" refer to the Company and where the context otherwise requires, the Group (as defined below).

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 RMB18,871.3 million, representing a YoY growth of 6.3%. During the Reporting Period, we realized net profit attributable to the owners of the Company of RMB5,313.1 million, representing a YoY growth of 14.6%.

Always adhering to the highest international quality control standards, we have maintained outstanding service records and comprehensive protection system for intellectual property rights since our establishment and gained high recognition and reputation in the global pharmaceutical research and development industry. The service data developed by us have a high degree of recognition and credibility in the industry. We continued to optimize our cross-platform synergies to better serve our customers worldwide, strengthen our unique competitive advantage as a fully integrated Contract Research, Development and Manufacturing Organization (CRDMO) and Contract Testing, Development and Manufacturing Organization (CTDMO) platform, and provide one stop services for our customers from discovery to development and manufacturing.

The Company provided services to customers in over 30 countries and regions through its 32 operating bases and subsidiaries worldwide. As an industry innovation enabler, we grow together with our customers. In the first half of 2023, we added over 600 new customers, and in total we served more than 6,000 active customers over the past 12 months. Backlog grew 25% YoY excluding COVID-19 commercial projects. During the Reporting Period, revenue from US-based customers was RMB12.37 billion, excluding COVID-19 commercial projects, revenue grew 42% YoY; revenue from Europe-based customers grew 19% to RMB2.22 billion; revenue from China-based customers grew 6% to RMB3.23 billion; and revenue from other regions grew 6% to RMB1.04 billion. We have built a large and growing customer base with very strong customer stickiness. During the Reporting Period, nearly 99% of total revenue was generated from existing customers, reaching RMB18.65 billion, which grew 30% YoY excluding COVID-19 commercial projects. At the same time, our new customers have provided us with broader opportunities to continuously follow new technologies and new modalities, in addition to their revenue contribution of RMB0.22 billion. We continued to execute our "long-tail" strategy and increase our support to large biopharmaceutical companies. During the Reporting Period, revenue from the top 20 global pharmaceutical companies was RMB7.14 billion, which grew strongly by 47% YoY excluding COVID-19 commercial projects. Revenue generated from all other customers maintained growth momentum and grew by 20% YoY to RMB11.73 billion. Our unique positioning across the pharmaceutical development value chain drove our "follow-the-customer" and "follow-the-molecule" strategies and enhanced synergies across our business segments. During the Reporting Period, customers using services from multiple business units contributed RMB17.33 billion in revenue, growing by 37% YoY excluding COVID-19 commercial projects, accounting for an increased proportion of the Company's revenue at 92%.

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:

	Six months ended June 30,		
Operating Segments	**2023 Revenue** *RMB million*	2022 Revenue *RMB million*	Revenue Change
WuXi Chemistry	**13,467.2**	12,974.1	3.8%
WuXi Testing	**3,091.0**	2,605.0	18.7%
WuXi Biology	**1,232.6**	1,090.7	13.0%
WuXi ATU	**713.6**	615.4	16.0%
WuXi DDSU	**342.0**	455.1	(24.9)%
Others	**24.8**	16.0	55.6%
Total	**18,871.3**	17,756.3	6.3%

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

(1) WuXi Chemistry

Revenue from WuXi Chemistry grew 3.8% YoY to RMB13.47 billion, excluding COVID-19 commercial projects, revenue grew strongly by 36.1%. Drug discovery services ("**R**") continued to generate downstream opportunities. In the past 12 months, we successfully synthesized and delivered more than 420,000 new compounds to customers, which grew 20% YoY. Through our chemistry drug discovery services, we enabled our customers to accelerate their research while generating opportunities for our downstream business units. In the past 12 months, 120 molecules have transitioned from R to D&M, representing a YoY growth of 21%. Through our "follow-the-customer" and "follow-the-molecule" strategies, we established trusted partnerships with our global customers, supporting the sustainable growth of our CRDMO business. We continued executing our "long-tail" strategy. Demand from "long-tail" customers in discovery services of small molecule and new modalities continued to grow, with the number of new customers growing 17% YoY. Development and manufacturing (D&M) services delivered strong growth. During the Reporting Period, D&M services revenue grew 2.1% YoY to RMB9.67 billion. Excluding COVID-19 commercial projects, D&M services revenue grew strongly by 54.5%. During the Reporting Period, we added 583 molecules to our D&M pipeline. To date, our D&M pipeline consists of 2,819 molecules, including 56 commercial projects, 59 in phase III, 301 in phase II and 2,403 in phase I and pre-clinical stages, among which, 8 commercial and phase III projects were added in the first half of 2023. Specifically, TIDES business (mainly oligo and peptides) continued to expand. During the Reporting Period, TIDES revenue grew 37.9% YoY to RMB1.33 billion. As of June 30, 2023, backlog of TIDES grew strongly by 188% YoY. We expect revenue growth from TIDES business to exceed 70% in the full year of 2023. The number of TIDES D&M customers increased 25% YoY to 121, and the number of TIDES molecules increased 46% YoY to 207.

(2) WuXi Testing

Revenue from WuXi Testing grew 18.7% YoY to RMB3.09 billion. Revenue from lab testing services grew 18.8% YoY to RMB2.25 billion. The Company provides a full range of laboratory testing services for our customers, including drug metabolism and pharmacokinetics (DMPK), toxicology, and bioanalysis for drug development testing, as well as medical device testing. We provide customers with high-quality services, realize "one report for global submission," and enable customers to save time, reduce costs and increase efficiency. Revenue from drug safety evaluation services grew 24% YoY. We maintained our industry leadership position in Asia Pacific for drug safety evaluation services that meet global regulatory requirements. During the Reporting Period, new lab testing facilities in Qidong and Suzhou began operations as scheduled, ensuring the business growth to accelerate in the second half of 2023. Moreover, we continued to enhance capabilities related to new modalities, with comprehensive coverage such as target protein degradation, nucleic acids, conjugates, and cell and gene therapies (CGT), etc. Revenue from clinical CRO & SMO (Site Management Organization) grew 18.3% YoY to RMB0.85 billion. SMO revenue grew by 34.3%, maintaining a leadership position in China. In the first half of 2023, SMO supported 25 new drug approvals for customers. In the first half of 2023, clinical CRO enabled our customers to obtain 8 IND approvals and submit 3 NDA filings.

(3) WuXi Biology

Revenue from WuXi Biology grew 13.0% YoY to RMB1.23 billion. The Company has one of the largest discovery biology enabling platforms, with approximately 3,000 experienced scientists (across 9 campuses in China, the U.S. and Germany), to provide a full range of biological services and solutions to customers. The Company focused on improving capabilities related to new modalities. The number of customers and projects served by our nucleic acid platform continued to increase. Cumulatively, we have provided services to over 110 customers, and have successfully delivered over 700 projects since 2021. During the Reporting Period, WuXi Biology revenue from new modalities grew strongly by 51% YoY, contributing 25.4% of WuXi Biology revenue. The comprehensive early discovery screening platform integrates multi-technologies (HTS, DEL, ASMS, FBDD, CADD etc.) and analysis capabilities of multi-dimensional databases, which can provide extensive and in-depth services to clients. Meanwhile, the Company has a global leading DNA Encoded Library (DEL) serving more than 1,600 customers with over 90 billion compounds, 6,000 unique proprietary scaffolds and 35,000 building blocks, and in addition, multiple special function libraries for targeting RNA, covalent compounds, bifunctional molecules, and cyclic peptides, etc. In the first half of 2023, it continued to generate downstream opportunities and contributed more than 20% of the new customers to the Company.

(4) WuXi ATU

Revenue from WuXi ATU grew 16.0% YoY to RMB0.71 billion. By the end of June 2023, backlog grew 28.8% YoY. The Company focused on improving our CTDMO integrated enabling platform and strengthening capabilities and capacities. We provided development, testing and manufacturing services to 69 projects, including 7 Phase III projects (2 projects in BLA review stage, and 2 projects in BLA preparation stage), 10 Phase II projects and 52 pre-clinical and Phase I projects. In the first half of 2023, we supported a customer to complete the BLA filing for a Tumor Infiltrating Lymphocyte (TIL) product with the FDA, which is expected to be the world's first innovative TIL-based therapy. In addition, we supported a customer to file BLA for Lenti-viral Vector (LVV) used in a CAR-T product, and became the first CGT CDMO in China to pass Center for Food and Drug Inspection of NMPA (CFDI) LVV on-site inspection. We expect that our customers will obtain approval for their products in the second half of 2023. Moreover, we completed the technology transfer for the manufacturing of a blockbuster commercial CAR-T product, which is expected to start commercial manufacturing after FDA approval in the second half of 2024. In June 2023, we signed an LVV manufacturing contract with a large pharmaceutical customer used in a commercial CAR-T product, which is expected to start manufacturing in the first half of 2024.

(5) WuXi DDSU

Revenue from WuXi DDSU declined 24.9% YoY to RMB0.34 billion. In the first half of 2023, 2 new drugs developed for our customers have obtained National Medical Products Administration (NMPA) approvals, including one for COVID-19 infection treatment and the other for tumor treatment. We have received the first royalty income in the second quarter of 2023, which is a breakthrough for DDSU. Royalty income is estimated to grow with more than 50% CAGR over the next 10 years as more and more products are commercialized by customers. During the Reporting Period, we supported customers to file INDs for 12 drug candidates and obtained 11 Clinical Trial Approvals (CTAs). Cumulatively, we have submitted 184 new chemical entity IND filings with NMPA and obtained 155 CTAs for customers, among which, 2 projects have obtained NDA approvals, 2 projects are in the NDA review stage, 5 projects are in Phase III, 30 projects are in Phase II, and 70 projects are in Phase I, covering multiple therapeutic areas. Currently, we support 17 projects for customers in new modalities that include Peptide/Peptide-Drug-Conjugation (PDC), protein degraders and oligo. Several of these projects have filed IND, and multiple projects are expected to file IND in 2023.

The Company's unique CRDMO and CTDMO business models can effectively meet the growing demands from customers worldwide and continue to drive solid growth for the Company. In 2023, we aim to deliver a 5–7% revenue growth.

The abovementioned operating performance forecast for the full year of 2023 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 2023 nor a substantive undertaking by the Company to investors. Its realization is subject to various factors including but not limited to changes in internal and external environment, where greater uncertainty exists.

Gross Profit

	Six months ended June 30,				
	2023		2022		
	Gross Profit *RMB million*	**Gross Profit Margin**	Gross Profit *RMB million*	Gross Profit Margin	Gross Profit Change
WuXi Chemistry	**5,906.6**	**43.9%**	5,072.4	39.1%	16.4%
WuXi Testing	**1,118.6**	**36.2%**	871.2	33.4%	28.4%
WuXi Biology	**483.0**	**39.2%**	416.6	38.2%	15.9%
WuXi ATU	**(57.9)**	**(8.1)%**	(57.7)	(9.4)%	0.2%
WuXi DDSU	**95.9**	**28.0%**	116.2	25.5%	(17.4)%
Gross profit of core business	**7,546.3**	**40.0%**	6,418.6	36.2%	17.6%
Gross profit of other business	**9.4**	**37.8%**	8.2	51.4%	14.6%
Comprehensive gross profit	**7,555.7**	**40.0%**	6,426.8	36.2%	17.6%

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

For the six months ended June 30, 2023, the Company realized RMB7,555.7 million in gross profit, representing a YoY growth of 17.6%. Gross profit margin was 40.0%, representing an increase of 3.8 percentage points as compared with the same period of 2022.

(1) WuXi Chemistry

During the Reporting Period, the gross profit was RMB5,906.6 million and the gross profit margin increased by 4.8 percentage points as compared with the same period of 2022, mainly due to favorable mix and efficiency improvement besides foreign exchange impact.

(2) WuXi Testing

During the Reporting Period, the gross profit was RMB1,118.6 million and the gross profit margin increased by 2.8 percentage points as compared with the same period of 2022, mainly due to full recovery of clinical business and efficiency improvement besides foreign exchange impact.

(3) WuXi Biology

During the Reporting Period, the gross profit was RMB483.0 million and the gross profit margin increased by 1.0 percentage point as compared with the same period of 2022, mainly due to foreign exchange impact.

(4) WuXi ATU

During the Reporting Period, the gross loss was RMB57.9 million and the gross profit margin increased by 1.3 percentage points as compared with the same period of 2022, mainly due to positive impact from favorable mix.

(5) WuXi DDSU

During the Reporting Period, the gross profit was RMB95.9 million and the gross profit margin increased by 2.5 percentage points as compared with the same period of 2022, mainly due to positive impact from favorable mix.

Other Income

Other income increased from RMB240.5 million for the six months ended June 30, 2022 to RMB439.8 million for the six months ended June 30, 2023, representing a YoY growth of 82.8%. The increase in other income was primarily due to: (1) increase in interest income of RMB127.8 million; (2) increase in R&D grants of RMB64.8 million; and (3) increase in dividend income arising from financial assets at FVTPL of RMB6.7 million.

Impairment losses under expected credit losses ("ECL") model, net of reversal

Impairment losses under ECL model, net of reversal increased from RMB58.8 million for the six months ended June 30, 2022 to RMB101.7 million for the six months ended June 30, 2023, representing a YoY growth of 73.1%. The increase was primarily due to the increasing trade receivables driven by growing revenue.

Impairment losses recognized on non-financial assets

Impairment losses recognized on non-financial assets was RMB42.9 million for the six months ended June 30, 2023, mainly due to impairment of leasehold improvements.

Finance Costs

Finance costs increased from RMB67.6 million for the six months ended June 30, 2022 to RMB101.1 million for the six months ended June 30, 2023, representing a YoY growth of 49.5%, primarily due to the increase in: (1) interest expense on borrowings of RMB43.4 million, offset by the decrease in (2) effective interest expense on Convertible Bonds of RMB7.3 million along with their early redemption and conversion.

Profit for the Period

Profit for the Reporting Period increased from RMB4,675.7 million for the six months ended June 30, 2022 to RMB5,356.9 million for the six months ended June 30, 2023, representing a YoY increase of 14.6%. Net profit margin increased from 26.3% to 28.4% primarily due to continued solid growth of revenue and efficiency improvement during the Reporting Period.

Cash Flows

	Six months ended June 30,		
	2023	2022	Change
	RMB million	*RMB million*	
Net cash from operating activities	**5,340.7**	3,767.9	41.7%
Net cash used in investing activities	**(1,307.8)**	(3,770.1)	(65.3)%
Net cash used in financing activities	**(2,612.8)**	(1,137.6)	129.7%
Free Cash Flow	**2,925.7**	(650.8)	N/A

For the six months ended June 30, 2023, net cash flows from operating activities of the Company amounted to RMB5,340.7 million, representing a growth of 41.7% as compared with the six months ended June 30, 2022. The increase was primarily due to steady growth of revenue collection and continuous improvement on working capital management.

For the six months ended June 30, 2023, net cash flows used in investing activities of the Company amounted to RMB1,307.8 million, representing a decrease of 65.3% as compared with the six months ended June 30, 2022. The decrease was primarily due to the decrease in capital expenditures caused by timing difference on construction projects settlement.

For the six months ended June 30, 2023, net cash flows used in financing activities of the Company amounted to RMB2,612.8 million, representing a growth of 129.7% as compared with the six months ended June 30, 2022. The increase was mainly due to increase in cash dividend payments during the Reporting Period.

Indebtedness

As at June 30, 2023, total liabilities of the Company amounted to RMB19,120.4 million (December 31, 2022: RMB17,763.7 million), the composition of which was 37.1% being trade and other payables, 23.1% being borrowings, 16.7% being contract liabilities and 23.1% being other items.

(1) Borrowings (current and non-current)

As at June 30, 2023, the Company had aggregated RMB borrowings of RMB4,422.1 million, with fixed interest rate.

(2) Charges on Assets

As at June 30, 2023, the Company pledged bank deposits with an amount of RMB1.6 million, which decreased by 10.6% from RMB1.8 million as at December 31, 2022. The balance mainly represented 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, 2023, the Company has no significant contingent liabilities.

(4) Gearing Ratio

As at June 30, 2023, the gearing ratio, calculated as total liabilities over total assets, was 27.6%, as compared with 27.5% as at December 31, 2022. The Company keeps a stable and healthy gearing ratio during the periods.

Treasury Policies

Currently, the Group follows a set of treasury policies to manage its capital resources, foreign exchange and cash flows and 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 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 net profit attributable to the owners of the Company as profit/(loss) for the period before certain expenses and depreciation and amortization as set out in the table below. Adjusted EBITDA 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 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 and adjusted non-IFRS net profit attributable to the owners of the Company, as the management of the Group believes, is widely accepted and adopted in the industry in which the Group is operating in. However, the presentation of the adjusted EBITDA 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.

Adjusted EBITDA

	Six months ended June 30,	
	2023	2022
	RMB million **(except for percentages)**	*RMB million* (except for percentages)
Profit before tax	**6,395.2**	5,540.9
Add:		
Interest expense	**100.7**	66.5
Depreciation and amortization	**1,211.2**	875.8
EBITDA	**7,707.1**	6,483.1
EBITDA margin	***40.8%***	*36.5%*
Add:		
Share-based compensation expenses	**391.1**	430.9
Issuance expenses of Convertible Bonds	**0.4**	1.1
Fair value gain from derivative component of Convertible Bonds	**(40.2)**	(274.5)
Foreign exchange related gains	**(398.5)**	(206.6)
Non-financial assets impairment	**42.9**	—
Realized and unrealized gains from venture capital investments	**(237.0)**	(355.1)
Realized and unrealized share of gains from joint ventures	**(7.7)**	(1.4)
Adjusted EBITDA	**7,458.1**	6,077.5
Adjusted EBITDA margin	***39.5%***	*34.2%*

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

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

	Six months ended June 30,	
	2023	2022
	RMB million	*RMB million*
Net profit attributable to the owners of the Company	**5,313.1**	4,635.7
Add:		
Share-based compensation expenses	**324.4**	360.0
Issuance expenses of Convertible Bonds	**0.3**	0.9
Fair value gain from derivative component of Convertible Bonds	**(40.2)**	(274.5)
Foreign exchange related gains	**(336.5)**	(158.5)
Amortization of acquired intangible assets from merge and acquisition	**28.5**	28.7
Non-financial assets impairment	**42.9**	—
Non-IFRS net profit attributable to the owners of the Company	**5,332.5**	4,592.2
Add:		
Realized and unrealized gains from venture capital investments	**(230.2)**	(290.1)
Realized and unrealized share of gains from joint ventures	**(7.7)**	(1.4)
Adjusted non-IFRS net profit attributable to the owners of the Company	**5,094.7**	4,300.7

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

C. Assets and Liabilities Analysis

In RMB million

Items	Amount as at June 30, 2023	Percentage of the amount to the total assets as at June 30, 2023 (%)	Amount as at December 31, 2022	Percentage of the amount to the total assets as at December 31, 2022 (%)	Ratio of change for the amount as at June 30, 2023 as compared with the amount as at December 31, 2022 (%)	Reasons
Assets						
Other non-current assets	102.3	0.1	1,054.9	1.6	(90.3)	Primarily due to the reclassification of certificates of deposits due in one year to current assets.
Amounts due from related parties	59.8	0.1	123.0	0.2	(51.4)	Primarily due to collection of receivables from related parties.
Income tax recoverable	5.4	0.0	16.0	0.0	(66.1)	Primarily due to decrease of prepayment of income tax.
Financial assets at FVTPL (Current)	81.6	0.1	2.0	0.0	3,980.4	Primarily due to investment in structured deposits during the Reporting Period.
Derivative financial instruments	—	—	135.6	0.2	(100)	Primarily due to the settlement and fair value change of forward foreign exchange contracts.

Items	Amount as at June 30, 2023	Percentage of the amount to the total assets as at June 30, 2023 (%)	Amount as at December 31, 2022	Percentage of the amount to the total assets as at December 31, 2022 (%)	Ratio of change for the amount as at June 30, 2023 as compared with the amount as at December 31, 2022 (%)	Reasons
Liabilities						
Derivative financial instruments	1,026.9	1.5	115.4	0.2	789.5	Primarily due to the fair value change of forward foreign exchange contracts.
Income tax payables	819.1	1.2	517.8	0.8	58.2	Primarily due to the increase of assessable income of subsidiaries during the Reporting Period.
Borrowings (non-current)	397.9	0.6	279.1	0.4	42.6	Primarily due to the increased borrowings for daily operations and capital expenditure.
Convertible bonds-debt component	—	—	502.0	0.8	(100)	Primarily due to completion of early redemption of Convertible Bonds.
Convertible bonds-embedded derivative component	—	—	147.9	0.2	(100)	Primarily due to completion of early redemption of Convertible Bonds.

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, 2023, the balance of current-financial assets at FVTPL amounted to RMB81.6 million which was invested in structured deposits.

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, addition in other equities aside from joint ventures and associates amounted to a total of RMB191.8 million. Our investments of financial assets at FVTPL mainly include three categories, the movements of which during the Reporting Period are listed below:

In RMB million

	Listed companies	Fund investments	Non-listed companies	Total
Opening Balance	979.7	1,135.5	6,839.2	8,954.3
Transfer from non-listed companies	58.6	—	(58.6)	—
Addition	—	109.2	82.6	191.8
Fair value change during the Reporting Period	142.3	(12.4)	(178.0)	(48.1)
Disposal of shares	(107.2)	—	(63.9)	(171.1)
Dividends	—	(6.9)	—	(6.9)
Others	6.9	—	—	6.9
Foreign exchange effects	39.2	31.7	169.9	240.7
Ending Balance	1,119.4	1,257.1	6,791.3	9,167.8

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, 2023.

iKang Healthcare Group ("iKang")

iKang is a leading chain of medical examination and health management group in China, providing medical services including medical examination, disease detection, dental services, private doctors, workplace medical care, vaccination and anti-aging. As at June 30, 2023, the fair value of equity interests held by our Group in iKang amounted to RMB482.0 million (representing 0.7% of our total assets).

iKang was formerly listed on the National Association of Securities Dealers Automated Quotations ("**NASDAQ**") Stock Exchange and subsequently privatized in January 2019. As at June 30, 2023, iKang operated 157 medical examination centers and 9 independent dental centers 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 is a cutting-edge enterprise specializing in chromatography products, primarily offering advanced chromatographic and purification equipment, consumables, and services for pharmaceutical and life science companies. As at June 30, 2023, 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).

Focusing on the chromatographic and purification sector, Hanbon has established a comprehensive product portfolio through continuous research, development, and investment. Hanbon has introduced products such as production-scale small molecule liquid chromatography systems and large molecule chromatography systems, as well as specialized chromatographic equipment like simulated moving bed chromatography systems and supercritical fluid chromatography systems. In addition, Hanbon has developed high-quality purification equipment and application solutions tailored to the drug manufacturing process, including automatic ultrafiltration systems, continuous flow chromatography systems, automatic online liquid dispensing systems, and nucleic acid synthesis systems.

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, 2023, 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 strives to develop a new generation of radionuclide drug conjugates (RDC). There are various potential FIC/BIC modalities in the pipeline, including diagnosis and therapeutic products for head and neck tumors, brain tumors, pancreatic cancer, rectal cancer, prostate cancer and other different indications. The clinical trial application (IND) of Boomray's first PET-CT tracer, BR-02, for brain tumors has been accepted by CDE, and the first tumor therapeutic drug, BR-11, will start IIT clinical trial in the third quarter of 2023. In addition, Boomray is also developing new technology platforms, including dual target (TCR) technology platform and tumor enrich (TE) technology platform, in order to address the problems of low tumor uptake in certain targets and short biological half life of small molecule ligands.

Significant Investment Held

As at June 30, 2023, 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 announcement, 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 pharmaceutical 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. We closely monitor the progress of new drug R&D projects, and continue to expand the scope of our services from "follow the project" to "follow the molecule" during the development of a particular project. At the early stage of new drug R&D, we enable our customers with our expertise and win their trusts, and gain high reputation in the industry. During the Reporting Period, we fully leveraged our global footprint and full industrial chain coverage to develop global synergy. We assisted our customers in pushing forward their new drug R&D and gained wide recognitions from them. Going forward, we will continue to enhance our capacity and expand our scale globally in order to enable pharmaceutical innovations worldwide more effectively.

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

We 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 enabled to anticipate technological development and emerging R&D trend of the industry in the future and seize new development opportunities. In the past few years, with the continuous breakthroughs of new technologies, new mechanisms and new molecular types, the medical industry at home and abroad has developed rapidly. Looking forward, we will continue to increase our investment in the service capabilities of new molecular types, such as PROTAC, oligonucleotide, peptide, conjugate, cell and gene therapies, to capture new business opportunities and enable global medical innovation.

Moreover, we put efforts in exploring technologies such as medical big data and laboratory automation for application in R&D of new drugs as early as possible to improve our operational efficiency and help our customers increase their R&D efficiency, while 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 and technological discoveries and convert them into potential products.

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

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

The Company continues to advance its design and construction of facilities, and enhance its capabilities and capacities globally. During the Reporting Period, the Company newly built 55,000 square meters of lab testing facilities. In addition, the Company's subsidiary, Shanghai SynTheAll Pharmaceutical Co., Ltd. ("**STA Pharmaceutical**"), announced the commissioning of two 2,000-liter peptide solid-phase synthesis reactors and large-scale continuous flow purification equipment at its Changzhou site, further enhancing the capabilities and capacities of the WuXi TIDES platform. As an essential component of STA Pharmaceutical, WuXi TIDES is an end-to-end CRDMO platform that provides one-stop services for oligonucleotides, peptides, and related chemically conjugated drugs, covering drug discovery, CMC research, and production. With the launch of the two 2,000-liter peptide solid-phase synthesis reactors, the total volume of WuXi TIDES peptide solid-phase synthesis reactors has exceeded 10,000 liters.

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

We have a strong, diverse and loyal customer base, covering all of the top 20 pharmaceutical companies worldwide. During the Reporting Period, the top 20 global pharmaceutical companies accounted for approximately 38% of the Company's overall revenue. As our service offerings and platform capabilities continue to expand, the number of new and existing customers grows further. 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 strengthens the platform's innovative enabling capabilities, forming a virtuous cycle ecosystem.

During the Reporting Period, the Company held four forum events, including the WuXi Global Forum, WuXi BOLD Series Forum, and WuXi Innovation Day in Singapore. In total, over 70 top industry KOLs were invited to focus on the industry's future major challenges and opportunities, explore global innovation cooperation, and share the latest breakthroughs in the industry. The forums had nearly 10,000 registered attendees. During the Reporting Period, the Company also launched the "WuXi On Air" online activities, completing 29 live broadcasts involving 13 series, covering introductions to all five major business 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 is extensively experienced in the pharmaceutical industry, with strong execution ability, many years of investment and management experience in the pharmaceutical industry and international vision. It is also reputable in the area of life science both in the U.S. and China. 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 pharmaceutical industry. Under the leadership of the management, we are able to deeply understand market and industry development trends, policy changes and their impacts on customer needs, quickly adjust our business model, improve decision-making speed and flexibility to match customer needs, driving the rapid development of all segments and becoming a leader in the global healthcare ecosystem.

F. Other Events

(1) Unlocking and trading of the Restricted A Shares granted under the 2018 A Share Incentive Plan and/or the 2019 A Share Incentive Plan

2018 A Share Incentive Plan

On April 24, 2023, the Board resolved to approve the resolutions in relation to the fulfilment of the conditions for the unlocking of the Restricted A Shares granted under 2018 Reserved Grant for the third unlocking period. As a result, a total of 11 incentive participants have satisfied the conditions for unlocking the Restricted A Shares granted under the 2018 Reserved Grant for the third unlocking period and a total of 131,328 Restricted A Shares were unlocked, representing approximately 0.005% of the then total number of issued A Shares of the Company and approximately 0.004% 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 May 8, 2023. Please refer to the relevant announcement of the Company dated April 24, 2023 for further details.

2019 A Share Incentive Plan

On March 1, 2023, 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 special grant of the 2019 A Share Incentive Plan ("**2019 Special Grant**") for the third 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 third unlocking period and a total of 41,812 Restricted A Shares were unlocked, representing approximately 0.002% of the then total number of issued A Shares of the Company and approximately 0.001% 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 7, 2023. Please refer to the relevant announcement of the Company dated March 1, 2023 for further details.

On March 20, 2023, 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 second 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 second unlocking period and a total of 101,376 Restricted A Shares were unlocked, representing approximately 0.004% of the then total number of issued A Shares of the Company and approximately 0.003% 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 24, 2023. Please refer to the relevant announcement of the Company dated March 20, 2023 for further details.

On June 27, 2023, the Board resolved to approve the resolutions in relation to the fulfilment of the conditions for the unlocking of the Restricted A Shares granted under the 2019 Adjusted Initial Grant for the third unlocking period. As a result, a total of 1,682 incentive participants have satisfied the conditions for unlocking the Restricted A Shares granted under the 2019 Adjusted Initial Grant for the third unlocking period and a total of 5,402,050 Restricted A Shares were unlocked, representing approximately 0.211% of the then total number of issued A Shares of the Company and approximately 0.182% 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 July 3, 2023. Please refer to the relevant announcement of the Company dated June 27, 2023 for further details.

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

Following the fulfillment of the exercise conditions for the second vesting period of the Share Options granted under the 2019 Adjusted Initial Grant, the second vesting period of the Share Options granted under the 2019 Adjusted Initial Grant were from June 16, 2022 to May 25, 2023. The number of Share Options which became vested to the 334 incentive participants during the second vesting period were 1,905,840 units at the exercise price of RMB38.62 per unit. Please refer to the relevant announcement of the Company dated June 10, 2022 for further details.

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 shall be 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 were 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, 2023, 333 incentive participants have exercised an aggregate 1,904,555 units of Share Options granted under the 2019 Adjusted Initial Grant for the second vesting period and 126 incentive participants have exercised an aggregate 493,107 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). Please refer to the relevant announcement of the Company dated July 3, 2023 for further details.

(3) 2022 Profit Distribution Plan

On May 31, 2023, the 2022 Profit Distribution Plan of the Company was approved at the 2022 AGM. Pursuant to the 2022 Profit Distribution Plan, the Company would pay a cash dividend of RMB8.9266 (inclusive of tax) for every 10 Shares to the Shareholders whose names appear on the register of members of the Company on June 13, 2023. Please refer to the circular of the Company dated April 27, 2023 and the relevant announcement of the Company dated May 31, 2023 for further details.

(4) Adjustment to the repurchase price of Restricted A Shares under the 2019 A Share Incentive Plan

Following the implementation of the 2022 Profit Distribution Plan, the repurchase price of Restricted A Shares granted under the 2019 Adjusted Initial Grant shall be adjusted to RMB17.45 per A Share and the repurchase price of Restricted A Shares granted under the 2019 Reserved Grant shall be adjusted to RMB32.15 per A Share. Please refer to the relevant announcement of Company dated June 27, 2023 for further details.

(5) Cancellation of part of the Share Options granted under the 2019 A Share Incentive Plan

The "Proposal on the Cancellation of Part of the Share Options Granted under the Restricted A Shares and Stock Option Incentive Plan of 2019 of the Company" was approved at the thirty-eighth meeting of the second session of the Board. Pursuant to the above proposal, due to the departure of 10 incentive participants before the expiry of the withholding period of the Share Options, the Company shall cancel 55,277 units of Share Options granted under the 2019 Adjusted Initial Grant. Please refer to the relevant announcement of the Company dated May 26, 2023 for further details.

(6) Repurchase and Cancellation of part of the Restricted A Shares granted under the 2019 A Share Incentive Plan

The "Proposal on the Repurchase and Cancellation of Part of the Restricted A Shares Granted under the Restricted A Shares and Stock Option Incentive Plan of 2019 of the Company" was approved at the second meeting of the third session of the Board. Pursuant to the above proposal, due to the resignation of 10 incentive participants under the 2019 A Share Incentive Plan or that 1 incentive Participant had no performance appraisal results since the Incentive Participant did not participate in the annual comprehensive assessment due to insufficient working hours, the Company shall repurchase a total of 24,357 Restricted A Shares granted under the 2019 Adjusted Initial Grant at the repurchase price of RMB17.45 per A share. Please refer to the relevant announcement of the Company dated June 27, 2023 for further details.

(7) Further grant of Awards under the 2021 H Share Award and Trust Scheme

During the Reporting Period, Awards with 103,699 underlying Award Shares have been further granted to 21 Selected Participants, accounting for approximately 0.0262% of the then total number of issued H Shares and approximately 0.0035% of the then total issued share capital of the Company. Please refer to the relevant announcement of the Company dated January 13, 2023 for further details.

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

During the Reporting Period, Awards with 122,878 underlying Award Shares have been further granted to 26 Selected Participants, accounting for approximately 0.0305% of the then total number of issued H Shares and approximately 0.0041% of the then total issued share capital of the Company. Please refer to the relevant announcement of the Company dated June 27, 2023 for further details.

(9) Adoption of the 2023 H Share Award and Trust Scheme

The adoption of the 2023 H Share Award and Trust Scheme was approved at the 2022 AGM of the Company held on May 31, 2023. The source of the 2023 Award Shares under the 2023 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 2023 Scheme Rules. Please refer to the relevant announcement of the Company dated April 24, 2023, the circular of the Company dated April 27, 2023 and the poll results announcement of the Company dated May 31, 2023 for further details.

(10) Completion of the full redemption and withdrawal of listing of the USD300 million zero coupon convertible bonds due 2024

The Company has exercised its option to redeem all the outstanding Bonds in full on April 4, 2023 at the price of USD104,519.38 for each USD100,000 principal amount in accordance with the terms and conditions of the Bonds. Accordingly, there are no outstanding Bonds in issue following the abovementioned redemption. The withdrawal of the listing of the Bonds has become effective upon the closure of business on April 17, 2023. Please refer to the relevant announcements of the Company dated March 15, 2023 and April 4, 2023 for further details.

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

A. Competition and Development Trends of the Industry

We are closely related to the development of global pharmaceutical industry and investment in the new drug R&D. With the joint promotion of the vigorous development and industry development direction of the global pharmaceutical industry, our main business has great development opportunities:

Firstly, the global pharmaceutical market is expected to grow further with the development of the global economy, the growth of the global population, the increase of the aging population, the advancement of technology, the rise of healthcare expenditures, and the increasing public awareness of health.

Secondly, 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 biotechnology companies, virtual 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.

Furthermore, with the strategic shift from generics to innovation in pharmaceutical industry of China, R&D investment is expected to continue growing rapidly. The continuous promotion of a series of policies such as the reform of the drug and medical device evaluation and approval system, the market authorization holder (MAH) system, consistency evaluation of generic drugs, and volume-based procurement, as well as medical insurance negotiations on innovative medicines, will drive the continuous growth of the innovative drug R&D and production market demand.

Pharmaceutical R&D service industry in China, especially platform companies with global new drug R&D and production service capabilities, is expected to benefit from the rapid growth of China and global new drug R&D investment and outsourcing rates.

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 healthcare industry with comprehensive and integrated new drug R&D and production services. Through empowering pharmaceutical, biotech 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 across all segments 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) 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 2023, 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 continue to enhance the capabilities and capacities of our platform, advancing the design and construction of various facilities across the globe, 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 from global markets, 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, sales management, financial and accounting management, business continuity plan, etc. 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 PROTAC, oligonucleotide, peptide, conjugate, bi-specific antibody, cell and gene therapies, to capture new business opportunities and empower global pharmaceutical innovation.

On such basis, we will explore cutting-edge technologies such as medical big data and laboratory automation, and strive to apply them in the R&D of new drugs as early as possible to help our customers to increase their R&D efficiency and reduce the R&D barrier of new drugs to the greatest extent.

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.

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, biotechnology companies, start-ups, virtual companies and scholars and non-profit research organizations, etc.) on outsourcing services, i.e., discovery, analytical testing, development and manufacturing of pharmaceuticals, cell and gene 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 demand for 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 more capital, more business accesses or stronger R&D expertise 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 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 set up 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 significant percentage of our main business revenue. Given that we are required to abide by laws and regulations of any nation or region where we carry out business operation and set up our offices and rely on foreign suppliers of raw materials, customers and technical service providers to ensure our orderly daily operation to a certain degree, our global operation might be impacted and potential adverse impact might be resulted on our normal operation and ongoing growth of our global business in case any of the following circumstances occurs, including material change of laws, regulations, industrial policies or political and economic environment of any nation or region where we carry out business operation, or any unforeseeable factors such as international tension, war, trade sanction, or other force majeure.

(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.

HUMAN RESOURCES

As at June 30, 2023, the Group had 41,296 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.

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

Repurchase and Cancellation of part of the Restricted A Shares granted under the 2019 A Share Incentive Plan

The "Proposal on the Repurchase and Cancellation of Part of the Share Options Granted under the Restricted A Shares and Stock Option Incentive Plan of 2019 of the Company" was approved at the second meeting of the third session of the Board. Pursuant to the above proposal, due to the resignation of 10 incentive participants under the 2019 A Share Incentive Plan or that 1 incentive participant had no performance appraisal results since the incentive participant did not participate in the annual comprehensive assessment due to insufficient working hours, the Company shall repurchase a total of 24,357 Restricted A Shares granted under the 2019 Adjusted Initial Grant at the repurchase price of RMB17.45 per A share. Please refer to the relevant announcement of the Company dated June 27, 2023 for further details.

Completion of full redemption and withdrawal of listing of the USD300 million zero coupon convertible bonds due 2024

The Company has exercised its option to redeem all the outstanding Bonds in full on April 4, 2023 at the price of USD104,519.38 for each USD100,000 principal amount in accordance with the terms and conditions of the Bonds. Accordingly, there are no outstanding Bonds in issue following the abovementioned redemption. The withdrawal of the listing of the Bonds has become effective upon the closure of business on April 17, 2023. Please refer to the relevant announcements of the Company dated March 15, 2023 and April 4, 2023 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.

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 announcement, 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

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 10 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.

REVIEW OF FINANCIAL STATEMENTS

Audit Committee

As at June 30, 2023, 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 chairman 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.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.wuxiapptec.com.cn). The interim report of the Company for the Reporting Period will be despatched to the Shareholders and published on the aforesaid websites in due course.

The Board is pleased to announce that the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2023 with the comparative figures in the corresponding period in 2022 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2023

	Notes	**Six months ended June 30, 2023** *RMB'000* **(Unaudited)**	2022 *RMB'000* (Unaudited)
Revenue	*5*	**18,871,285**	17,756,258
Cost of services		**(11,315,600)**	(11,329,433)
Gross profit		**7,555,685**	6,426,825
Other income	*6*	**439,801**	240,549
Other gains and losses	*7*	**1,061,153**	1,389,885
Impairment losses under expected credit losses ("**ECL**") model, net of reversal		**(101,700)**	(58,750)
Impairment losses recognized on non-financial assets		**(42,880)**	—
Selling and marketing expenses		**(353,474)**	(355,614)
Administrative expenses		**(1,326,482)**	(1,307,811)
R&D expenses		**(667,045)**	(657,200)
Operating profit		**6,565,058**	5,677,884
Share of results of associates		**(76,474)**	(70,835)
Share of results of joint ventures		**7,695**	1,434
Finance costs	*8*	**(101,066)**	(67,621)
Profit before tax		**6,395,213**	5,540,862
Income tax expense	*9*	**(1,038,317)**	(865,203)
Profit for the period	*10*	**5,356,896**	4,675,659
Profit for the period attributable to:			
Owners of the Company		**5,313,120**	4,635,750
Non-controlling interests		**43,776**	39,909
		5,356,896	4,675,659
Earnings per Share (expressed in RMB per Share)			
— Basic	*12*	**1.81**	1.59
— Diluted	*12*	**1.79**	1.48

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2023

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**5,356,896**	4,675,659
Other comprehensive income (expense) for the period		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations	**376,967**	282,585
Fair value loss on hedging instrument designated in cash flow hedges	**(890,635)**	(581,173)
Other comprehensive expense for the period, net of income tax	**(513,668)**	(298,588)
Total comprehensive income for the period	**4,843,228**	4,377,071
Total comprehensive income for the period attributable to:		
Owners of the Company	**4,806,967**	4,342,460
Non-controlling interests	**36,261**	34,611
	4,843,228	4,377,071

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

	Notes	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Assets			
Non-current Assets			
Property, plant and equipment		**24,544,540**	23,444,883
Right-of-use assets		**2,248,299**	1,857,486
Goodwill		**1,882,695**	1,822,102
Other intangible assets		**928,501**	926,331
Interests in associates		**1,098,169**	1,135,669
Interests in joint ventures		**75,861**	67,262
Deferred tax assets		**567,344**	492,111
Financial assets at fair value through profit or loss ("**FVTPL**")	*13*	**9,167,801**	8,954,330
Other non-current assets		**102,293**	1,054,942
Biological assets		**1,123,566**	937,985
Total Non-current Assets		**41,739,069**	40,693,101
Current Assets			
Inventories		**3,891,949**	3,952,560
Contract costs		**778,226**	678,759
Biological assets		**1,045,321**	1,037,275
Amounts due from related parties		**59,758**	122,955
Trade and other receivables	*14*	**9,237,398**	7,590,361
Contract assets	*14*	**1,234,327**	1,048,155
Income tax recoverable		**5,415**	15,989
Financial assets at FVTPL	*13*	**81,608**	2,000
Derivative financial instruments	*17*	**—**	135,636
Other current assets		**1,659,381**	1,427,795
Pledged bank deposits		**1,642**	1,837
Bank balances and cash		**9,585,040**	7,983,904
Total Current Assets		**27,580,065**	23,997,226
Total Assets		**69,319,134**	64,690,327

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION — Continued

As at June 30, 2023

	Notes	**As at June 30, 2023** *RMB'000* **(Unaudited)**	As at December 31, 2022 *RMB'000* (Audited)
Capital and Reserves			
Share capital	*18*	**2,968,122**	2,960,527
Reserves		**46,857,163**	43,629,426
Equity attributable to owners of the Company		**49,825,285**	46,589,953
Non-controlling interests		**373,497**	336,720
Total Equity		**50,198,782**	46,926,673
Liabilities			
Non-current Liabilities			
Borrowings		**397,857**	279,086
Deferred tax liabilities		**409,313**	440,462
Deferred income		**885,096**	910,922
Lease liabilities		**1,064,927**	983,819
Convertible bonds-debt component	*16*	**—**	501,990
Convertible bonds-embedded derivative component	*16*	**—**	147,934
Other long-term liabilities		**—**	80
Total Non-current Liabilities		**2,757,193**	3,264,293
Current Liabilities			
Trade and other payables	*15*	**7,092,142**	7,253,439
Amounts due to related parties		**18,689**	14,498
Derivative financial instruments	*17*	**1,026,910**	115,443
Contract liabilities		**3,188,410**	2,496,637
Borrowings		**4,024,196**	3,874,120
Lease liabilities		**193,683**	205,335
Income tax payables		**819,129**	517,797
Other current liabilities		**—**	22,092
Total Current Liabilities		**16,363,159**	14,499,361
Total Liabilities		**19,120,352**	17,763,654
Total Equity and Liabilities		**69,319,134**	64,690,327

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2023

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 WuXi AppTec Ltd. 無錫藥明康德新藥開發有限公司 (formerly known as WuXi PharmaTechs Co., Ltd. 無錫藥明康德組合化學有限公司), 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) on May 2, 2018. The Company completed its public offering and listing of 116,474,200 ordinary shares of the Company ("**H Shares**") (stock code: 2359.HK) on December 13, 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. As at June 30, 2023, the Company is ultimately controlled by Dr. Ge Li, Mr. Zhaohui Zhang and Mr. Xiaozhong Liu, who are all acting in concert.

The Company is an investment holding company. 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, cell therapies and gene therapies as well as providing testing services for medical devices.

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

2. BASIS OF PREPARATION

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 Appendix 16 to 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 accounting policies resulting from application of new and 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, 2023 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2022.

3. APPLICATION OF AMENDMENTS TO IFRSs

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after January 1, 2023 for the preparation of the Group's condensed consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendment to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules

The application of the new and amendments to IFRSs in the current interim 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.

4. OPERATING SEGMENT INFORMATION

The Group's revenue streams are categorized as follows:

WuXi Chemistry	Integrating the chemistry business-related resources and capabilities, including WuXi STA ("**合全藥業**"), the Chemistry Service Unit ("**CSU**"), the International Discovery Service Unit ("**IDSU**") and the Core Analytical Service ("**CAS**") business units to offer new drug CRDMO services to customers.
WuXi Testing	Integrating the pre-clinical and clinical resources and capabilities of the Group, such as Lab Testing Division, WuXi Clinical ("**康德弘翼**") (Clinical Development Services business) and MedKey ("**藥明津石**") (SMO business) to serve global customers in pharmaceutical, biopharmaceutical, medical device, and in vitro diagnostic sectors.
WuXi Biology	Integrating the cutting-edge technologies of the Group in DNA-encoded Library ("**DEL**"), biology, oncology and immunology to provide global customers with integrated drug discovery and research services.
WuXi ATU	Capitalizing on the resources and capabilities in the PRC, the U.S. and the United Kingdom to provide customers with integrated cell and gene therapy CTDMO services including testing, process development and manufacturing.
WuXi DDSU	Based on customers' needs, providing customers with integrated new drug R&D services with a focus on patent creation, developing small molecule new drugs with internationally advanced level, and empowering the R&D of domestic pharmaceutical enterprises.
Others	Others mainly including the income streams from administrative services, sales of raw materials and sales of scrap materials.

Segment revenue and results

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

	Six months ended June 30, 2023 (Unaudited)						
	WuXi Chemistry	WuXi Testing	WuXi Biology	WuXi ATU	WuXi DDSU	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	**13,467,203**	**3,091,000**	**1,232,635**	**713,627**	**341,987**	**24,833**	**18,871,285**
Segment results	**5,906,602**	**1,118,601**	**483,040**	**(57,864)**	**95,907**	**9,399**	**7,555,685**
Unallocated amount:							
Other income							**439,801**
Other gains and losses							**1,061,153**
Impairment losses under ECL model, net of reversal							**(101,700)**
Impairment losses recognized on 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							**(101,066)**
Profit before tax							**6,395,213**

	Six months ended June 30, 2022 (Unaudited)						
	WuXi Chemistry	WuXi Testing	WuXi Biology	WuXi ATU	WuXi DDSU	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	12,974,122	2,605,046	1,090,655	615,404	455,073	15,958	17,756,258
Segment results	5,072,388	871,189	416,608	(57,728)	116,166	8,202	6,426,825
Unallocated amount:							
Other income							240,549
Other gains and losses							1,389,885
Impairment losses under ECL model, net of reversal							(58,750)
Selling and marketing expenses							(355,614)
Administrative expenses							(1,307,811)
R&D expenses							(657,200)
Share of results of associates							(70,835)
Share of results of joint ventures							1,434
Finance costs							(67,621)
Profit before tax							5,540,862

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.

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:

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
— U.S.	**12,374,825**	11,842,646
— PRC	**3,226,906**	3,056,023
— Europe	**2,224,958**	1,869,609
— Rest of the world	**1,044,596**	987,980
	18,871,285	17,756,258

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

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

	As at June 30, 2023	As at December 31, 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
— PRC	**26,052,191**	24,890,891
— Rest of the world	**5,951,733**	5,599,453
	32,003,924	30,490,344

Non-current assets excluding deferred tax assets, certificates of deposits and financial assets at FVTPL.

5. REVENUE

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major service lines. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 below.

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

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
— WuXi Chemistry	**13,467,203**	12,974,122
— WuXi Testing	**3,091,000**	2,605,046
— WuXi Biology	**1,232,635**	1,090,655
— WuXi ATU	**713,627**	615,404
— WuXi DDSU	**341,987**	455,073
— Others	**24,833**	15,958
	18,871,285	17,756,258

Timing of revenue recognition

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Over time		
— WuXi Chemistry	**2,881,969**	2,656,411
— WuXi Testing	**3,091,000**	2,605,046
— WuXi Biology	**1,232,635**	1,090,655
— WuXi ATU	**710,967**	607,096
— WuXi DDSU	**341,987**	455,073
— Others	**18,529**	11,137
At a point in time		
— WuXi Chemistry	**10,585,234**	10,317,711
— WuXi ATU	**2,660**	8,308
— Others	**6,304**	4,821
	18,871,285	17,756,258

6. OTHER INCOME

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income on bank balances	**197,359**	69,575
R&D grants and others related to		
— asset (i)	**63,886**	33,071
— income (ii)	**162,122**	128,142
Dividend income arising from financial assets at FVTPL	**16,434**	9,761
	439,801	240,549

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.

7. OTHER GAINS AND LOSSES

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange gain	**398,500**	206,590
Gain on deemed disposal of subsidiaries	**—**	125,445
Loss on disposal of plant and equipment and right-of-use assets	**(6,360)**	(5,652)
Gain on financial assets at FVTPL (realized)	**372,567**	165,933
(Loss) gain on financial assets at FVTPL (unrealized)	**(46,474)**	149,778
Gain on derivative financial instruments	**40,174**	274,509
Gain on biological assets	**311,620**	477,842
Gain on share-based appreciation rights	**5,673**	5,137
Others	**(14,547)**	(9,697)
	1,061,153	1,389,885

8. FINANCE COSTS

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expense on borrowings	**69,506**	26,133
Imputed interest expense on payable for acquisition of a subsidiary	**—**	3,064
Interest on lease liabilities	**27,620**	27,162
Effective interest expense on Convertible Bonds	**3,940**	11,262
	101,066	67,621

9. INCOME TAX EXPENSE

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
— PRC	**643,911**	597,570
— Hong Kong	**332,256**	121,564
— U.S.	**(3,804)**	20,085
— Rest of world	**4,396**	3,149
	976,759	742,368
Under (Over) provision in respect of prior years:		
— PRC	**15,397**	27,799
— Rest of world	**(3,554)**	—
	11,843	27,799
Deferred tax:		
— Current period	**49,715**	95,036
	1,038,317	865,203

10. PROFIT FOR THE PERIOD

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

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**1,021,690**	701,388
Depreciation of right-of-use assets	**119,109**	110,883
Amortisation of other intangible assets and other non-current assets	**70,424**	63,499
Staff cost (including directors' emoluments):		
— Salaries and other benefits	**4,883,655**	4,285,738
— Retirement benefit scheme contributions	**610,860**	490,418
— Equity-settled share-based payments	**396,759**	454,578
— Cash-settled share-based payments	**—**	(18,581)
	7,102,497	6,087,923
Capitalized in the ending balance of inventories and contract costs	**(1,734,712)**	(1,533,225)
	5,367,785	4,554,698
Write-down (reversal of write-down) of inventories	**12,617**	(913)
Expense relating to short-term leases	**1,938**	2,034
Expense relating to leases of low-value assets that are not shown above as short-term leases	**3,098**	995
Auditor's remuneration	**5,280**	4,395

11. DIVIDENDS

On May 31, 2023, the 2022 profit distribution plan ("**2022 Profit Distribution Plan**") of the Company was approved at the 2022 AGM. Pursuant to the 2022 Profit Distribution Plan, a final dividend of RMB8.9266 per 10 shares (inclusive of tax) based on the record date for determining the shareholders' entitlement to 2022 Profit Distribution plan was declared to both holders of A Shares and H Shares. The aggregated dividends amounted to RMB2,649,083,545.14 (six months ended June 30, 2022: RMB1,529,441,704.14), which was paid by the Company during the Reporting Period.

The directors of the Company have determined that no dividend will be proposed or declared in respect of the current interim period (six months ended June 30, 2022: nil).

12. 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:

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent	**5,313,120**	4,635,750
Less: Cash dividends attribute to the shareholders of restricted shares expected to be unlocked in the future	**(149)**	(2,868)
Earnings for the purpose of calculating basic earnings per share	**5,312,971**	4,632,882
Effect of dilutive potential ordinary shares:		
Add: Cash dividends attribute to the shareholders of restricted shares expected to be unlocked in the future	**149**	2,868
Effect of share options issued by a subsidiary	**(508)**	(1,428)
Effect of the conversion of the Convertible Bonds	**(36,337)**	(263,533)
Earnings for the purpose of calculating diluted earnings per share	**5,276,275**	4,370,789
Number of Shares ('000):		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**2,936,844**	2,922,374
Effect of dilutive potential ordinary shares:		
Effect of restricted shares and share options issued by the Company	**8,893**	17,882
Effect of the conversion of the Convertible Bonds	**3,576**	11,641
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**2,949,313**	2,951,897

The earnings for the purpose of calculating diluted earnings per share has been adjusted on the effect of share options issued by a subsidiary and the effect of the conversion of the Convertible Bonds.

The computation of diluted earnings per share for the six months ended June 30, 2023 and June 30, 2022 are based on weighted average number of shares assumed to be in issue after taking into account the effect of restricted shares, share options and the conversion of the outstanding Convertible Bonds issued by the Company.

13. FINANCIAL ASSETS AT FVTPL

	As at June 30, 2023 *RMB'000* **(Unaudited)**	As at December 31, 2022 *RMB'000* (Audited)
Current asset		
Structured deposits and financial products	**81,608**	2,000
	81,608	2,000
Non-current assets		
Listed equity securities	**1,119,421**	979,673
Unlisted equity investments	**6,791,327**	6,839,202
Unlisted fund investments	**1,257,053**	1,135,455
	9,167,801	8,954,330

14. TRADE AND OTHER RECEIVABLES/CONTRACT ASSETS

Trade and Other Receivables

	As at June 30, 2023 *RMB'000* **(Unaudited)**	As at December 31, 2022 *RMB'000* (Audited)
Trade receivables		
— third parties	**8,004,720**	6,021,006
Less: Allowance for credit losses	**(255,851)**	(160,253)
	7,748,869	5,860,753
Other receivables	**58,121**	141,066
Note receivable	**8,348**	74,621
Prepayments	**308,891**	290,613
Prepaid expenses	**36,474**	33,280
Value added tax recoverable	**1,053,663**	1,172,714
Deposits	**23,032**	17,314
	1,430,408	1,588,542
Total trade and other receivables	**9,237,398**	7,590,361

The Group allows a credit period ranging from 30 to 90 days to its customers. The following is an aging analysis of trade receivables (net of allowance for credit losses) and note receivable presented based on the invoice dates, at the end of each reporting period:

	As at June 30, 2023	As at December 31, 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 180 days	**6,803,322**	5,273,918
181 days to 1 year	**451,502**	363,683
1 year to 2 years	**376,806**	232,599
More than 2 years	**125,587**	65,174
	7,757,217	5,935,374

Contract Assets

	As at June 30, 2023	As at December 31, 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contract assets	**1,242,814**	1,056,154
Less: Allowance for credit losses	**(8,487)**	(7,999)
	1,234,327	1,048,155

The contract assets primarily relate to the Group's right to the consideration for work completed but not billed. The contract assets are transferred to trade receivables when the rights become unconditional.

15. TRADE AND OTHER PAYABLES

	As at June 30, 2023 *RMB'000* **(Unaudited)**	As at December 31, 2022 *RMB'000* (Audited)
Trade payables	**2,024,904**	1,630,634
Salary and bonus payables	**1,571,356**	1,913,154
Payables for acquisition of plant and equipment	**2,397,750**	2,309,727
Accrued expenses	**686,651**	650,895
Other taxes payable	**160,165**	364,252
Interest payable	**5,306**	3,409
Note payable	**—**	18,620
Others	**235,955**	238,550
Considerations received from employees for subscribing restricted A shares of the Company under the WuXi AppTec A Share Incentive Plan	**10,055**	124,198
	7,092,142	7,253,439

Payment terms with suppliers are mainly on credit within 90 days from the time when the goods are received from the suppliers. The following is an age analysis of trade payables and note payable presented based on invoice dates at the end of each reporting period:

	As at June 30, 2023 *RMB'000* **(Unaudited)**	As at December 31, 2022 *RMB'000* (Audited)
Within one year	**1,977,470**	1,612,932
1 year to 2 years	**25,745**	21,986
2 years to 3 years	**9,329**	8,223
More than 3 years	**12,360**	6,113
	2,024,904	1,649,254

16. CONVERTIBLE BONDS

On September 17, 2019 (the "**Issue Date**"), the Company issued a five-year zero coupon convertible bonds (the "**Convertible Bonds**") in an aggregate principal amount of USD300,000,000. The conversion period is on or after October 28, 2019 up to the close of business on the date falling 10 working days prior to September 17, 2024 (the "**Maturity Date**") and the price of H shares to be issued in exercise of the right of conversion is initially HK$111.80 per H share. The conversion price is subject to adjustment for, among other things, capital distributions and capitalisation of profits or reserves made by the Company. The conversion price has been adjusted to HK$79.85 per H Share as a result of the approval of the payment of the Profit Distribution and the Capitalization of Reserve by the Shareholders at the 2019 annual general meeting of the Company with effect from June 4, 2020. The conversion price has been further adjusted to HK$66.17 per H Share as a result of the approval of the payment of the Profit Distribution and the Capitalization of Reserve by the Shareholders at the 2020 annual general meeting of the Company with effect from June 8, 2021.

The Convertible Bonds comprise two components:

(a) Debt component was initially measured at fair value. It is subsequently measured at amortised cost using the effective interest method after considering the effect of the transaction costs.

(b) Derivative component comprises conversion options and early redemption options (not closely related to the debt component), which was initially measured at fair value.

The total transaction costs that are related to the issue of the Convertible Bonds were allocated to the debt and derivative components in proportion to their respective fair values.

The total transaction costs relating to the derivative component were charged to profit or loss. Transaction costs relating to the debt component were included in the carrying amount of the debt portion and amortised over the period of the Convertible Bonds using the effective interest method.

The movement of the debt and derivative components of Convertible Bonds for the Reporting Period is set out as below:

	Debt component *RMB'000*	**Embedded derivative component** *RMB'000*	**Total** *RMB'000*
As at January 1, 2023 (Audited)	501,990	147,934	649,924
Exchange adjustments	(6,647)	(1,954)	(8,601)
Interest charge	3,940	—	3,940
Gain arising on changes of fair value	—	(40,174)	(40,174)
Conversion due to exercise the early redemption option	(74,161)	(2,689)	(76,850)
Conversion of convertible bonds into shares	(425,122)	(103,117)	(528,239)
As at June 30, 2023 (Unaudited)	—	—	—

During the Reporting Period, convertible bonds with a nominal value of USD61,400,000 (December 31, 2022: USD26,700,000) have been converted to 7,278,444 shares (December 31, 2022: 3,165,059 shares) of the Company by the bond holders, as a result, the debt component of the convertible bonds of RMB425,122,000 (December 31, 2022: RMB186,765,000) and the embedded derivative component of the convertible bonds of RMB103,117,000 (December 31, 2022: RMB53,372,000) have been transferred to equity upon the conversion.

The Company has exercised its option to redeem all the then outstanding Bonds in full on April 4, 2023 at the price of USD104,519.38 for each USD100,000 principal amount in accordance with the terms and conditions of the Convertible Bonds. Accordingly, there are no outstanding Convertible Bonds in issue following the abovementioned redemption.

17. DERIVATIVE FINANCIAL INSTRUMENTS

	As at June 30, 2023 *RMB'000* **(Unaudited)**	As at December 31, 2022 *RMB'000* (Audited)
Current assets		
Derivatives under hedge accounting		
Cash flow hedges — Foreign currency forward contracts	**—**	135,636
Current liabilities		
Derivatives under hedge accounting		
Cash flow hedges — Foreign currency forward contracts	**1,026,910**	115,443

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, 2023	Notional value as at June 30, 2023 *USD'000*	Fair value liabilities as at June 30, 2023 *RMB'000*
Sell USD			
Less than 3 months	6.8081	595,810	257,235
3 to 6 months	6.9390	664,660	164,010
7 to 12 months	6.7849	1,907,364	605,665

	Period ended June 30, 2023		
	Fair value change of derivative financial instruments recognised in other comprehensive income *RMB'000*	Reclassification from other comprehensive income into profit or loss *RMB'000*	Profit or loss item
Cash flow hedges			
Anticipated future sales	(1,123,749)	76,049	Revenue
	(1,123,749)	76,049	

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.

18. SHARE CAPITAL

	RMB'000
Ordinary shares of RMB1.00 each	
At January 1, 2022	2,955,827
Conversion of Convertible Bonds	71
Issue of A shares under the 2019 A Share Incentive Plan — Stock Option	1,113
Repurchase and cancellation of restricted A shares	(217)
As at June 30, 2022 (Unaudited)	2,956,794
Conversion of Convertible Bonds	3,094
Issue of A shares under the 2019 A Share Incentive Plan — Stock Option	639
As at December 31, 2022 (Audited)	2,960,527
Issue of A shares under the 2019 A Share Incentive Plan — Stock Option	979
Conversion of Convertible Bonds	7,278
Repurchase and cancellation of restricted A shares	(662)
As at June 30, 2023 (Unaudited)	**2,968,122**

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"2018 A Share Incentive Plan"	the Restricted A Shares and Stock Option Incentive Plan of 2018 adopted by the Company on August 22, 2018
"2018 Reserved Grant"	the grant of reserved interests subsequent to the initial grant under the 2018 A Share Incentive Plan
"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 Reserved Grant"	the grant of reserved interests subsequent to the initial grant under the 2019 A Share Incentive Plan
"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
"2022 AGM"	the annual general meeting of the Company held on May 31, 2023
"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 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
"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

"2023 Scheme Rules"	the rules of the 2023 Scheme (as amended from time to time)
"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
"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
"Bonds"	USD300 million zero coupon convertible bonds due 2024 of the Company which were previously listed on the Stock Exchange (former Bond name: WXAT B2409; former Bond Stock Code: 6015) up to the closure of business on April 17, 2023
"Board"	our board of Directors
"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 14 to the Listing Rules
"China" or "PRC"	the People's Republic of China, which for the purpose of this interim results announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
"CMC"	Chemical Manufacturing and Control

"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
"Convertible Bonds"	USD300 million zero coupon convertible bonds due 2024 convertible at the option of the holder thereof into fully paid ordinary H Shares of the Company of par value RMB1.00 each at the adjusted conversion price of HK$66.17 per H Share
"COVID-19"	the novel coronavirus pneumonia
"CRDMO"	Contract Research, Development and Manufacturing Organization
"CRO"	Contract Research Organization
"CTDMO"	Contract Testing, Development and Manufacturing Organization
"D&M"	development and manufacturing
"Director(s)"	the director(s) of the Company or any one of them
"EBITDA"	Earnings before Interest, Tax, Depreciation and Amortization
"FVTPL"	Fair Value Through Profit or Loss
"H Share(s)"	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
"HK$"	Hong Kong dollars and cents, both are the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"IND"	investigational new drug
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 to the Listing Rules
"NMPA"	National Medical Products Administration
"PROTAC"	proteolysis targeting chimeras
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2023
"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
"Selected Participant(s)"	any eligible employee who is approved for participation in the 2021 Scheme and 2022 Scheme and has been granted any Award in accordance with the Scheme Rules
"Share Options"	share options granted under the initial grant of the 2019 A Share Incentive Plan
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of Shares
"SMO"	Site Management Organization

"STA"	Shanghai SynTheAll Pharmaceutical Co., Ltd* (上海合全藥業股份有限公司)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"U.S."	the United States of America, its territories, its possession and all areas subject to its jurisdiction
"USD"	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 Testing"	testing business of the Company
"YoY"	year-over-year
"%"	percentage

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

Hong Kong, July 31, 2023

As of the date of this announcement, the Board comprises Dr. Ge Li, Dr. Minzhang Chen, Mr. Edward Hu, Dr. Steve Qing Yang and Mr. Zhaohui Zhang as executive Directors, Mr. Xiaomeng Tong and Dr. Yibing Wu as non-executive Directors and Ms. Christine Shaohua Lu-Wong, Dr. Wei Yu, Dr. Xin Zhang, Ms. Zhiling Zhan and Mr. Dai Feng as independent non-executive Directors.

* *For identification purposes only*